

## Announcement on the Minimum Requirement on Own Funds and Eligible Liabilities (MREL)

Prague, 9 July 2020 - Komerční banka, a.s., with its registered office at Na Příkopě 33/969, 114 07 Prague 1, registration No. 45317054, entered in the register of companies maintained with the Metropolitan Court of Prague, section B, file No.1360 (hereinafter also Komerční banka or the Bank), announces that

the Bank received the decision of the Czech National Bank dated 7 July 2020 on the minimum requirement according to art. 132 of the Act on Recovery and Resolution in the Financial Market.

According to this decision, Komerční banka is required to comply with individual MREL on a sub-consolidated basis at the level of 8.58% of total liabilities and own funds and at the level of 19.2% of Total Risk Exposure Amount (TREA). The minimum requirement is the sum of the Loss-Absorption Amount of 9.6% of TREA and the Recapitalization Amount of 9.6% of TREA. The requirement should be met with subordinated instruments and shall be reached by 31 December 2023 and from that date at all times.

The exercise of the write down and conversion against capital and eligible liabilities designed to meet the minimum requirement in accordance with the Société Générale Group's resolution strategy must not at any time lead to a loss of control of Société Générale over Komerční banka.

This decision had been assumed in KB's financial planning, as the Bank informed in its [report on financial results as of 31 March 2020](#).