

Komerční banka, a.s.

# REPORT ON REMUNERATION

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FOR THE YEAR

# 2022



Regulatory information

Komerční banka, a.s.

# 1 Introduction

This document constitutes, pursuant to §121o (1) of Act No. 256/2004 Coll., the Act on Capital Market Undertakings, as subsequently amended, the Report on Remuneration of Members of the Board of Directors and of the Supervisory Board for the year 2022 (hereinafter the **“Report on Remuneration”** or the **“Report”**) of Komerční banka, a.s., having its registered office at Prague 1, Na Příkopě 33/969, Postal Code 11407, Company Identification No. 453 17 054, entered in the companies register maintained by the Municipal Court in Prague, in file B 1360 (hereinafter **“KB”** or the **“Bank”**).

The Report on Remuneration is submitted by the Board of Directors to KB's General Meeting and is approved by the General Meeting along with the annual financial statements for the given year. Upon its approval, the Report is published on KB's website, where it will remain available for inspection for a period of ten years.

The principles for remunerating members of KB's Board of Directors and Supervisory Board are defined in a document entitled the Remuneration Policy for Members of the Board of Directors and of the Supervisory Board of Komerční banka, a.s. (hereinafter the **“Remuneration Policy”**), which was approved by the Supervisory Board and by the General Meeting on 18 March 2020 and on 29 June 2020, respectively.

KB's remuneration principles are intended to support the overall strategy and business objectives of KB, prevent the taking on of excessive risk and imprudent conduct, respect clients' rights and interests, support cost efficiency and sustainable growth, and strengthen the value of KB from the perspectives of its employees, shareholders, and other stakeholders by means of a sound and commercially sensitive remuneration policy. The Remuneration Policy is an integral part of KB's strategy in the human resource area as well as of its overall business strategy.

The Report on Remuneration contains information about all members of the Board of Directors and of the Supervisory Board who were subject to the Remuneration Policy during 2022. The Report on Remuneration does not contain information about former members of the Board of Directors and of the Supervisory Board who were not subject to the Remuneration Policy during 2022 but who may nevertheless receive variable components of remuneration under the relevant deferred payment schemes for past periods. The information on the total amount of these variable components was published in the Annual Reports for past years

## 2 Overview of the remuneration components of members of the Board of Directors

In accordance with Chapter III of the Remuneration Policy, remuneration in 2022 for members of KB's Board of Directors consisted of fixed components of remuneration, variable components of remuneration, and pension benefits. Members of KB's Board of Directors do not receive remuneration in the form of share plans.

1. The **fixed components of remuneration** consist of i) fixed monthly remuneration, and ii) financial and non-financial benefits. The fixed components of remuneration for December 2021 paid out in January 2022 are not included in the sum for the year 2022. The fixed components of remuneration for December 2022 paid out in January 2023 are included in the sum for the year 2022.
2. The **awarded variable component of remuneration** will be paid out in accordance with the deferred bonus scheme set out in Chapter 2.3. This remuneration component is awarded based upon the extent of achieving the key performance indicators and the manner and circumstances under which the key performance indicators were achieved. Also, within the context of the managerial culture and conduct assessment, it reflects the given Board member's attitude towards KPI implementation.
3. The **paid variable component** consists of remuneration paid out to a member of the Board of Directors during 2022. It is the variable component of remuneration relating to the KPI rate of achievement during the past periods (i.e., between 2018 and 2021) under the applicable deferred payment schemes for the said periods listed in Chapter 2.4.

### 2.1 Variable component of remuneration – key performance indicators for the year 2022

The key performance indicators (hereinafter the "KPIs") for the given financial year are approved by KB's Supervisory Board. Every key indicator has its weight expressed as a percentage, such that the sum of all KPIs' weights is equal to 100%. The KPIs are divided into quantitative and qualitative indicators, and the sum of all qualitative KPIs' weights is a combined weight of at least 40%:

- **Return on equity (ROE)** is an indicator measuring effectiveness of the invested capital (i.e., how much of the net profit is attributable to each [Czech] crown of the invested capital).
- **Income budget fulfilment** is an indicator that is the ratio of budgeted **net banking income** against net banking income achieved.
- **Budgetary responsibility**, or adherence to the expenditure budget, is measured through a review of actual **OPEX (operating expenses)** and **CAPEX (capital expenses)** against these expenses as budgeted.
- **The ratio of operating costs to income** is measured by the **cost-income ratio (CIR)**.
- **The capital adequacy** ratio reflects the Bank's own resources in relation to risk assets.
- **Market share** monitors the Bank's position on the market for individual products. For 2022, the monitored indicator is **Market share in loans**.
- **Business development** focuses upon fulfilment of the **Bank's strategic priorities, innovations, increase in digitalisation and automation, and development of new products** which will provide clients with digital and innovative experience. The implementation of strategic priorities is measured by the COKR (Company Objectives and Key Results) system.
- **Client satisfaction** is measured from two perspectives: First, by the **Net Promoter Score (NPS)** in the Bank's key segments showing the clients' willingness to recommend KB as a reference bank, and second, by **KB's brand position in comparison with its key competitors**.
- **Employee satisfaction** is measured through the regular **SG Pulse** survey and is expressed by the **Staff Engagement Rate** indicator.
- **Risk management and compliance** concern all risks of the Bank as defined in the **Risk Appetite Statement**. The key indicators monitored are **credit risk** (risk that a customer will not repay the loan, interest, and other charges within the agreed timeframe) as expressed by the **default rate** (the share of non-performing loans in the total loan portfolio), and **operational risk** (the risk of loss to the Bank due to deficiencies or failures in internal processes, human factor, or systems [e.g. IT systems], including the risk of loss due to breach or non-compliance with legal standards). Operational risk is measured by the ratio of operational loss to income. Compliance with regulatory requirements and programmes is also assessed.
- **Managerial culture and conduct** reflect the development of managerial culture in the area under the responsibility of a member of the Board of Directors while taking into account KB values, employee satisfaction, effective management and governance, the talent development programme, succession planning, and the promotion of corporate culture, including environmental, social, and corporate governance (ESG). These are appraised individually by the competent superior manager.
- **The promotion of ESG** (environmental, social, and corporate governance; previously also referred to as CSR) consists, among other things, in the responsible behaviour of the Bank itself and the support and financing of sustainable development activities and participation in charitable activities. The sustainable development goals, which include climate change mitigation targets, are part of the Bank's 2020–2025

Strategic Plan and, like the implementation of other strategic priorities, are measured by the COKR system. For 2022, these goals have been incorporated into the incentive scheme for two members of the Board of Directors and the CEO.

## 2.2 Current KPIs for individual members of the Board of Directors for 2022

The annual assessment as to the results of KPI fulfilment was made by the Supervisory Board at its meeting held on 8 March 2023 in accordance with Chapter 3.1 of the Remuneration Policy.

**Jan Juchelka, Chairman of the Board of Directors and Chief Executive Officer** has 75% of KPIs set at the level of KB Group and 25% set at the level of Société Générale as the parent company.

The objectives regarding KB Group and their weights are as follows:

- Implementation of the strategic and financial plan – 35%
- Risk management and Compliance – 20%
- Managerial culture and conduct – 20%.

Implementation of the strategic and financial plan is further assessed based upon the following indicators and their weights:

- Return on equity (KB Group ROE KN) – 5%
- Cost-income ratio (CIR KN) – 5%
- Implementation of strategic priorities, including those relating to ESG – 25%

The shared objectives at the level of Société Générale as the parent company are linked to the implementation of strategic priorities and are measured by the COKR (Company Objectives and Key Results) system.

The overall KPI achievement rate for 2022 is 105%.

The objectives of **Didier Colin, a member of the Board of Directors**, must be independent of the performance of business areas which he checks. For this reason, 100% of his KPIs are set at the level of KB / KB Group and his objectives do not have a financial and business character. The indicators and their weights are defined as follows:

- Risk management and Compliance – 60%
- Implementation of strategic priorities – 30%
- Managerial culture and conduct – 10%

Risk Management and Compliance are appraised based upon fulfilment of the following indicators and their weights:

- Average rating of KB's loan portfolio – 5%
- Recovery performance – 5%
- Compliance with regulatory requirements – 10%
- Losses from operational risks of KB Group – 10%
- Default rate – 10%
- KB Group Compliance centralization – 10%
- Budgetary responsibility in the risk management area – 10%

The overall KPI achievement rate for 2022 is 103%.

**The remaining members of the Board of Directors** of Komerční banka have 90% of their KPIs set at the level of KB / KB Group and 10% at the level of its parent company Société Générale. Thirty per cent of the set objectives, including those at the level of the parent company Société Générale, are in common; 70% are made up of objectives corresponding to the responsibilities of the given Board member.

The shared objectives are:

- Return on equity (ROE) of SG EURO Division – 5%
- Cost-income ratio (CIR) of SG EURO Division – 5%
- Return on equity (ROE) of KB Group – 5%
- Cost-income ratio (CIR) of KB Group – 5%
- Losses from operational risks of KB Group – 10%

**Miroslav Hiršl** has furthermore these objectives:

- Net banking income (NBI) in the KB group retail banking area – 10%
- Risk management (default rate) – 10%
- Budgetary responsibility in the retail banking area – 10%
- Implementation of strategic priorities – 30%
- Managerial culture and conduct – 10%

The KPI achievement rate for 2022 is 97%.

**David Formánek** has furthermore these objectives:

- Net banking income (NBI) in the KB group corporate and investment banking area – 10%
- Risk management (default rate) – 10%
- Budgetary responsibility in the corporate and investment banking area – 10%
- Implementation of strategic priorities, including ESG – 30%
- Managerial culture and conduct – 10%

The KPI achievement rate for 2022 is 112%.

**Margus Simson** has furthermore these objectives:

- Budgetary responsibility in the technology area – 15%
- Risk management (IT systems availability) – 15%
- Implementation of strategic priorities – 30%
- Managerial culture and conduct – 10%

The KPI achievement rate for 2022 is 99%.

**Jitka Haubová** has furthermore these objectives:

- Risk management (KYC review) – 10%
- Budgetary responsibility in areas under her responsibility – 20%
- Implementation of strategic priorities, including sustainable development priorities – 30%
- Managerial culture and conduct – 10%

The KPI achievement rate for 2022 is 104%.

## 2.3 Deferral scheme regarding the variable component awarded for 2022

Deferral scheme regarding the variable remuneration component for the **Chairman of the Board of Directors** awarded for 2022

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2023	March 2023
	20%	KBTP*	March 2023	March 2024
	12%	in cash	March 2024	March 2024
	12%	in cash	March 2025	March 2025
	12%	KBTP*	March 2026	March 2027
60% deferred part	12%	KBTP*	March 2027	March 2028
	12%	KBTP*	March 2028	March 2029

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the other **members of the Board of Directors** awarded for 2022

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
60% non-deferred part	30%	in cash	March 2023	March 2023
	30%	KBTP*	March 2023	March 2024
	8%	in cash	March 2024	March 2024
	8%	in cash	March 2025	March 2025
	8%	KBTP*	March 2026	March 2027
40% deferred part	8%	KBTP*	March 2027	March 2028
	8%	KBTP*	March 2028	March 2029

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

## 2.4 Deferral scheme regarding the variable component paid out in 2022

### Deferral scheme regarding the variable remuneration component for 2017–2021

Deferral scheme regarding the variable remuneration component for **2017**:

The variable component of the remuneration of the chairman of the Board of Directors for 2017 is deferred by 5 years from the day of awarding the variable remuneration component to the Chairman of the Board of Directors.

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2018	March 2018
	20%	KBTP*	March 2018	Dec 2018
	15%	in cash	March 2019	March 2019
	15%	in cash	March 2020	March 2020
60% deferred part	15%	KBTP*	March 2021	Dec 2021
	15%	KBTP*	March 2023	Dec 2023

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Since 2018, the variable component of the remuneration of all members of the Board of Directors, including the Chairman of the Board of Directors, has, on a uniform basis, been deferred by 5 years from the day of awarding the variable remuneration component to the given member of the Board of Directors.

Deferral scheme regarding the variable remuneration component for the **Chairman of the Board of Directors for 2018**:

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2019	March 2019
	20%	KBTP*	March 2019	March 2020
	12%	in cash	March 2020	March 2020
	12%	in cash	March 2021	March 2021
60% deferred part	12%	KBTP*	March 2022	March 2023
	12%	KBTP*	March 2023	March 2024
	12%	KBTP*	March 2024	March 2025
	12%	KBTP*	March 2024	March 2025

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for **the other members of the Board of Directors for 2018**:

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
60% non-deferred part	30%	in cash	March 2019	March 2019
	30%	KBTP*	March 2019	March 2020
	8%	in cash	March 2020	March 2020
	8%	in cash	March 2021	March 2021
	8%	KBTP*	March 2022	March 2023
40% deferred part	8%	KBTP*	March 2023	March 2024
	8%	KBTP*	March 2024	March 2025

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

The schemes for 2017 and 2018 are included in this report for information purposes only and to complete the picture as to the structure of remuneration and running schemes, because no payment was made from these schemes during 2022.

Deferral scheme regarding the variable remuneration component for the **Chairman of the Board of Directors for 2019:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2020	March 2020
	20%	KBTP*	March 2020	March 2021
	12%	in cash	March 2021	March 2021
	12%	in cash	March 2022	March 2022
	12%	KBTP*	March 2023	March 2024
60% deferred part	12%	KBTP*	March 2024	March 2025
	12%	KBTP*	March 2025	March 2026

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the **other members of the Board of Directors for 2019:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
60% non-deferred part	30%	in cash	March 2020	March 2020
	30%	KBTP*	March 2020	March 2021
	8%	in cash	March 2021	March 2021
	8%	in cash	March 2022	March 2022
	8%	KBTP*	March 2023	March 2024
40% deferred part	8%	KBTP*	March 2024	March 2025
	8%	KBTP*	March 2025	March 2026

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the **Chairman of the Board of Directors for 2020:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2021	March 2021
	20%	KBTP*	March 2021	March 2022
	12%	in cash	March 2022	March 2022
	12%	in cash	March 2023	March 2023
	12%	KBTP*	March 2024	March 2025
60% deferred part	12%	KBTP*	March 2025	March 2026
	12%	KBTP*	March 2026	March 2027

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the **other members of the Board of Directors for 2020:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
60% non-deferred part	30%	in cash	March 2021	March 2021
	30%	KBTP*	March 2021	March 2022
	8%	in cash	March 2022	March 2022
	8%	in cash	March 2023	March 2023
	8%	KBTP*	March 2024	March 2025
40% deferred part	8%	KBTP*	March 2025	March 2026
	8%	KBTP*	March 2026	March 2027

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the **Chairman of the Board of Directors for 2021:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
40% non-deferred part	20%	in cash	March 2022	March 2022
	20%	KBTP*	March 2022	March 2023
	12%	in cash	March 2023	March 2023
	12%	in cash	March 2024	March 2024
	12%	KBTP*	March 2025	March 2026
60% deferred part	12%	KBTP*	March 2026	March 2027
	12%	KBTP*	March 2027	March 2028

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)

Deferral scheme regarding the variable remuneration component for the **other members of the Board of Directors for 2021:**

Ratio between non-deferred and deferred part of variable remuneration component	Payment structure of variable remuneration component		Award of variable remuneration component	Payment of variable remuneration component
	%	Type of instrument		
60% non-deferred part	30%	in cash	March 2022	March 2022
	30%	KBTP*	March 2022	March 2023
	8%	in cash	March 2023	March 2023
	8%	in cash	March 2024	March 2024
	8%	KBTP*	March 2025	March 2026
40% deferred part	8%	KBTP*	March 2026	March 2027
	8%	KBTP*	March 2027	March 2028

\* An instrument linked to the price of the KB share (KB quasi share/KBTP)



# | 3 Overview of the remuneration components for members of the Board of Directors

## 3.1 Fixed remuneration components

For 2022, **Jan Juchelka** received fixed monthly remuneration in the total annual amount of CZK 9,000,000 and benefits and perks in the total annual amount of CZK 290,890.

For 2022, **Didier Colin** received fixed monthly remuneration in the total annual amount of CZK 6,191,244 and benefits and perks in the total annual amount of CZK 2,862,223. In line with Chapter 3.1 of the Remuneration Policy, the benefits and perks also include the benefits associated with his stay abroad arising from his secondment to the Czech Republic.

For 2022, **Miroslav Hiršl** received fixed monthly remuneration in the total annual amount of CZK 4,980,000 and benefits and perks in the total annual amount of CZK 319,831.

For 2022, **David Formánek** received fixed monthly remuneration in the total annual amount of CZK 4,980,000 and benefits and perks in the total annual amount of CZK 274,023.

For 2022, **Margus Simson** received fixed monthly remuneration in the total annual amount of CZK 6,360,000 and benefits and perks in the total annual amount of CZK 887,250.

For 2022, **Jitka Haubová** received fixed monthly remuneration in the total annual amount of CZK 4,761,000 and benefits and perks in the total annual amount of CZK 270,352.

## 3.2 Variable remuneration components

The variable remuneration component for performance in 2022 will be paid out in accordance with the deferral scheme between 2023 and 2029.

The variable amounts for performance on the Board of Directors in the past periods paid out in 2022 are listed below. To pay out the variable remuneration components regarding performance for the past periods to the members of the Board of Directors, the Bank used the schemes applicable to the division of the variable component of the given year as stated above. In 2022, there were no conditions which would necessitate the application of malus or claw-back of a variable remuneration component or part thereof.

In 2022, **Jan Juchelka** received a deferred variable remuneration component in the amount of CZK 1,233,600 relating to 2019, a deferred variable remuneration component in the amount of CZK 1,356,090 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 2,837,325 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 3,129,000 relating to 2021.

In 2022, **Didier Colin** received a deferred variable remuneration component in the amount of CZK 359,631 relating to 2019, a deferred variable remuneration component in the amount of CZK 299,213 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,469,015 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,387,155 relating to 2021.

In 2022, **Miroslav Hiršl** received a deferred variable remuneration component in the amount of CZK 280,000 relating to 2019, a deferred variable remuneration component in the amount of CZK 215,200 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,012,966 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,005,000 relating to 2021.

In 2022, **David Formánek** received a deferred variable remuneration component in the amount of CZK 268,000 relating to 2019, a deferred variable remuneration component in the amount of CZK 215,200 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,012,966 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,032,000 relating to 2021.

In 2022, **Margus Simson** received a deferred variable remuneration component in the amount of CZK 356,000 relating to 2019, a deferred variable remuneration component in the amount of CZK 277,600 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,307,245 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,650,000 relating to 2021.

In 2022, **Jitka Haubová** received a deferred variable remuneration component in the amount of CZK 148,800 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 700,826 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,005,000 relating to 2021.

## 3.3 Information on remuneration provided from within KB Group

In 2022, the members of the Board of Directors did not receive any remuneration from within KB Group.

### 3.4 Extra reward

The members of KB's Board of Directors were not provided with any extra reward in 2022.

### 3.5 KB pension benefits

In line with Chapter V of the Remuneration Policy, KB in 2022 provided the members of the Board of Directors who are citizens of the Czech Republic with a monthly contribution towards an additional pension savings plan or towards a supplementary pension plan with state contribution.

For 2022, **Jan Juchelka** received from KB a contribution towards the supplementary pension plan with state contribution in the amount of CZK 614,461.

For 2022, **Miroslav Hiršl** received from KB a contribution towards the supplementary pension plan with state contribution in the amount of CZK 262,261.

For 2022, **David Formánek** received from KB a contribution towards the supplementary pension plan with state contribution in the amount of CZK 262,436.

In 2022, **Jitka Haubová** received from KB a contribution towards the supplementary pension plan with state contribution in the amount of CZK 231,547.

### 3.6 Total remuneration paid in 2022

In line with Chapter 3.1 of the Remuneration Policy, the total remuneration includes all fixed remuneration components paid out in 2022, all variable remuneration components paid out in 2022 for performance on the Board of Directors in the past periods, the variable remuneration provided from within KB Group, extra rewards, and KB pension benefits. The total remuneration is paid in accordance with the Remuneration Policy to support KB's long-term interests and sustainable development, particularly through the variable remuneration components, which are paid out in accordance with the deferred bonus scheme set out in Chapter 2.3 and based upon the extent of achieving the key performance indicators and the manner and circumstances under which the key performance indicators were achieved.

For 2022, **Jan Juchelka** received fixed monthly remuneration in the total annual amount of CZK 9,000,000, benefits and perks in the total annual amount of CZK 290,890, a deferred variable remuneration component in the amount of CZK 1,233,600 relating to 2019, a deferred variable remuneration component in the amount of CZK 1,356,090 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 2,837,325 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 3,129,000 relating to 2021, and a contribution from KB towards the supplementary pension plan with state contribution in the amount of CZK 614,461, which means a total of CZK 18,461,366 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of Jan Juchelka in 2022. Jan Juchelka

did not receive any extra reward or remuneration from within KB Group for the year 2022.

For 2022, **Didier Colin** received fixed monthly remuneration in the total annual amount of CZK 6,191,244, and benefits and perks in the total annual amount of CZK 2,862,223. In line with Chapter 3.1 of the Remuneration Policy, the benefits and perks also include the benefits associated with his stay abroad arising from his secondment to the Czech Republic. Furthermore, Didier Colin received a deferred variable remuneration component in the amount of CZK 359,631 relating to 2019, a deferred variable remuneration component in the amount of CZK 299,213 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,469,015 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,387,155 relating to 2021, which means a total of CZK 12,568,481 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of Didier Colin in 2022. Didier Colin did not receive any extra reward or remuneration from within KB Group for the year 2022.

For 2022, **Miroslav Hiršl** received fixed monthly remuneration in the total annual amount of CZK 4,980,000, benefits and perks in the total annual amount of CZK 319,831, a deferred variable remuneration component in the amount of CZK 280,000 relating to 2019, a deferred variable remuneration component in the amount of CZK 215,200 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,012,966 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,005,000 relating to 2021, and a contribution from KB towards the supplementary pension plan with state contribution in the amount of CZK 262,261, which means a total of CZK 8,075,258 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of Miroslav Hiršl in 2022. Miroslav Hiršl did not receive any extra reward or remuneration from within KB Group for the year 2022.

For 2022, **David Formánek** received fixed monthly remuneration in the total annual amount of CZK 4,980,000, benefits and perks in the total annual amount of CZK 274,023, a deferred variable remuneration component in the amount of CZK 268,000 relating to 2019, a deferred variable remuneration component in the amount of CZK 215,200 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,012,966 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,032,000 relating to 2021, and a contribution from KB towards the supplementary pension plan with state contribution in the amount of CZK 262,436, which means a total of CZK 8,044,625 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of David Formánek in 2022. David Formánek did not receive any extra reward for the year 2022 or remuneration from within KB Group for the year 2022.

For 2022, **Margus Simson** received fixed monthly remuneration in the total annual amount of CZK 6,360,000, benefits and perks in the total annual amount of CZK 887,250, a deferred variable remuneration component in the amount of CZK 356,000 relating to 2019, a deferred variable remuneration component in the



amount of CZK 277,600 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 1,307,245 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,650,000 relating to 2021, which means a total of CZK 10,838,095 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of Margus Simson in 2022. Margus Simson did not receive any extra reward or remuneration from within KB Group for the year 2022.

For 2022, **Jitka Haubová** received fixed monthly remuneration in the total annual amount of CZK 4,761,000, benefits and perks in the total annual amount of CZK 270,352, a deferred variable remuneration component in the amount of CZK 148,800 relating to 2020, a non-deferred variable remuneration component in the amount of CZK 700,826 relating to 2020, and a non-deferred variable remuneration component in the amount of CZK 1,005,000 relating to 2021, a contribution from KB towards the supplementary pension plan with state contribution in the amount of CZK 231,547, which means a total of CZK 7,117,525 due for the year 2022. No conditions which would necessitate the application of a malus or claw-back of a variable remuneration component or a part thereof occurred in respect of Jitka Haubová in 2022. Jitka Haubová did not receive any extra reward or remuneration from within KB Group for the year 2022.

### 3.7 Total remuneration change

Pursuant to §121p (1) of Act No. 256/2004 Coll., the Act on Capital Market Undertakings, as subsequently amended, the Report must present the changes in the total remuneration of the members of the Board of Directors in the past periods, i.e., between years 2022 / 2021 and 2021 / 2020. More detailed information on the remuneration structure in 2021 and 2020 is available in the respective Reports on Remuneration.

The annual change in the total remuneration of **Jan Juchelka** paid in 2022 compared to the total remuneration paid in 2021 was +7.3%. The annual change is based upon cumulation of variable remuneration components, which were paid in line with the deferred schemes applicable as stated above. The annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020 was +11.7%. The annual change was based upon the difference in the number of variable remuneration payments. There were 3 periods in 2020 (for 2017–2019) and 4 periods in 2021 (for 2017–2020)

The annual change in the total remuneration of **Didier Colin** paid in 2022 compared to the total remuneration paid in 2021 was +4.1%. The annual change is based upon the increase of fixed monthly remuneration linked to the new responsibility for compliance and change of the variable remuneration components, which were paid in line with the deferred schemes applicable as stated above. The annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020 was –0.5%. The annual change was based upon the change in the calculation of the fixed component of the remuneration of the seconded worker due to the legislative abolition of the super gross salary and the different number of payments of the variable remuneration component. There were 3 periods in 2020 (for 2017–2019) and 4 periods in 2021 (for 2017–2020).

The annual change in the total remuneration of **Miroslav Hiršl** paid in 2022 compared to the total remuneration paid in 2021 was +3%. The annual change was based upon cumulation of variable remuneration components, which were paid in line with the deferred schemes applicable as stated above. The annual change in the total amount of remuneration paid in 2021 was +16.9% compared to the total remuneration paid in 2020. The annual change was based upon the different number of variable remuneration payments. In 2020, there were 2 periods (for 2018–2019) and in 2021 there were 3 periods (for 2018–2020).

The annual change in the total of remuneration of **David Formánek** paid in 2022 compared to the total remuneration paid in 2021 was +3.4%. The annual change was based upon cumulation of variable remuneration components, which were paid in line with the deferred schemes applicable as stated above. The annual change in the total amount of remuneration paid in 2021 compared to the total remuneration paid in 2020 was +5.1%. The annual change was based upon the different number of variable remuneration payments. In 2020, there were 2 periods (for 2018–2019) and in 2021 there were 3 periods (for 2018–2020).

The annual change in the total remuneration of **Margus Simson** paid in 2022 compared to the total remuneration paid in 2021 was +9.1%. The annual change is based upon the different number of variable remuneration payments. In 2022, there were 3 periods (for 2019–2021) whereas in 2021 there were 2 periods (for 2019–2020). The annual change in the total amount of remuneration paid in 2021 compared to the total remuneration paid in 2020 was +16.1%. The annual change is based upon the different number of variable remuneration payments. In 2020, there was 1 period (for 2019) and in 2021 there were 2 periods (for 2019–2020).

The annual change in the total remuneration of **Jitka Haubová** paid in 2022 compared to the total remuneration paid in 2021 was +31.4%. The annual change was based upon the increase of fixed monthly remuneration and upon different number of variable remuneration payments. In 2021, she was paid the non-deferred variable component for 2020 only; in 2022, she received payments for 2020 and 2021. Number of variable remuneration payments depends on the length of service on the Board of Directors, and therefore Jitka Haubová has been awarded deferred variable components only since 2020. The annual change in the total amount of remuneration paid in 2021 compared to the total remuneration paid in 2020 was +104.2%. The annual change was based upon the different length of service on the Board of Directors in the years under review (7 months in 2020 and 12 months in 2021) and on the different number of variable remuneration payments (in 2020 she was not paid any variable remuneration, and in 2021 she was paid the non-deferred variable component for 2020).

### 3.8 Ratio between variable and fixed remuneration components paid out in 2022

In line with Chapter 3.1 of the Remuneration Policy, the ratio between the variable remuneration component and the fixed remuneration component includes all fixed remuneration components paid out in 2022, that is, the fixed monthly remuneration and the benefits and perks provided by Komerční banka in the form of monetary and non-monetary consideration with the exception KB pension benefits. The variable remuneration components include all variable amounts paid out in 2022 for performance on the Board of Directors in past periods within the framework of the relevant deferred bonus schemes.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **Jan Juchelka** in 2022 is 92.1%. The variable components include the relevant deferred remuneration for the years 2019–2020 and the non-deferred part of the 2021 remuneration due in 2022.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **Didier Colin** in 2022 is 38.8%. The variable components include the relevant deferred remuneration for the years 2019–2020 and the non-deferred part of the 2021 remuneration due in 2022.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **Miroslav Hiršl** in 2022 is 47.4%. The variable components include the relevant deferred remuneration for the years 2019–2020 and the non-deferred part of the 2021 remuneration due in 2022.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **David Formánek** in 2022 is 48.1%. The variable components include the relevant deferred remuneration for the years 2019–2020, and the non-deferred part of the 2021 remuneration due in 2022.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **Margus Simson** in 2022 is 49.5%. The variable components include the relevant deferred remuneration for the years 2019–2020 and the non-deferred part of the 2021 remuneration due in 2022.

The ratio between the variable remuneration components and the fixed remuneration component paid out to **Jitka Haubová** in 2022 is 36.9%. The variable components include the relevant deferred remuneration for the year 2020 and the non-deferred part of the 2021 remuneration due in 2022.

The variable remuneration component for the performance in 2022 awarded by the Supervisory Board on 8 March 2023 will be paid out according to the deferral scheme between 2023 and 2029 and will therefore be included in the ratio of the paid variable components in the following periods. The variable remuneration component awarded for 2022 did not exceed 200% of the fixed remuneration component for any member of the Board of Directors and is in line with point III of the Remuneration Policy.

## | 4 Overview of the remuneration components of members of the Supervisory Board

In accordance with Chapter 3.2 of the Remuneration Policy, remuneration of the members of KB's Supervisory Board consists only of a fixed monthly remuneration and a fixed fee which depends upon the attendance at Supervisory Board meetings. The Chairman of the Supervisory Board is entitled to a supplement of 150% of the maximum annual remuneration of a member of the Supervisory Board. These fixed remuneration components make up 100% of the total remuneration of the Supervisory Board members associated with their service as Supervisory Board members including the control of KB's long-term interests and sustainable development. The chair of the Audit Committee is also entitled to a fixed monthly remuneration and a fixed fee depending on the attendance at the committee meetings.

### 4.1 Fixed remuneration components paid in 2022

**Giovanni Luca Soma, the Chairman of the Supervisory Board** is an employee of Soci t  G n rale. The fixed remuneration components for 2022 totalling CZK 825,000 were paid to Soci t  G n rale.

**Petra Wendelov , the Vice-Chair of the Supervisory Board and Chairperson of the Audit Committee** received fixed remuneration components totalling CZK 630,000 for 2022.

**C cile Camilli, a member of the Supervisory Board**, is an employee of Soci t  G n rale. The fixed remuneration components for 2022 totalling CZK 315,000 were paid to Soci t  G n rale.

**Petr Dvoř k, a member of the Supervisory Board and Chairman of the Nominations Committee and Remuneration Committee**, received fixed remuneration components totalling CZK 330,000 for 2022.

**Alvaro Heute Gomez, a member of the Supervisory Board** is an employee of Soci t  G n rale. For 2022 he received fixed remuneration components totalling CZK 330,000, which were paid to Soci t  G n rale.

**Ondřej Kudrna, a member of the Supervisory Board**, received fixed remuneration components totalling CZK 330,000 for 2022.

**Sylva Kynychov , a member of the Supervisory Board**, received fixed remuneration components totalling CZK 330,000 for 2022.

**Vojtřch řmajer, a member of the Supervisory Board**, received fixed remuneration components totalling CZK 330,000 for 2022.

**Jarmila řpřrov , a member of the Supervisory Board** is an employee of Soci t  G n rale. For 2022 she received fixed remuneration components totalling CZK 330,000, which were paid to Soci t  G n rale.

### 4.2 Information on remuneration provided from within KB Group

The overview below shows all types of remuneration provided to or due to members of the Supervisory Board in the 2022 reporting period by the Bank's subsidiaries which are part of KB Group:

**Petr Dvoř k** received fixed remuneration components totalling CZK 313,500 for 2022 for his service as **Chairman of the Audit Committee** of Modr  pyramidu stavebn  spořitelna, a.s

The other members of the Supervisory Board did not receive any remuneration from within KB Group in 2022.

### 4.3 Total remuneration change

Pursuant to ř121p (1) of Act No. 256/2004 Coll., the Act on Capital Market Undertakings, as subsequently amended, the Report must present the changes in the total remuneration of the members of the Supervisory Board in the past periods, i.e., between years 2022 / 2021 and 2021 / 2020. More detailed information on the remuneration structure in 2021 and 2020 is available in respective Reports on Remuneration.

The annual change in the total remuneration of **Giovanni Luca Soma, the Chairman of the Supervisory Board** paid in 2022 compared to the total remuneration paid in 2021 was +28%. The annual change reflected the chairmanship bonus paid to the Chairman of the Supervisory Board for the whole of 2022. Giovanni Luca Soma has been Chairman of the Supervisory board since 3 May 2021. The annual change in the total amount of remuneration paid in 2021 compared to the total remuneration paid in 2020 was +95%. The annual change reflected the chairmanship supplement paid to the Chairman of the Supervisory Board.

There was no annual change in the total remuneration of **Petra Wendelov , the Vice-Chair of the Supervisory Board and Chairperson of the Audit Committee**, paid in 2022 compared to the total remuneration paid in 2021. The annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020 was -1.6%. The annual change was due to the lower number of Audit Committee meetings.

The annual change in the total of remuneration of **Cécile Camilli, a member of the Supervisory Board** paid in 2022 compared to the total remuneration paid in 2021 was -21%. The annual change reflects the additional payment of attendance fees for 2020 paid in 2021 and lower number of meetings attended by Cécile Camilli in 2022. The annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020 was +50%. The annual change reflected the additional payment of attendance fees for 2020 paid in 2021.

There was no annual change in the total remuneration of **Petr Dvořák, a member of the Supervisory Board and Chairman of the Nominations Committee and Remuneration Committee** paid in 2022 compared to the total remuneration paid in 2021. There was no annual change in the total remuneration amount paid in 2021 compared to the total remuneration paid in 2020.

Given that **Alvaro Heute Gomez** was not a member of the Supervisory Board for the whole of 2021, the annual change in the total remuneration paid in 2022 compared to the total remuneration paid in 2021 was +58%. The annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020 was not calculated as Alvaro Heute Gomez had not been a member of the Supervisory Board in 2020.

There was no annual change in the total remuneration of **Ondřej Kudrna, a member of the Supervisory Board** paid in 2022 compared to the total remuneration paid in 2021. There was no annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020.

There was no annual change in the total remuneration of **Sylva Kynychová, a member of the Supervisory Board**, paid in 2022 compared to the total remuneration paid in 2021. There was no annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020.

There was no annual change in the total remuneration of **Vojtěch Šmajer, a member of the Supervisory Board** paid in 2022 compared to the total remuneration paid in 2021. There was no annual change in the total remuneration paid in 2021 compared to the total remuneration paid in 2020.

Given that **Jarmila Špůrová** was not a member of the Supervisory Board for the whole of 2021, the annual change in the total remuneration paid in 2022 compared to the total remuneration paid in 2021 was +58%. The annual change in the total remuneration amount paid in 2021 compared to the total remuneration paid in 2020 was not calculated as Jarmila Špůrová had not been a member of the Supervisory Board in 2020.

#### 4.4 Ratio between variable remuneration and fixed remuneration components in 2022

Given the absence of a variable component, the ratio between the variable remuneration component and the fixed remuneration component of members of the Supervisory Board was not calculated.

#### 4.5 Extra payments

Members of KB's Supervisory Board were not provided any extra payments in 2022.

#### 4.6 KB pension benefits

Members of the Supervisory Board have no KB pension benefits for their membership of the Supervisory Board.

## | 5 Information on Komerční banka shares and stock options

Members of the Board of Directors and of the Supervisory Board were not provided with or offered any shares or stock options relating to KB shares in 2022.

## | 6 Information on the annual change in average remuneration of KB employees

Pursuant to §121p (1) of Act No. 256/2004 Coll., the Act on Capital Market Undertakings, as subsequently amended, the average remuneration per employee with a fixed weekly working time for 2022 of KB employees other than persons with a significant relationship to KB is CZK 850,651.

The annual change in the average remuneration of employees was +7.88% compared to the average remuneration paid in 2021. The annual change reflected double compensation review in 2022

in consideration of the high inflation in the Czech Republic and with focus on those employees with lower remuneration. In 2022, average remuneration also includes the employer's contributions to the Global Employee Share Ownership Program, which was announced by Société Générale. In 2021, the annual change in the average remuneration of employees was +2.17% compared to the average remuneration paid in 2020.

## | 7 Information on the annual change in KB's financial and non-financial key performance indicators

Pursuant to §121p (1) of Act No. 256/2004 Coll., the Act on Capital Market Undertakings, as subsequently amended, the Report must also present the changes in KB's financial and non-financial key performance indicators in past periods.

In 2022, there was no change compared to 2021 and to 2020 in those financial and non-financial key performance indicators that serve as the basis for decisions about paying variable remuneration to employees.

## | 8 Closing parts of the report on remuneration

### 8.1 Information on deviations from the procedure for implementing remuneration as governed by the Remuneration Policy

All components of remuneration for members of the Board of Directors and of the Supervisory Board were awarded and paid out in accordance with the Remuneration Policy. This Report does not deviate from the Remuneration Policy.



## **INDEPENDENT AUDITOR’S REPORT ON THE ASSURANCE ENGAGEMENT** **To the General Meeting of Komerční banka, a.s.**

### Introduction

In accordance with the agreement to conduct an assurance engagement regarding the Remuneration Report pursuant to the requirements of Section 121q of Act No. 256/2004 Coll., on Capital Market Business, as amended (hereinafter the “Capital Market Business Act”), we have been engaged by the Board of Directors of Komerční banka, a.s. (the “Company”) to conduct an assurance engagement regarding the attached Remuneration Report for the year ended 31 December 2022 (the “Remuneration Report”) prepared by the Company’s Board of Directors and containing the information required by Section 121p (1) of the Capital Market Business Act.

### Subject matter of the assurance engagement and applicable criteria

The subject matter of our engagement was the assessment required by Section 121q of the Capital Market Business Act regarding the assurance whether the Remuneration Report contains the information required by Section 121p (1) of the Capital Market Business Act.

The Auditor’s task is not to verify the factual correctness of the Remuneration Report and the information contained therein.

### Purpose of the report

This independent auditor’s report is intended solely to satisfy the requirements of the Capital Market Business Act and for your information. It may not be used for any other purpose or distributed to any other recipients. The report concerns only the Remuneration Report and cannot be linked to the Company’s financial statements as a whole.

### Responsibility of the Board of Directors

The Company’s Board of Directors is responsible for the preparation of the Remuneration Report in accordance with the applicable requirements of the Capital Market Business Act. The Board of Directors is responsible for the publication of the Remuneration Report on the Company’s website and for ensuring access to it free of charge for at least 10 years from the date of the General Meeting where the Remuneration Report was presented.

The Board of Directors is also responsible for the preparation of financial data and non-financial information as well as for the design, implementation and maintenance of internal control systems and processes and accounting records that are necessary for the preparation of a Remuneration Report that is free of material misstatements and compliant with applicable legal requirements.

### Independent auditor’s responsibility

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) – “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”. In line with these regulations, we are required to comply with ethical standards and plan and perform procedures to obtain limited assurance about the Remuneration Report.

We comply with the International Standard on Quality Control ISQM1 and accordingly maintain a comprehensive system of quality control, including internal policies and procedures regarding compliance with ethical and professional standards and applicable legal regulations.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which defines the fundamental principles of professional ethics, i.e. integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

#### Summary of the work performed

The procedures are selected depending on the auditor's judgment. The performed procedures predominantly include interviewing relevant persons and other procedures the aim of which is obtaining evidence on the Remuneration Report.

The performed assurance constitutes a limited assurance engagement. The nature, timing and scope of procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and therefore the resulting level of assurance is lower.

Our procedures included:

- Understanding the resolution of the General Meeting of the Company regarding the remuneration policy for members of the Board of Directors and the Supervisory Board, as well as other persons under Section 121m (1) of the Capital Market Business Act, as well as any supplementary resolutions of the Supervisory Board and other documents regulating the remuneration policy subject to the disclosure requirement in the Remuneration Report;
- understanding the procedures adopted by the Supervisory Board and the Board of Directors to meet the requirements of the remuneration policy and preparation of the Remuneration Report, and assessment of the application of the applicable criteria for the preparation of the Remuneration Report;
- identifying persons under Section 121m (1) of the Capital Market Business Act, for whom there is a requirement to include information in the Remuneration Report; and
- assessing whether the Remuneration Report contains all information required by Section 121p (1) of the Capital Market Business Act regarding each of the above-identified persons.

We draw your attention to the fact that the Remuneration Report was not subject to the audit of the financial statements and the examination of the annual report in terms of Act No. 563/1991 Coll., on accounting, as amended. In the course of performing the assurance procedures, we have not conducted an audit or review of the financial and non-financial information used in the preparation of the Remuneration Report.

As part of our procedures, however, we assessed whether there are no material inconsistencies between the information presented in the Remuneration Report and the knowledge and understanding we obtained in the course of the audit of the financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion expressed below.

#### Conclusion

Based on the assurance procedures performed and the evidence obtained, we did not find any facts indicating that the Remuneration Report does not contain, in all material respects, the information required by Section 121p (1) of the Capital Market Business Act.

In Prague on 17 March 2023

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

David Batal  
registration no. 2147