



Komerční banka, a.s. <http://www.kb.cz/en>

Prague 1, Na Příkopě 33, building identification number 969, Post Code 114 07

Identification No.: 45 31 70 54

incorporated in the Commercial Register maintained with the Municipal Court in Prague, section B, insert 1360

Disclosed on 20<sup>th</sup> May 2011

## MINUTES

**of the Annual General Meeting (hereinafter only the „the General Meeting”)  
of Komerční banka, a.s., with its registered office at Prague 1, Na Příkopě 33,  
building number 969, postal code 114 07,  
Corporate Id 45317054, (hereinafter referred to only as “Company” or „Bank”) held  
on 21<sup>st</sup> April 2011 from 1:00 p.m. in the Grand Hall of Congress Centre of the Czech  
National Bank, Senovážné sq. 866/30, Prague 1**

The Chairman of the Board of Directors Mr. Henri Bonnet has welcomed persons present at the Annual General Meeting at 1.00 p.m., he introduced himself to attendants at the Annual General Meeting and has said that according to the Articles of Association of the Company and based on authorisation granted him by the Board of Directors of Komerční banka, a. s., he would preside the General Meeting till the chair of the General Meeting elected by shareholders undertook his or her duty. He has further said that the proceeding of today's General Meeting will be conducted in Czech and French languages with simultaneous interpretation and for those purpose shareholders were distributed headphones for listening the interpreted speech, which are set for shareholders to channel 1 for the Czech language and to channel 2 for French. Documents obtained by shareholders during attendance entry include brief service instructions. He asked the shareholders to return the complete equipment to the attendance recorders on leaving the meeting.

The Chairman of the Board of Directors Mr. Henri Bonnet then introduced members of the Board of Directors, namely Mr. Vladimír Jeřábek, Mr. Jan Juchelka, Mr. Peter Palečka, Mr. Patrice Taillandier-Thomas and Aurélien Viry, and Mr. Pavel Čejka, Chief Financial Officer for Strategy and Finance. He has further stated that members of the Supervisory Board of the Bank headed by its Chairman Mr. Didier Alix are also present at the General Meeting. He has further stated that notary JUDr. Lucie Foukalová, who will make a Notarial Record, is present at the General Meeting. He has said that in compliance with the Articles of the Bank the Board of Directors invited to the General Meeting as guests the representatives of auditor company Ernst & Young Audit, s.r.o. and has announced that CENTIN, a.s. was entrusted with provision for attendance and voting. He has further said that according to a valid Bank legislation the excerpt from the register of issuer approved by the Czech National Bank was used for today's Attendance List.

Mr. Henri Bonnet has then announced that he obtained a report from scrutineers to which shareholders with shares of aggregate nominal value representing 69.08% of the Bank's Registered Capital are now present at the General Meeting. He has declared that according to valid Articles of Association of the Company the

General Meeting constitutes a quorum and is qualified to adopt resolutions, and no protest has been claimed against exertion of voting rights.

He then asked shareholders to affix the KB logo, which they obtained during attendance recording, to a visible place for reason of their identification. Subsequently, he has opened the proceedings of the General Meeting.

Mr. Henri Bonnet stated that he would acquaint the persons present with the Agenda of today's meeting as published in the notice of the Annual General Meeting in the Commercial Gazette, on the KB's notice board and on the KB's website on the London Stock Exchange server and through Reuters agency on 16 March 2011.

He then read the points of the Agenda as follows:

1. Opening
2. Approval of the rules of order and of voting of the General Meeting, election of the General Meeting chairman, minutes clerk, minutes verifiers and scrutineers
3. Approval of the Board of Directors' report on the Bank's business activities and on the state of its assets and liabilities for the year 2010; discussion over the explanatory report on matters under S. 118 (5) (a) – (k) of Act No. 256/2004 Sb., the Act providing for Business Undertaking in the Capital Market as Amended
4. Discussion about the annual financial statements with the proposal for the distribution of profit for the year 2010, and about the consolidated financial statements for the year 2010
5. Supervisory Board's position on the annual financial statements for the year 2010, on the proposal for the distribution of profit for the year 2010, and on the consolidated financial statements for the year 2010; Supervisory Board's report on the results of its supervisory activity; and Supervisory Board's position on the Board of Directors' report on relations among related entities in accordance with S. 66a (9) of Act No. 513/1991 Sb., the Commercial Code, as amended
6. Audit Committee's report on the results of its activity
7. Approval of the annual Financial Statements for the year 2010
8. Decision on the distribution of profit for the year 2010
9. Approval of the consolidated Financial Statements for the year 2010
10. Changes in the composition of the Supervisory Board
11. Changes in the composition of the Audit Committee
12. Decision on the compensation of the members of the Bank's Board of Directors
13. Decision on the acquisition of the Bank's treasury stock
14. Appointment of a statutory auditor to make the statutory audit
15. Closing

He has then reminded that according to valid Articles of Association of the Bank, the voting is by ballots which all shareholders obtained after entry into the Attendance List, however if so asked by the Board of Directors, by chair of the General Meeting or if the General Meeting so decides another method of voting may be applied. First vote is taken on the proposal of the Board of Directors. If the proposal of the Board of Directors is accepted, no vote is taken on other proposals. Voting on other proposals or counterproposals is taken in time sequence in which they were filed.

Mr. Henri Bonnet 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. If the shareholder agrees with the proposal, s/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 the ballot into the ballot-box with which scrutinisers will go round the shareholders. He has reminded that shareholders have obtained also an attendance and acclamation card with designated number of their respective votes. He has pointed out that voting by this card will only be used when voting would be performed in another manner than by ballots.

He has further noticed that the space of the hall along with balcony and the lobby are considered as the premises for the proceedings of the General Meeting. After leaving these premises, the shareholders' attendance will be interrupted and it must be registered by means of presenting the attendance and acclamation card on their coming back. If they leave permanently the proceedings of the General Meeting, the ballots must be handed in at the attendance registration table.

Mr. Henri Bonnet has further informed the shareholders that there is an information centre of the General Meeting in the lateral section of the meeting hall in which employees of the Bank are ready to answer questions or requests for explanations from shareholders. He has further asked the shareholders to hand there their written proposals, counterproposals, requests for explanations or, as the case may be, protests.

## **Agenda item 2 - Approval of the rule of procedure and rule of voting of the General Meeting, election of its Chairman, Minutes clerk, verifiers of Minutes and scrutineers**

Mr. Henri Bonnet has subsequently proceeded to the item 2 on the Agenda, i.e. "Approval of the rule of procedure and rule of voting of the General Meeting and election of its Chairman, Minutes clerk, verifiers of Minutes and scrutineers".

Mr. Henri Bonnet has said that shareholders have obtained the document with rule of procedure and voting, which only determines the technical aspect of voting right and negotiations of the General Meeting, as document No. 1 upon registration in the Attendance List. 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 technique of voting will be repeated before each ballot.

Mr. Henri Bonnet has then raised a query whether there was or is being submitted any written request for explanation, proposal or counterproposal, or a protest relating to this item on the Agenda. This was not the case.

Mr. Henri Bonnet has then raised query whether there is any oral request for explanation a proposal or counterproposal, or protest relating to this item on the Agenda. This was not the case.

Thereupon he stated that according to data from persons authorised to count votes before voting on the proposal to be subsequently presented the General Meeting constitutes a quorum, and is qualified to adopt resolutions because shareholders are present who hold shares with their aggregate value representing 78.17 % of the Registered Capital of the Bank.

Mr. Henri Bonnet has then read the proposal for a resolution as follows:

**"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 informed 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 to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting Mr. Henri Bonnet has read the report from persons authorised to count votes the preliminary results of voting on the Resolution No. 1 expressed as percentage of votes as follows: for the time being over 77.03 % of votes of attending shareholders, i.e. the required absolute majority, are in favour of the resolution.

He stated that the Resolution No. 1 has been adopted by the required absolute majority of votes and that the exact result of voting will be communicated to the attending shareholders on the closing of the General Meeting and will be stated in the Minutes of the General Meeting.

The result of voting on the Resolution No. 1 as announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl at the closing of the General Meeting is as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,891,376,000, which represents 78.47 % of the registered capital of the Bank.*

*For approval the Rule of Procedure of the General Meeting and voting of the General Meeting of Komerční banka, a. s. voted shareholders holding 25,701,617 votes representing 86.296985 % of the present number of votes. No one voted against, shareholders holding 4,078,251 votes representing 13.693332 % of the present number of votes abstained from voting. Shareholders holding 1550 votes representing 0.005204 % of the present number of votes have not cast their ballots. Invalid votes cast shareholders holding 1334 votes representing 0.004479 % of the present number of votes.*

Document denoted as "Rule of Procedure and Voting of the General Meeting of Komerční banka, a. s.", is enclosed to the Minutes as Exhibit No. 5.

Mr. Henri Bonnet has presented a proposal of the Board of Directors of the Bank relating to bodies of the General Meeting as follows: chair of the General Meeting - Mr. Pavel Henzl; Ms Marcela Ulrichová as Minutes clerk; Ms Marie Bartošová and Mr. Jaroslav as verifiers of the Minutes; and persons authorised to count votes as scrutineers being Mr. Antonín Králík and Mr. Václav Novotný. 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. The Board of Directors suggests at the same time en bloc voting on these proposals.

Mr. Henri Bonnet then questioned whether there was presented or is submitted any written request for an explanation, proposal, counterproposal, or objection to this item on the Agenda. This was not the case. Then he asked if there is presented any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda. This was not the case.

Thereupon Mr. Henri Bonnet stated that according to information of scrutineers as scrutineers, before voting on the proposal which will be presented the General Meeting constitutes a quorum and is thus competent to adopt resolutions, as shareholders are present at the General Meeting holding shares with a nominal value representing in aggregate 78.49 % of the Registered Capital of the Bank.

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

**"Resolution No. 2: The General Meeting elects Mr. Pavel Henzl as the chair of the General Meeting, Marcela Ulrichová as the minutes clerk, Marie Bartošová and Jaroslav Hoch as verifiers of Minutes and Mr. Antonín Králík and Mr. Václav Novotný as scrutinizers"**

Mr. Henri Bonnet has announced that the voting on these proposals will be "en bloc", as is assumed by the rule of procedure and voting of the General Meeting and that an absolute majority of attending shareholders is necessary for adoption of the proposed resolution.

Thereupon he invited shareholders for splitting of the ballot paper with the serial number of the voting round 2 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting Mr. Henri Bonnet has read the preliminary results of voting on the Resolution No. 2, expressed as percentage of votes as follows: for the time being over 77,008 % of votes of attending shareholders.

Mr. Henri Bonnet stated that the Resolution No. 2 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the course of the General Meeting and will be stated in the Minutes of the General Meeting.

The result of voting on the Resolution No. 2 as announced and read from the report of scrutineers by the Chairman of the Annual General Meeting Mr. Pavel Henzl in the course of the Annual General Meeting is as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,897,063,000, which represents 78.50 % of the registered capital of the Bank.*

*For election of the chair, the Minutes clerk, verifiers of Minutes and scrutinizers, voted shareholders holding 29,784,409 votes representing 99.967386 % of the present number of votes. No one voted against. Shareholders holding 7,144 votes representing 0.023978 % of the present number of votes abstained from voting. Shareholders holding 2,573 votes representing 0.008636 % of the present number of votes have not cast their ballots. No one cast invalid vote.*

Mr. Henri Bonnet has then asked all elected officials of the General Meeting to take up their offices and handed over conduct of the General Meeting to its elected chair, Mr. Pavel Henzl.

**Agenda item 3 - Approval of the Board of Directors' report on the Bank's business activities and on the state of its assets and liabilities for the year 2010; discussion over the explanatory report on matters under S. 118 (5) (a) – (k) of Act No. 256/2004 Coll., the Act providing for Business Undertaking in the Capital Market, as amended.**

The chair of the General Meeting Mr. Pavel Henzl has entered on the conduct of the General Meeting at 1:22 p.m. He thanked for the trust shown and called attention of the shareholders to the fact that the quorum of the General Meeting and results of voting would be shown on the screens behind him in the hall.

He has further said that the report of the Board of Directors on business activities forms part of the Annual Report of Komerční banka for the year 2010, which the shareholders received together with documents for the proceedings of today's General Meeting. The Annual Report also includes the Annual Financial Statements for 2010, the Consolidated Financial Statements for 2010, and the Report on relationships between related entities for 2010. At the same time, as document no. 2 an explanation report on facts required based upon the Act providing for Business Undertaking in the Capital Market was handed out to the shareholders. The Board of Directors must present this report annually to shareholders at the General Meeting and must explain therein the defence structures and mechanisms in case of a takeover bid.

Furthermore has stated that all documents relating to the agenda of the General Meeting were available for the shareholders on the web sites of the Bank as early as from the date of publishing the Announcement of the General Meeting on 16 March 2011.

Then the chair of the General Meeting Mr. Pavel Henzl has asked the Chairman of the Board of Directors Mr. Henri Bonnet to bring forward a commentary on this item on the Agenda.

Mr. Henri Bonnet has said that the whole report was part of source documents for the shareholders who could read it. Therefore he only presents the most important items. (The report was accompanied by visual presentation)

After decline of GDP in 2009 we have seen a recovery of the Czech economy especially thanks to export. This is further contributed by investments in solar energy: according to our analysts, its contribution corresponds to 0.5%. The economic recovery is also evidenced by growing volume of credits to businesses and small clients.

Mr. Bonnet then dwelled for a few moments on the business activity of the Bank's Group. He has stated that the Bank and Modrá pyramida have seen a moderate decline in numbers of clients by 2 and 4 %, respectively. On the other hand, our subsidiary ESSOX, which concentrates on consumer credits, has maintained its market share achieved at the time of the crisis and has stabilised portfolio of its clients.

In 2010, we have reviewed efficiency of our branch units and closed 3 points of business in the Czech Republic. Thus we have 395 branch units. In 2011, we intend to open and relocate several points of business so as to come nearer to our clients and provide them with improved and better services (thus getting back at least at the 2009 level, when we had 398 branch units). We have 20 business centres for enterprises and municipalities as well as 4 commercial divisions. The MPSS network had 219 points of business by end of 2010 employing almost 1,500 trade representatives. Over 440 of them were in full-time and exclusive employment.

Mr. Bonnet has further focused on the situation in deposits of the Bank's Group at the end of 2010. The Group's overall deposits dropped by 2.5 %.

Small /retail clients still prefer safe and conservative products. This is confirmed by growth in deposits to our KB Pension Fund by 5.6%.

The changes in legislation relating to building saving taxes has not yet have any impact on the volume of deposits in Modrá pyramida. On the contrary, we have seen a 2.9% growth. Among other things, Modrá pyramida has been named the best building saving society in the Czech Republic for the sixth time.

Businesses facing decline in turnovers and consequently in incomes used far more funding. Part of our clientele consists of municipalities and state administration, which had to cope with lower budget due to lower tax incomes. Consequently, the volume of deposits was down by 4.8 %.

In all segments of our clientele, we have perceived pressure of our competitors, who continued to offer highly attractive revenue rates.

As to the credit activities of the Komerční Banka Group, the Chairman of the Board of Directors has stated that overall volume grew 3.5% year on year, with increased growth at the end of the year. Following economic recovery the businesses started investing again. The 2.3-pcz growth in volume of credits to enterprises is supported by 2 segments: small and medium sized industrial enterprises and corporate clients.

In private clientele segment we have achieved very satisfactory results, in particular in increase of volume of mortgages (+9 %) and 9 % growth of loans from building saving realised by Modrá pyramida. On the other

hand, the volume of consumer credits declined by 3.4% due to lower confidence of households in their ability to repay credits (*as always is the case in crises times*).

The table presented below shows the main indicators of our results consolidated according to IFRS standards. The Komerční Banka group has reported a net profit of CZK 13.33 billion, an increase by 21.1% over 2009. The net banking profit has grown slightly (+1.5 %) to CZK 32.7 billion.

The international rating agencies rank Komerční Banka on top level among Czech banks. Among positive strongpoints is the stability of our portfolio of clients and long-term relationships we endeavour to build up as well as our financial qualities e.g. liquidity and capitalisation.

He has further focused on the Bank's priorities for 2011.

Satisfaction of our clients is the main motive of our activity. Therefore we want to strengthen our consulting services. Also, we are going to significantly invest in the development and upgrading of the network of our branch offices.

To support loyalty of our clients we intend to focus on mortgages and consumer credits. We are also going to develop the savings products and products aimed at long-term investments.

Together with our all subsidiaries we are working on improving sale of products by our subsidiaries in the Bank's network and as for the Modrá pyramida, on increasing sale of the Bank's product in MPSS network.

Concluding his speech he has said that Komerční Banka must continue to remain firm and stable. Only in this way long-term relationships to clients can be developed. The financial crisis has clearly and rightly shown that only a long-term relationship based upon mutual trust may lead to stability.

He has stated that he is sure that the development will be positive this year. He has thanked the shareholders for their trust and loyalty.

The chair of the General Meeting Mr. Pavel Henzl has thanked the Chairman of the Board of Directors Mr. Henri Bonnet for his report presented and asked whether there was or is submitted a written request for explanation, proposal, counterproposal or protest relating to this item on the Agenda. This was not the case. Mr. Pavel Henzl then he asked if anyone there presents any oral request for an explanation, or a proposal, counterproposal, or objection to this item on the Agenda.

The chair of the General Meeting Mr. Pavel Henzl noted that according to information of scrutineers, before voting on the proposal which will be presented, the General Meeting constitutes a quorum and is thus competent to adopt resolutions, as shareholders are present at the General Meeting holding shares with a nominal value representing in aggregate 78.48 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a draft resolution as follows:

**"Resolution No. 3: The General Meeting approves the Board of Directors' report regarding the Bank's business activities and the state of its assets and liabilities for the year 2010 submitted and presented by the Board of Directors."**

Then the chair 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 and subsequently, he called shareholders for splitting of the ballot paper with the serial number of the voting round 3 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, the chair of the General Meeting Mr. Pavel Henzl has read the preliminary results of voting on the Resolution No. 3 expressed as percentage of votes as follows: for the time being 89.97 % of votes of attending shareholders voted for the Resolution.

Thereupon the chair of the General Meeting Mr. Pavel Henzl stated that the Resolution No. 3 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the course of the General Meeting and will be included in the Minutes of proceedings of the General Meeting.

The result of voting on the Resolution No. 3 was then announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl in the closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,892,597,500, which represents 78.47 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,774,622 votes representing 99.964502 % of the present number of votes. No one voted against. Shareholders holding 5,766 votes representing 0.019359 % of the present number of votes abstained from voting. Shareholders holding 4,807 votes representing 0.016139 % of the present number of votes have not cast their ballots. No one cast invalid vote.*

#### **Agenda item 4 - Discussion about the Annual Financial Statements with the proposal for the distribution of profit for the year 2010, and about the Consolidated Financial Statements for the year 2010**

The chair of the General Meeting Mr. Pavel Henzl has stated that shareholders have obtained documents No. 3, 4, and 5 and the Annual Report to this item on the Agenda and that voting will be taken within points 7, 8 and 9.

He has further reminded the shareholders that the Ordinary Financial Statements, the Consolidated Financial Statements and the report on relationships between related entities jointly with other documents had been available for them from 16 March 2011 for inspection in the registered office of the Bank and accessible for download at respective web sites of the Bank. The shareholders have them available as part of the Annual Report of the Bank. The main data of both the not consolidated and consolidated Financial Statements are part of the notification on venue of today's General Meeting.

Thereupon the chair of the General Meeting Mr. Pavel Henzl asked Mr. Pavel Čejka, Chief Financial Officer for Strategy and Finance, to comment on this item of the Agenda.

Chief Executive Officer for Strategy and Finance Mr. Pavel Čejka has in turn commented on the presentation screened in front of the meeting hall.

Mr. Pavel Čejka has stated by way of introduction that he will present a report on the financial statements of the Bank and the Bank's Group for 2010, on financial results of 2010 and a commentary on the proposal of 2010 profit distribution. He has further stated that the Bank achieved very good results in 2010, with net profit 21 % above the level of 2009. The moderate growth in net operating incomes (by more than 1 %) is based on a drop of financial costs by over 4% and on a positive risk cost reduction by 39 %. Overall capital adequacy is at 15.3 % and capital adequacy represented by TIER 1 index is 14 %, allowing the board of directors to propose the dividend at the below stated level and giving the Bank room for continued growth. The Bank also maintains a good liquidity, with credits to deposit ratio at 7.5 %, which does not restrict further financing of the clients in the future, neither limiting another growth of credits. The Bank also preserves a very good efficiency as measured by cost to income ratio, namely 40 %, which is the level of the best European banks. The moderate increase in revenues/incomes includes the growth of net credit income. In both 2009 and 2010, the credit portfolio for the financing of both corporate and individual clients has slightly grown. Although the growth slowed down as against previous years, it still had positive impact on the Bank's results. Incomes from fees and commissions grew slightly by 2.5 % (e.g. crediting fees or fees for sale of financial products – e.g. life insurance). Operating costs were reduced in personal costs by almost 7 %, partly by decrease in number of employees by 2 % and partly by reduction in additional employee benefits, and also due to one-off items. Costs of depreciation, devaluation and sale of assets, which was positively reflected in the prior year, were the only growing item. Decrease in risk costs by more than 39 % is another significant item of the Bank's profit, the costs being 5 billion in 2009 and dropping to 3,115 billion in 2010. As for the results of the Bank as such – the previous data related to the Komerční Banka Group – the trends do not differ inasmuch as the Bank represents 90 % of the Group's results. There was a moderate decline in net operating incomes, whereas the trend of reducing costs and risk cost is the same as in the Group.

As for the proposal of profit distribution – net profit of Komerční Banka Group for 2010 was CZK 13.3 billion, the highest ever profit since privatisation of the Bank, permits the board of directors to propose a significantly higher dividend raising from CZK 170 for 2009 to CZK 270 for 2010. The proposed dividend represents a fair dividend revenue of more than 6 % leaving the Bank another room for continued growth of the credit portfolio and for the financing of further growth but also a room for hedging against any uncertainties due to e.g. regulation or the environment.

The proposed dividend of CZK 270 per share represents a 77% ratio of consolidated net profit or 85 % of the Bank's profit excluding the Group.

Since Bank's privatisation in 2001, annual average growth in share value has been 15 %, and as high as 20% after inclusion of dividends. In terms of short-term valuation for the shareholder, there was a growth by 13% in 2010 as against 2010 and including the dividend income, by almost 17 %.

As to item 13 on the agenda of the General Meeting – decision on acquisition of own shares – a proposal for purchase of own shares is submitted to the General Meeting as in prior years, in a price range from 500 up to 6,000 CZK per share for 18 months up to 10% of the Bank's registered capital.

As to item 14 – appointment of an auditor for audit of Komerční Banka and Komerční Banka Group for 2001 – the same auditor's firm is proposed which issued a verdict without reserve for 2010, i.e. Ernst & Young Audit, s.r.o.

The chair of the General Meeting Mr. Pavel Henzl thanked Mr. Pavel Čejka and asked whether a written request for explanation, a proposal, counterproposal, or objection to this item on the Agenda was submitted. Yes, this was the case - shareholder Mr. Martin Müller submitted two queries.

Martin Müller has handed in a request for explanation on creation of reserves and adjusting items for credit losses:

1. In 2008 and 2009 very significant reserves and adjusting items were created with an negative impact on net profit of 2008 and 2009. By contract, the creation of reserves and adjusting items significantly dropped in 2010 with a large positive influence on the net profit of 2010. Mr. Müller called this fact a release of reserves and adjusting items from 2008 and 2009 and put the following questions:

a) can the same effect of release of reserves as in 2008 and 2009 be expected for 2010 or were these reserves already released in 2010?

b) will the adjusting items and reserves continue to decline this year or their growth is expected?

Further, he asked questions about dividends

2. For 2010, dividend of CZK 270 is proposed, representing about 76 % payment ratio to the net profit. In long term, dividend payment is about 60 % of net profit. Also the declared long-term outlook is between 55 – 65 %. Mr. Müller has further asked:

a) what was behind the decision to pay an above-standard high dividend,

b) whether a long-term outlook on 55-65% ratio has changed, If so, how? Please give an outlook for 1 year and outlook for 5 years

c) can the increased payment ratio of 76 % be also expected in the next year?

The questions were answered by the Chief Financial Officer for Strategy and Finance, Mr. Pavel Čejka, who first spoke on the release of reserves. He has said that the release of reserves as such did not take place in 2008 and 2009. In 2010, creation of adjusting items has substantially dropped because of improved state of the credit portfolio, of the Czech economy and of Czech enterprises. If the situation of clients improves, release of adjusting items may occur in some cases. There are significantly less clients who had troubles with repayment or those who had to be classified in bad credits category, so that creation of adjusting items to these clients is also significantly lower.

Mr. Čejka has further said that the same effect cannot be expected in 2010; the best estimate for this year is at the level of adjusting items in the fourth quarter of 2010.

The main reason of the above-standard dividend at CZK 270 per share is the fact that the Bank thanks to profitability generated a large amount of capital, hence the capital adequacy has grown to more than 15 %, a level higher than necessary. A long-term outlook for dividends is very difficult in the current environment. Before recession, our guide was a payment ratio between 50 and 60 %. It is not possible to commit to the current high payment ratio of 77 % and it would not be responsible to determine a target payment ratio, inasmuch as many uncertainties persist as to demands on the capital of the Bank. One of the sources of the uncertainties is a new regulation, so-called Basel III, which allows the regulator to demand sufficient capital of banks, be it for the system-significant banks or the additional capital outbalancing the economic cycles. As these additional demands are unknown and probably will not be known during this year, this fact presents a big uncertainty for determining larger payment ratios. The second large source of uncertainties in general is the environment of not only Czech, but in particular European economy, the state risks or economic development in general.

The chair of the General Meeting Mr. Pavel Henzl, has then asked whether anyone has any other written request for explanation re this item of the Agenda. This was not the case.

The chair of the General Meeting Mr. Pavel Henzl has then asked whether anyone has any other oral request for explanation, proposal, counterproposal or protest relating to this item on the Agenda. Yes, this was the case.

A shareholder introducing himself as Tomáš Dočkal presented a question what is the purpose of acquiring its own shares by Komerční banka, i.e. with a view of decreasing the registered capital, of meeting obligations out of swap transactions or, as the case may be, of meeting option obligations.

Pavel Čejka has replied that it is a possible alternative of managing the capital adequacy of the Bank, or the dividend alternative as a potential „backup tool“. In its history, the Bank acquired a very small number of own shares several years ago. We do not use this tool actively, but as a consent of the General Meeting is necessary, the Bank wants to leave this option open.

Another oral inquiry was presented by shareholder Mr. Jindřich Kubát.

Jindřich Kubát asked about the Consolidated Statement of Financial Standing as of 31 Dec 2010. In passive items, there was a large growth in payables to banks, or there was a large increase of these liabilities as against the prior year from CZK 18 to 29 billion. Towards which banks the liabilities of the Bank increased? Towards the parent company, Czech National Bank (ČNB) or other banks? If toward SG, under what terms?

Mr. Čejka has answered that, generally speaking, the liabilities towards the Bank are mainly short-term, arising from trades on financial and capital markets. Compared to 2009, they have not significantly changed towards parent company SG in 2010. Receivables towards related companies including SG are regulated by ČNB and cannot exceed 20% of equity of the Bank, i.e. so-called regulatory limit. The Bank has never exceeded this limit and is still below it. Detailed info will be handed to the shareholder outside of this commentary after processing the requested data in the information centre.

Mr. Henzl thanked Mr. Čejka and presented another written question of shareholder Mr. Martin Müller:

Martin Müller has submitted a written request for explanation relating to the value of PIIGS + USA debentures held by the Bank, namely towards Portugal, Italy, Ireland, Greece, Spain and the USA, all as of today, 31 Dec 2009, as of 31 Dec 2010 + maturity dates.

The inquiry was answered by Mr. Pavel Čejka, who first returned to the question regarding receivables and payables to related companies. He has said that the list of banks including accounts receivable is in the annual report on pages 131 and 132. Total accounts receivable towards the group drop from 25.5 billion in 2009 to 24.2 billion at end of 2010. The biggest single receivable of not quite 16 billion is towards SG Paris. All transactions of the Bank are carried out in market conditions. Another big receivable is the crediting of SG Equipment.Finance Czech Republic, which is the SG leasing company in the Czech Republic. Deposits grew from 23 billion in 2009 to 31 billion in 2010. The biggest deposits come from SG Group in Paris – they grew from approximately 21 billion in 2009 to 28.5 billion at the end of 2010.

Mr. Pavel Henzl thanked Mr. Pavel Čejka and thereupon asked whether anyone has any written query. This was not the case.

Further he asked, whether anyone has an oral request for explanation, proposal, counterproposal, or objection to this item on the Agenda. Yes, this was the case.

Mr. Vladimír Běhůnek took the word and as a long-standing shareholder of the Bank expressed his satisfaction with the results of the Bank and the dividend and with the economic results of the Bank even in such difficult economic situation and expressed his wish to sustain the dividend in that amount in the year to come.

The chair of the General Meeting Mr. Pavel Henzl asked Mr. Čejka to answer the question regarding debentures.

Chief Financial Officer for Strategy and Finance Mr. Pavel Čejka has stated that the engagement of the Bank was approximately the same in 2009, 2010 and as on 31 March 2011 and is, as on 31 March 2011 CZK 257 million towards Portugal (negligible amount compared to the whole portfolio); as of the same date, CZK 8.2 billion towards Italy; CZK 7.6 billion towards Greece (amortised book value);and CZK 298 million towards Spain. There is no engagement towards Ireland and USA.

Maturity: Greece about 70 % in 1st half of 2013, remainder between 2014 and 2016; Italy in 2013, 2014 and partly in 2015.

Mr. Čejka has added that these are the significant engagements, whereas the other remain insignificant.

The chair of the General Meeting Mr. Pavel Henzl thanked Mr. Čejka for answers to the questions and asked whether there is another written or oral question to that item on the agenda. There were none. Voting

on this item will be in subsequent items. Written inquiries of the shareholders are in annex 8 to these minutes.

Then the chair of the General Meeting, Mr. Henzl attempted to item 5 of the Agenda of the General Meeting.

**Agenda item 5 – Supervisory Board’s position on the Annual Financial Statements for the year 2010, on the proposal for the distribution of profit for the year 2010, and on the Consolidated Financial Statements for the year 2010; Supervisory Board’s report on the results of its supervisory activity; and Supervisory Board’s position on the Board of Directors’ report on relations among related entities in accordance with S. 66a (9) of Act No. 513/1991 Sb., the Commercial Code, as amended.**

The chair of the General Meeting Mr. Pavel Henzl has said that there will be no voting to this item 5 and asked the Chairman of the Supervisory Board Mr. Didier Alix to report on the position of the Supervisory Board of the Bank.

The Chairman of the Supervisory Board Mr. Didier Alix has reported that based on the authority of the Supervisory Board of Komerční banka, a.s., he presents the opinion of the Supervisory Board on the Ordinary Financial Statements for 2010, on the proposal for profit distribution for 2010, on the Consolidated Financial Statements for 2010 and on the report of the Board of Directors on relationships between related entities within the meaning of Section 66a subsection 9 of the Commercial Code, Act 513/1991 Coll., as amended, and presents an information on the controlling activity of the Supervisory Board for the period from the General Meeting held on 29 April last year to the General Meeting today.

In accordance with Section 12 subsection 2 paragraph d) of the Articles of Association of the Bank the Supervisory Board has examined the Ordinary Financial Statements of Komerční banka, a.s. compiled as at 31 December 2010 according to the International Financial Reporting Standards (IFRS) and the Consolidated Financial Statements as at 31 December 2010 also compiled according to the International Financial Reporting Standards.

Having examined both the Ordinary and Consolidated Financial Statements of the Bank for the period from 1 January till 31 December 2010 and based upon an opinion of external 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 and also in compliance with the Articles of Association of the Bank. Accounting records and books mirror the financial situation of Komerční banka, a.s. in all relevant aspects. The Financial Statements compiled based upon these accounting records provide a true and fair reflection of the subject matter of the accounting and financial position of the Bank.

The independent auditor –Ernst & Young Audit, s.r.o. - has verified both consolidated and not consolidated Financial Statements of the Bank prepared pursuant to international accounting standards with award “without reservation”.

The Supervisory Board recommends that the General Meeting approve both the Ordinary Financial Statements and the Consolidated Financial Statements for 2010 as they are proposed by the Bank's Board of Directors.

Within the meaning of Section 12 subsection 2, paragraph d) of the Articles of Association the Bank has reviewed the proposal of the Board of Directors for distribution of net profit for the accounting period 2010 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 examined the Report on relationships between related entities in 2010 prepared pursuant to Section 66a subsection 9 of the Commercial Code and states based upon documents presented that Komerční banka, a.s. has not sustained any loss or harm in connection with agreements and arrangements concluded between related entities in the accounting period from 1 January 2010 till 31 December 2010.

The Supervisory board was continuously acquainted of the Bank's activities in the past period. Reports and analyses were submitted to the Supervisory Board regularly. The Supervisory Board has assessed in particular the functionality and efficiency of the management and controlling system of the Bank. The Supervisory Board has stated that the management and controlling system of the Bank is functional although there a space for further improvement still exists. It has further discussed the internal audit actions and audit results in individual quarters of the year. At the same time it expressed its positive attitude to the strategic plan of internal audit for 2011 - 2014 and to the annual plan of internal audit activity; it has been acquainted with basic principles of risk management compliance and with changes in Bank's ownership interests. The Supervisory Board has dealt with on a regular basis with quarterly operating results of the Bank and its position on the market regarding the development of macroeconomic environment. It has been acquainted with the development of costs of risks and risk management in the period of downturn of the Czech economy. It has also dealt with the draft budget of the Financial Group KB for 2011 and expressed its affirmative opinion on the choice of Ernst & Young Audit, s.r.o. as the Bank's external auditor for 2011.

Four complaints and suggestions were addressed to the Supervisory Board, which were duly examined them and followed-up the conclusions adopted and measures taken by the Board of Directors of the Bank. It also discussed an annual analysis of solution of all complaints served to KB as well as to its ombudsman and development of staff turnover, sickness ratios and overtimes experienced. Within its competences, the Supervisory Board discussed election of members of the Bank's Board of Directors and contracts of discharge of office of members of the Board of Directors. The SB was presented a report on the activities of the Board of Directors for 2010.

The Supervisory Board's activity was further based on the Committee for Remuneration and Human Resources Issues. The committee has dealt with issues associated with the choice of Directors and their remuneration, as a number of questions regarding staffing policy and has given recommendations to the Supervisory Board within its competence. It has advised the Supervisory Board of its activity on a regular basis and suggested to it subsequent procedures to be taken within its competence. At the same time, the Supervisory Board at its meetings was always informed as well as on matters considered by the Audit Committee.

Individual members of the Board of Directors and executive officers and directors of the Bank commented directly at sessions upon materials submitted to the Supervisory Board. Pursuant to recommendations of the Committee for remunerations and personnel issues and information from meetings of the Audit Committee, the Supervisory Board then adopted its decision within competence established by law and by the Articles of Associations of the Bank.

As of 31 December 2010, Mr. Didier Colin resigned from his office of the Member of the Board of Directors. With effect from 1 January 2011, the Supervisory Board elected Mr. Aurélien Viry as a member of the Board of Directors of the Bank responsible for risk management.

The Supervisory Board has controlled due performance of tasks of the Board of Directors, supervised exertion of competencies by the Board of Directors, checked accountancy books and other financial books of Komerční banka, a.s., as well as the efficiency of the management and controlling system, which it regularly evaluated. I can thus state that the business activity of the Bank was realised in compliance with legal regulations and with the Articles of Association of the Bank.

The chair of the General Meeting Mr. Pavel Henzl has thanked the Chairman of the Supervisory Board, Mr. Didier Alix, for the Supervisory Board's opinion of the Ordinary Financial Statements, proposed profit distribution for 2010, Consolidated Financial Statements for 2010, report on relationships between related entities for 2010 and the report on results of controlling activity of the Supervisory Board for prior year, and has asked whether there was or is being submitted a written request for explanation, proposal, counterproposal or protest relating to this item on the Agenda. This was not the case.

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

#### **Agenda item 6 – Report of the Audit Committee**

The chair of the General Meeting Mr. Pavel Henzl has said that no vote will be taken on this article and asked Mr. P. Laube to present the report.

Mr. Laube noted on the opening that he will present report of the Audit Committee on results of its activity for the period since the last General Meeting held on 24 April 2010 till the date of today's General Meeting.

Mr. Laube stated that within its competence, 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 mandatory audit and stated that the Bank management follows recommendations of the external auditor. The committee has also assessed efficiency of the internal control of the Bank, of the internal audit and of the risk management systems and has concluded that the main risks 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 way, how the Bank management responds to the findings and recommendations of this body, and has not found any relevant deficiencies.

The Committee has discussed the so-called Constructive Service Letter prepared by Deloitte Audit, s.r.o. dealing with findings of the external auditor during audit of financial statements for the year 2009 including recommendations of corrective actions for solution.

The Committee has further discussed the regular reports of the internal audit on the performance of corrective measures in the Bank and was informed on all its actions carried out in individual quarters of the year.

The Audit Committee has dealt continuously at its meetings with operating results of the Financial Group of the Bank for individual quarters and with the budget for 2010. Also submitted to the committee were reports on results of competition and on the course of transformation of the joint-stock company Komerční banka Bratislava, a. s. to a foreign subsidiary of Komerční banka. At all meetings, the Audit Committee has analysed in detail the management of market and credit risks of the Bank ensuing both from retail activities and from trades provided to medium sized and large enterprises, in particular with regard to the development of macroeconomic environment. Among other topics of discussion was the portfolio of debentures held by the Bank and a preliminary analysis of the impact of the prepared measure "Basel III" on the Finance Group of the Bank. The Committee was also informed on the operation of the Bank in field of permanent inspection and supervision and on measures adopted in the field of information safety. Additional reports and information required by the Committee were continuously submitted to it.

The Committee has further dealt in detail with mapping the risks, with the annual plan of internal audit for 2010 and with the strategy plan for 2011 – 2014. It was also notified of the existence of a new internal audit department within the SG Group.

The Committee has also discussed annual results of the Bank's Financial Group for 2010 and Statements and notes to the consolidated and unconsolidated Financial Statements of Komerční banka as at 31 December 2010 prepared pursuant to the International Financial Reporting Standards (IFRS) and proposal of the profit distribution for 2010. It has stated that the Bank has provided integrated financial information and used adequate and consistent accounting methods in compiling the Financial Statements. The Committee has assessed the summary of actions of the internal audit and its results for 2010. It has further discussed the overall function and efficiency of the management and control system of the Bank in 2010 concluding that this system covers all key risks of the Bank even though a requirement of their permanent improvement exists. The Committee has dealt with assessment of compliance risk in the 2010 report; and has discussed the annual assessment report for the year 2010 relating to the Komerční banka's system against legalization of revenues generated by criminal activity and financing of terrorism. It has further discussed a material dealing with assessment of activity of the external auditor Ernst & Young Audit, s.r.o.

The Committee continued in 2010 to carry out activities of the Audit Committee of Komerční banka Bratislava, a. s. as per Act No. 198/2007 Coll., On the Accounting. With the legal effect from 1 January 2011 this subsidiary have transformed to the foreign branch of the Bank. At all meetings of the Committee, documents submitted were commented upon by relevant members of the Board of Directors and by executive directors of the Bank. Representatives of the independent auditor were always present at the negotiations.

As far as selection of an external auditor for 2010 is concerned, the Audit Committee has assessed independence of the auditor Ernst & Young Audit, s.r.o. a, and of provision of supplementary services to the Bank and has stated that the auditor is independent. Consequently, the Committee recommended the Board of Directors of the Bank to submit to the General Meeting a proposal for approval of Ernst & Young Audit, s.r.o. as an external auditor of the Bank for 2010.

The Audit Committee has exerted all its competences in accordance with regulations and the Articles of Associations of the Bank.

The chair of the General Meeting Mr. Pavel Henzl thanked the Chairman of the Audit Committee for the report presented and asked whether a written or oral request for explanation, a proposal, a counterproposal or a protest to this point on the agenda were or are submitted. It was not the case.

#### **Agenda item 7 - Approval of the Annual Financial Statements for the year 2010**

The chair of the General Meeting Mr. Pavel Henzl has said that shareholders have listened to the commentary on this item within the explanations of item 4 and obtained the document No. 3 and the Annual Report of the Bank as a basis for approval.

Thereupon he stated that according to data from persons authorised to count votes, the General Meeting before voting on the proposal to be subsequently presented, constitutes a quorum, and is qualified to adopt resolutions because shareholders are present who hold shares with their aggregate value representing 78.47 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented the draft resolution as follows:

**„Resolution No. 4: The general meeting approves the Annual Financial Statements of Komerční banka, a. s., for the year 2010 in the wording contained in the Annual Report of Komerční banka, a. s., for the year 2010.”**

The chair 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 invited shareholders for splitting of the ballot paper with the serial number of the voting round 4 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the completion of collecting the ballots.

After the end of voting, the chair of the General Meeting Mr. Pavel Henzl has read the preliminary results of voting on the Resolution No. 4 expressed as percentage of votes as follows: for the time being 77.025 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 4 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the closing of venue of the General Meeting.

The results of voting on the Resolution No. 4 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on the closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,896,121,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 26,466,654 votes representing 88.837403 % of the present number of votes. Against voted shareholders holding 532 votes, representing 0.001786 % of the present number of votes. Shareholders holding 3,318,739 abstained from voting, representing 11.139608 % of the present number of votes. Shareholders holding 6,317 votes representing 0.021204 % of the present number of votes have not cast their ballots. No one cast an invalid vote.*

#### **Agenda item 8 - Resolution on distribution of profit for the year 2010**

The chair of the General Meeting Mr. Pavel Henzl has said that the shareholders listened to the commentary within the framework of item 2 and obtained document No. 4 as a basis for approval of the proposed distribution of profit. The information for dividend payment was obtained by shareholders on signing in the attendance list as a document titled "Conditions and way of dividend payment for 2010".

He stated that according to the information on the report of scrutineers, 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 78.47 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl has presented the proposal of the Board of Directors for a resolution as follows:

**"Resolution No. 5: The General Meeting decided to distribute the profit of Komerční banka, a. s., for the year 2010 in the total amount of CZK 12,035,466,415.74 as follows:**

**Dividends CZK 10,262,660,040.00**

**Retained earnings CZK 1,772,806,375.74**

**The amount of the dividend per share is equal to CZK 270 before tax. The dividend can be claimed by each shareholder holding a share of Komerční banka, a. s., with ISIN CZ0008019106 as of 14 April 2011. The dividend shall be due on 23 May 2011.**

**The General Meeting decided that the part of the profit for the year 2010 reserved for the dividend corresponding to the treasury shares held by Komerční banka, a. s., and by the companies controlled by Komerční banka, a. s., would be transferred to the retained earnings account. The amount of this part of the profit will be determined based on the number of the treasury shares held by Komerční banka, a. s., and by the companies controlled by Komerční banka, a. s., on the record date; that is, on 14 April 2011.**

The chair 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 invited shareholders for splitting of the ballot paper with the serial number of the voting round 5 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot

paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After voting, the chair of the General Meeting Mr. Pavel Henzl has read the preliminary results of voting on the Resolution No. 5 expressed as percentage of votes as follows: for the time being 77.94.028 % of votes of attending shareholders voted for the Resolution.

The chair of the General Meeting Mr. Pavel Henzl stated that the Resolution No. 5 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders in the following course of the General Meeting and will be stated in the Minutes of the General Meeting.

The results of voting on the Resolution No. 5 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,896,115,500, representing 78.49 % of the registered capital of the Bank.*

*For approval the proposal voted shareholders holding 29,346,392 votes representing 98.503506 % of the present number of votes. No one voted against, from voting abstained shareholders holding 632 votes representing 0.002121 % of the present number of votes. Shareholders holding 445,207 votes representing 1.494373 % of the present number of votes have not cast their ballots. No shareholder cast an invalid vote.*

#### **Agenda item 9 - Approval of the Consolidated Financial Statements for the year 2010**

The chair of the General Meeting Mr. Pavel Henzl noted that shareholders had listened to the commentary within the item 4 and obtained document No. 5 and the Annual Report as a basis 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 78.47 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 6: The General Meeting approves the Consolidated Financial Statements of Komerční banka, a. s., for the year 2010, in the wording contained in the Annual Report of Komerční banka, a. s. for 2010.”***

The chair 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 6 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the

proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

Upon completion of voting, the chair of the General Meeting Mr. Pavel Henzl has read the preliminary results of voting on the Resolution No. 6 expressed as percentage of votes as follows: for the time being 77.708 % of votes of attending shareholders voted for the Resolution.

He stated that the Resolution No. 6 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders on closing of the General Meeting and will be stated in the Minutes of the General Meeting.

The results of voting on the Resolution No. 6 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,896,092,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,666,518 votes, representing 99.578191 % of the present number of votes. Against voted shareholders holding 28,815 votes representing 0.096720 % of the present number of votes. Shareholders holding 587 votes representing 0.001970 % of the present number of votes abstained from voting. Shareholders holding 96,264 votes representing 0.323118 % of the present number of votes have not cast their ballots. No one cast an invalid vote.*

#### **Agenda item 10 – Changes in the composition of the Supervisory Board**

The Board of Directors of the Bank proposes to elect Mr. Bernardo Sanchez Incera as a member of the Bank's Supervisory Board, who was appointed an alternate member of the Supervisory Board from 1 October 2010 until today venue of the Annual General Meeting, pursuant to provisions of Section 194 (2) of the Commercial Code and Article 13 paragraph 2 of the Articles of Association of the Bank. Curriculum vitae of the candidate is included in the Annual Report.

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

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

Chair 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 78.46 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a proposal of the resolution as follows:

**Resolution No. 7: The general meeting elects Mr. Bernardo Sanchez Incera, born on 9 March 1960, residing at Paris, rue Saint Placide 44, French Republic, as a member of the Supervisory Board with effect from 22 April 2011.**

The chair of the General Meeting Mr. Pavel Henzl declared 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 7 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 7, expressed in the percentage proportion of votes as follows: at the time being for 77.028 % votes of attending shareholders.

The chair of the General Meeting Mr. Pavel Henzl stated that the Resolution No. 7 has been adopted by the preliminary absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting and will be stated in the Minutes of the General Meeting.

The results of voting on the Resolution No. 7 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,895,688,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 27,399,185 votes representing 91.970190 % of the present number of votes. Against voted shareholders holding 18,742 votes representing 0.062911 % of the present number of votes. Shareholders holding 195,948, representing 0.657734 % of the present number of votes, abstained from voting. Shareholders holding 2,177,501 votes representing 7.309166 % of the present number of votes have not cast their ballots. No one of the shareholders cast an invalid vote.*

#### **Agenda item 11: Changes in the composition of the Audit Committee**

The Board of Directors of the Bank proposes to elect Mr. Jean-Louis Mattei as a member of the Bank's Audit Committee, who was appointed an alternate member of the Audit Committee from 1 October 2010 until today venue of the Annual General Meeting, pursuant to provisions of Section 20b of the Commercial Code and Article 6 of the Articles of Association of the Bank. Curriculum vitae of the candidate is included in the Annual Report.

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

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

Chair 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 78.46 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a proposal of the resolution as follows:

**“Resolution No. 8: The General Meeting elects Mr. Jean-Louis Mattei, born on 8 September 1947, residing at Paris, Rue Pierre et Marie Curie 24, 75005 French Republic, as a member of the Audit Committee with effect from 22 April 2011.”**

The chair of the General Meeting Mr. Pavel Henzl declared 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 8 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 8, expressed in the percentage proportion of votes as follows: at the time being for 88.469 % votes of attending shareholders.

The chair of the General Meeting Mr. Pavel Henzl stated that the Resolution No. 8 has been adopted by the preliminary absolute majority of votes and that the result of voting will be communicated to the attending shareholders on closing of the General Meeting and will be stated in the Minutes of the General Meeting.

The results of voting on the Resolution No. 8 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,895,688,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,454,148 votes representing 98.868035 % of the present number of votes. Shareholders holding 27,319 votes representing 0.091701 % of the present number of votes voted against the resolution. Shareholders holding 306,023 representing 1.027220 % of the present number of votes abstained from voting. Shareholders holding 3,886 votes representing 0.013044 % of the present number of votes have not cast their ballots. No one of the shareholders cast an invalid vote.*

#### **Agenda item 12: Decision on the compensation of the members of the Bank’s Board of Directors**

Presenting the voting on this item on the agenda the chair of the General Meeting reminded the shareholders that a proposal to that item is included in the source materials in the proposal of resolution of the General Meeting.

Chair of the General Meeting Mr. Pavel Henzl stated that according to the information on the monitor, the General Meeting constitutes a quorum before voting on the proposal that will be presented and is competent to adopt resolutions, as shareholders are present thereat holding shares with a nominal value representing in aggregate 78.46 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a proposal of the resolution as follows:

**“Resolution No. 9: The General Meeting approves the fringe benefits (bonus) of the members of the Board of Directors for the year 2010 proposed by the Supervisory Board:**

<b><u>Henri Bonnet</u></b>	<b><u>EUR 264,000</u></b>
<b><u>Didier Colin</u></b>	<b><u>EUR 75,000</u></b>
<b><u>Patrice Taillandier-Thomas</u></b>	<b><u>EUR 38,000</u></b>
<b><u>Peter Palečka</u></b>	<b><u>CZK 2,400,000</u></b>
<b><u>Jan Juchelka</u></b>	<b><u>CZK 2,600,000</u></b>
<b><u>Vladimír Jeřábek</u></b>	<b><u>CZK 3,200,000</u></b>

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

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

The chair of the General Meeting Mr. Pavel Henzl declared 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 9 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After completion of voting, he has read the preliminary results of voting on the Resolution No. 9, expressed in the percentage proportion of votes as follows: at the time being for 77.029 % votes of attending shareholders.

The chair of the General Meeting Mr. Pavel Henzl 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 further dealing of the General Meeting and will be stated in the Minutes of the General Meeting.

The results of voting on the Resolution No. 9 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,895,643,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,450,464 votes representing 98.855967 % of the present number of votes. Shareholders holding 19,760 votes representing 0.066328 % of the present number of votes voted against the resolution. Shareholders holding 316,107 representing 1.061072 % of the present number of votes abstained from voting. Shareholders holding 4,955 votes representing 0.016632 % of the present number of votes have not cast their ballots. No one of the shareholders cast an invalid vote.*

### **Agenda item 13 – Decision on the acquisition of the Bank’s treasury stock**

The chair of the General Meeting Mr. Pavel Henzl has called attention of shareholders to the fact that they obtained a document No. 6 to this item.

Then he asked whether there was or is submitted a written request for explanation, proposal, counterproposal or a protest relating to this item on the Agenda. This was not the case.

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

Chair 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 78.46 % of the Registered Capital of the Bank.

The chair of the General Meeting Mr. Pavel Henzl presented a draft resolution as follows:

***“Resolution No. 10: The General Meeting agrees with acquisition of own common shares (treasury stock) under the following conditions:***

- the highest number of shares which the Bank may hold at any moment shall be 3,800,985 pieces of common shares of stock, representing the aggregate nominal value of CZK 1,900,492,500,***
- the acquisition price shall be at least CZK 500 per one share of stock and at most CZK 6,000 per one share of stock,***
- this resolution will be valid for a period of 18 months,***
- the Bank must not acquire the shares if it would breach conditions provided in Section 161a subsection 1 paragraphs b) c) and d) of the Commercial Code,***
- for the period of consent the Bank may purchase and sell shares repeatedly without any other restrictions.”***

The chair 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 10 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the

proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After voting, the chair 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 77.032 % of votes of attending shareholders voted for the Resolution.

The chair of the General Meeting Mr. Pavel Henzl stated that the Resolution No. 10 has been adopted by the required absolute majority of votes and that the definite result of voting will be communicated to the attending shareholders later in the course of the General Meeting and will be included in the Minutes of proceedings of the General Meeting.

The definite results of voting on the Resolution No. 10 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,895,643,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,747,848 votes representing 99.854192 % of the present number of votes. Shareholders holding 2,264 votes representing 0.007600 % of the present number of votes voted against the resolution. Shareholders holding 29,215 representing 0.008754 % of the present number of votes abstained from voting. Shareholders holding 9,351 votes representing 0.031388 % of the present number of votes have not cast their ballots. No one of the shareholders cast an invalid vote.*

The document denoted "Acquisition of treasury stock of Komerční banka, a. s." form Exhibit 5 of these Minutes.

#### **Agenda item 14 – Determination of auditor for statutory audit**

The chair of the General Meeting Mr. Pavel Henzl has said that shareholders have obtained a document No. 7 to this item on the Agenda.

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

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

The chair of the General Meeting Mr. Pavel Henzl has stated that according to monitor data before voting on the proposal the General Meeting constitutes a quorum and is qualified to adopt resolutions inasmuch shareholders holding shares with nominal value representing in aggregate 78.46 % of the Registered Capital of the Bank are present.

The chair of the General Meeting Mr. Pavel Henzl has read the draft resolution as follows:

***“Resolution eleventh: The general meeting appoints the company Ernst & Young Audit, s.r.o., with its registered office at Karlovo náměstí 10, Prague 2, postal code 120 00, as the external auditor of Komerční banka, a. s., for the year 2011.”***

The chair 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 11 and subsequent dropping the ballot paper to the ballot box, provided that the green ballot paper is intended to express consent with the proposal, a the red ballot paper for the expression of disagreement with the proposal, and the yellow ballot paper is intended for the case that the shareholder will abstain from voting. At the same time, he asked the scrutineers to take their offices, and to inform him on the termination of collecting the ballots.

After the end of voting the chair of the General Meeting Mr. Pavel Henzl has read preliminary results of voting on the Resolution no 11 expressed as percentage of votes as follows: so far, over 77.028 % of votes of attending shareholders is for the resolution.

He has stated that the Resolution no 11 was adopted by required absolute majority of votes and that the definite result of voting will be announced to shareholders on closing of the General Meeting and recorded in the Minutes of the General Meeting.

The definite results of voting on the Resolution No. 11 were announced and read from the report of scrutineers by the chair of the General Meeting Mr. Pavel Henzl on closing of the General Meeting as follows:

*The voting was attended by shareholders owning or representing shares with nominal value of CZK 14,895,354,000, which represents 78.49 % of the registered capital of the Bank.*

*For the proposal voted shareholders holding 29,473,130 votes representing 98.933970 % of the present number of votes. Shareholders holding 16,646 votes representing 0.055876 % of the present number of votes voted against the resolution. Shareholders holding 298,304 representing 1.001332 % of the present number of votes abstained from voting. Shareholders holding 2,628 votes representing 0.008822 % of the present number of votes have not cast their ballots. No one of the shareholders cast an invalid vote.*

The document denoted as the “Appointment of auditor for statutory audit” forms Exhibit 7 to these Minutes.

Documents denoted as Records on results of voting on ballots 1 through 10 form Exhibit 7 of these Minutes.

#### **Item No 15 – Closing.**

Chair of the Annual General Meeting, Mr. Paul Henzl read the voting results as they are listed for individual Agenda items of the Annual General Meeting

The chair of the General Meeting Mr. Pavel Henzl stated that all points on the Agenda of the Annual General Meeting have been dealt with; he thanked shareholders for their active participation and added that the Minutes of the proceedings of the General Meeting would be made within thirty days.

The Annual General Meeting of Komerční banka, a. s. has ended at 3:15 p.m.

In Prague on 21 April 2011

.....  
Pavel Henzl  
Chair of the General Meeting

.....  
Marcela Ulrichová  
Minutes Clerk

.....  
Marie Bartošová  
Verifier of the Minutes

.....  
Jaroslav Hoch  
Verifier of the Minutes

List of Exhibits:

Exhibit 1: Record of the General Meeting's quorum (attendance)

Exhibit 2: Shareholders' List

Exhibit 3: Attendance List (List of persons present at the General Meeting)

Exhibit 4: Notice of the General Meeting

Exhibit 5: Documents for shareholders to selected items on the Agenda of the General Meeting (No. 1 - 8)

Exhibit 6: Draft Resolutions

Exhibit 7: Records on results of voting

Exhibit 8: Written inquiries of shareholders