

**Announcement**

From 12 January 2018 to 11 September 2018 the Banking Supervision Department of the Czech National Bank (CNB) performed in Komerční banka on-site inspection which was focused on 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.

Following the result of this inspection, a fine of CZK 2,000,000 was imposed by the CNB to Komerční banka, a.s. due to the fact that Komerční banka, a.s. did not keep all records of telephone calls of branch network employees with customers or potential customers concerning investment services related to the reception, transmission or execution of customer's order for the period from 3.1.2018 to 11.10.2019, due to the fact that its management and control system did not include sound administrative procedures related to the keeping of records of face-to-face meetings with the customer and potential customer related to the investment services and due to the fact that it did not keep records of face-to-face meetings with selected customers regarding investment services.

Based on the above findings Komerční banka has already launched recording of communication related to the provision of investment services and implemented requirements regarding record keeping in accordance with the CNB's remedial measures, including the modification of Komerční banka's internal rules.

Prague, March 6, 2020