

Corporate Social Responsibility Report for 2009

“Investing in the Future”

We are a strong and competitive bank. We are also a reliable, open-minded, perceptive, and helpful partner within the communities in which we do business.

The scope of our corporate social responsibility permeates all of our endeavours and is part and parcel of all of our business and employee relationships. We are aware that our size and position on the market oblige us to look beyond the limits of our business and try to perceive the needs of our business environment. We know that by making an active contribution to its development we are creating space for our success, as well. In cooperation with a number of non-profit and charitable organisations and groups, we have had, for many years, the honour of supporting projects that bring hope into people's lives and for the environment. We support senior citizens and help them actively integrate in society and have done work with organisations whose mission is to fight against substance abuse. We have been an active supporter of educational projects and one of our key areas of interest has been support for sustainable development and the protection of the environment.

By investing in these areas, we are investing in the future of all of us.

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Brief Overview of the Česká spořitelna Corporate Social Responsibility Report

- The 2009 Corporate Social Responsibility Report is a document that provides comprehensive information on our activities in the areas of corporate social responsibility and philanthropy.
- This report presents our company's corporate social responsibility (CSR) strategy, as approved for the 2008-2010 period, under the motto „Investing in the Future“. It will introduce the readers to activities and projects through which we fulfilled the strategy in 2009.
- Our CSR strategy was developed through a dialogue with our stakeholders – shareholders, customers, and employees, and the representatives of our local communities and our environment. Going back several years, we have been actively communicating with our shareholders, business partners, the communities where we do business, and our employees and customers. The nature of our business provides excellent opportunities for obtaining stakeholder feedback, to which we pay a great deal of attention.
- The key bank documents of our CSR strategy are our corporate mission and vision statements, which expressly state that through our above-average earnings, we help our shareholders contribute to the development of the society in which we operate.
- Transparency and relationships based on trust are our key business precepts, which is why we operate in compliance with the principles of corporate governance. All of our activities are based on the Code of Ethics and Values of the Česká spořitelna Financial Group, the Česká spořitelna Code of Banking Services, and the Charter for Responsible Business Practices.
- We have an open-minded attitude with respect to our customers. Besides common, standard-type banking instruments, our private and corporate clients have access to the services of an ombudsman, who has been employed by the bank. On an ongoing basis, we try to educate our clients and offer sound financial and life-planning advice. We can also work with clients on particularly difficult to handle situations. Our company is one of the founders of the Debt Advisory Centre. We have been developing special products and services designed for disadvantaged groups – as an example, our ATM network for the visually impaired.
- We offer a broad array of special benefits to our employees, including lifelong learning programmes, a maternity leave support programme, and the option to take two days off with pay for volunteer work. We try to make sure that we are getting the appropriate amount of feedback from our employees, which is why we have launched a special open communication system, which allows all of our employees to communicate with the bank's senior management. With this programme, all of our employees have better access to information. We also actively promote the principle of equal opportunity – applicable to all of our employees.

- All of our CSR activities focus on education, helping those in need, and the promotion of sustainable development. In 2002, we set up our own Česká spořitelna Foundation, which allows us to work on long-term, strategic projects with partners. The foundation is our key corporate means of providing philanthropic support and its activities largely focus on issues related to social development, which is an area that is frequently overlooked by other corporate donors. In 2009, the total contributions of the Česká spořitelna Foundation to various charitable projects exceeded CZK 14 million.
- Our business practices also include a number of socially responsible initiatives. Investors looking for funding can use the services of our special “Energy Team”, which is made up of experts who can provide assistance with the planning and execution of projects dealing with the production of energy from renewable resources. Our bank also has a special product, “Top Energy”, which was designed to help finance energy conservation and green energy related projects. Another example is our “@FAKTURA 24” electronic billing service, which we are the only company to offer on the Czech market. At our branches, we also accept and process applications for subsidies in the Zelená úsporám (A Green Light to Savings) programme and provide accompanying financing, for private individuals who are not engaged in business.

Opening Statement by the Chairman and CEO



Dear Reader,

Spořitelna Česká, our oldest legal predecessor, was established nearly 190 years ago. One of the reasons for its establishment was for it to help society and individuals prosper and grow, and this principle of corporate social responsibility has continued to permeate our business to this day.

Last year, in spite of the ongoing crisis in the financial sector, we continued to support with undiminished vigour key social projects, based on our strategy entitled “Investing in the Future”, which is founded on general principles of social responsibility and was developed on the basis of a detailed survey of the opinions of our clients, shareholders, employees, and the public.

The following pages will bring you detailed information about the activities that we undertook last year, in which we intend to carry on. These include projects in which we are actively involved, concerned with current topics in areas that are or can be related to the life of each of us – such as substance abuse, the special concerns of senior citizens, the need for additional education and training in new areas of expertise that are developing faster than ever before thanks to today’s rapidly changing competitive world, and the need to protect our natural environment.

We are a part of the society in which we operate and we are aware of our share of responsibility and proudly claim it. Success is only possible in a functional and satisfied environment.

Gernot Mittendorfer



Our Company

With 5.3 million clients, we are the largest financial institution in the Czech Republic and we also have the longest history.

Our Company

Our roots date back to the year 1825, when Spořitelna Česká opened its doors for business. We continued these early traditions of providing services to Czech, and later Czechoslovak, savers, by setting up the new Česká spořitelna corporation in 1992. A major milestone and a new beginning to our modern history came in the year 2000, when we became part of today's Erste Group, which currently serves more than 17 million clients in eight European countries (Czech Republic, Slovakia, Austria, Hungary, Croatia, Serbia, Romania, and Ukraine). Joining forces with such a strong partner in the highly competitive European banking market has helped us establish the firm foothold necessary for the fulfilment of our corporate vision, which is to be a strong, competitive bank and a good corporate partner. With a history similar to our own, our parent entity, the Erste Group Bank AG, also has a history dating back to the early part of the 19th century (1819). Erste was also a bank founded as part of an initiative to help society, by setting an example of how those who are more successful can help those who are less fortunate.

Between July 2000 and December 2001, our company underwent a major transformation process, which affected practically everything that we do, and we have gradually turned into a modern, customer-oriented financial institution offering a wide range of top quality products.

Today, we are proud to be a modern bank providing a full range of services to all categories of clients. Our ambition is to be seen as an innovative and dynamic financial group and a responsible corporate citizen, operating in an environment in which we have been an integral member for nearly two centuries.

We currently operate more than 1,100 multipurpose ATMs in the Czech Republic (some 50 of which are specially equipped to serve the visually impaired), 660 branches, 26 mortgage centres, 15 commercial centres serving small and medium-sized businesses, and 9 developer centres providing project financing for Prague and other regions of the Czech Republic.

Through this extensive network, which continues to grow and become even more accessible through longer opening hours, our clients have access not just to standard, banking-type services, but also to products such as building savings, supplementary pension insurance, life insurance, leases, and mutual fund investment programmes; and, our corporate customers have access to specialised centres offering services and consulting in areas such as leases and factoring. We are able to offer such a comprehensive range of products and services through relationships with our eleven subsidiaries.

We at Česká spořitelna believe that there is no such thing as an average client. This is because everyone has his/her own specific needs and desires and we stand ready to advise each customer individually, in order to make sure that the parameters of the bank's products and services that they are using optimally meet their needs and expectations.

Thanks to the hard work of our employees, our bank has been profitable since the year 2000. In 2009, we reported net profits of close to CZK 12 billion, which puts us among the most profitable members of the entire Erste Group. Such notable achievements have allowed us to share some of these successes with those who helped us get there in the first place – our clients and society at large. We have been doing this through our support of a wide range of charitable projects and similar activities.

Our Values, Mission, and Vision Reflect the Responsibilities of a Market Leader

We are guided by open-ended mission and vision statements that provide the conditions for growing a business in an environment in which all interests are considered and respected.

Our Mission

To be the provider of financial services that enable our clients to fulfil their unique wishes and needs.

Our Vision

- We are the bank that is our clients' first choice in all market segments;
- to provide excellent advisory, support, and other services, due to the first-class performance of our employees;
- to assure above-average returns to our shareholders, due to our first-rate advisory, support, and other services;
- due to the above-average returns we provide to our shareholders, we are able to create a stimulating and quality working environment for our employees;
- due to the above-average returns we provide to our shareholders, we are able to support the development of the society in which we operate.

Our Values

- Reliable;
- Responsive;
- Open and Easy.

Our corporate social responsibility strategy is based on the principles that make up our corporate values, our mission statement, and our vision. We integrate our socially responsible approach into all of our business and non-business activities, in order to make a positive contribution to all of our stakeholders – our clients, employees, shareholders, and the larger community in which we operate. Through a regular dialogue with all our stakeholders, we try to align our activities in order to meet their needs and expectations, as well as our own.

Clients

- Private Clients;
- Business and Corporate Clients;
- The Public and Non-Profit Sectors;
- Financial Markets.

Private Clients

Our focus is on the retail banking area. Citizens of the Czech Republic, foreign clients who happen to reside in the Czech Republic, students, business owners, sole proprietors, and independent professional clients, as well as high net worth individuals are all included in our retail banking clientele. We hold a dominant market position in many segments of the retail banking business – including mortgages, credit cards, direct banking, account administration, and portfolio advisory and administrative services.

Business and Corporate Clients

Other key clients include small, medium-sized, and larger companies. We offer traditional products in the area of current accounts and credit facilities, project and investment funding, export facilities, capital investment funding, leasing, factoring, real estate funding, syndicated loans, etc. We provide our corporate clientele with advisory services in the use of guarantee funding and the drawing of subsidies from European Union funds. More recently, we have also provided our clients with products that contribute to environmental sustainability (@Faktura 24 and TOP Energy). Our clients included close to one out of every four small to medium-sized businesses operating in the Czech Republic.

The Public and Non-profit Sectors

We have also had a long history as a financial partner of Czech towns and municipalities and, more than 70% of the Czech Republic's towns, municipalities, and regions are our clients. Our nationwide team of experts provides highly targeted financial and consulting services to these clients. By combining our professional expertise with tailored financing options, we help these clients to successfully realise their projects.

Financial Markets

Despite the major downturn in the global capital markets in 2009, we have been able to reaffirm our position as a leading bank and a key capital markets

partner in the Czech Republic and the rest of Central and Eastern Europe. In the investment banking segment, we provide highly specialised and effective consulting services related to mergers and acquisitions, the preparation of initial public offerings, and the issuance of securities. We also offer and provide services and consulting to small and institutional investors who are interested in investing in securities, mutual funds, and capital market instruments in both Czech crowns and other currencies. Our clients have access to information provided by Česká spořitelna's EU Office and the reports and analyses published by the bank's senior economists.

Breakdown of CS Financial Group Employees

- Total employees: over 11,000, of whom 72% are female;
- Retirement-age employees working for the Group: 201 (the category includes employees eligible for retirement who continue to work);
- We employ 87 disabled employees.

The average age of a CS Financial Group employee is 39 years.

Number of employees in management positions: 657.

Anti-Discrimination Clause

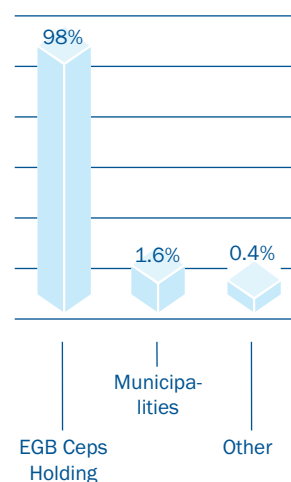
Česká spořitelna does not tolerate discrimination. Our aim is to ensure that each and every member of our large team feels valued and has the opportunity to contribute fully to the success of our bank and to the benefit of all our key stakeholders: clients, employees, shareholders, and the society in which we operate. We value and appreciate the input of each individual and respect the members of our team as individuals, irrespective of gender, age, marital status, sexual orientation, disability, race, colour, religion, political opinion, ethnic or national origin, or any other non-job-related consideration.

Česká spořitelna Financial Group

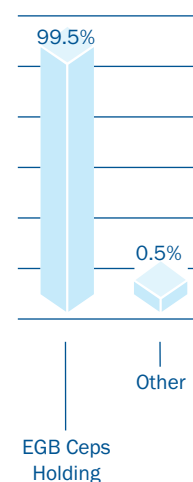
- brokerjet České spořitelny, a. s.
- Erste Corporate Finance, a. s.
- Factoring České spořitelny, a. s.
- GRANTIKA České spořitelny, a. s.
- Informatika České spořitelny, a. s.
- PARTNER České spořitelny, a. s.
- Penzijní fond České spořitelny, a. s.
- Realitní společnost České spořitelny, a. s.
- REICO investiční společnost České spořitelny, a. s.
- s Autoleasing, a. s.
- Stavební spořitelna České spořitelny, a. s.

Shareholders

Share in registered capital



Voting rights



We Are a Member of the Erste Group

Česká spořitelna is a member of the Erste Group, which is a financial group operating in eight European countries (Czech Republic, Slovakia, Austria, Hungary, Croatia, Serbia, Romania, and Ukraine).

Basic Market Information

Number of Erste Group clients: 17.5 mil.





Corporate Social Responsibility Strategy: “Investing in the Future”

Our CSR strategy is based on the bank’s overall strategy and honours the values and management principles of the entire company.

Corporate Social Responsibility Strategy: “Investing in the Future”

- Since its foundation in the 19th century, Česká spořitelna has been acting in a responsible way. This mission was reinforced by our incorporation into the Erste Group, whose founder is a foundation;
- the corporate social responsibility practices of the CS Financial Group are based on the company’s values, vision, and mission statement;
- the company’s 2008-2010 CSR and philanthropic strategy is being implemented under the motto „Investing in the Future“;
- the company focuses on the following three strategic CSR areas: education, assistance to people in need, and sustainable development;

Česká spořitelna’s CSR Mission

„To increase shareholder value, by aligning the company’s business goals with the interests of its key stakeholders, in order to have a positive impact on the society in which we operate.“

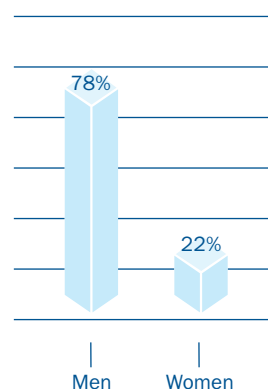
The 2008-2010 CSR and philanthropy strategy was approved by the company’s Board of Directors in early April 2008. The strategy is being implemented under the motto „Investing in the Future“. The strategy is built around generally accepted principles of social responsibility and it has been put together based on extensive feedback that has been received from the company’s employees, clients, and shareholders, and also from the general public. The company’s corporate social responsibility strategy extends into the following three areas – the economic, social, and environmental. These the types of projects supported by the company directly tied into these areas:

- education – specifically in terms of financial support;
- assisting those in need – in particular, our senior citizens and those with substance abuse problems;
- sustainable development.

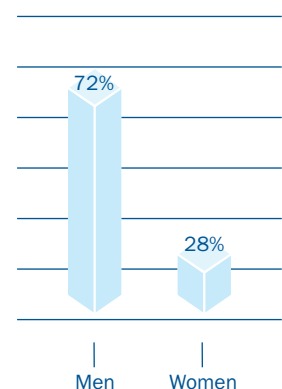
We are not only a strong and competitive bank, but also a reliable, open-minded, and helpful partner assisting our key stakeholders – employees, clients, shareholders and business partners – and the society at large.

Employee Structure of the CS Financial Group

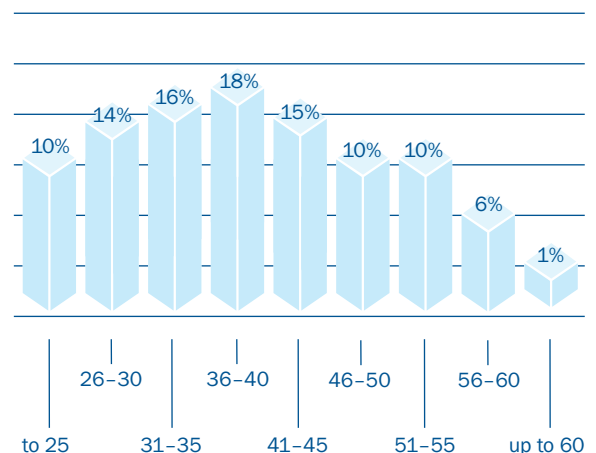
Ratio of men to women in management positions in CS



Ratio of CSFG employees by gender



Headcount by age structure



- Our CSR strategy is based on the bank's overall business strategy and it reflects the values and management principles that are being implemented across the entire company;
- Our CSR strategy is an integral part of our business strategy and corporate culture;
- Our CSR strategy is intended to involve all stakeholders – and, in particular, our employees and clients.

Opinion Poll on Česká spořitelna's Corporate Social Responsibility Practices – Our Dialogue with Key Stakeholders

The 2008-2010 CSR and philanthropic strategy of the CS Financial Group was elaborated after the completion of the gathering of detailed feedback and opinions from the company's employees, clients, and shareholders, and also the general public (the media and parties representing the non-profit sector). We believe – and we have learned from our own experience – that without an ongoing dialogue with our stakeholders, a CSR-related investment becomes just another marketing tool.

Our objective is to actively combine CSR with our business knowhow and use it as an instrument for becoming even more competitive, while contributing to the quality of life of the society in which we operate. This is one of the reasons why we maintain an open dialogue with all of our stakeholders. The single most important part of this process is the opinion poll on Česká spořitelna's corporate social responsibility practices. The survey has been used as a source of feedback, which has helped us to design the bank's long-term strategy in this area and the related control mechanisms.



We have asked our key stakeholders questions focused around the following three topics:

- What is the role that Česká spořitelna's CSR strategy should play?
- How do you evaluate the current activities of Česká spořitelna with respect to the objectives of its CSR strategy? How would you compare Česká spořitelna's CSR strategy with that of its competitors?
- In your view, what are the three areas in which Česká spořitelna should focus its corporate social responsibility strategy, and which of these areas match the objectives referred to above?

The following areas were examined as part of our social responsibility strategy:

Our research activities have provided us with an overview of how our key stakeholders view our corporate social responsibility related activities. The main observations are:

Charitable activities and activities that benefit the broader society make up the one area that all key stakeholders consider a strong point in our corporate social responsibility programme.

The public expects that most of our support will go towards education and the care of senior citizens. Currently the public is aware of our activities in the areas of society and charity, rather than in the environment and general education.

- While we have a positive reputation among our clients, our reputation among non-clients in terms of social responsibility in all monitored areas is not all that strong.
- There is no difference in how citizens in small cities and those in large cities perceive CS. The perception by citizens with higher personal incomes is slightly lower than the perception of those making up the general public.
- We will continue to work together with the Life 90 civic association and create new programmes to support the awareness of possibilities for seniors to lead an active lifestyle. In terms of our business activities, we are interested in the education of

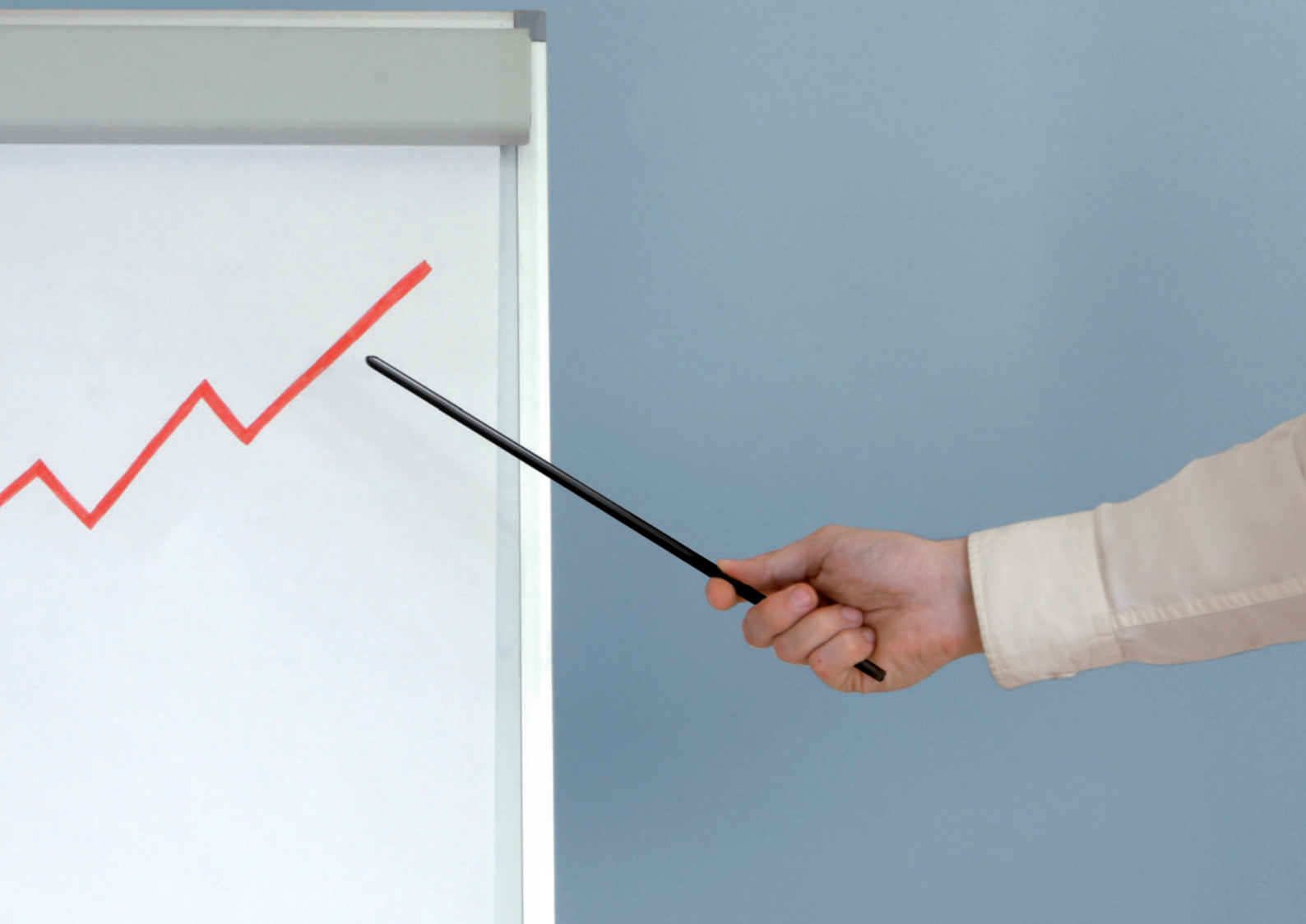
the public with respect to financial well-being in retirement. We believe that sharing this know-how will be beneficial to both the public and the bank.

Our employees consider environmental protection and activities related to sustainable development as a relatively weak area in terms of our social responsibility activities.

- Managers at CS have a much more positive view of their employer in terms of corporate social responsibility, when compared to managers in other European countries.
- Employees give credit to their employer for the care it devotes to the needs of disabled and senior citizens and the support it provides for educating people on how to achieve financial security.
- Like the public, our employees are more aware of CS's efforts in the social and charitable areas than in the environmental and general educational areas.
- The active cooperation and involvement of employees in CSR activities has been ongoing at Česká spořitelna for several years. Newly-created volunteer programmes and support for the active involvement of colleagues in the communities in which they live creates additional opportunities for changing the perception of our activities.
- The feedback and motivation of our over 11,000 employees are the best and most efficient way to continually improve our CSR activities. According to journalists, we should pay increased attention to providing assistance to disabled citizens and to improvements in education.

Journalists see our support of charitable projects as being our strongest area in terms of CS's corporate social responsibility efforts.

- Journalists have a more favourable perception of our corporate social responsibility activities than does the public.
- Our primary objective when it comes to working with the media will be to focus on public awareness of CSR-related initiatives, through the implementation of „best practices“. It is in our own interest to use our existing CSR expertise for promoting similar types of initiatives in other sectors, including non-commercial ones.



Česká spořitelna's Market Position

On the domestic market, we have developed an image of being a progressive, trustworthy bank that meets the needs of all client market segments, with its services, products, and consulting.

Česká spořitelna's Market Position

- Number of Clients Served: 5.3 million;
- Assets Under Management: over CZK 850 billion;
- A provider of a full range of financial services through the largest branch and ATM network in the Czech Republic and a group of eleven subsidiary companies;
- The only bank in the Czech Republic with a branch catering specifically to the needs of a foreign clientele (the „Expat Centre“);
- Voted „The Most Trustworthy Bank of the Year“ in the MasterCard Bank of the Year competition, for the sixth year in a row.

We are the largest bank in the Czech Republic in terms of the number of clients and amount of assets under management. Over the long-term, we have been the market leader based on our client lending volumes. We have also traditionally maintained a leading position in the mortgage segment (23% market share) and in the consumer lending segment (43% market share). We have been successfully able to manage the largest level of client deposits, a segment in which we have a 23% market share. In terms of private deposits, our market share is even stronger at 30%. We are the market leader in the number of debit cards and credit cards issued.

The Future of Financial Services in the Czech Republic

The direction of future development trends in the financial services area is currently based on the following three key parameters: demographics, technology, and the growing range of specialised and individually tailored products.

The latest demographic indicators are clear – people are living longer and more active lives, and the middle-aged and older part of the population is becoming more significant. These trends have led to the more urgent need to adapt our financial services to the needs and opportunities represented by these demographic groups. As a result, there has been an increasingly stronger

push to come up with products designed for a middle-aged clientele (age 45–64, i.e., the later working years), which will allow these individuals to safely accumulate savings on a long-term basis. In the financial services area, this type of activity is generally referred to as „retirement planning“. In the 64 and over age category, this trend primarily boosts the importance of the role of „wealth management“ (the management of assets with the objective of retaining principal, while providing the client with a secure, regular income) in the overall structure of banking services. These types of services focus on living in retirement. In both cases, the key role of the given financial services provider is to directly manage the client's assets and to provide financial advice. Financial institutions must respond to these recent demographic trends by appropriately updating their range of products and also by educating their clients in order to allow them to fully take advantage of the different options available to them (see page 41).

The high-tech revolution has been underway since the 1980s and it is not expected to taper-off any time soon. These advancements have had a major impact on the financial sector in general, and particularly on financial services. Changes brought about by new technologies and technological advances are expected to continue at an equally fast pace. The impact of such technology-related changes can be broken down into the following two main areas: the first is represented by the internal processes taking place within our financial institutions and the second deals directly with the customer service area (example: rapid developments in available distribution channels). Technological changes will continue to come in both of these areas. With respect to internal banking processes, these new trends will on the one hand simplify and expedite the handling of regulatory compliance while, on the other hand, allowing providers to design their products in a more targeted manner, with specific socio-demographic groups in mind. These innovations will also provide for the availability of a richer array of customisation and personalisation options for individual products, so that they can meet the highly specific requirements of every client. In terms of distribution channels, the options that have opened up with the birth of the Internet will continue to grow, and

most importantly, we can expect the near-term arrival and rapid development of mobile technologies, which will allow clients to service and manage their accounts from practically any location with a level of comfort equal to that available when working on a home computer.

The trend towards a greater level of product customisation in order to meet everyone's specific needs can already be seen. It is driven by the two earlier trends. The latest demographic trends create a number of unique and highly specific life situations requiring the availability of financial products with a highly customised structure. On the one hand, advancements in technology should be able to help us identify the specific needs of our clients and give us the means to offer them a solution that is precisely tailored to meet their particular needs. On the other hand, the availability of new technologies should provide us with the tools to satisfy these needs through flexibly designed products and, last but not least, technology should provide the means for easily accessing such products.

The financial services sector relies on trust more than any other area of business, and the future success of this sector will depend on the existence of long-term relationships between banks and their clients. In the years ahead, we will come to appreciate the true importance of having fair and transparent business practices, the importance of providing straightforward and honest advice to clients, and taking a responsible and prudent approach with our clients' interests always in mind. The banking sector in the Czech Republic is still learning more about all of these considerations and the future success of those active in this market will be determined by how they deal with these considerations – in other words, how they treat their clients.

Relationships with Third Parties

We require our contractors and suppliers to adhere to the rules and guidelines that we ourselves follow and are part of our own business.

Transparency of the Supplier Selection Process and Standardised Terms and Conditions

In order to make sure that any outsourcing of services by Česká spořitelna produces the desired results, we work with our sister purchasing organisation, which specialises in reducing costs through the selection of the most appropriate supplier in a highly professional and transparent manner. In our supplier tenders, the official documents and evaluation criteria are the same for all bidders and they never make a reference (directly or indirectly) to a specific company, product, or service, thus giving an implicit preference to a particular bidder.

Our supplier selection process is governed by the following basic principles:

Transparency

The process is open and easy to understand and its rules are accessible and fair to everyone.

Responsibility

There is someone who is responsible for each step of the process (personal tracking).

Fair Treatment

All bidders are given the same opportunities and they are treated equally without bias.

Objectivity

All decisions are based on objective and verifiable facts and never on subjective opinions or assumptions.

Verification

Two different teams each evaluate the same tender in the same manner and reach the same conclusion.

Justifiability

All decisions are made by qualified and experienced people and backed up by logical reasons.

Completeness

All decisions are based on a professional and comprehensive analysis, which takes into account all aspects, data, scenarios, and options.

EU Office

Česká spořitelna is the only bank on our market to have a special analytical and information centre focused on the European integration process in its broadest sense. The EU Office makes its free informational products available to Česká spořitelna clients, the media, and the general public, thereby supplementing the public sector's role in raising awareness concerning these issues.

In 2009, the EU Office developed a number of new products in response to one of the most important events in our modern history – the Czech Republic's Presidency of the Council of the European Union. The Office's activities in this regard can be divided by client group. Its internal clients – colleagues from within the Česká spořitelna Financial Group – were most interested in the e-learning course about the European Union, which gave them a comprehensive overview of the functioning of the EU and the significance and purpose of the Presidency. A special intranet section devoted to the Presidency attracted great attention, as did the new regular section in the intra-company magazine Trendy.

External clients appreciated the regularly updated section on the Česká spořitelna website that was devoted to the European Union and the country's Presidency. At selected branches, awareness seminars were held for clients, focused on the Czech EU Presidency, and experts of the EU Office attended dozens of various conferences on the topic, from events of local significance to those with international scope. Our cooperation with the daily publication "E15" received positive acclaim; in it we had a monthly supplement during the Presidency, devoted to the event and its current happenings.

Also last year, the EU News Monthly was a flagship among written reports. It is read by up to 20,000 readers every month. The Monthly is distributed through the extensive network of Česká spořitelna branches as well as through the regionally deployed Eurocentres administered by the Office of the Government of the Czech Republic. Aside from printed materials, the most

visible activities of the Office include lectures on EU topics at various seminars and conferences that are organised by Česká spořitelna and its branches or third parties, such as from the public sector.

In 2009, the EU Office focused on three main target groups: retail clients, the business sector, and municipalities. That focus determined the range of topics that were followed: the economic crisis in the EU context; the possibilities of project financing from EU resources; the internal market and freedom of movement of persons, goods, services, and capital; business conditions in the EU and the relevant legislation; and current developments in the eurozone and their impact on the adoption of the euro in the Czech Republic, etc.



Socially Responsible Business Solutions

We actively participate in sustainable development, and not only in our business activities, but through our everyday work.

Socially Responsible Business Solutions

The sustainability of the environment is one of the principal foundations of our corporate social responsibility strategy. We work together with partners who are engaged in the protection and sustainability of the environment and we also actively participate in sustainable development in terms of both longer-term business decision-making and day-to-day activities.

- A special team of employees – our „Energy Team“ – assists investors in the preparation and implementation of project proposals for the production of energy from renewable sources;
- The Česká spořitelna Corporate Club represents an exclusive environment for small and medium-sized companies who are our clients, offering them not only comprehensive banking services, but also a unique combination of benefits for the company, its managers, and employees.

The European Savings Banks Group's Declaration towards a Greener Savings and Retail Banking Sector

As part of our membership in the European Savings Banks Group, our company became a signatory to the Charter for Responsible Business (see page 25) and of the Declaration towards a Greener Savings and Retail Banking Sector.

The philosophy of the Declaration asks the member banks to commit themselves to contribute to the development of environmentally friendly products and services, to implement and use environmentally conscious investment strategies and project financing criteria, and to provide financial support for an alternative energy and green innovations programme, etc.

A Green Light to Savings

In the State Environmental Fund subsidy programme “A Green Light to Savings” (Zelená úsporám), we accept and process applications for subsidies and provide auxiliary financing. The programme is designed for owners of family houses and residential buildings. With the programme, they can get a subsidy to cover some of the costs for the use of energies from renewable sources – for example for heating and water heating. Energy savings are achieved through comprehensive or partial insulation of buildings. Private individuals who are not engaged in business can approach our branches with applications for subsidies.

The ČS Energy Team

We contribute to the Czech Republic's commitment that, by 2010, 8% of the electricity it consumes would come from renewable sources. This commitment was increased to 13% by 2020 by the European Commission.

For three years, we have been offering the services of a special team – the Energy Team. The five members of this team are specialists with experience in bank financing and many years of experience in the energy sector. Members of the team assist potential investors in the preparation and implementation of energy savings and renewable resources projects.

Through the services of our Energy Team, we are able to provide an individualised approach and assistance in the preparation of projects, and can give an initial evaluation of a project based on a submitted draft. Since its establishment, the Energy Team has put together internal processes for Česká spořitelna that help ensure a fast-track approval process. Based on the reference list of funded projects, the team has a well-tested structure for providing financing to projects.

Members of the team are well-oriented not only in terms of the energy legislation governing the market in energy from renewable sources, but thanks to their experience are also knowledgeable about that market and market trends. Through its subsidiary GRANTIKA, Česká spořitelna is able to guide its clients through the entire process of applying for and using EU funding and funding from domestic subsidy programmes.

On-going Energy Team funded projects include wind farms, photovoltaic power stations, biofuel stations (in cooperation with Agroteam), small hydroelectric power stations, and projects involving the burning and co-burning of biomass.

In 2009, we invested approximately CZK 4 billion in renewable energy and energy conservation projects.

TOP Energy Programme

Based on our experience with the FINESA programme, which has funded a number of energy saving and renewable energy projects since 2003, we developed the TOP Energy programme in May 2007, as a special product for funding energy conservation and renewable resources projects. This programme offers both funding for the projects themselves, as well as a comprehensive advisory service providing support in the preparation of projects, and the preparation of the subsidy application, etc.

The funding of these types of projects contributes to the protection of the environment, decreases CO2 levels in the atmosphere, helps to protect people's health by improving the quality of the environment, helps to protect natural sources and contribute to reductions in pollution and energy consumption, and supports the adoption by companies of what are referred to as "clean" technologies.

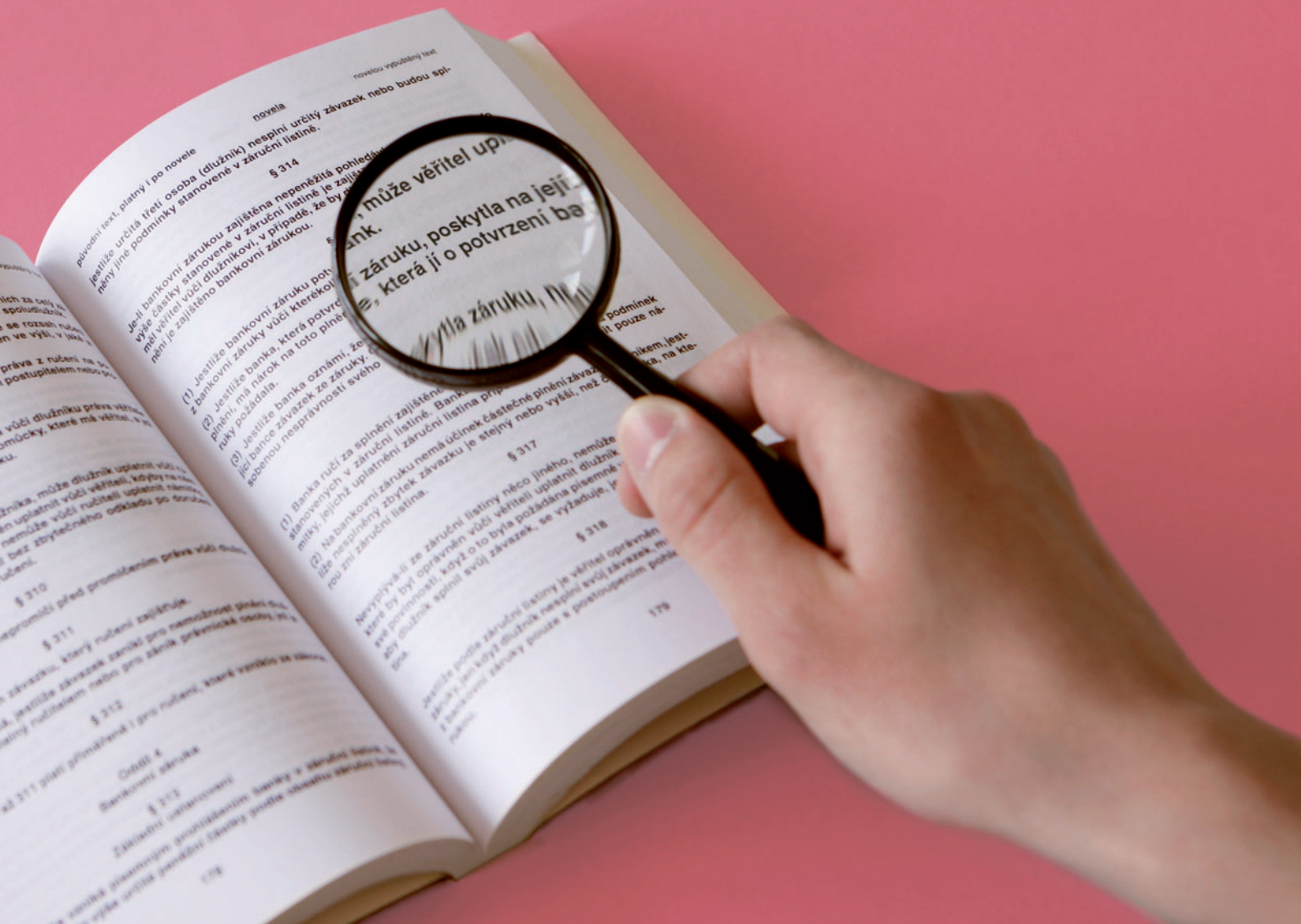
@FAKTURA 24

Česká spořitelna was the first bank on the Czech market to introduce a unique product entitled @FAKTURA 24. This service allows invoices to be sent in an electronic form between individual companies. Electronic invoicing brings the advantage of allowing invoices to be sent safely with significant time, cost, and paper savings. It enables the sending and receiving them in electronic form; the integration of their processing directly into accounting systems; and, simplified payments through direct bank transfers. The service model that we offer uses the "consolidation principle". In practice, this means that the issuer will send an invoice in his own data format to Česká spořitelna, and Česká spořitelna will send it to the recipient after its adjustment into the required format, tables, and graphs. The recipient of the invoice can be a company or an individual end consumer. The number of users continues to grow.

Type of project	2007		2008		2009	
	Investment volume (CZK mil.)	Number of projects	Investment volume (CZK mil.)	Number of projects	Investment volume (CZK mil.)	Number of projects
Solar energy	243	4	1,747	19	4,934	61
Wind energy	342	2	172	3	138	1
Biogas	115	2	1,001	16	654	11
Biomass	0	0	702	2	250	1
Hydroelectric	0	0	297	2	23	1
Total	1,100	9	3,919	42	5990	75

Cooperation with the European Investment Bank (EIB)

Česká spořitelna intensively cooperates with the European Investment Bank. EIB projects, and especially its Global Loan, focus on the financing of projects of small and medium-sized enterprises and municipalities. Česká spořitelna is a major partner for EIB in the Central European region, and as at the end of 2009, it had intermediated EIB loans worth a total of CZK 400 million for its clients. Overall, we thus supported some 400 projects concerning the further development of companies and municipal infrastructure. Through the EIB and CS, Czech entities have also received a direct grant from European Union funds amounting to EUR 6 million. We want to continue in those activities in 2010 and to significantly enhance the volume of funds thus obtained.



Beyond Regulatory Compliance

We comply with our obligations and objectives in accordance with the applicable legal standards as well as in line with the highest standards of governance and ethics.

Beyond Regulatory Compliance

All of our activities are based on internationally recognised principles of corporate governance and management, the Code of Ethics of the Česká spořitelna Financial Group Employees and the Code of Banking Services.

- We regularly publish a statement concerning Česká spořitelna's level of compliance with OECD principles of corporate governance and management;
- we have created a separate department, which is responsible for ensuring that Česká spořitelna's internal regulations comply with current legislative requirements;
- we communicate with our shareholders and investors in an open manner, by means of regular reports on the CS Financial Group's activities;
- our policy of maintaining openness and transparency includes publishing our financial results on a quarterly basis;
- the conduct of our employees and the entire bank is governed by the Code of Ethics of the CS Financial Group and the Code of Banking Services,
- the institute of the Manager for Ethics has been established.

Code of Ethics of the CS Financial Group Employees

The Code of Ethics of the CS Financial Group Employees embodies the principles and standards of conduct by which we abide in our everyday working lives – in terms of our relationship to our clients, among ourselves, and in relation to our financial group. It is based on our mission and vision statements and on the values of the group, and it is about more than just compliance with laws and regulations. The Code is about “what we believe in and how we do things”.

Manager for Ethics

His task is to manage activities related to ethics in the CS Financial Group, acting as an advisor in issues

concerning the Code of Ethics of the CS Financial Group Employees and in the resolution of ethics-related conflicts, overseeing compliance with the provisions of the Code, and last but not least, providing a channel by which every employee can make a submission concerning a breach of ethical principles and the Code.

CS Code of Banking Services

In this document, we voluntarily announce our own standards for the banking services we provide to our clients – private individuals who are not acting in a business capacity. Our goal is to let our clients know in advance about the services they can expect Česká spořitelna to offer, to better understand the principal banking services available to them, and to help them be able to use those services and products safely and to their full satisfaction.

Concomitantly, we follow all points of the Code of Behaviour between Banks and Clients, as issued by the Czech Banking Association (CBA Standard No. 19/2005). In our own code, we aim to go beyond the requirements listed in the Code of Behaviour put out by the Czech Banking Association. In their contact with our clients, our employees are trained to follow and abide by the CS Code of Banking Services.

Charter for Responsible Business

By becoming one of the signatories of the Charter for Responsible Business, we became a member of the European Savings Banks Group (ESBG). All banks associated under this sectoral organisation regard corporate social responsibility as an integral part of their business.

The Charter for Responsible Business recommends to its member banks that they adhere to the following six fundamental principles: to maintain fair and clear relations with customers, in order to build and maintain

a long-term relationship of confidence; to promote accessibility and financial inclusion as fair partners for all segments of society; to support environmentally friendly business; to make a responsible contribution to the community, by linking their business objectives with the needs of the local communities and contributing to social welfare; to act as a responsible employer and provide good working conditions in line with this philosophy; and to support corporate culture and employee education and training, and link everything with transparent communication.

Corporate Governance

We continuously strive to improve the CS standards of governance and management and we regularly publish a statement on our level of compliance with the governance and management values laid out in the Corporate Governance Code, which is based on OECD principles. In our activities, we are always looking out for the best interests of all of our stakeholders. Supervision regarding the proper governance and management of CS is provided by the Board of Directors.

The Board of Directors is the statutory body, which manages Česká spořitelna and acts on its behalf. The Board of Directors is responsible for the long-term strategic direction of the company as well as its operational management. The status and scope of authority of the Board of Directors is set out in the company's Articles of Association and internal directives and they are in conformity with the laws of the Czech Republic. The Board of Directors discharges its responsibilities with due care and diligence. All members of Česká spořitelna's Board of Directors and the boards of directors of the CS subsidiaries are professionals with experience in the management of large corporations, and they have international experience and the ability to work as a team. Members of these boards of directors respect the need to be in compliance with all statutory and ethical norms.

As of 31 December 2009, the Board of Directors of Česká spořitelna had seven members. In accordance

with the Banking Act, all members of the Board of Directors are concurrently senior executives of the company and have the necessary personal and professional qualifications for holding a position as a member of the Board of Directors.

The activities of the Board of Directors and the carrying out of the business activities of CS are overseen by its Supervisory Board. Besides the status and scope of authority that are required by law, the company's Articles of Association determine that the Supervisory Board has the right to comment on certain types of actions that have an impact on the assets of Česká spořitelna (such as construction investments and any plans for the acquisition of tangible and intangible assets by CS over and above a predetermined threshold, and the transfer of the title of ownership to CS assets and ownership interests). In addition, the Supervisory Board comments on the strategic plan of the bank's activities and development and its planning instruments and regular financial statements. The Supervisory Board also has input in the appointment and removal of the internal audit director and the selection of an external auditor.

The Audit Committee is a corporate body with 5 members, established by a decision of the extraordinary General Meeting of 7 October 2009, in accordance with new legislation that imposed the obligation to set up an audit committee as a separate body of the company, upon companies of public interest. This newly set up Audit Committee replaced the original audit committee, which served as an advisory body to the Supervisory Board. The newly set up Audit Committee's main responsibilities include the monitoring of the financial statement process, the evaluation of the effectiveness of internal control, internal audit, and the risk management system, the evaluation of the statutory auditor, and the recommending of an auditor.

Committees of the Administrative Bodies of Česká spořitelna

To support their activities and help ensure the proper internal management of the company and the fulfilment of their responsibilities, the Board of Directors and

the Supervisory Board have established the following committees:

Committees of the Supervisory Board

The Supervisory Board is authorised to establish committees and to delineate the extent of their activities. In accordance with the rules of corporate governance, Česká spořitelna has a Credit Committee of the Supervisory Board.

Committees of the Board of Directors

The committees of the Board of Directors are advisory bodies to the Board of Directors, which are established by the Board of Directors. The purpose of these committees, which consist of members of the Board of Directors and certain employees, is to initiate and submit recommendations to the Board of Directors on particular issues. All committees report to the Board of Directors and prepare a report on their activities at least once a year. The committees include the following: Credit Committee; Asset and Liability Management Committee; Financial Markets and Risk Management Committee; Investment Committee; ATM Committee; Client Service Committee; and others.

Strict Compliance with Legal Regulations

Česká spořitelna devotes thorough attention to assuring its compliance with all of the statutory rights of shareholders, the principle of equal treatment for all shareholders, and with all other legal requirements and regulations. To carry out this compliance function with respect to CS's internal regulations, the bank has established a Compliance Department. This department monitors and ensures that the conduct of CS's employees is in line with the general legal regulatory requirements, the internal regulations of CS, the bank's Code of Ethics, and other standards and rules delineating the behaviour of CS employees. Compliance is an important aspect of all of the

activities of the organisation and is an integral part of the corporate culture. The Compliance Department keeps track of internal information on suspicious and restricted investment instruments (the „watch list“ and the „restricted list“) and any trading activities involving such listed investment instruments. The Compliance Department provides regular reports to the Board of Directors and the Supervisory Board with information on its activities.

Česká spořitelna is careful to comply with and uphold all applicable Czech laws, the values in the Corporate Governance Code, which is based on OECD principles, and the recommendations of the European Union Commission with respect to corporate governance. Česká spořitelna regularly provides its shareholders and investors with all relevant information on the bank's business activities, its financial and operating results, its ownership structure, and other significant events. All information is prepared and published in accordance with the highest level of accounting standards applicable to both financial and non-financial information. Pursuant to the recommendation of its audit committee, the Supervisory Board approves the selection of each year's external auditor. In 2009, Ernst & Young Audit, s.r.o. was appointed to conduct the external audit.

Last, but not least, as a profitable company, Česká spořitelna is a significant taxpayer and contributor to the budgets of the Czech Republic.

Transparency

In accordance with Czech legislation, we make known the holding of our General Meeting of shareholders through announcements published in *Hospodářské noviny* and *Obchodní věstník*. The announcements include basic shareholder information on attendance at the General Meeting and on the exercise of their shareholder rights. Shareholders who are holders of registered shares receive the announcement of the General Meeting directly, including information on principal financial indicators. Additionally, the

announcement of the General Meeting is noted on our website. During the statutorily required notice period for a general meeting, shareholders have the opportunity to become familiar with the key documents (such as the financial statements, report on related parties, and any proposed changes to the Articles of Association) that will be discussed at the meeting. General Meetings are always held at venues accessible to all shareholders, most recently at the registered office of the company.

Although we have not been a publicly traded company since 2002, given our policy of openness and transparency, we continue to publish our quarterly financial results. We regularly (at least twice yearly) hold press conferences at which we provide information to the public on the financial and business results of the group. Each quarter, we prepare a detailed presentation of financial and business results, which is published on our website. In addition, all significant information that is posted on our website is made available in both Czech and English. The Czech media has rated us as being one of the best companies in openly informing the public about the activities of our financial group.

In order to treat all shareholders fairly (98% of the company's shares are held by EGB Ceps Holding, 2% are held by minority shareholders), we have established a special and freely-available portal „Investor Relations“ on our website. Here all shareholders and investors can find our most up-to-date financial results, financial statements and annual reports, and information on how to contact members of our “Investor Relations” team. Representatives of the company regularly participate in events designed for every level of retail shareholder (e.g., RM System conferences). On a more investment professional targeted basis, members of the Board of Directors organise road shows for both investors and shareholders.

We are significant contributors to the ongoing developments and changes occurring on the Czech financial markets:

- we are a member of the Czech Banking Association and the Exchange Chamber (of the Prague Stock Exchange);
- we are a founding member of the Debt Advisory Centre;
- we were the first bank to issue our own Code of Ethics and the first institution to accept the Code of Financial Services.



First Choice Bank for All Client Segments

Our number one business objective is to always exceed our clients' expectations. We meet the specific needs of each and every client by offering highly customised solutions. To be open and straightforward in our communications with clients is always of paramount importance. This strategy leads to long-lasting and mutually beneficial relationships.

First Choice Bank for All Client Segments

- In addition to the standard tools, our clients can use the services of the independent ombudsman programme that has been established by Česká spořitelna; we regularly conduct customer satisfaction surveys in order to monitor and evaluate the quality of the services we are providing;
- we co-founded the Debt Advisory Centre, which helps clients facing financial hardship repay their loans and other debts;
- we have worked to develop specialised products and services for those with special needs, such as our ATM network for the visually impaired.

Service Quality

In 2009, Česká spořitelna was one of the banks that managed to maintain and increase the satisfaction of its clients in spite of the challenging market situation.

These excellent results document the bank's ability to identify and respond to the changing expectations of its clients.

Above all an improvement was achieved in managing queues, and clients had an improved perception that interactions are conducted in favour of the client rather than the bank.

The level of service we provide to our clients was, as in previous years, measured through a client satisfaction survey, the results of which are expressed in the form of the so-called Customer Satisfaction Index (CSI).

Since 2009, the bank's ability to manage client loyalty has been one of the performance evaluation criteria of the entire bank.

To further enhance the bank's ability to provide services that live up to the strictest European and global quality standards, we made use of the „Six Sigma“ business management strategy and Kaizen quality management philosophy and continuous improvements.

To find out how effective this programme has been, we conducted a nationwide client satisfaction survey using the European EPSI model and the Finalta European benchmarks. The results were that our management system, and the quality of the services that we provide to our clients, meet the strictest European standards.

The Ombudsman's Team

This is the ninth year in which Česká spořitelna Financial Group has offered its Ombudsman's Team to its clients. Clients most frequently communicate with the team's employees by telephone and e-mail, but they also come for meetings in person and mail letters. The team's members handle inquiries received from clients not only in Czech, but also in English and German.

The CS Ombudsman's Team was modelled after the one at its parent Erste Bank, where a similar team has successfully been in place since 1997. Today, there are similar teams at Erste Group operations in other countries. Team members regularly meet to share their experience and information on the best practices in handling client concerns. This effort is designed to further improve the level of our services.

The Ombudsman's Team can be contacted by anyone wanting to make comments or suggestions as well as by those who want to complain about the service they received from our bank or other matters concerning the entire financial group. The team can be contacted by phone – a special toll-free number has been set up for this purpose – via e-mail, by mail or in person.

In 2009, the Ombudsman's Team received and handled more than 5,500 customer contacts. In 4,546 instances, the team's members were able to handle the given matter, and in more than a thousand instances they provided support to other parties, including branch employees, employees of the client centre, subsidiaries, and the main office. On the basis of submissions, many improvements and systemic changes were implemented in 2009, some of which will be introduced below.

How Česká spořitelna Handles Customer Inquiries

Our bank has made a giant leap forward in terms of our ability to respond to customer feedback, by not just simply processing it, but by handling it properly and quickly, by documenting the problem, and by learning from the feedback, in order to make the necessary improvements. In 2009, our company received and handled more than 170,652 customer submissions. In 2009, the Ombudsman's Team focused primarily on quality and on seeking out possible alternative solutions for clients. On the basis of client feedback, it also introduced a special ombudsman service for small companies. The primary reason for setting up this institute was to have specially trained staff who would be better able to address the specific inquiries of corporate clients. The Ombudsman started to operate in August and clients, as became evident, appreciated that step. Its ability to capture and address client submission makes Česká spořitelna a leading European bank.

Improvements made based on customer satisfaction surveys and customer feedback:

1) Welcome calls for new Internet banking users

The bank wants to make it as easy as possible for new users to log in to the service for the first time, thereby preventing them from wasting time and from there being misunderstandings when they activate the service. A trained operator walks the client through the log-in process and explains the basic principles of using the service.

2) Quality Day at CS branches

On 17 June 2009, clients attended Open House Day – an informal meeting where they could get to know the inner workings of branches. That was the third Open House Day last year. Clients had the opportunity to meet and talk with branch employees and managers, and see the back office space and safety deposit boxes, which are not normally accessible. Clients asked about

everything that was of interest to them with respect to Česká spořitelna and added their suggestions for improving services. They got to know the “human face” of our bank.

3) Induction loops for clients with hearing impairments

Improving conditions for using the bank's services for clients with various handicaps is one of our traditional goals. 26 branches have already been equipped with induction loops, which help clients who are hard of hearing to communicate with their banking advisor. For a list of branches featuring the devices, see the bank's website.

4) Investments into branch equipment and furnishings

In 2009, we continued to invest into branch renovation, equipment, and furnishings to make them even more comfortable and the time spent in them more pleasant. The improvements included drink dispensing machines (water and coffee) and new toys for the children's corners for our smallest clients.



First Choice Employer

We provide our employees with a good working environment based on our corporate values and culture. We motivate our employees to provide exceptional service, we treat each of them as an individual, and we stress that we are an equal opportunity employer. We believe that lifelong learning is essential, which is why we put major emphasis on employee training and education.

First Choice Employer

- We provide our employees with the opportunity to participate in a broad range of lifelong learning and career development programmes. These include the training of graduates, ongoing language courses, and material support for higher education;
- there are 16 special employee benefit options, including two days off per year to work for a charity and other socially-conscious programmes;
- we tailor our working hours and workplaces to meet the needs of special types of employees – for example, mothers with children can work from home and have flexible working hours;
- we encourage the providing of employee feedback and have an employee development programme based around the ROZA employee interview evaluation methodology and an open communication system.

We also provide equal opportunity to those changing careers in the CS Financial Group.

The employees of the CS Financial Group can apply for any open position within the group. All of our vacant positions are first offered to existing employees and only subsequently are they advertised externally. We are able to offer positions to new graduates and experienced bankers, as well as senior managers. Besides the online advertising of vacant positions, we also have our own bonus-based employee referral programme, which is designed to expand the group's employee base through personal referrals from existing staff. Those who have referred a suitable candidate for an open position receive a financial reward.

Employees whose position has been abolished for organisational reasons have access to special counselling as part of our effort to actively assist those whose positions have become redundant, by providing them with professional assistance in their search for a new career opportunity. This assistance programme includes the following: a one-day training seminar, which teaches the participants useful skills, such as how to write a resume and cover letter, how to get prepared for a job interview and the recruitment process, tips on a successful job interview, and the preparation

of a personal career plan, etc. After the seminar, participants have the option to consult with the lecturer by phone for a period of three months.

Employee Education and Training Opportunities at CS

The Human Resources Department offers our employees a wide range of education and training activities. Employees can attend internally and externally offered courses and they can also take advantage of e-learning courses and tests. The company has available some 50 e-courses, and in 2009 there were 41,447 individual participations in internal courses and 11,271 in external ones.

The educational opportunities offered include not only courses designed to improve interpersonal and business skills but also a variety targeting the development of specific professional skills.

We encourage our employees to improve and expand their list of qualifications, by providing material support for further academic course work (MBA, bachelor's degree, master's degree, Ph.D., etc.). The bank provides a variety of language courses for those in a number of different job positions. This includes courses both for beginners and more advanced students. Our most effective regular personal development programme includes training courses that are targeted at specific job positions.

A series of special education and training programmes offered by our company make up an entirely separate section of our employee training and development activities. These are longer-term career development programmes built around special skills and areas of expertise and their participants are able to master this knowledge and make use of it in their future career at the company. These programmes include the following:

Talent Management Programme

Three programmes were launched in October 2009 under the Talent Career Management concept – Top Talent, Top Expert, and Top Manager. There are 39 participants overall in the three programmes, both from the head office and the branch network. These are superbly performing employees who have the potential to advance in their careers in CSFG. In the various educational activities, participants prepare for their future roles in the development of their careers in CSFG.

Group Junior Trainee Programme

An Erste Group programme designed for recent college and university graduates. 20 participants are currently enrolled in the programme and they come from all of the countries where the Erste Group has operations (2 work for Česká spořitelna). This 18-month-long programme includes professional seminars, which relate primarily to banking, and local and international internships. Those selected for enrolment in the programme have recently finished their schooling and are interested in learning more about finance – and in particular, topics related to the management of credit risk and commercial banking. The total cost per person for this programme in 2009 was approximately CZK 300,000 (including the international travel expenses for interns).

Comprehensive Development Programmes for Specific Employee Categories

Newly introduced in 2009, these are comprehensive types of development programmes that have been designed specifically for a category of employees. The programmes are always put together to precisely meet the needs of a particular category of employee. This model was used to organise training programmes for selected key employees of the Risk Management Division, Commercial Banking, the Financial Management Division, Private Bankers, and Micro-area Managers. Participants are actively involved right from the start of the programme, including in the preparation stage, and this has a positive impact on their subsequent involvement in the individual training

and development activities and results overall in very positive feedback.

360° Feedback

To precisely identify the development, education, and training needs, and the hidden strengths of our team and individual employees, the 360° feedback model was used last year to evaluate all members of the senior management, from the members of the Board of Directors to section directors. This model is designed to give the supervisor, staff, co-workers, and internal clients of a manager the opportunity to evaluate his/her particular skills and capabilities, while the manager also evaluates him/herself. By putting together these differing perspectives, we get objective feedback. This feedback then makes it possible for managers to work on their further development.

Teambuilding Activities

At Česká spořitelna, we combine our teambuilding efforts not just with education and training, but also with corporate social responsibility. The participants in these programmes are involved in such charitable and publicly beneficial activities as working in orphanages, retirement homes, environmental protection organisations, etc. Such teambuilding programmes help us not only to build a stronger team of employees, but also to assist and help those in need.

Career Counselling

Besides group-type career development activities, our career counsellors meet one-on-one with employees to consider future career opportunities and to help the person identify his/her personal training and educational needs.

Mentoring

In 2008, Česká spořitelna introduced a mentoring programme for new branch and head office employees. The programme has been designed to assist our new colleagues, by having someone there to help them

through their initial orientation period. It involves an arrangement whereby a more experienced, senior employee takes on the responsibility of helping a new employee fit in, along with becoming familiar with the way in which the bank works and about the responsibilities of the new position. In 2009, 1,399 new employees were included in the mentoring programme, of whom 838 were new branch network employees and 561 head office employees. Newly, an incentive programme in support of mentoring was established in the branch network, where bonuses of CZK 1,721,000 were paid out to mentors in 2009.

Our selection of available training programmes is being constantly updated and enhanced to reflect the current needs and requirements of our employees.

Employee Satisfaction – Competitive Benefits and Equal Opportunity Employment

Česká spořitelna is considered to be among the more progressive employers in the Czech Republic in terms of its employment and compensation policies. As an employer, CS strives to be both a world class service provider and a very desirable place to work. We consider our employees to be our most valuable asset and we are convinced that investments into human resources will generate a very favourable payback. We believe that having satisfied and motivated employees is a critical requirement for a successful business.

The basic building blocks of our employee compensation programme are salaries, bonuses, employee benefits, and the work environment.

Salaries and bonuses:

- basic salaries are competitive to those offered by other first-class financial institutions on the
- Czech banking market;

- the motivational bonus is part of the compensation package and averages 30% of the annual base salary for each employee of Česká spořitelna;
- profit-sharing in the profits of the Erste Bank Group for all employees of the CS Financial Group;

Employee benefits that are focused on the family, free time and good health include:

- 25 days of holiday per year;
- 5 sick days;
- contributions for sports, cultural and travel activities;
- participation in sports and outdoor events;
- opportunities to use recreational facilities;
- financial contributions for local and foreign holidays or a contribution for a summer camp;
- the company offers all employees the chance to take two days off each year to work for a charity or worthy cause of their choice – including working with senior citizens and children, substance abusers, or an environmental protection organisation, etc.

Benefits focused on living well today, as well as in the future:

- an employee contribution-based pension scheme, with an employer 100% match, of up to CZK 17,200 per year;
- employer provided meal vouchers of CZK 80 per work day;
- favourable terms and conditions for the banking and financial products of the CS Financial Group;
- a preferential programme for the purchase of Erste Bank shares;
- discounts on Kooperativa (insurance) products, such as homeowner insurance, holiday home insurance, travel insurance, and insurance for foreign medical expenses and accident insurance;
- there are other benefits available through corporate partnership with other companies – particularly with other members of the CS Financial Group. For example, employees have discounted mobile phone service plans and discounts on the purchase of computers and digital media, cars, spa stays, taxi services, sport and fitness clubs, beauty salons, development projects, etc.

Work environment:

- highest health and hygiene standards;
- relationships based on collaboration;
- flexible working hours;
- work from home option;
- unpaid time-off.

Our Corporate Culture Includes Being an Equal Opportunity Employer

Česká spořitelna tolerates no discrimination. We value the work of each and every one of our employees and treat the members of our team as unique individuals, without regard to their gender, age, marital status, sexual orientation, disabilities, race, skin colour, religious or political affiliation, ethnic background, nationality, citizenship, or any other aspects unrelated to their employment. We value the contributions of each individual member of our team as a positive reflection of our diverse society.

Being an Equal Opportunity Employer Gives Us a Competitive Advantage in the Labour Market

The ability of our management to provide a work environment where men and women are given equal employment opportunities and where we work to balance family life with work is reflected in the loyalty and performance results of our employees. By integrating equal opportunity employment principles into our corporate culture, we have a solid foundation for building strong and positive relationships between our company and its employees.

Česká spořitelna is an active promoter of equal opportunities for all through its „Diversitas Programme“, which has the following objectives:

- a) to guarantee that everyone is given an equal opportunity in all positions and all areas (career development and advancement, the balancing of work life and family life, financial and other compensation, etc.) across the entire CS Financial Group;
- b) to encourage and maximise the use of social, personal, gender, and age differences among the

individual members of a team, and the different approaches of men and women to the same type of task, and to view these differences as a benefit to the organisation;

c) to provide favourable conditions for mothers and parents;

d) to provide mentoring and coaching for women who need to boost their self-esteem for the sake of future professional and personal growth;

e) to promote a sense of mutual respect among employees.

Our employees are the key to our success and we do everything we can to provide a dynamic work environment that will motivate employees to excel, and an environment where the personal contribution of each employee is valued and appreciated.

Employee Evaluations

In order to make sure our employees both excel in the work they do and are satisfied with their job, we have a programme to provide employees with feedback on their performance:

The ROZA Employee Interview Concept

The CS Financial Group strongly supports the ongoing career and personal development of its employees. It believes that this support is a two-way street – benefiting both the employee and the company. The efforts of our employees allow Česká spořitelna to deliver superior results to its customers and other stakeholders and to achieve its other operational objectives. A key tool used by the bank to help its employees recognise their potential, to motivate them and prepare them for other challenges, is the bank's employee interview programme, which is internally known as ROZA.

The ROZA employee interview is a simple tool that can help answer such difficult employee questions as: What should my career and personal development goals be? Where should I focus my efforts? Do I do my job well? What should I do to improve? What are my strengths

and how do these impact my career advancement opportunities? The employee interview is a tool for self-reflection that also includes the input of another person, such as the employee's manager, HR staff, or a senior employee. By evaluating the extent to which the employee has successfully met their previous personal development objectives, the employee is able to better determine the direction he or she should take in the future. The ROZA employee interview is a form of interactive feedback between managers and employees that is focused on career advancement and career opportunities.

Corporate Culture

A Dynamic and Value-Driven Corporate Culture

A company's mission statement and its corporate vision and values help drive and direct its business. Our corporate culture is one that motivates employees and values everyone's individual input. It is closely tied into the needs and expectations of our customers. We want to be a business with clearly defined objectives and one that is managed in line with its key values. The ability to realise these objectives and put these values into practice requires a committed effort on the part of each and every employee, the ability of those within the company to communicate openly, and a highly supportive and motivating environment at all management levels.

The Corporate Culture Development Programme

Česká spořitelna has a highly sophisticated programme for the ongoing development of its corporate culture. The programme uses a set of procedures designed to assist with the implementation of a common set of priorities related to the development of corporate culture across the entire organisation. Having a strong corporate culture is a part of the bank's overall business strategy.

Continuing Interest in Our Employees and Employee Satisfaction Surveys

The welfare, concerns, and needs of its employees are very important to Česká spořitelna. The bank regularly conducts employee satisfaction surveys. The results from these surveys are used to improve the work environment, our management system, and the employee benefits and bonus structures that have been put in place to enhance the loyalty of employees. Our bank's management decided not to settle for an incremental approach and thus introduced a systematic plan for the long-term development and growth of the company's corporate culture – ensuring that the original vision of the Česká spořitelna corporate culture is pursued at all levels of the company.

Dialogue with Employees

Listening to our colleagues. Our employees are always welcome to share their opinions and provide CS management with their ideas at meetings such as road shows, as well as anytime by phone, e-mail, intranet chat, or on discussion forums.

Česká spořitelna uses a number of different ways in which to communicate its business strategy to its various groups of employees. The goal is that each employee would understand the company's business strategy, such that his place within it would be clear, he would discover his role in fulfilling it, and would be aware of his responsibility and benefit in contributing to development of the company.

Dialogue with Employees – CS's Open Communication System

We have a sophisticated system of open communication in place to obtain feedback from our employees. The system allows employees to communicate with senior management on either an anonymous or personal basis. The open communication system was introduced to promote a dialogue between CS's senior management and the company's employees. Employees can give their opinions and share ideas and suggestions on how to improve the bank. The system also helps to keep employees informed about what is going on at Česká spořitelna.

The issues raised and management's responses and comments are published on the intranet, to make the discussions available to all employees.

The CEO's Open Line

This allows employees to share their opinions directly with the CEO. The Open Line has been available on a regular basis for ten years (since 2000), about three times a year. In 2009, it was available three times, during which time employees made 23 inquiries on various topics.

Breakfast with the CEO

An informal meeting intended to give employees an opportunity to share their opinions and experience with the CEO and to discuss with him current developments at the bank. The first breakfast took place in early 2009. It is a natural supplement to the CEO's Open Line and takes place about 3 times a year.

Open Mail

Is intended for general issues related to the bank's processes, products, management, etc. Open Mail has been in place for six years (since March 2004).

In 2009, employees sent in 38 inquiries by mail. The most frequently raised issues dealt with CS's products, questions about plans for key products, employee benefits, and payroll-related matters.

BOD member visits to branches and commercial centres and road shows,

Fora in which employees can discuss issues directly with members of CS's senior management. The „Road Show“ programme was launched in April 2004. Since 2008, Road Shows have included meetings that focused on communicating the strategy of the CSFG in all regional branches and commercial centres, all divisions of the head office, and almost all subsidiaries.

Chats with Board Members and the Management of Individual Divisions

Intended for employee inquiries concerning the current developments at the bank, strategy, plans, processes, and procedures. They take place about three times a year.

Blogs and Discussion Fora

Here, employees can give their opinions on the current developments in the company; discussion fora can then be used for their comments on those blogs.

The Internal Ombudsman

Deals with confidential and sensitive inquiries from current and former employees and external partners of the Česká spořitelna Financial Group. He has been operated for the bank's employees since November 2004, and for other members of the Financial Group since January 2006. In previous years, the Internal Ombudsman most often addressed employment issues – legal relations, and since 2009, primarily issues concerning inter-personal relations and ethics in conduct and behaviour; in this regard, he cooperates very closely with the Manager for Ethics. In 2009, a total of 70 employees approached the Internal Ombudsman.

CS Human Resources-Related Certificates and Acknowledgements

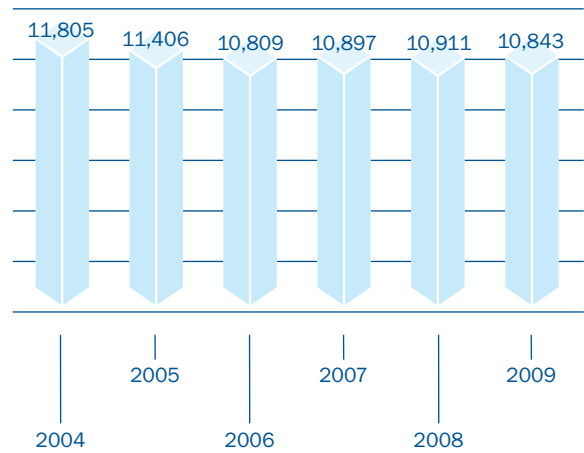
- Special 2008 Company of the Year Award for a „Good Start“ in Equal Opportunities (Gender Studies Association).
- 2009 Company of the Year: Equal Opportunities
- 2010 Award of HR Managers in the Prague Region: first place for the Diversitas Programme

CS Involvement in Human Resources-Related Professional Groups and Associations

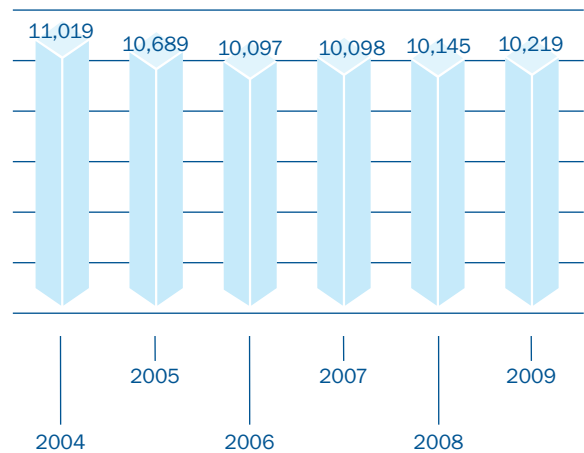
- American Chamber of Commerce HR Committee;
- Czech Society for Human Resources Development;
- HR Forum Magazine;
- Gender Studies Association;
- Aperió Healthy Parenting Association (Advisory Board for the „Equal Treatment in the Workplace – Prague“ project).

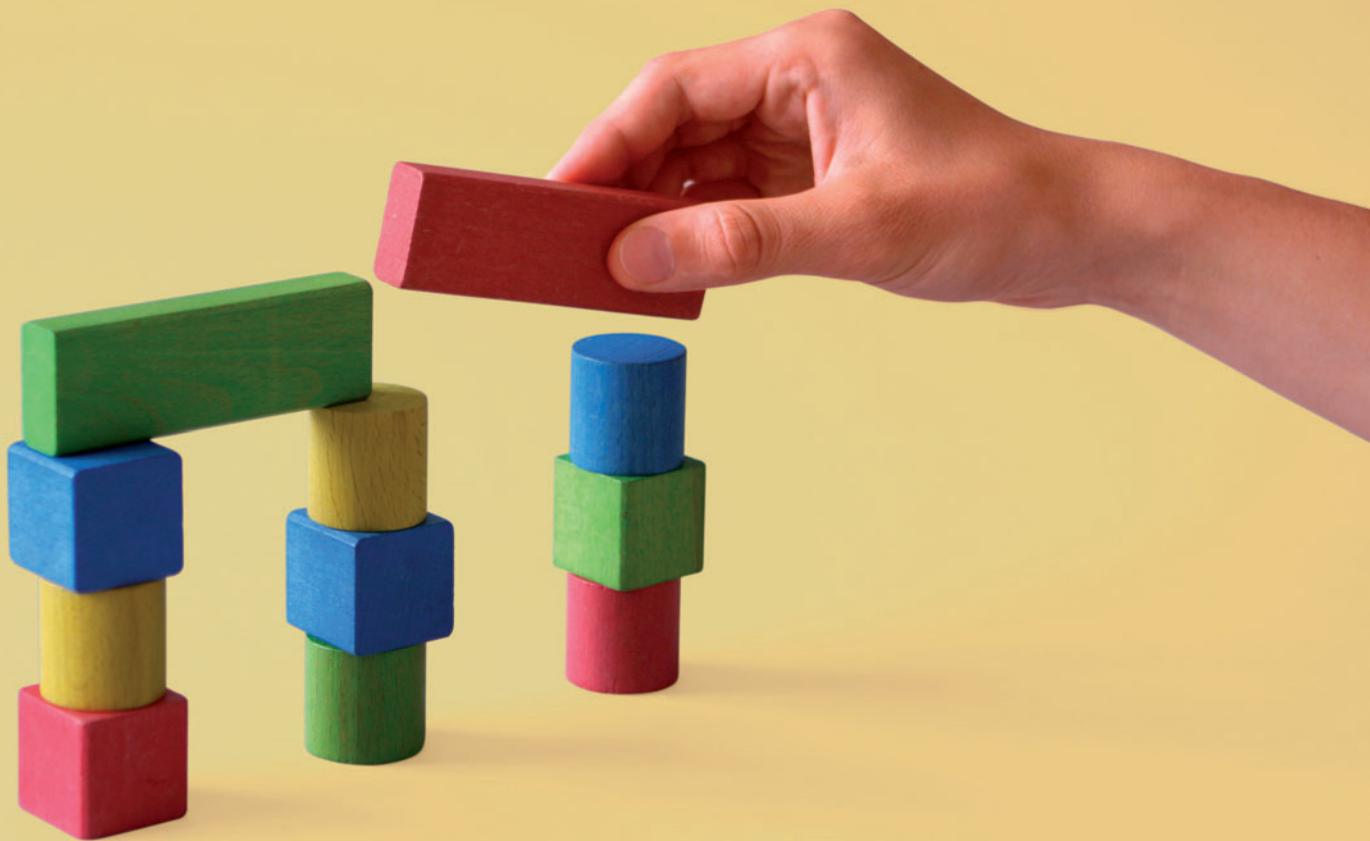
CS and CSFG Headcount by Year:

Financial Group Headcount



CS Headcount





CSR Projects by Strategic Pillar

The company's CSR strategy has a triple-bottom-line, which is built on three strategic pillars – economic, social, and the pillar of environmental sustainability.

CSR Projects by Strategic Pillar

In 2002, we set up our own Česká spořitelna Foundation, which has allowed us to work on longer term strategic projects with our partners.

- Česká spořitelna is one of the leaders in Czech corporate philanthropy and corporate community investment;
- the partners with whom we work include organisations dealing with education, senior citizens issues, substance abuse, and environmental protection; we involve our employees as well as our clients in our philanthropic activities;
- the Česká spořitelna Foundation is our key platform for CSR-related activities, projects, and initiatives.

Economic Pillar

Education, with a primary – but not exclusive – focus on financial knowledge.

Česká spořitelna sees its efforts in the educational area as benefiting all of its stakeholders:

- clients (clear and easy-to-understand information available on all products and services);
- employees (training and personal development);
- the broader society (cooperation with universities and other educational activities);
- shareholders (the bank as a first choice employer).

Prague University of Economics

Česká spořitelna has been the general partner of the Prague University of Economics since 2002. CS co-funds the development of educational and education-related activities such as publishing, student projects and events, and memberships in international organisations, etc.

Česká spořitelna's cooperation also takes on other forms, such as lectures on various topics of interest given by CS employees, collaboration on graduation thesis work, and meetings between students and members of CS's management during registration for school and at the Šance Job Fair.

In 2006, CS opened a branch at the university, which offers, in addition to the bank's regular services, products designed for students and postings of job vacancies at Česká spořitelna.

For the 2009/2010 academic year, students were able to enrol in a minor in „financial analysis“, sponsored by Česká spořitelna. The instruction is provided by PUE professors as well as Česká spořitelna managers. Led by our experts, students can work on their semestral and honours papers and participate in projects and specialised internships.

University of Hradec Kralove

The University of Hradec Králové is a relatively new school that was established as an outcome of the 1989 political and economic changes. The school currently has three faculties – teaching, IT & management, and the faculty of arts. It has a student body of over 8,000.

Beginning in 2008, Česká spořitelna became involved with university as a general partner. The partnership between the company and the school revolves around educational activities – specifically, the research activities of junior faculty, conferences, publications, and the sharing of experience between Česká spořitelna management and students, etc.

For the 2010/2011 academic year, this partnership will focus on a continuation of existing activities designed to assist students and education.

Educational Seminars for University Students

Since the 2009/2010 academic year, we have offered students of Prague's universities the opportunity to attend one-day seminars focused on soft skills development. At those seminars, students can perfect such skills as communication, presentation, and project management. This gives students a further education possibility that gives them a head start on the ever-fiercer competition on the job market.

Students pay a nominal fee for attending the seminars. The funds collected will then be donated to a selected charitable project that we support as a part of our corporate social responsibility (care for the environment, the ageing society, substance abuse prevention) which the students are able to choose themselves.

Tranzit.cz

Tranzit.cz is a pioneering cross-border, interdisciplinary and intergenerational initiative focused on providing support for contemporary art. The Erste Bank Group launched this project, which concentrates on Central and Eastern Europe, and primarily – in its initial stage – on the Czech Republic, Slovakia, and Austria.

Česká spořitelna has provided support to the Tranzit.cz project since 2003. Primary uses of the funding have included books and catalogues, exhibitions, seminars and international projects. Since 2007, lectures, exhibits, slide shows and other activities have been organised to assist young, aspiring artists, by the Trazitdisplay gallery.

In 2010, our support for this project will focus primarily on the project MANIFESTA 8 – European Biennial of Contemporary Art and on supporting the grant programme for the development and support of individual artists and curators.

The Czech Donors Forum

The Donors Forum is a civic organisation that has successfully promoted the expansion of philanthropic giving in the Czech Republic for over ten years. Its members include major foundation contributors as well as individual corporate donors.

In 2003, Česká spořitelna became one of the founding members of the Club of Corporate Donors (Donator), whose objective is to support strategic and transparent corporate philanthropy in the Czech Republic.

Since 2005, the company has supported a year-round series of educational seminars and workshops

targeting non-governmental organisations and corporate donors, which are aimed at improving the philanthropic environment in the Czech Republic. In 2009, the programme „Improving Corporate Donorship in the Czech Republic with Česká spořitelna“ focused on financial management and investing during the crisis and it had nearly 200 participants.

In 2010, the project's name will change to the “Educational Centre for NGO Development with Česká spořitelna”. In addition to educational seminars, the project will include a course taught at PUE, which will be open both to students and representatives on non-profit organisations.

Debt Advisory Centre

Česká spořitelna operates its own debt advisory centre (operating as a non-profit organisation under the name „Poradna při Finanční Tísni“. The new counselling centre, which opened in January 2008 and was established by our bank and the Czech Consumer Association, is the first organisation of its kind – not just in the Czech Republic but in all of Central Europe.

The objective behind this project is to offer advice to consumers who are in over their heads in debt, helping them to find solutions in situations where they face possible social exclusion as a result of insolvency. Another objective of the programme is to raise the awareness of possible debtors and to promote the principle of responsible borrowing. All services provided as part of the programme, including recommendations for the restructuring of assets and liabilities, communicating with financial institutions on the individual's behalf, and psychological counselling, are provided on an independently, without bias, and free-of-charge.

A new branch opened in Ostrava in January 2009. Together, the Prague and Ostrava branches of the Debt Advisory Centre served 11,386 new clients in 2009. In 2010, a branch will open in Ústí nad Labem. The centres will carry on in their preventive lectures and take

advantage of the possibilities offered by the European Year of Combating Poverty.

Helping Hand

Through this project, for clients who lose their job (and have insolvency insurance in the event of a job loss) and are incapable of paying their debts, we offer the possibility of free personal consultations and an educational seminar at the Manpower personnel agency. This helps increase the clients' chances of finding new jobs, thereby maintaining their standard of living.

Ladies Investment Club

Česká spořitelna was the first bank in the country to launch an investment club designed exclusively for women interested in learning more about investing. By establishing the club, Česká spořitelna followed the Erste Group tradition, where a similar club has existed since 2002. And we inspired other Erste Group countries to establish a ladies club: Slovakia, Hungary, Croatia, and Romania.

The purpose behind this project was to create an independent platform for educating women in finance and investing. Women tend to be the ones who keep an eye not only on their personal, but also on the family's finances and, on average, are responsible for 80% of all purchasing decisions. The Ladies Investment Club treats women as valuable clients who want to learn more, make better decisions, and become successful.

As of 31 December 2009, the club had 1,843 registered members. Nearly 70% of them already have investment experience. Approximately 75% of the members are clients of Česká spořitelna. In 2009, the club organised two professional and socially oriented gatherings and it published four issues of its own „Lady In“ magazine, which was distributed to the club's members for free.

In 2010, the club plans on holding two to three similar events and to publish another four issues of its magazine. It will continue to cooperate with its existing

partner organisations and carry on in its effective communication with club members.

Social Pillar

Assisting those in need with a focus on helping our senior citizens and those battling substance abuse problems.

Česká spořitelna sees its efforts in the social area as benefiting all of its stakeholders:

- clients (products and services designed for senior citizens, ATMs for the visually impaired);
- employees (an equal opportunity employer, part-time employment);
- the broader society (support for projects assisting senior citizens and projects dealing with substance abuse problems);
- shareholders (stable employer-employee relationships, employee loyalty).

Caritas Czech Republic

Caritas Czech Republic (Charita ČR), the former Czech Association of Catholic Charities, has a focus on charitable work throughout the Czech Republic. It operates dozens of local care centres and nursing services, retirement homes, night shelters for homeless people, homes for mothers in distress, short-stay facilities and sheltered workshops for persons with disabilities.

Česká spořitelna has worked with the Caritas Czech Republic organisation since 2001, as a general partner. Every year, Česká spořitelna provides funds to organise the “Three Kings Collection Day” held between Christmas and Three Kings Day.

In addition to the above, Česká spořitelna has assisted with a number of other projects. For example, in 2002, it engaged in projects organised under the “Help Mothers and Children in Distress” campaign; in 2003, which the UN declared as the European Year of People

with Disabilities, CS provided support for activities for disabled people. In 2004, the general partnership was taken over by the Česká spořitelna Foundation, which contributed to projects dealing with the treatment of substance abuse problems, combating domestic violence and helping the mentally ill.

In 2009, the Česká spořitelna Foundation's financial contribution helped purchase transportation equipment for retirement homes in Nížkov and Mukařov and the local charity organisations in Hodonín and Náchod, a stair lift for a retirement home in Pilsen and the installation of communication equipment in a retirement home in Javorník.

In 2010, the Česká spořitelna Foundation will again help organise not only the 2011 Three King's Collection, but also make a financial contribution to building adaptations in retirement homes in Hnojník and Mukařově and to the purchase of equipment for the retirement home of St. Anne in Sousedovice near Strakonice, to the establishment of a low-threshold facility for children and youth in Židlochovice, and to supporting the St. Lawrence Social Rehabilitation Centre and Social Therapy Workshops of St. Joseph in Meclov.

Life 90

Life 90 (Život 90) provides social services to seniors. The Prague "Portus House" for seniors runs community centres and counselling centres and provides transportation to handicapped seniors. It also has an information service and promotes a number of other activities, which include educational courses and theatre visits. In addition to Prague, the society has three other branch offices in Hradec Králové, Jihlava, and Zruč nad Sázavou.

Česká spořitelna began assisting Life 90 in 1992, by providing financial support for a TV show designed for seniors. In subsequent years, Česká spořitelna continued its support by contributing to the refurbishment and furnishing of Prague's Portus House for Seniors. In 2004, the Česká spořitelna Foundation took over for Česká spořitelna, and between 2004 and

2007, the Česká spořitelna Foundation co-funded the extension of the AREION emergency care service.

In 2008 and 2009, The Česká spořitelna Foundation participated in the establishment and further development of the SENIORUM portal, and in 2010 it is supporting the Daily Service Centre operated under Portus House.

Last year, our company regularly contributed to an educational column for senior citizens in the „Generace“ magazine published by Life 90. The purpose behind this effort is to educate our senior citizens and provide useful tips. The content has included topics on how to use debit cards and ATMs, inflation protection, smart borrowing, and home banking. In 2010, the Foundation will continue to contribute to the column.

The Livie and Václav Klaus Foundation

The objective of the "Communicating with Seniors" project established by The Česká spořitelna Foundation and the Livie and Václav Klaus Foundation is to encourage and educate seniors on how to use and work with PCs, mobile phones, and payment cards. The project focuses on those seniors who have not yet had a chance to become familiar with modern means of communication and to teach them the basics of using these modern conveniences.

In 2009, 170 educational courses were given in 132 Czech towns and cities with over 1,700 senior attendees, of whom 70% were women. This figure shows the high level of interest on the part of our seniors in learning about modern technologies and confirms the usefulness of the activities of the Livie and Vaclav Klaus Foundation supported by the Česká spořitelna Foundation. Due to that fact, the Foundation has decided to support the 4th year of the project that is taking place in 2010.

SANANIM

The SANANIM civic association is the largest nongovernmental organisation in the Czech Republic

that provides services to treat those with non-alcohol-related substance abuse problems. SANANIM was established in 1990 and in the course of ten years it has successfully managed and developed a comprehensive and integrated programme for the treatment of drug addiction.

Česká spořitelna has provided support to SANANIM since 2000. In 2004, the general partner role was taken over by the Česká spořitelna Foundation. The Foundation's main contributions have included support for the refurbishment of the Karlov Therapy Centre, which specialises in prevention and treatment services for teenagers and mothers with young children.

In 2009, the Foundation contributed to the funding of the next stage of the reconstruction of the administrative offices of the Karlov Therapy Centre and the outfitting of an outpatient treatment centre, an overnight care facility, and a parent counselling centre at Café Therapy in Prague. In 2010, the Česká spořitelna Foundation continues to support the above projects.

The Drop-In Programme

The Drop-In substance abuse prevention and treatment centre, a non-profit organisation, became our partner in the fight against drug addiction in 2007 when our Foundation purchased a mobile ambulance unit for the centre's field services (the so-called „Street Mobile“ project). This is because Drop-In is an organisation with a focus on outpatient care, early intervention, counselling, and treatment services for substance abuse, in an effort to reduce the overall harm and the risks associated with substance abuse.

In 2009, our Foundation continued to lend its support to the Street Mobile project with its focus on initiating contact, counselling, and the reduction of social and health-related risks among those affected by non-alcohol-related substance abuse. Newly, it participated in the activities of the family centre, which ensures the prevention of specific developmental disorders in children endangered by drugs, primarily in the prenatal stage, and the Follow-up Care Centre, which works with

clients to help them put behind themselves the habits acquired at a previous stage of their lives.

In 2010, the Česká spořitelna Foundation cooperates on projects organised by the Low-Threshold Centre and Methadone Substitution Centre in Prague 1 and Prague 2.

Environment Pillar

Sustainable development and the protection of our environment.

Česká spořitelna sees its efforts in the environmental area as benefiting all of its stakeholders:

- clients (the promotion of environmentally friendly products and the use of recycled paper);
- employees (energy saving, recycling and participation in charity programmes);
- the broader society (support for projects dealing with environmental protection);
- shareholders (the way we treat the environment in which our company operates).

The VIA Foundation

The VIA Foundation (Nadace VIA) was established in 1997, continuing the work of the Czech branch of the American Foundation for a Civil Society, which had been working in the Czech Republic since 1990. The VIA Foundation supports the initiatives of regional non-profit organisations and promotes philanthropic efforts in society.

Since 2006, the Česká spořitelna Foundation has acted as general partner of the VIA Foundation's grant programme entitled "Helping People Improve the Place Where They Live". The objective of the project is to regenerate or convert idle or overgrown areas into public spaces that can be enjoyed by all age groups. Thus, local non-profits are encouraged to contribute to municipal environmental improvement projects, with financial and technical assistance from the VIA Foundation. The programme has also been able to get local residents more interested in what's going on in their community

by actively involving them in all stages of the given project – from planning through completion.

2009 was the seventh year in which the Česká spořitelna Foundation provided support to this programme. Among the activities that will be a part of this initiative in 2010 are improvements to the public areas of the local sports club in Kyjovice in the Opava region, a recreational zone in the centre of Jarošov, a zone for the meeting of locals as well as seasonal residents in Kololeč, and adaptations of the centre of Dešenice. Public areas in the municipality of Ohaře can also look forward to an improvement. Our seventh year of involvement in this programme will increase to thirty-five the number of towns and villages in which the VIA Foundation, in partnership with Česká spořitelna and later with its foundation, has helped to improve the local environment and improve the quality of life in the local community.

Partnership Foundation

The Partnership Foundation (Nadace Partnerství) is a non-profit organisation devoted to environment protection, sustainable development, and collaboration across different sectors, and support for citizen involvement in public affairs.

The Česká spořitelna Foundation has worked with the Partnership Foundation and the Foundation has been the general partner of the “Greenways” project since 2004, when the Česká spořitelna Foundation took over from Česká spořitelna its support of the Partnership Foundation.

„Greenways“ include trails, road corridors, and natural corridors that serve an environmental purpose and which can also be used for sports, tourism, and other activities. The objective of this initiative is to improve the quality of life in local communities by focusing on safe transportation, environmentally conscious tourism, nature conservation, local cultural heritage, and the promotion of a healthy lifestyle.

In 2009, the Česká spořitelna Foundation in association with the Partnership Foundation funded 19 grants to local non-profit organisations for improvements to existing „Greenways“ or the creation of new ones. At least 10 events were organised in relation to the „Greenways“ projects and our local „Greenways“ partners have started to work even closer with their local Česká spořitelna branches.

The Česká spořitelna Foundation will continue its support for the „Greenways“ project in 2010.

Czech Union for Nature Conservation

The Czech Union for Nature Conservation (ČSOP) is the largest non-governmental organisation in the Czech Republic that works to bring together people interested in the natural environment, and it has been in existence since 1979.

After a number of years providing support to ČSOP, Česká spořitelna turned this task over to the Česká spořitelna Foundation in 2006. Since then, the Foundation has actively supported, as a general partner, the “Handicapped Animal Rescue Station Network”, which has, as its main objective, the providing of first aid and prompt professional care to injured wild animals, in order to return them to health and to the wild. The Česká spořitelna Foundation is also the general partner of the Animals in Need campaign, aimed at obtaining financial funds for operating rescue stations and involving the general public in the support.

In 2009, rescue stations treated a total of 10,954 animals, of which 47% were eventually returned to the wild.

The Česká spořitelna Foundation will continue to provide its assistance to ČSOP in 2010.

Involving Our Employees and Clients

Česká spořitelna believes that the most fruitful and valuable projects are those that not only provide funds but also actively involve employees and clients in socially-beneficial activities.

In 2009, besides involving our employees in the company's Charity Day programme (see the „Corporate Volunteering“ section, p. 41), the bank's employees also actively participated in other charitable programmes such as the „Communicating Seniors“ project, where they instructed senior citizens on the use of a debit card. Our employees have also had the opportunity to directly contribute financially to selected projects in which the Foundation is involved.

In our efforts aimed at sustainable development, we successfully involved our employees in activities related to recycling, the conservation of paper (for example, each of our e-mail messages now contains the following notation – „Are you sure you need to print this out? Help us to protect our environment.“), and conservation of energy. We have been improving our waste sorting and recycling systems in all of the bank's existing and new facilities and we currently sort plastic, paper, and small electronic parts as separate waste for recycling.

Corporate Volunteering – Česká spořitelna Charity Day

In 2007, Česká spořitelna joined major international companies in allowing their employees to work for charity during regular working hours for their regular pay.

Support for the charitable volunteer work of its employees is another way in which Česká spořitelna shares its success with the broader society and people in need. Thus, in addition to direct financial and material assistance, Česká spořitelna supports the direct involvement of its employees in the support of charitable causes. Each employee can take two work days each year and spend them, with pay, assisting a charitable

organisation. In 2009, 1,252 employees participated in the Charity Day programme (35% more than in 2008), helping out at more than 90 non-profit organisations located in different parts of the country. Our employees can participate in this programme by enrolling in group events organised for this purpose or by taking time-off and doing this on an individual basis at any time during the year. Special events organised for groups of volunteers have been becoming increasingly popular.

The corporate volunteering programme has already been awarded twice (in 2009 and 2008), earning 1st place in the TOP Corporate Philanthropist competition, in the category „Involving Employees in Charitable Activities“. Above all, the jury appreciated the scope and form in which the project contributes to the cultivation of the corporate environment in relation to corporate social responsibility.

For several years now, we have also been regularly donating IT equipment that is no longer being used by the bank, to charitable organisations such as hospitals, non-profits, civic associations, and schools, etc.

The Bonus Programme

Česká spořitelna payment card holder receive special loyalty points for using their cards. The points can be used to purchase various gifts, from magazine subscriptions to flight tickets. In 2005, to the list of available rewards we added charity projects to which our customers can donate their reward points. In 2009, our customers were able to contribute to two projects – „A New Start – the Karlov Therapeutic Community“ and „Astra – A Day Care Centre for Seniors“, to which over CZK 100,000 was donated through the programme.

The greatest number of points donated to charity by a single client: 91,500 bonus points for purchasing equipment for the St. Elisabeth Retirement Home in Pilsen and the St. Frances Retirement Home in Javorník.

The fastest fundraising for a project: the outfitting of a prenatal care facility at the Opava Infant Care Centre (the required number of points were collected in just 19 days).

The most frequent donors: women in the 25–35 age category.

Men account for an average of 36% of the total number of clients contributing to charity. Charitable projects are among the most frequently ordered rewards.

Grant Programme in Support of Individual Volunteering

Is designed for employees who work for non-profit organizations in their spare time. Through grants, we finance projects concerning helping people in need and sustainable development. The winning projects are voted on by all of the bank's employees. In 2009, three projects worth a total of CZK 99,000 were supported. In 2010, six projects will be selected and financed, worth a total of CZK 180,000.

The Česká spořitelna Foundation

In 2002, Česká spořitelna launched its own foundation – Nadace České spořitelny. The Foundation is the backbone of CS's CSR activities, focusing on areas of social development that are otherwise neglected by other donors: including care for seniors and care for substance abusers who are trying to overcome their addiction. In addition to these concerns, the Foundation also focuses on environmental protection and education. In 2009, Česká spořitelna and its Foundation donated over CZK 50 million to various publicly beneficial causes. Česká spořitelna is regularly praised by the Czech Donors Forum for its socially responsible and philanthropic initiatives, and it has been recognised as one of the leading Czech corporate donors. To support its projects, the Foundation funds its projects using the return on the investments made using the capital donated by its founding entity – Česká spořitelna.

Česká spořitelna Foundation

- Executive body – Board of Trustees;
- Oversight body – Supervisory Board;
- Foundation capital: CZK 501 million;
- Legal status: an independent legal entity with its own accounting and logo.

The Česká spořitelna Foundation's Presence at Local CS Branches

- Launched in 2006;
- The objective is to involve the regional branches of Česká spořitelna and their employees in support for socially-beneficial projects and the charitable initiatives of the Česká spořitelna Foundation;
- Targeted support for regional projects chosen and recommended by the given branch.

Česká spořitelna and Corporate Philanthropy

Česká spořitelna is one of the leaders in Czech corporate philanthropy and corporate community investment. In 2009, we received the TOP Philanthropist award in the "Partnership with Employees" category and in the „Actual Volume of Distributed Resources“ category, and our total contribution of more than CZK 50 million again made us the most generous financial institution in the country.

TOP 10

Czech Republic's Corporate Donors of 2009 (by 2008 contributions in CZK)

Skupina ČEZ	261,274,376
OKD	78,506,200
Česká spořitelna	50,440,423
Komerční banka	41,892,000
ČSOB	36,596,223
ČEPS	35,385,000
RWE Transgas	35,800,000
Metrostav	31,619,945
Telefónica O2 ČR	30,112,910

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