



## MINUTES

**of proceedings of the Annual General Meeting (hereinafter only the “General Meeting”) of Komerční banka, a.s. with its registered office at Prague 1, Na Příkopě 33, LR no. 969, postal code 114 07, Corporate ID 45317054, (hereinafter referred to only as the “Company” or the ,Bank”) held on 25 April 2017 from 13:00 in the Large Hall of the Congress Centre of the Czech National Bank, Senovážné náměstí 866/30, Prague 1**

Mr. Pavel Henzl has opened the proceeding at 1.00 p.m. He welcomed persons present and stated that he was appointed by the Board of Directors of the Bank to conduct the General Meeting till election of its Chairman. He has further stated that the proceeding of today’s General Meeting will be conducted in the Czech and the English languages with simultaneous interpretation. For this purpose headphones were distributed to shareholders at the attendance entry for listening of the interpreted speech and set for shareholders for broadcast in the English language to channel 2 and to channel 1 for broadcast in the Czech language, respectively. Documents obtained by shareholders during attendance entry include brief operation manual to the remote control. Mr. Pavel Henzl asked the shareholders to return the complete equipment to the attendance recorders on leaving the meeting.

Mr. Pavel Henzl then introduced attending Members of the Board of Directors, namely Mr. Albert Le Dirac’h, Chairman of the Board of Directors, and further Messrs Vladimír Jeřábek, Libor Löfler, Peter Palečka and Jan Pokorný. He has further stated that Members of the Supervisory Board of the Bank headed by its Chairman Mr. Jean-Luc Parer are also present at the General Meeting. He has further stated that JUDr. Lucie Foukalová, the notary public, who will execute the Notarial Record, is present at the General Meeting. He noted that in compliance with the Articles of Association of the Bank the Board of Directors invited to the General Meeting as guests the representatives of auditor company Deloitte Audit, s.r.o. and has announced that company CENTIN, a.s. was authorized by the Board of Directors of the Company with provision for attendance and voting. He has further noted that according to a valid Act on Banks the excerpt from the issue record executed as at the record day and approved by the Czech National Bank was used for today’s Attendance List.

Mr. Pavel Henzl has then informed that he obtained a report from persons entrusted with counting of votes according to which shareholders with shares of aggregate nominal value representing 79.86 % of the Registered Capital of the Bank are now present at the General Meeting. He has declared that according to applicable wording of the Articles of Association of the Company the General Meeting constitutes a quorum and is competent to adopt resolutions and that no objection has been claimed against exertion of voting rights.

Thereupon he asked shareholders to affix the KB logo they have obtained during attendance recording to a visible place due to their identification. Subsequently, he has opened the proceedings of the General Meeting.

Mr. Pavel Henzl stated that the Notice of the Annual General Meeting was published in daily Mladá Fronta Dnes, on the notice board of KB and on the website of KB on 24 March 2017.

He further stated that the agenda of this General Meeting is mentioned in the Notice of the General Meeting, received by shareholders with other documents for this General Meeting. Also proposed resolutions including reasoning thereof form part of the Notice of the General Meeting.

He has reminded that according to valid Articles of Association of Komerční banka, a.s. the voting is performed by ballot papers which all shareholders obtained with their entry to the Attendance List. First vote is taken 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 time sequence in which they were filed.

Mr. Pavel Henzl has further explained the method of voting at the General Meeting, so that on voting the shareholder will separate the ballot paper with announced sequence number of the respective ballot round. If the shareholder agrees with the proposal suggested, she or he will separate the green ballot; if s/he does not agree, s/he will separate the red ballot; if s/he abstains, s/he will separate the yellow ballot and puts respective ballot paper into the ballot-box with which persons authorized with counting votes will go round the shareholders.

He has further mentioned that the premises of the meeting hall is considered as the premises determined for proceedings of the General Meeting. Upon leaving these premises the shareholders' attendance will be interrupted and it must be re-registered by means of presenting their attendance papers on entering back. If they leave permanently the proceedings of the General Meeting, the attendance papers must be handed in at the attendance registration table.

The quorum and results of voting will be projected at the screen located behind the chairman's table.

Mr. Pavel Henzl has further informed the shareholders that there is an information centre of the General Meeting available in the right section of the meeting hall where employees of Komerční banka, a.s. are ready to answer questions or requests for explanations from shareholders. He has further asked the shareholders to submit there their written proposals, counterproposals, requests for explanations, or eventual objections.

**Approval of the Rule of Procedure and the Rule of Voting of the General Meeting, election of its Chairman, Secretary, verifiers of Minutes and persons authorized with counting votes.**

Mr. Pavel Henzl has subsequently proceeded to the procedural issues on the Agenda of the General Meeting, i.e. "Approval of the Rule of Procedure and Rule of Voting of the General Meeting and election of its Chairman, Secretary, verifiers of Minutes and persons authorized with counting votes (scrutineers)".

He stated that upon their registration in the Attendance List, as the Document No. 1 shareholders have obtained the document with the rule of procedure and role of voting, which only determines

the technical aspect of the voting right and proceedings of the General Meeting. Rules of procedure of the General Meeting including the method of voting at the General Meeting and legal conditions of exercising the voting right are provided in the Articles of Associations of the Bank and the voting technique will be repeated before each ballot.

Mr. Pavel Henzl has then raised a query whether there was or is submitted any written request for explanation, any proposal or counterproposal, or an objection relating to this item on the Agenda. This was not the case.

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

Thereupon he stated that according to data obtained from the scrutineers the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal to be subsequently presented thereat as shareholders holding shares with their aggregate value representing 79.86 % of the Registered Capital of the Bank are present.

Mr. Pavel Henzl has then read the proposal for a resolution as follows:

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

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

After completion of voting, Mr. Pavel Henzl stated that the Resolution No. 1 has been adopted by the required absolute majority of votes - more than 70% of votes of present shareholders voted for the proposal, and that the definite result of voting will be communicated to the attending shareholders during the further course of the General Meeting and will be mentioned in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 1** were announced and read from the record of proceedings by Mr. Pavel Henzl on the closing of the General Meeting as follows:

***For voted shareholders holding 146,024,313 votes, representing 94.278575 % of present number of votes, against voted shareholders holding 43,429 votes, representing 0.028039 %, shareholders holding 260 votes representing 0.000168 % of present number of votes abstained from voting, shareholders holding 8,817,997 votes representing 5.693218 % of present number of votes did not vote or casted an invalid ballot.***

Mr. Pavel Henzl has presented a proposal of the Board of Directors of the Company relating to bodies of the General Meeting as follows: Pavel Henzl as the Chairman of the General Meeting; Marcela Ulrichová as the Secretary; Marie Bartošová as verifier of the Minutes; and persons authorised to count votes as scrutineers being Miroslav Černý and Aleš Babor. He has informed that all these candidates are only elected for the proceedings of this Annual General Meeting and it will be their duty to ensure the due ordinary course of the meeting in accordance with requirements of the law and of the Articles of Association of the Bank.

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

Thereupon Mr. Pavel Henzl stated that according to information of persons authorised to count votes the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal to be subsequently presented thereat as shareholders are present who hold shares with their nominal value representing in aggregate 82.01 % of the Registered Capital of the Bank.

Mr. Pavel Henzl and announced that voting on these proposals will be held “en bloc” in compliance with the Rules of Procedure and the Rules of Voting, i.e. that ballot papers number 2, 3, 4, 5 and 6 will be cast to the ballot-box all at once and that the absolute majority of attending shareholders is required for passing of the proposed Resolution.

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

***Resolution No. 2: The General Meeting elects Mr. Pavel Henzl to the position of the Chairman of the General Meeting.***

***Resolution No. 3: The General Meeting elects Ms. Marcela Ulrichová as the Secretary.***

***Resolution No. 4: The General Meeting elects Ms. Marie Bartošová as the verifier of Minutes.***

***Resolution No. 5: The General Meeting elects Mr. Miroslav Černý as a person authorized to count votes.***

***Resolution No. 6: The General Meeting elects Mr. Aleš Babor as a person authorized to count votes.***

Mr. Pavel Henzl and noted that voting on these proposals will be held at once and the simple majority of present votes is required for approval thereof. Thereupon he invited shareholders for splitting of the ballot papers with the serial number of the voting round 2, 3, 4, 5 and 6, and subsequent dropping the ballots into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the persons authorized to count votes to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting Mr. Pavel Henzl read the preliminary results of voting on the Resolution No. 2 expressed as percentage of votes cast as follows: for the time being over 70 % of votes of present shareholders were cast for election of Chairman Mr. Pavel Henzl, over 70 % of votes of present shareholders were cast for election of Ms. Marcela Ulrichová as the Secretary, over 70 % of

votes of present shareholders were cast for election of Ms. Marie Bartošová as a verifier of Minutes, over 70 % of votes of present shareholders were cast for election of persons authorized to count votes as scrutineers, for election of Mr. Miroslav Černý voted more than 70 % and for Mr. Aleš Babor voted for the time being more than 70 % of the number of votes of present shareholders.

Mr. Pavel Henzl stated that the Resolutions No. 2, 3, 4, 5 and 6, has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders during the further course of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 2 to No. 6** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on the closing of the General Meeting as follows:

***Shareholders holding 146,068,262 votes representing 94.306290 % of present number of votes voted for election of the Chairman, against voted shareholders holding 1,200 votes representing 0.000775 %, shareholders holding 1,260 votes representing 0.000813 % of present number of votes abstained from voting, shareholders holding 8,816,362 votes representing 5.692122 % of present number of votes did not vote or cast an invalid vote.***

***Shareholders holding 146,068,262 votes representing 94.306290 % of present number of votes voted for election of the Secretary, against voted shareholders holding 1,200 votes representing 0.000775 %, shareholders holding 1,260 votes representing 0.000813 % of present number of votes abstained from voting, shareholders holding 8,816,362 votes representing 5.692122 % of present number of votes did not vote or cast an invalid vote.***

***Shareholders holding 146,068,262 votes representing 94.306290 % of present number of votes voted for election of the verifier of the Minutes, against voted shareholders holding 1,200 votes representing 0.000775 %, shareholders holding 1,260 votes representing 0.000813 % of present number of votes abstained from voting, shareholders holding 8,816,362 votes representing 5.692122 % of present number of votes did not vote or cast an invalid vote.***

***Shareholders holding 146,067,848 votes representing 94.306022 % of present number of votes voted for election of Miroslav Černý as scrutineer, against voted shareholders holding 1,200 votes representing 0.000775 %, shareholders holding 1,250 votes representing 0.000807 % of present number of votes abstained from voting, shareholders holding 8,816,786 votes representing 5.692396 % of present number of votes did not vote or cast an invalid vote.***

***Shareholders holding 146,031,048 votes representing 94,282263 % of present number of votes voted for election of Aleš Babor as scrutineer, against voted shareholders holding 1,200 votes representing 0.000775 %, shareholders holding 1,260 votes representing 0.000807 % of present number of votes abstained from voting, shareholders holding 8,853,586 votes representing 5.716155 % of present number of votes did not vote or cast an invalid vote.***

Mr. Pavel Henzl has then thanked for manifested confidence and asked the other elected persons to take up their offices.

## **Item No. 1 – Discussion and approval of the Report of the Board of Directors on business activities of the Bank and on the state of its assets for the year 2016**

Chairman of the General Meeting, Mr. Pavel Henzl, has stated that the Report of the Board of Directors on the business activity forms part of the Annual Report of Komerční banka, a.s. for the year 2016, which the shareholders obtained along with documents for the proceedings of today's General Meeting. The Annual Report was published along with other documents for the general meeting on 24 March 2017. The Consolidated Financial Statements for the year 2016, the Annual Financial Statements for the year 2016, and the Report on Relations between Related Parties for the year 2016 form part of the Annual Report.

Thereupon the Chairman of the General Meeting, Mr. Pavel Henzl, asked Mr. Albert Le Dirac'h, the Chairman of the Board of Directors of the Company, to present a commentary to this item on the Agenda.

The commentary of Mr. Albert Le Dirac'h was illustrated by visual materials that were projected in the hall and which are part of these Minutes.

Mr. Albert Le Dirac'h stated that the whole report formed was enclosed to the Notice of the General Meeting and the shareholders could read it and therefore he only would concentrate on the most important points:

### Slide 3

He stated that KB is developing a universal banking model aimed at meeting the financial **needs of its clients - individuals, small businesses and corporate clients**. In 2016, it continued to support the economies of the Czech Republic and Slovakia through rising volumes of loans both in the segments of individuals and in the businesses segments.

He gave examples of **the most important financial projects** of last year implemented with corporate clients in various economic sectors ranging from the processing, manufacturing and automotive industries, through IT and real estates to the public sector and telecommunications. These examples illustrate the diversity of our partnerships that affect all sectors of the Czech and Slovak economy.

### Slide 4

The banking model of KB focuses on building long-term, mutually beneficial relationships with our clients. These relationships allow us to perceive dynamic changes in **needs and expectations of clients** and to continuously adapt our wide range of products and services to further enhance the satisfaction of our clients. This is the best way to ensure the bank is resilient.

In 2017, the Bank will continue to focus on further developing of our **simple, customer-focused business model** that enables our business activities volumes to grow and provide simple but valuable services, quality counselling and convincing, relevant and innovative offers.

An up-to-date multi-channel distribution concept supporting **the development of digital sales to our clients provides** an easy way to access a wide range of our products and services. In order to provide our clients with a positive experience, it is necessary to continually pay attention to **the availability, reliability and security of our internet and mobile banking**.

The Bank approaches the new **regulatory initiatives** with maximum efficiency to cope with the requirements of regulatory measures that continue to transform the financial sector environment.

**KB's subsidiaries benefit from the Bank's abilities** to distribute its products. At the same time, they develop their own distribution channels whenever appropriate.

To keep the bank competitive in an environment of sudden and often disturbing changes, it continually **streamlines its processes and activities and strengthens its agility**.

**An effective risk management** that demonstrates a balanced approach to all types of risk provides a solid basis for the Group's business operations and enables us to strengthen our market position.

Slide 5

In 2016 business of Komerční banka grew faster than it did with its competitors.

**Growing volumes of loans**, both in the segments of individuals and in business segments, led to an increase in the total volume of loans provided by KB Group by 9 percent - more than the wider market average.

Consolidation of our position in the retail market was reflected in **the growing volume of assets under management** and the growth of market share in deposits, despite intense competition.

Slide 6

In 2016, the Bank received a number of acclaimed awards. It was awarded **the Bank of 2016**, Best Trade Finance Bank, or the Best Retirement Insurance Provider, and ranked as second in the Digital Bank category. We perceive the gain of all these awards as an encouragement to further strengthen our leadership position as a multi-channel, universal bank offering a wide range of products and services and developing mutually beneficial long-term relationships with our clients.

Slide 7

**The number of clients** of Komerční banka remained stable in 2016 when it **exceeded 1.654 million of clients**. Considering the sustained aggressive approach of some smaller players on the market we perceive this as a very good result. This is also an important outcome compared to the position of comparable banks in the market. In connection with wider market trends and cost-cutting initiatives, the Blue Pyramid's clients declined by 6 percent, with Pension company of KB dropping by 2 percent to 534,000.

ESSOX's services attracted 201,000 active clients, representing a decrease by 8 percent.

**The number of branches** of Komerční banka **also remained practically unchanged** (minus five branches). The new branch concept, introduced in 2014, reflects the changing expectations of our clients. The new service concept and layout has proven its value and is valued by clients. At present, the new concept reflects 64 (16 percent) of branches, out **of a total of 391 branches**.

We are constantly improving our value-added offer by strengthening our multi-channel distribution model through a number of initiatives that I would like to mention the following three:

- First, the growing number of the **deposit ATMs** - with 195 deposit ATM devices the network of KB is the largest in the country. The total number of KB ATMs is 768.
- Secondly, **MyMobile Card** - a payment card on a mobile device that allows for contactless payments.
- And finally, securing the online client security by providing - as the first bank in the country - an active protection with IBM's **Trusteer Mobile**. This security tool, created for smartphones and tablets, has become an integral part of the next generation of our Mobile Banking application.

**Direct banking channels** benefit from the support of two call centres, which are being used by more and more clients. Up to 84 percent of KB's client base has already used at least one of the direct

banking channels (such as the Internet or Mobile Banking). Compared with other large banks in the market, these high usage rates confirm a strong position in the digitization of banking services.

#### Slide 8

The very good results of the past year brought a significant increase in **the total volume of loans** granted by the Group, which grew by **8.6 percent**. Loans in the **individuals segment** showed growth in all major categories, including the Blue Pyramid, whose portfolio grew in the last quarter (+5.0 percent).

This growth was mainly supported by **mortgages for individuals**, which grew by **12.2 percent**, and by **consumer loans** with recorded growth of 15.3 percent. After excluding retail portions of PSA Finance portfolios in the Czech Republic and Slovakia acquired in 2016, the consumer credit growth reached **8.4 percent** and clearly outperformed the market average.

**Loans to businesses** grew by **6.2 percent**. Within this group, loans provided to small businesses grew by 4.8 percent. The total volume of loans extended to medium and large corporate clients increased by 6.9 percent, with the total amount of loans and leasing provided by company SGEF increased by 5.6 percent comparing to last year.

#### Slide 9

As far as the **client assets under management** of the KB Group in 2016 are concerned, we have achieved a good deposit growth and have been able to support interest of our clients in investment and savings through non-bank instruments such as mutual funds, pension assets and life insurance.

**Deposits of the Group** have **increased** in the year-on-year comparison by **6.6 percent**. Dynamic, double-digit growth has been achieved in individuals' segments. The volume of bank deposits from individuals rose by 17.7 percent, while business deposits grew by 4.6 percent year-on-year.

#### Slide 10

The year-on-year growth of non-bank **assets under management** reached **8.5 percent**. The volume of pension assets of clients grew by 8.4 percent. The volume of managed assets in mutual funds available through KB increased by 11.8 percent and the technical provisions for life insurance of Komerční pojišťovna grew by 4.9 percent year-on-year.

#### Slide 11

Regarding the key indicators of **consolidated financial results** in accordance with IFRS. The figures for 2015 were adjusted against the data included in the previous annual report to provide a complete set of financial results appropriate for year-on-year comparison.

**Recurring revenues** remained stable due to rising lending and deposit volumes that suppressed the undesirable effect of persisting low interest rates.

With the usual attention paid to costs, KB managed to cut **operating expenses** by 2.3 percent.

The total **cost of the risk exposure** increased compared to the very low value achieved in the previous year in connection with two extraordinary corporate cases in 2016. Overall, we can say that our credit portfolio maintains its high quality.

**Profit attributable to shareholders Bank** amounted to a total of CZK 13.688 billion, i.e. up by 7.3 percent comparing to the year 2015, partly as a result of a one-off decrease in the value of the real estate portfolio in the previous year combined with a one-time income from VISA Europe transection

and an income from the sale of KB's shareholding in Cataps company in connection with establishing of partnership of the KB SmartPay Alliance with the Worldline Group.

**EPS (earnings-per-share)** increased by 7.2 percent to CZK 72.

#### Slide 12

Regarding the shift in **capital requirements**, as they were introduced by the Czech National Bank last year, and our response to this surprising step, let's firstly consider the basic characteristics of the **capital adequacy**. The value of this parameter is determined by banking regulators (the CNB the Czech Republic) and capital adequacy serves to ensure the stability and efficiency of financial systems worldwide by requiring banks to cover their risk exposures associated with banking business by owning a specified minimum proportion of their capital.

**Regulatory capital**, which is the numerator of the aforementioned ratio, represents the capital of the bank, its reserves, alternative capital (not applicable to KB) and retained earnings.

The **risk-weighted assets** are the denominator of such ratio. Full 85 percent of this denominator represents the credit exposure, 5 percent the capital market operations, and 10 percent the operational risk associated with banking activity as such.

#### Slide 13

If the bank does not achieve the required level of **capital adequacy**, it has the following significant consequences:

- Firstly, the payment of dividends to shareholders will be discontinued;
- Secondly, payments of the variable component of staff rewards will be stopped;
- Thirdly, the payment of alternative capital money coupons (not applicable to KB) will be stopped;
- Fourthly, a plan of remedial measures such as a capital increase or the portfolio credit risk limitation (risk-weighted assets) must be implemented in a crisis mode under the supervision of the regulator.

Complying with this mandatory requirement means provision of an internal reserve beyond the required regulatory minimum.

#### Slide 14

**Capital requirements recorded significant growth** over the past 10 years. At the beginning of 2015, the requirement had a value of 14.4 percent and was already higher than in most other European countries. At that time, we considered that the capital requirements essentially stabilized. The primary objective of capital management remains for us to maintain a safe, however yet optimized, level of capital. Our intention is to distribute to our shareholders all capital that is not needed for growth of our business activities or to meet regulatory requirements. Therefore, we have decided to reduce the capital exceeding the regulatory requirement and announced our intention to set a dividend of 80-100 percent of the cumulative profit for 2014-2016.

This level led to a very smooth development of KB's capital adequacy, and our intention would be clearly achievable if there had been no significant change in the capital requirement occurred.

We did not expect **the minimum level of capital adequacy for KB** to increase to **15.4 percent**, with effect from the beginning of this year. This means that the Bank must hold at least CZK 154 of regulatory capital for every CZK 1,000 of the risk-weighted assets.

Under these new and unexpected conditions, we had to reconsider the dividend outlook for 2016 in order to be able to meet the requirement of a newly set capital adequacy. We have also achieved this, as you can see, with a ratio of capital adequacy of 16.18 percent, i.e. with a reserve of 0.78 percent.

#### Slide 15

Focusing on equitable remuneration to shareholders while securing the future growth of the Bank, KB's dividend policy ranks amongst the most competitive in the European banking sector.

In order to be able to continue this course, we have taken the decision to shorten the period for an increased dividend payment from three to two years. The result is a return to a **standardized dividend payment** a year earlier, thus preserving both the appropriate remuneration to shareholders for the risks they accept, and also enabling KB to develop its business activities and to continuously grow. For the future, the dividend payment proposal will always reflect KB's capital situation, the development of regulatory requirements, and the outlook for growth of risk-weighted assets.

#### Slide 16

Good performance of Komerční banka continues and its high level of capital adequacy and liquidity has been reflected in a **very good external assessment**. KB has retained one of the best ratings in the Central Europe region, as well as in the previous year.

The Bank will continue to take all necessary steps to preserve the high value of the bank, not only for external agencies, but primarily for our clients and our shareholders.

Mr. Albert Le Dirac'h thanked shareholders for the trust to Komerční banka Group.

Mr. Pavel Henzl has thanked Mr. Albert Le Dirac'h for the report presented.

Mr. Pavel Henzl has asked whether any written or oral request for explanation, proposal, counterproposal or an objection to this item on the agenda is submitted.

This was not the case.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to data obtained from persons authorised to count votes the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal to be subsequently presented thereat as shareholders are present who hold shares with their nominal value representing in aggregate 82.01 % of the Registered Capital of the Bank.

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

***Resolution No. 7: The General Meeting approves the Report of the Board of Directors regarding the business activities of the Bank and the state of its assets for the year 2016 in the wording presented by the Board of Directors.***

Thereupon the Chairman of the General Meeting, Mr. Pavel Henzl, mentioned that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution and subsequently, he called shareholders for splitting of the ballot paper with the serial number of the voting round 7 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event

that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 7 expressed as percentage of votes as follows: for the time being, more than 70 % of votes of attending shareholders voted for the Resolution.

Thereupon the Chairman of the General Meeting, Mr. Pavel Henzl, stated that the Resolution No. 7 was adopted by the required absolute majority of votes cast and that the result of voting will be communicated to the attending shareholders during the course of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 7** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on the closing of the General Meeting as follows:

***For voted 154,797,630 shareholders holding votes representing 99.938729 % of present number of votes, against voted shareholders holding 66,935 votes representing 0.043214 %, shareholders holding 26,248 votes representing 0.016946 % of present number of votes abstained from voting. Shareholders holding 1,721 votes representing 0.001111 % of present number of votes did not vote or cast invalid votes.***

**Item no. 2 – Discussion on explanatory report concerning matters pursuant to Section 118 subsection (5) par. a) through k) of Act No. 256/2004 Coll., on Business Activities on the Capital Market, as amended.**

Mr. Pavel Henzl has stated that the said report was distributed to the shareholders as the Document No. 2. This report has to be presented by the Board of Directors to shareholders at the General Meeting annually and it has to explain defensive structures and mechanisms in the event of a takeover bid. The Board of Directors submits to shareholders this summary explanatory report and declares that it provides all information relating to matters required by the above said provision of the act on capital market business.

This report is not put to vote.

Mr. Pavel Henzl has asked whether or not another written request for explanation, proposal or counterproposal, or an objection to this item on the Agenda was or is submitted. This was not the case.

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

**Item no. 3 – Discussion on the Report of the Board of Directors on Relations between Related Parties for the year 2016.**

Mr. Pavel Henzl has stated that the Report on Relations is enclosed to the Annual Report which the shareholders obtained during attendance checking. Pursuant to Section 84 subsection (1) of the Act

on Business Corporations, the Board of Directors is obliged to acquaint shareholders with conclusion 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 2016 accounting period and has stated the Bank did not incur any loss from any contract, agreement or other legal acts made or accepted by the Bank or from any otherwise enforced influence on part of Société Générale S. A. as the controlling entity.

This report is not put to vote.

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

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

**Item no. 4 - Discussion about the Consolidated Financial Statements for the year 2016 and the Annual Financial Statements for the year 2016 with the proposal for the distribution of profit for the year 2016.**

Chairman of the General Meeting, Mr. Pavel Henzl, has noted that shareholders have obtained the Annual Report for the year 2016 to this item on the Agenda and that voting will be taken within point 7, 8 and 9.

He has further reminded the shareholders that the Annual Report which includes the Consolidated Financial Statements as well as the Annual Financial Statements, were available jointly with other documents to shareholders from 24 March 2017 in the registered office of the Bank and accessible for download at respective web sites of the Bank. Shareholders have these documents today available as part of the Annual Report of the Bank. The main data of both the Consolidated Financial Statements as well as the Regular Financial Statements are included in the Notice of this General Meeting.

Thereupon the Chairman of the General Meeting, Mr. Pavel Henzl, asked Mr. Libor Löfler, Member of the Board of Directors responsible inter alia for the Strategy and Finance Section, to comment on this item of the Agenda.

Mr. Libor Löfler introduced the consolidated results of Komerční banka Group and also the results of Komerční banka, a.s. only as at 31 December 2016 compiled in accordance with the International Accounting Standards and audited by Deloitte audit s.r.o. Part of this performance is also a presentation of the proposal for profit distribution for 2016. These results have already been announced in unaudited form in February this year. He began by focusing on the general overview of profits and losses, firstly on reported earnings, including one-off items. Total net consolidated profit for the year 2016 increased by 7.3% year-on-year and reached CZK 13,680 million for the entire consolidated group. This result was positively supported by several one-off items. It was the sale of shares in the subsidiary CATAPS to a strategic partner for the acceptance of payment cards, the next item was the settlement share in the company for VISA EUROPE payment cards. Adjusted was also the item of property revaluation, which is included in these reported values. He said he would focus

on results excluding one-off items in his commentaries on image documentation. Total operating revenues were kept almost stable as due to its business growth, the bank succeeded to manage nearly offsetting the effects of a low interest rate environment and a decline in core banking services. Developments in earnings, which were maintained at almost stable levels, also corresponded to the development of operating costs, i.e. were kept at a stable level and correspond to the evolution of total revenues. The item, which changed significantly year-on-year basis, was the cost of risk exposure, which grew by 69% year on year. It should be mentioned that the increase was from a very low level in 2015 and even in 2016 it is below the long-term average. As a result, the total net profit excluding recurrent items decreased slightly by 7%, and this was mainly due to rise in exposure costs, which increased from a really low level. The main indicators of the overall financial position of the Bank include the fact that the Bank continues to maintain its strong liquidity and capital position. The Bank also managed to optimize the use of both its capital and liquidity, and in a low interest rate environment, it succeeded to achieve a strong capital valuation for shareholders. The individual items - this are the reported results - the capital adequacy ratio was 16.2% at the end of the year and the total safe margin over capital requirement of the regulator was 0.8%. Total risk-weighted assets grew in line with credits and loans developments, as presented in the previous presentation. Interest margin declined slightly, and its decline was significantly mitigated by credit portfolio growth as well as by improved product mix. These factors nearly compensated for the impact of the low interest environment, which causes a drop in yields on the reinvestment of these deposits. The efficiency of the Bank remained at a still high level, with revenue to cost ratio of 44%. Thanks to business success and credit portfolio growth, the reliability of deposits, i.e. the ratio of loans and deposits, increased to 83%. Overall valuation of the shareholder's share capital by book appreciation was more than 13% and earnings per share amounted to CZK 72.

To individual items - revenue yields excluding one-off items - has managed to maintain almost stable overall revenues due to rising sales volumes and business growth across all segments. The Bank succeeded in maintaining the overall interest income almost stable especially due to credit growth and product composition improvement, in particular in terms of their spread. There was a further drop in commission and commission income of 4%, despite the fact that the growth in the volume of client trades was outweighed by regulatory impacts, i.e. from the reduction of income fees based on payment cards issued, so-called interchange fee, as well as from the decline in unit prices of basic banking services such as account management and credit account management and administration. On the other hand, the Bank grew considerably in revenues from financial operations, which increased due to the increased demand for hedging operations in 2016, especially in connection with the growth of financing. In the area of operating costs, the Bank managed to almost maintain the overall stable costs, in terms of the volume increase of client trades, i.e. the Bank further increased its overall productivity. The total number of employees also remained stable at the high growth rates of total portfolios by high percentages. Personnel costs grew by about 3.5%, considering an increase in the number of employees by about 0.4%. This growth in personnel costs competes quite well compared to the nominal wage growth in the Czech Republic, which was 4.5% last year. Overall general operating costs were kept at a steady level, the cost of regulatory funds, such as the Resource and Deposit Guarantee Fund, declined slightly. There was also a further decrease in depreciation due to the completion of the depreciation and disposal of some of the assets. In terms of credit risk, overall, the portfolio is sound in terms of asset quality, as evidenced by the credit risk, which increased year on year, but at historical level. Total risk costs increased by 69%, especially in the net creation of loan adjustments, mainly due to several isolated cases in the field of corporate

loans. Overall, the cost of risk in relative terms increased from 21 basis points - 0.21% to 32 basis points. This level is below the long-term average over the economic cycle. The long-term average ranks above 40 basis points.

As regards the performance of Komerční banka, a.s. as a legal entity which is the source for the payment of dividends to be decided by the General Meeting. The reported performance of Komerční banka, a.s. amounted to CZK 14,119 million. This performance is somewhat higher compared to consolidated Group results due to some items that are eliminated as part of the consolidation. Trends are similar in the same way as in consolidated results.

Regarding capital management from a global point of view, in 2016, it focused on providing fair remuneration to shareholders, secondly to cover business growth, and thirdly - as was said last year - there were some risks of changing the regulatory capital requirements and the changes that needed to be covered. In the calculation of net profit and regulatory capital per one share - the net profit per one share amounts to CZK 72 and the Bank pays 55% of this profit, i.e. a proposal to pay a dividend per share of CZK 40. The remainder of this earned profit was used to cover business growth in 2016. As far as the capital structure is concerned, in 2016, for simplification, the bank had the above-mentioned security margin roughly at the level of the conversion to 1 share of CZK 39. In 2017, the Bank had to pay CZK 21 per share to cover the increased capital requirement from the security reserve it had at its disposal, as described hereinabove. Very simply it can be said that the increased capital requirements of CZK 21 corresponds to the decrease of dividends, when of those CZK 62 in the last year to 40 proposed for dividend payment for the year 2016 after the conversion to 1 new share.

To the proposal for profit distribution for 2016 and proposed dividend - proposal of a resolution:

The General Meeting approves the decision on the distribution of profit of Komerční banka, a.s. for the year 2016 in the total amount of CZK 14,119,191,681.91 as follows:

Share of profit for distribution among shareholders (dividends) CZK 7,601,970,400.00

Retained earnings of previous years CZK 6,517,221,281.91

The amount of the dividend per one share amounts to CZK 40 before tax. The shareholder holding the shares of Komerční banka, a.s. ISIN CZ0008019106 on 18 April 2017 shall be eligible to payment of the dividend. The dividend becomes payable on 26 May 2017.

The proposed payout ratio represents 55.5% of the consolidated profit attributable to shareholders and the gross dividend yield compared to other investment opportunities in the market or in banking products, this gross dividend yield in relation to the closing rate of the KB share at the end of 2016 is 4.5%.

Based on the intention of the Board of Directors for the year 2017 regarding the dividend plan considering the actual state of affairs, and with aim to maintain strong capital position of Komerční banka, management of Komerční banka intends to propose dividends of 60% of the consolidated earnings for 2017, excluding one-off items.

Regarding the capital structure and expectations - Komerční banka is committed to maintain its capital structure at a safe and efficient level, as explained above, and therefore intends to gradually strengthen regulatory capital in the next few years by so called TIER 2 capital component, i.e. certain components of subordinated debt, subordinated capital. The decision on the possible strengthening of the TIER 2 capital component will depend on the market conditions and the obtaining of the relevant authorizations from the regulatory authorities. This is the intention to do so gradually over the course of several years and especially in connection with the growth of the volume of trades and risk-weighted assets.

Chairman of the General Meeting, Mr. Pavel Henzl, thanked Mr. Libor Löfler and asked whether anybody had an oral request for explanation, a proposal, counterproposal or protest regarding this item on the Agenda of the meeting.

Chairman of the General Meeting read out a question from the shareholder No. 105, Ms. Skarlandtová, from the plenary, who states that about a month ago there was a brief news broadcast in the Czech Radio station at Radiožurnál in the economic news that the parent company Société Générale is interested in further acquisitions in the Czech Republic, in particular the Uni Credit Bank (its branch in the Czech Republic). She asks whether this eventual change - new acquisition of KB's parent company - would not affect further reductions in KB's dividend payments in the coming years.

Mr. Albert Le Dirac'h said that his answer would be brief. Such a fact is not known to him, he does not know what journalistic source this information is, but this information is not based on the truth. Therefore it makes no sense to comment on information that is not true today or tomorrow.

Chairman of the General Meeting asked whether anyone has other written request. This was not the case.

Chairman of the General Meeting asked whether anyone has an oral request for explanation, a proposal, counterproposal or protest regarding this item on the Agenda of the meeting. This was not the case.

**Item no. 5 – Statement of the Supervisory Board on the Consolidated Financial Statements for the year 2016, on the Annual Financial Statements for the year 2016, and on the proposal for the profit distribution for the year 2016, 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 the year 2016.**

Chairman of the General Meeting, Mr. Pavel Henzl, has said that there will be no voting to this item and asked Mr. Jean-Luc Parer, the Chairman of the Supervisory Board, to report on the position of the Supervisory Board.

Mr. Jean-Luc Parer mentioned that based on the authorization by the Supervisory Board of Komerční banka, a.s. he will present the opinion of the Supervisory Board on the Consolidated Financial Statements for the year 2016, on the Annual Financial Statements for the year 2016, on the proposal for profit distribution for 2016, on the Report of the Board of Directors on Relations between Related Parties prepared in compliance with the Business Corporation Act, and an information on the control activity of the Supervisory Board for the period from the General Meeting held on 22 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 2016 according to the International Financial Reporting Standards and the Annual Financial Statements as at 31 December 2016, also compiled according to the International Financial Reporting Standards, in accordance with Section 13 par (2) lit (d) of the Articles of Association of the Bank.

Having examined both the Consolidated and the Annual Financial Statements of the Bank for the period from 1 January to 31 December 2016 and based upon an opinion of an independent 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 Articles of Association of the Bank. 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 true and fair view of the object of accounting and financial position of the Bank.

The Supervisory Board recommends that the General Meeting approve both the Consolidated Financial Statements and the Annual Financial Statements for the year 2016 as they are proposed by the Board of Directors of the Bank.

The Bank has reviewed the proposal of the Board of Directors for distribution of net profit for the accounting period 2016 within the meaning of Section 13 par (2) lit (d) of the Articles of Association and inasmuch the proposal for profit distribution complies with both applicable laws and the Articles of Association of the Bank, the Supervisory Board recommends that the General Meeting approve the proposal for its distribution as proposed by the Board of Directors of the Bank.

The Supervisory Board has reviewed the Report on Relations between Related Parties in the year 2016 and based upon documents presented states that no harm of Komerční banka, a.s. arisen from any concluded contract, agreement, other legal action taken or accepted by Komerční banka, or any other influence exerted by Société Générale has sustained in the accounting period from 1 January 2016 to 31 December 2016.

He further informed on 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 operations and activities of the Bank in the past period. Reports and analyses were submitted to the Supervisory Board on regular basis. The Supervisory Board has assessed in particular both the functionality and efficiency of the management system of the Bank and controls implemented. The Supervisory Board has stated that the Management and Control System covers all activities of the Bank and is efficient, generally operating, streamlined and cost effective. 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 2017 - 2021 as well as to the annual plan of Internal Audit activity. It has been informed of risk exposure compliance management and has dealt regularly with quarterly financial results of the Bank and its market position regarding the development of the macroeconomic environment. It also dealt with the budget of the KB Financial Group for 2017 and took note on the report on activity of the Board of Directors for the year 2016.

The Supervisory Board discussed the annual analysis of solution of all complaints served to KB as well as to its ombudsman. It was also informed about solutions of two complaints sent to it. Further it discussed the development in demography of employees, sickness rate and overtime hours.

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 on updating of the remuneration principles. It was also informed on results of collective bargaining. The appointment committee discussed questions regarding personnel policy of the Bank and proposed election of a member of the Board of Directors. At the same time it assessed composition of bodies of the Bank's add judged creditworthiness, experience and professional competence of individual members and the bodies as a whole. The risk committee dealt with all questions regarding the Bank's

risk management including credit risk profile of the Bank. At the same time, the Supervisory Board was always informed about matters considered by the Audit Committee at its meetings. In addition to the amendment to the Auditors Act, the Supervisory Board approved the change in the Statute of the Audit Committee. All committees regularly informed the Supervisory Board of their activities and recommended within its competences subsequent procedures to be taken by the Supervisory Board. Documents submitted to the Supervisory Board commented directly at its meetings individual Members of the Board of Directors and executive officers and directors of the Bank. The Supervisory Board then adopted its decisions Based on recommendations of its committees within competence established by law and by the Articles of Associations of the Bank.

The Supervisory Board determined within its competence bonuses to the Members of the Board of Directors for 2016 in a total amount of CZK 23.7 million. In determining the bonuses, the Supervisory Board based its conclusions on the Deferred Variable Remuneration Scheme and further in particular on the overall results of the Bank, taking into consideration also conformity of these results with the strategy, goals, values, acceptable exposure and risk rate, and long-term interests of the Bank. The Supervisory Board has assessed all of these indices and assigned the bonuses to Members of the Board of Directors.

Ladies and gentlemen, the Supervisory Board has controlled due performance of tasks of the Board of Directors, supervised 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. Therefore I may state, that the business activity of the Bank was performed in compliance with law provisions as well as with the Articles of Association of the Bank.

Chairman of the General Meeting, Mr. Pavel Henzl, thanked Mr. Jean-Luc Parer, Chairman of the Supervisory Board of the Company, for presentation of the Supervisory Board's opinion.

Then has asked whether there was or is submitted any written or oral request for explanation, proposal, counterproposal, or any objection relating to this item on the Agenda.

This was not the case.

#### **Item no. 6 – Report of the Audit Committee.**

Chairman of the General Meeting, Mr. Pavel Henzl, has said that no vote will be taken on this item and asked Mr. Petr Laube to express his opinion.

Mr. Laube stated that in the period from the General Meeting held on 22 April last year to today's General Meeting, the Audit Committee met on seven regular meetings.

Within its competencies, the Audit Committee has in particular observed the procedure of compiling the Financial Statements and the Consolidated Financial Statements and examined consistency and suitability of accounting methods used by the Bank. The Committee has watched the course of the statutory audit and stated that the management of the Bank follows recommendations of an independent auditor. The Committee has also assessed efficiency of internal controls implemented by the Bank, of the Internal Audit and of the risk management systems, and has concluded that the main risks and exposures of the Bank were duly identified and managed. The Committee further submitted to the Board of Directors recommendations regarding matters relating to the Internal

Audit and monitored the form, how the Bank management addresses and responds to the findings and recommendations of this department, and has not found any relevant deficiencies in this respect.

The Committee has discussed so-called Management Letter prepared by Deloitte Audit, s.r.o. advising on findings of an independent auditor during audit of financial statements for the year 2015 including recommendations of corrective measures for their solution.

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

Respective economic results of financial group of the Bank for individual quarters were continuously discussed at meetings of the Audit Committee, and the budget for year 2017. At the same time the economy position of competitors was discussed as well as the development of market shares of the Bank in individual areas were. Attention was also paid to the capital adequacy of the Bank 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 credit risk profile of the Bank 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 2016, and subsequently on the progress of the external audit in this accounting period.

The Committee has further dealt in detail with mapping the risks and exposures, with the annual plan of Internal Audit for 2017 and with the strategic audit plan for the period of 2017 – 2021.

The Committee has also discussed annual economic results of the KB Financial Group for the year 2016 and Statements and Notes to the Consolidated and Annual (individual) Financial Statements of Komerční banka, a.s. as at 31 Dec 2016 prepared pursuant to the International Financial Reporting Standards and proposal on distribution of profit for 2016. The Committee considers the results attained as positive and stated that in compiling its Financial Statements the Bank has provided integrated financial information and used adequate and consistent accounting methods. The Committee has at the same time assessed the summary of actions of the Internal Audit and its results for 2016. It has further discussed the overall functionality and efficiency of the Management and Control System of the Bank in 2016, provided, that this system covers all key risks of the Bank.

At all meetings of the Committee the documents submitted were commented upon by respective Members of the Board of Directors and by the Executive Officers of the Bank. Representatives of an independent auditor were always present at these meetings.

As for the selection of the independent auditor for 2017, 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 independent auditor of the Bank for 2017. At the same time the Audit Committee has assessed independence of the auditor company Deloitte Audit, s.r.o. and of provision of supplementary services to the Bank, and has stated that the auditor is an independent entity.

The Amendment to the Act on Auditors has been in force since October last year and EU legislation has put some new requirements on the competencies of the Audit Committee. In this context, the Statute of the Audit Committee has been changed and other activities have been identified to be newly dealt by the Audit Committee.

The Audit Committee has performed all its competencies in accordance with law provisions and the Articles of Associations of the Bank.

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

#### **Item no. 7 - Approval of the Consolidated Financial Statements for the year 2016**

Chairman of the General Meeting, Mr. Pavel Henzl, stated that shareholders had listened to the commentary within the item 4 and obtained the Annual Report as an underlying document for approval.

He stated that according to the information on the monitor, before voting on the proposal to be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.01 % of the Registered Capital of the Bank.

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

***Resolution No. 8: The General Meeting approves the Consolidated Financial Statements of Komerční banka, a.s. for the year 2016 in the wording presented by the Board of Directors.***

Chairman of the General Meeting, Mr. Pavel Henzl, noted that an absolute majority of votes of attending shareholders is required for adoption of this Resolution. Then he invited shareholders for splitting of the ballot paper with the serial number of the voting round 8 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 8 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 8 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting at latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 8** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 154,748,371 votes representing 99.902051 % of present number of votes, against voted shareholders holding 67,105 votes representing 0.043321 %, shareholders holding 25,238 votes representing 0.016293 % of present number of votes abstained from voting. Shareholders holding 59,380 votes representing 0.038334 % of present number of votes have not voted or cast an invalid vote.***

## **Item no. 8 - Approval of the Annual Financial Statements for the year 2016**

Chairman of the General Meeting, Mr. Pavel Henzl, has stated that shareholders have listened to the commentary on this item within the explanations of item 4 and obtained the Annual Report of the Bank as a basis for approval.

He stated that according to data on the monitor before voting on the proposal to be subsequently presented the General Meeting constitutes a quorum and is competent to adopt resolutions as shareholders are present who hold shares with their nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

***Resolution No. 9: The General Meeting approves the Annual Financial Statements of Komerční banka, a.s. for the year 2016 in the wording presented by the Board of Directors.***

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

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 9 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 9 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting at latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 9** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 154,761,970 votes representing 99.910830 % of present number of votes, against voted shareholders holding 67,585 votes representing 0.043631 %, shareholders holding 25,248 votes representing 0.016300 % of present number of votes abstained from voting. Shareholders holding 45,290 votes representing 0.029238 % of present number of votes have not voted or cast an invalid vote.***

## **Item no. 9 - Resolution on the distribution of profit for the year 2016**

Chairman of the General Meeting, Mr. Pavel Henzl, mentioned that the shareholders have heard the commentary under the item 4, and as an underlying document they received the Conditions and Way of Shares in Profit Payment for the Year 2016. For information he further stated that the share in

profit for the year 2016 assignable for own shares held by the Bank, which will be transferred to the account of retained earnings of prior years, amounts to CZK 47,734,400.

He stated that according to data on the monitor the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal to be subsequently presented thereat as shareholders are present who hold shares with their nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

***Resolution No. 10: The General Meeting approves the distribution of profit of Komerční banka, a.s. for the year 2016 in the total amount of CZK 14,119,191,681.91 as follows:***

***Share on profit for distribution amongst the shareholders (Dividends): CZK 7,601,970,400.00***

***Retained earnings from past years CZK 6,517,221,281.91***

***The amount of the dividend per share is equal to CZK 40 before taxes. The dividend can be claimed by each shareholder holding a share of Komerční banka, a.s. with ISIN CZ0008019106 as of 18 April 2017. The dividend shall be due on 26 May 2017.***

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

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 10 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 10 has been adopted by the required absolute majority of votes and that the result of voting will be communicated to the attending shareholders during the course of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 10** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 154,810,954 votes representing 99.942453 % of present number of votes, against voted shareholders holding 25,519 votes representing 0.016474 %, shareholders holding 18,080 votes representing 0.011672 % of present number of votes abstained from voting. Shareholders holding 45,540 votes representing 0.029400 % of present number of votes have not voted or cast an invalid vote.***

## **Item no. 10 – Election of Members of the Supervisory Board.**

Mr. Pavel Henzl stated that candidates for membership in the Supervisory Board are being proposed in connection with the ending term of office. Candidates comply with all the prerequisites for the performance of office of a member of the Supervisory Board and have sufficient time available to perform the function. The Czech National Bank assessed the professional competence, qualification, credibility and experience of all the candidates mentioned and gave its consenting opinion on their membership in the Supervisory Board. The CVs of the candidates were received by the shareholders as Document No. 3, and in the case of Ms. Šmídová and Mr. Dvořák, they are newly elected candidates for the Supervisory Board. The other candidates mentioned, namely Messrs Parer, Soma, Goutard, Jelínek and Laube, are nominated to be re-elected again. Candidates were present at the General Meeting except for Mrs Šmídová, who apologized for urgent work reasons.

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

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

Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank. Chairman of the General Meeting, Mr. Pavel Henzl, reminded shareholders that voting on each proposal will be performed individually.

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

***Resolution No. 11: The General Meeting elects Mr. Laurent Goutard, date of birth: 13 May 1961, resident at 78100 Saint Germain en Laye, Ter rue de Tourville, French Republic, to the office of a Member of the Supervisory Board with effect of 2 May 2017.***

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 11 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 11 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite

results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 11** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 135,567,665 votes representing 87.519421 % of present number of votes, against voted shareholders holding 19,267,898 votes representing 12.438919 %, shareholders holding 18,505 votes representing 0.011946 % of present number of votes abstained from voting. Shareholders holding 46,025 votes representing 0.029713 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 12: The General Meeting elects Mr. Petr Laube, date of birth: 8 July 1949, resident at Kvapilova 958/9, Košíře, Praha 5, postal code 150 00, to the office of a Member of the Supervisory Board with effect of 2 May 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as according to the data on the monitor shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

Chairman of the General Meeting, Mr. Pavel Henzl, mentioned that for adoption of the proposed Resolution an absolute majority of votes of attending shareholders is required and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 12 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 12 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 12** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 136,192,205 votes representing 87.922610 % of present number of votes, against voted shareholders holding 18,625,051 votes representing 12.023912 %, shareholders holding 18,130 votes representing 0.011834 % of present number of votes abstained from voting. Shareholders holding 64,707 votes representing 0.041773 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 13: The General Meeting elects Mr. Jean-Luc André Joseph Parer, date of birth: 16 April 1954, resident at 75014 Paris, 18 Place Denfert Rochereau, French Republic, to the office of a Member of the Supervisory Board with effect of 2 May 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that an absolute majority of votes is required for passing of this Resolution. He stated that at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as according to the data on the monitor shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 13 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 13 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 13** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 136,169,236 votes representing 87.907915 % of present number of votes, against voted shareholders holding 18,666,827 votes representing 12.050900 %, shareholders holding 18,130 votes representing 0.011704 % of present number of votes abstained from voting. Shareholders holding 45,665 votes representing 0.029480 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 14: The General Meeting elects Mr. Giovanni Luca Soma, date of birth: 21 August 1960, resident at 75008 Paris, 104 Rue du Faubourg Saint Honoré, French Republic, to the office of a Member of the Supervisory Board with effect of 2 May 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that for adopting this Resolution an absolute majority of votes is required. He stated that at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as according to the data on the monitor shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 14 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 14 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 14** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 129,417,917 votes representing 83.549409 % of present number of votes, against voted shareholders holding 25,418,146 votes representing 16.409405 %, shareholders holding 18,130 votes representing 0.011704 % of present number of votes abstained from voting. Shareholders holding 45,665 votes representing 0.029480 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 15: The General Meeting elects Mr. Petr Dvořák, date of birth: 31 October 1960, resident at Praha 6, U Gabrielky 569, postal code 164 00, to the office of a Member of the Supervisory Board with effect of 2 June 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that for adopting this Resolution an absolute majority of votes is required.

He stated that at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as according to the data on the monitor shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 15 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 15 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 15** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 135,958,464 votes representing 87.772733 % of present number of votes, against voted shareholders holding 18,875,616 votes representing 12.185813 %, shareholders holding 18,130 votes representing 0.011704 % of present number of votes abstained from voting. Shareholders holding 46,080 votes representing 0.029749 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 16: The General Meeting elects Mr. Pavel Jelínek, date of birth: 18 May 1971, resident at Čs. Partyzánů 8, Chrudim IV, Chrudim, postal code 537 01, to the office of a Member of the Supervisory Board with effect of 2 June 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, has stated that for adopting this Resolution an absolute majority of votes is required. He stated that according to the data on the monitor, at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 16 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 16 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution i.e. required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 16** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 136,297,626 votes representing 87.991691 % of present number of votes, against voted shareholders holding 18,536,874 votes representing 11.967126 %, shareholders holding 23,130 votes representing 0.014932 % of present number of votes abstained from voting. Shareholders holding 40,660 votes representing 0.026249 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 17: The General Meeting elects Ms. Miroslava Šmídová, date of birth: 6 May 1965, resident at Plzeň, Žižkova 55, Plzeň – město, postal code 320 15, to the office of a Member of the Supervisory Board with effect of 2 June 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that for adopting this Resolution an absolute majority of votes is required. He stated that according to the data on the monitor, at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank and asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case.

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

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 17 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After the completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 17 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution representing required absolute majority of votes. The Resolution has been adopted. The definite results will be communicated to the shareholders on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 17** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 136,358,737 votes representing 88.032135 % of present number of votes, against voted shareholders holding 18,474,418 votes representing 11.926940 %, shareholders holding 23,050 votes representing 0.014881 % of present number of votes abstained from voting. Shareholders holding 40,340 votes representing 0.026043 % of present number of votes have not voted or cast an invalid vote.***

#### **Item no. 11: - Election of members of the Audit Committee**

Mr. Pavel Henzl stated that given that the term of office ends to both two candidates proposed, the Board of Directors proposes their re-election. Both candidates are members of the Supervisory Board, they meet the prerequisites for the performance of office of a member of the Audit Committee, they are professionally qualified. Mr. Laube is independent. The CVs of both candidates were received by the shareholders as the Document No. 3.

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

He further asked if there is presented any oral request for an explanation, proposal or counterproposal, or an objection to this item on the Agenda.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

***Resolution No. 18: The General Meeting elects Mr. Giovanni Luca Soma, date of birth: 21 August 1960, resident at 008 Paris, 104 Rue du Faubourg Saint Honoré, French Republic, to the office of a Member of the Audit Committee with effect of 26 April 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 18 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the

shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 18 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution. Chairman of the General Meeting, Mr. Pavel Henzl, stated that the Resolution No. 18 has been adopted by the absolute majority of votes and the result of voting will be communicated to the shareholders on the closing of the General Meeting at the latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 18** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 129,274,849 votes representing 83.461247 % of present number of votes, against voted shareholders holding 24,774,949 votes representing 15.994976 %, shareholders holding 18,130 votes representing 0.011705 % of present number of votes abstained from voting. Shareholders holding 824,137 votes representing 0.532072 % of present number of votes have not voted or cast an invalid vote.***

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

***Resolution No. 19: The General Meeting elects Mr. Petr Laube, date of birth: 8 July 1949, resident at Kvapilova 958/9, Košiče, Praha 5, postal code 150 00, to the office of a Member of the Audit Committee with effect of 1 May 2017.***

Chairman of the General Meeting, Mr. Pavel Henzl, noted that for adopting this Resolution an absolute majority of votes is required. He stated that according to the data on the monitor, at the time being the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

Then he asked if anybody has any oral request for an explanation, proposal or counterproposal, or an objection to this item on the Agenda.

Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 19 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting he has read the preliminary results of voting on the Resolution No. 19 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that the Resolution No. 19 has been adopted by required absolute majority of votes and the result of voting will be communicated to the shareholders on the closing of the General Meeting at the latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 19** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 135,830,602 votes representing 87.693712 % of present number of votes, against voted shareholders holding 18,219,196 votes representing 11.762510 %, shareholders holding 18,130 votes representing 0.011705 % of present number of votes abstained from voting. Shareholders holding 824,137 votes representing 0.532072 % of present number of votes have not voted or cast an invalid vote.***

**Item no. 12: - Approval of contracts for the performance of the office of the Members and the Chairman of the Audit Committee.**

Mr. Pavel Henzl stated that the contracts for the performance of the office of a Member of the Audit Committee and of the Chairman of the Audit Committee were submitted to shareholders as Documents No. 4a and No. 4b. The draft contract is based on the text of the contract of service approved by the General Meeting in the year 2014 and is updated in accordance with the latest wording of the Act on Auditors. Changes are marked by revisions. Due to the relatively frequent legislative amendments to the Act on Auditors (when the last amendment was made with effect from October last year), for practical reasons the duties of a Member of the Audit Committee are indicated in the contract by reference to the relevant regulations. The remuneration for performance of office of the Chairman of the Audit Committee does not change. The other Members of the Audit Committee do not receive remuneration for the performance of their duties (nor for attendance at meetings).

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

He further asked if any oral request for an explanation, proposal or counterproposal, or an objection to this item on the Agenda is submitted.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor, before voting on the proposal that will be presented the General Meeting constitutes a quorum and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

***Resolution No. 20:***

***The General Meeting approves:***

- a) a contract on performance of the office (Contract of Service) between Komerční banka, a.s. and the Chairman of the Audit Committee of Komerční banka, a.s., in the wording presented by the Board of Directors;***
- b) a contract on performance of the office (Contract of Service) between Komerční banka, a.s. and each Member of the Audit Committee of Komerční banka, a.s., in the wording presented by the Board of Directors;***
- c) concluding of contracts on performance of the office (Contract of Service) approved in paragraphs a) and b) of this Resolution between Komerční banka, a.s. and the current Chairman of the Audit Committee, current Members of the Audit Committee and future Members and Chairman of the Audit Committee.***

Chairman of the General Meeting, Mr. Pavel Henzl, stated that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he called shareholders for splitting of the ballot paper with the serial number of the voting round 20 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting he has read the preliminary results of voting on the Resolution No. 20 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

Chairman of the General Meeting, Mr. Pavel Henzl, then stated that the Resolution No. 20 has been adopted by required absolute majority of votes and the result of voting will be communicated to the shareholders on the closing of the General Meeting at the latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 20** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 153,706,108 votes representing 99.234333 % of present number of votes, against voted shareholders holding 25,119 votes representing 0.016217 %, shareholders holding 18,050 votes representing 0.011653 % of present number of votes abstained from voting. Shareholders holding 1,142,788 votes representing 0.737796 % of present number of votes have not voted or cast an invalid vote.***

#### **Item no. 13: – Resolution on the acquisition of own shares of the Bank**

The Chairman of the General Meeting, Mr. Pavel Henzl, asked the Member of the Board of Directors, Libor Löfler, for a short comment on this item on the Agenda to comment on the acquisition of own shares.

Mr. Löfler stated that the Board of Directors proposed to allow the acquisition of own shares as a potential supplementary instrument of the capital adequacy management. As in previous years, this authorization cannot be construed as announcement of a repurchase program with a specified target volume and time schedule. The Bank is not obliged to acquire its own shares. Last time, the Bank has utilised this authorization, renewing repeatedly each year, in 2011, and from this year the bank owns 0.63% of its own shares. The maximum redemption range is a maximum of 10% of the total volume and the price range is the same as in the last year's authorization.

The Chairman of the General Meeting, Mr. Pavel Henzl, thanked to Mr. Libor Löfler and stated that according to the information on the monitor the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal that will be presented as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

Thereupon he asked whether any written request for an explanation, proposal or counterproposal, or objection to this item on the Agenda was presented or is submitted. This was not the case. He further asked if any oral request for an explanation, proposal or counterproposal, or an objection to this item on the Agenda is presented. This was not the case.

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

***Resolution No. 21: The General Meeting consents with acquisition of own common shares with nominal value of CZK 100.00 under the following conditions:***

- ***the maximum number of shares to be held by the Bank at any time shall be 19,004,926 pieces of common shares of stock representing the total nominal value of CZK 1,900,492,600,***
- ***the acquisition price of share shall be at least CZK 1.00 per one share and CZK 1,400 per one share at maximum,***
- ***period during which the Bank may acquire shares shall last for 5 years,***
- ***the Bank may not acquire shares, provided that by such acquisition it violates the conditions provided in Sec 301 subsection 1 paragraphs b) and c) and in Sec 302 of the Business Corporation Act, and/or other applicable law provisions of the Czech Republic or the European Union.***

Chairman of the General Meeting, Mr. Pavel Henzl, noted that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 21 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 21 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that the Resolution No. 21 has been adopted by required absolute majority of votes and the result of voting will be communicated to the attending shareholders on the closing of the General Meeting at the latest and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 21** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on closing of the General Meeting as follows:

***For voted shareholders holding 151,926,950 votes representing 98.085689 % of present number of votes, against voted shareholders holding 2,876,516 votes representing 1.857109 %, shareholders holding 310 votes representing 0.000020 % of present number of votes abstained from voting. Shareholders holding 88,289 votes representing 0.057000 % of present number of votes have not voted or cast an invalid vote.***

#### **Item no. 14 – Resolution on designation of an auditor to perform the statutory audit**

The Chairman of the General Meeting, Mr. Pavel Henzl, handed the floor to Mr. Libor Löfler and asked him for a brief comment on this point on Agenda of the General Meeting.

Mr. Libor Löfler stated that the proposal of the Supervisory Board to designate Deloitte Audit s.r.o. as an independent auditor is supported by the proposal of the Audit Committee and the prior proposal of the Board of Directors. This proposal was also revised by regulators in the Czech Republic and Slovakia. There are no objections regarding the decision of Komerční banka to assign this auditor to perform audit work. Company Deloitte Audit conducted the audit of Komerční banka, a.s. and its Group already in years 2015 and 2016. It has been in this position for two years, which is in line with the rules for the performance of the audit function.

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

He further asked if any oral request for an explanation, proposal or counterproposal, or an objection to this item on the Agenda is presented.

The Chairman of the General Meeting, Mr. Pavel Henzl, stated that according to the information on the monitor the General Meeting constitutes a quorum and is competent to adopt resolutions before voting on the proposal that will be presented as shareholders are present thereat holding shares with a nominal value representing in aggregate 82.02 % of the Registered Capital of the Bank.

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

***Resolution No. 22: For the year 2017, the General Meeting appoints company Deloitte Audit s.r.o., with its registered office at Karolinská 654/2, 186 00 Praha 8 – Karlín, Company ID: 49620592, as an independent auditor of Komerční banka, a. s. and Deloitte Audit, s.r.o., with its registered office at Digital Park II, Einsteinova 23, Bratislava 851 01, for branch of Komerční banka, a.s., situated at the territory of the Slovak Republic.***

Chairman of the General Meeting, Mr. Pavel Henzl, noted that an absolute majority of votes of attending shareholders is required for adoption of the proposed Resolution. Thereupon he invited

shareholders for splitting of the ballot paper with the serial number of the voting round 22 and subsequent dropping the ballot paper into the ballot-box, provided that the green ballot paper is intended to express agreement with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended in the event that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices and inform him on the termination of collecting the ballot papers.

After completion of voting, the Chairman of the General Meeting, Mr. Pavel Henzl, has read the preliminary results of voting on the Resolution No. 22 expressed as percentage of votes as follows: for the time being more than 70 % of votes of attending shareholders voted for the Resolution. He stated that the Resolution No. 22 has been adopted by required absolute majority of votes and the final result of voting will be announced on the closing of the General Meeting and will be included in the Minutes of the General Meeting.

The final results of voting on the **Resolution No. 22** announced and read from the record of proceedings by the Chairman of the General Meeting, Mr. Pavel Henzl, on the closing of the General Meeting as follows:

***For voted shareholders holding 151,851,946 votes representing 98.038310 % of present number of votes, against voted shareholders holding 2,980,859 votes representing 1.924495 %, shareholders holding 18 330 votes representing 0.011834 % of present number of votes abstained from voting. Shareholders holding 39,280 votes representing 0.025360 % of present number of votes have not voted or cast an invalid vote.***

The Chairman of the General Meeting read the final results of voting 1 – 22.

Then the Chairman of the Board of Directors of Komerční banka, a.s., Mr. Albert Le Dirac'h, appear and thanked all Members of the Supervisory Board for their activities and their work.

An Exhibit 6 to these Minutes form documents denoted as the records on results of voting on ballot papers 1 through 22.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that all points on the Agenda of today's General Meeting have been dealt with.

Subsequently, several shareholders appeared:

Shareholder No. 113, Mr. Pavel Dobranský, apologized for his late arrival due to his participation in the General Meeting of Česká spořitelna. He questioned whether it would not be possible to hold a General Meeting of Komerční banka in such a way that its venue does not coincide with the time of venue of the General Meeting of Česká spořitelna. He is a shareholder of both companies for many years and always has to choose which of the general meetings to attend and it is an unpleasant fact for him as a shareholder.

Pavel Henzl said that a certain problem is that Komerční banka is quoted on the market. The obligation to publish notices and other documents within a period of 30 days prior to the venue of

the General Meeting limits to a certain extent the date of the meeting and an effort sought to comply with the shareholders in this respect is not always possible. However, the company will try.

Shareholder 111, Mr. Přemysl Veselý, asked why Komerční banka sold a number of its lucrative real estates and continues to pay considerable amounts for renting premises for its branches. It seems to him that it is very disadvantageous for the Bank, especially because the real estate price is constantly rising. These are dozens of buildings or land. And it is also disadvantageous for shareholders because the Bank spends their money.

Mr. Libor Löfler stated that Komerční banka has approximately 400 business premises plus headquarters. Regarding the business premises mentioned by the shareholder - in Brno for example, the Bank owns a number of buildings within its branch network which it uses only partially. Almost 50 %. The Company is unable to ensure the economical utilisation of nearly 100 of these business premises mentioned in buildings owned by the Bank within its business model for servicing clients and at the same time centralizing all the other components. Also, in the context of the development of Internet banking, branches need to be adapted to the range of services actually provided because clients conduct their transactions digitally. It is the responsibility of the Bank to monitor this. We provide business services to our clients. We are unable to utilise these buildings. In terms of rental costs, these are mostly the long term leases thus reducing costs.

Shareholder Veselý objected that it would be more favourable for the Company to rent the unused premises. Due to the real estate market, it is likely to assume that their value will probably increase. This is also an approach of Česká spořitelna that has its real estate network. He feels that it would be better to make a profit from leases.

Mr. Libor Löfler has argued that Komerční banka is not a real estate business, we do not keep the properties because of their value. We have properties for running of our business. The Bank considers all possible models and chooses those that are most economically beneficial to the Company, in the longer term horizon.

Albert Le Dirac'h, the Chairman of the Board of Directors, joined the discussion, who stated that the Company is not a real estate agency, its business is the banking business and the task is the capital raising. The sale also takes place in Prague, always with a view to optimizing the portfolio. We do not need to rent space in Brno. We are bankers.

Shareholder Veselý further argued that the dividend amount was diminishing, and the shareholder might come to an impression that it would be better for him to own the shares of another bank. The payout ratio for the year 2016 seems to him to be weak. The Company should reconsider its dividend policy. Is it a guide for minor shareholders to leave?

Mr Albert Le Dirac'h pointed out that he hoped that it was clearly stated why the payout ratio was such. The Company must think about maintaining the necessary criteria. Real estate needs to be funded, and that is not the goal of the Bank. Banking and the real estate business cannot be compared.

Mr. Pavel Henzl pointed out that the explanation of the payout ratio was presented in the Report of the Board of Directors, as well as in the commentary on the field of management, if Mr. Veselý have attended the General Meeting since its beginning.

Shareholder No. 070, Ms. Ludmila Kovaříková, asked whether it is true that Komerční banka issued one crown shares in volume of CZK 20 billion. How the tax will take place. She would like to know if the crown bonds were issued. She asks for an explanation.

Mr. Libor Löfler said that Komerční banka did not put such bonds for subscription on the market. The Bank did not do so.

Shareholder No. 87, Mr. Horst Mach, asked why the Bank was buying its own shares. For what this is good for shareholders. Whether these shares will eventually be bought by the parent company and shareholders will be squeezed out.

Mr. Libor Löfler said that no one is buying any shares. It is only an authorization, an option and an additional tool. Komerční banka owns 0.63% of its own shares, which it bought lastly in the year 2011. It is only an occasional and contingent option, the possibility for the bank to redeem its shares when it has capital that can invest in such a transaction. This gives the opportunity to concentrate its shares on a smaller number of shareholders and thus to evaluate their share.

No more questions were raised. The Chairman of the General Meeting thanked the shareholders for their time and active approach.

Chairman of the General Meeting, Mr. Pavel Henzl, stated that all points on the Agenda of the Annual General Meeting have been dealt with. He noted that the Minutes of the proceedings of the General Meeting will be drawn by 15 days and available to shareholders.

The Annual General Meeting of Komerční banka, a.s. has ended at 16:15 hours.

In Prague, on 25 April 2017

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

.....  
Marcela Ulrichová,  
Secretary

.....  
Marie Bartošová  
Verifier of the Minutes

List of Exhibits:

- Exhibit No. 1 Record on sate of quorum of the General Meeting
- Exhibit No. 2 List of shareholders attending the General Meeting
- Exhibit No. 3 Notice of the General Meeting including draft resolutions
- Exhibit No. 4 Documents for shareholders on specific points on the Agenda of the General Meeting
- Exhibit No. 5 List of persons present at the General Meeting
- Exhibit No. 6 Records on results of voting
- Exhibit No. 7 Written questions of shareholders
- Exhibit No. 8 Presentation projected on the Report of the Board of Directors