

Supervisory Board's position on the annual financial statements for the year 2015, on the proposal for the distribution of profit for the year 2015, and on the consolidated financial statements for the year 2015; Supervisory Board's report on the results of its supervisory activity; and Supervisory Board's information on the results of the examination of the Board of Directors' report on relations among related entities for the year 2015

Shareholders, ladies and gentlemen,

The Supervisory Board of Komerční banka, a. s., charged me to present to you the Supervisory Board's position on the annual financial statements for the year 2015, on the proposal for the distribution of profit for the year 2015 and on the consolidated financial statements for the year 2015, the Supervisory Board's position on the Board of Directors' report on relations among related entities worked out in accordance with the Corporations Act, and the information on the supervisory activities of the Supervisory Board for the period from the last general meeting held on 23 April 2015 to this general meeting.

In accordance with S. 13 (2) d) of the Bank's Articles of Association, the Supervisory Board examined the annual financial statements of company Komerční banka, a. s., as of 31 December 2015 made under the International Financial Reporting Standards and the consolidated financial statements as of 31 December 2015 also made under the International Financial Reporting Standards.

Having examined the Bank's annual and consolidated financial statements for the period from 1 January 2015 to 31 December 2015, and on the basis of the report of the external auditor, the Supervisory Board states that the accounts and accounting records were maintained in a transparent manner and in accordance with generally binding regulations providing for the book-keeping of banks and also with the Bank's Articles of Association. The accounts and accounting records show all important aspects of the financial situation of Komerční banka, a. s., and the financial statements worked out on their basis provide a true and fair view of the Bank's accounts and financial situation.

Company Deloitte Audit, s.r.o., as the Bank's external auditor, carried out an audit of the Bank's annual and consolidated financial statements worked out under the International Financial Reporting Standards. The report was unqualified.

The Supervisory Board recommends that the general meeting approve the annual and consolidated financial statements for the year 2015 as proposed by the Board of Directors of the Bank.

In accordance with S. 13 (2) d) of the Bank's Articles of Association, the Supervisory Board examined the Board of Directors' proposal for the distribution of the net profit for the accounting period of 2015. As the proposal for the distribution of profit is in line with the legal regulations and with the Bank's Articles of Association, the Supervisory Board recommends that the general meeting approve the proposal for the distribution of profit as proposed by the Board of Directors of the Bank.

The Supervisory Board checked the Report on relations among related entities in 2015 and states, on the basis of the presented documents, that during the accounting period from

1 January 2015 to 31 December 2015 Komerční banka, a. s., did not suffer any harm resulting from the contracts and agreements made among the related entities.

Shareholders, I would now like to inform you of the supervisory activities of the Supervisory Board of Komerční banka, a. s., performed in the period between the general meeting that was held last April and our general meeting today.

In the past period, the Supervisory Board was continuously informed of the Bank's activities. They received regular reports and analyses. In particular, the Supervisory Board evaluated the functioning and effectiveness of the Bank's management and control system. The Supervisory Board concluded that the Bank's management and control system was efficient, in its whole functional, and effective. Furthermore, the Supervisory Board dealt with the audits carried out by the Internal Audit and their results in the individual periods of the year. They also gave an affirmative position on the strategic plan of the Internal Audit for the period between 2016 and 2020 and on the plan of the Internal Audit for the year 2016. The Supervisory Board was informed of the compliance risk management. The Supervisory Board regularly discussed the Bank's quarterly financial results and its market position with regard to the evolution of the macroeconomic environment. The Supervisory Board also dealt with the budget of KB's Financial Group for the year 2016 and noted the report on the activities of the Board of Directors for the year 2015.

The Supervisory Board discussed the annual analysis of the settlement of all complaints sent to KB and to its ombudsman. Furthermore, they dealt with the development in the area of staff demography, sickness rate and overtime hours, the training and development of KB staff, and the results of the satisfaction survey made among them.

The activities of the Supervisory Board were also supported by the three committees they had established. The Remuneration Committee dealt with issues relating to the deferred bonus system and the compensation of bank employees. They also dealt with issues relating to the compensation of members of the Board of Directors and provided information on the updates of the compensation principles. They were also informed of the results of collective bargaining. The Nominations Committee discussed questions regarding the Bank's personnel policy. They also evaluated the composition of the Bank's bodies and assessed the credibility, experience and professional qualification of both their individual members and the bodies as a whole. The Risk Committee dealt with all questions relating to the Bank's risk management system including the Bank's credit risk profile. All the committees regularly informed the Supervisory Board of their activity and, as a part of their powers, recommended further steps to be taken by the Supervisory Board. During their meetings, the Supervisory Board was also informed of the issues treated by the Audit Committee.

The documents submitted to the Supervisory Board were presented by the different members of the Board of Directors and Bank's executive directors directly at Supervisory Board meetings. Subsequently, based on the recommendations of its committees and on the information provided by the Audit Committee, the Supervisory Board took their decisions relying on the powers given to the Supervisory Board by the law and by the Bank's Articles of Association.

The Supervisory Board, as a part of its powers, set the bonuses of the members of the Board of Directors for the year 2015 in the total amount of CZK 22 million. The set bonuses reflect the Bank's deferred bonus scheme and, in particular, the overall results of the Bank and their compliance with the Bank's strategy, objectives, values, acceptable rate of risk and long-term



interests. The Supervisory Board assessed all these indicators and set the bonuses of the members of the Board of Directors.

Ladies and gentlemen, the Supervisory Board checked the fulfillment of the tasks assigned to the Board of Directors, they supervised the way the Board of Directors exercised their powers, checked the accounts and other financial documents of Komerční banka, a. s., ascertained the efficiency, overall functionality and effectiveness of the management and control system and made its regular assessment. I can therefore state that the Bank carried out its business activities in compliance with the legal regulations and the Bank's Articles of Association.

Thank you for your attention.