Request for explanation raised by a shareholder at the general meeting held on 24 March 2013:

I want to ask whether you have followed the fate of the Greek bonds that you wrote off and whether any of these bonds happened to be fully honored to their holders later. I would like you to express yourselves on the individual items saying which were honored and which were not.

The reply was provided by Pavel Čejka as a member of the Board of Directors:
I do not know the facts about all Greek government bonds nor can I precisely say how they were settled. As to foreign creditors, I can probably exclude the possibility of any of them keeping 100 % of the Greek government bonds; nevertheless, I do not have the facts. The exchange of bonds that preceded the sale took place in March 2012 and we sold them in May 2012. The price varied in the order of percents. As far as I remember, it never exceeded 50 %. If you wish so, you can receive more details from the Investor Relations Department.

The shareholder requested a detailed reply in writing.

Reply of Komerční banka, a. s.:

Prague, 29 April 2013

In the course of KB general meeting held on 23 April 2013, we were charged by member of the Board of Directors Pavel Čejka to answer in writing your question as to whether KB followed the further destiny of the Greek bonds originally held by KB. Below is our reply to your question:

Based on the unsatisfactory evolution of the Greek economy, which did not create conditions for the due payment of the financial obligations of the Greek Republic, and following the lack of success in reaching a deal on Greece bailout in July 2011, on 21 February 2012 the heads of states and governments of the Eurozone adopted a second rescue plan for Greece providing it with a financial aid of EUR 130 billion and averting the risk of Greek default in March 2012. The provision of the aid was conditioned by Greece implementing strict austerity measures and by private investors writing off a part of their Greek debts.

As a holder of Greek government bonds and an integral part of the European banking system, Komerční banka considered accepting the conditions of the plan very carefully, as it led to writing off a part of the value of its claims and replacing the rest by securities with a significantly higher credit quality. It was known that if the plan was approved by the qualified majority of the private creditors holding the relevant issues of the Greek sovereign debt, the plan would, under the Greek law, apply to all creditors holding the given issues. Not accepting the plan would have led to Greek default and a risk of its leaving the Eurozone with a potential chain reaction in other

EU member states threatened by the crisis and a crucial disturbance to the European financial system with a subsequent serious crisis of the European economy.

Based on these facts, during the first quarter of 2012, Komerční banka decided to consent to the conditions of the exchange of the Greek sovereign bonds.

The conditions of the debt exchange were as follows:

- A haircut of 53.5 % of the face value of Greek governmental bonds (GSB);
- 15 % of the original face value of the GSB were replaced by bonds issued by the EFSF (a newly-established institution called the European Financial Stability Fund) as a money equivalent with 1-to-2-year maturity.
- 31.5 % of the original face value of the GSB were replaced by new Greek sovereign bonds (NGSB) with the same issuer (the Greek government) and the same currency (Euro) issued in accordance with the English law. The NGSB included 20 tranches with a maturity varying from 11 to 30 years copying the amortization of 5 % p.a. starting from 2023. The coupon of these new Greek sovereign bonds was as follows:
  - 2012–2015: 2 %
  - 2015–2020: 3 %
  - 2021: 3.65 %
  - 2022–2042: 4.3 %
- A Warrant with the face value of 31.5 % of the GSB providing the holder with an interest (not the principal) in the case that the growth of the Greek GDP in the given year exceeds a certain percentage.
- The interest incurred on the GSB was exchanged for ESFS notes with six-month maturity.

On 23 February 2012, the Greek Parliament passed an amendment to the Bond Act allowing applying the exchange conditions to all holders of bonds issued by the Hellenic Republic under the said Act as long as the Hellenic Republic obtained consent to the exchange conditions from the two-third majority of the holders (the "Collective Action Clause"). This condition was met and the consent to the exchange was granted by the qualified majority of holders of the relevant issues of the GSB. As a consequence, complete issues were exchanged and their trading was stopped, meaning that the original securities became the possession of the Hellenic Republic or were cancelled in the total volume issued.

During the second quarter, the Group sold all of its NGSB and Warrants with a loss of CZK 350 million. This loss was reported on the line stating the Net profit from financial operations.

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Jakub Černý
Head of Investor Relations
Tel: +420 955 532 156
E-mail: jakub_cerny@kb.cz