

**Announcement**

In Komerční banka, a.s. (hereinafter referred to as "KB" or "the bank"), the control of the Banking Supervision Department of the Czech National Bank (hereinafter referred to as "the CNB") was carried out from 12 January 2018 to 11 September 2018, the object and focus of which was risk management (credit, market, liquidity, operational, information systems and technologies), internal control system, procedures and principles of remuneration, provision of investment services, compliance with information obligations of the payment service provider and performance of the depositary's activity.

The Bank received the results of the Control Protocol of 17 September 2018, to which it responded in comments and objections on 19 October 2018. Generally, major system failures have not been identified in most of the audited areas. According to the CNB, individual weaknesses were identified in the area of the management and control system, the capital adequacy and liquidity management mechanism, and the provision of investment services and telephone recordings. In other areas, the CNB highlighted partial weaknesses.

KB has fully cooperated with CNB during the audit and has responded to a number of identified deficiencies already during the inspection. By January 25, 2019, the Bank shall submit a plan of corrective actions to CNB to eliminate the identified shortcomings, including the planned deadlines for their adoption. In particular, the findings of controls will contribute to further strengthening the management and control environment of the bank. KB does not expect material results in the financial results in relation to the results of the audit.

Prague, December 13, 2018