

## **Record-Low Market Rates Favour Investments into Securities**

- ⇒ **As of 1 June 2015, Ceska sporitelna is lowering interest rates on savings accounts**
- ⇒ **Mortgage-rates are at their all-time low – Ceska sporitelna is offering a fixed rate from 1.99% per year**
- ⇒ **To obtain an interesting, albeit unguaranteed, income, it is better to put money into investment products, as deposits are not profitable**
- ⇒ **From 1 April to 30 June 2015, Ceska sporitelna will not charge any entry fees on its open-end unit trusts, for clients affected by decreased savings account interest rates**

The Czech Republic, just like the rest of Europe, has been facing a continued drop in interest rates. Banks are responding to this situation. Ceska sporitelna has already cut its interest rates on mortgages (currently offering fixed interest rates starting at 1.99% per year), while trying to maintain the rates on its savings accounts unchanged. This is unsustainable in the long-term, which is why the bank will decrease the interest rates on its deposits as of 1 June 2015.

Ceska sporitelna is, however, striving to find ways for its clients to grow their funds more rapidly. Advantageous options in an environment with interest rates that are close to zero are investment products. Attractive yields, albeit unguaranteed, are currently offered by investments into open-end unit trusts. Also of interest to clients are conservative structured products offered by Ceska sporitelna, such as Premium Bonds. Furthermore, to those clients who will see their savings account interest rates drop as of 1 June 2015, Ceska sporitelna will offer an easy and advantageous way to enter the investment waters: if they decide to invest into open-end unit trusts between 1 April and 30 June 2015, the bank will not charge them any entry fees.

Last year, investors into practically all unit trust categories enjoyed success. Hence, both conservative and dynamic trusts delivered interesting appreciation. Over the course of 2014, the assets of the least risky ISČS mixed fund – Konzervativní mix – increased by CZK 7.86 bn, reaching more than 13 billion crowns as at year end. It brought appreciation of 2.91% per year to its clients in 2014 (as at 31 December 2014). The assets of the Top Stocks equity unit trust appreciated by 21.83% as at the end of 2014, and its five-year performance was 18.37% per year. Client assets in the ČS nemovitostní fond appreciated by 3.6% per annum last year. Structured products – one of the most conservative investment products offered by Ceska sporitelna – also delivered interesting appreciation to clients. With the four-year premium stock bond Akciový prémiový dluhopis ČS 2014, which matured in November 2014,

clients' assets appreciated by 1.94% per year. The Euroclixx premium bond, which matured on 16 March 2015, will deliver appreciation of 2.91% per year to clients.

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#### **Ceska sporitelna's profile**

Ceska sporitelna is the largest bank in the Czech Republic • More than 5 million clients use its services: individuals, small and medium-sized enterprises, and municipalities, but we also finance large corporations and provide financial market services • Ceska sporitelna has been a member of Erste Group since 2000, and under that brand, it serves affluent and corporate clients • It boasts the most extensive branch and ATM networks in the Czech Republic • It also plays an important role as an innovator: for example, it was the first bank on the Czech market to start issuing contactless cards comprehensively, and to develop a network for their use • *For additional interesting information about Ceska sporitelna, read here.*

#### **Ceska sporitelna – A Responsible partner of the Society**

We have invested **CZK 5,000,000,000** into projects for electricity generation from renewable sources and energy-efficient projects • We endowed the Depositum Bonum Foundation with **CZK 1,450,000,000** to support education in the Czech Republic • Together with the Ceska sporitelna Foundation, we donated **CZK 80,000,000** to publicly beneficial projects in 2012 • In 2013, we divided **CZK 2,000,000** among 34 charitable projects on the basis of votes taken in our employee and client grant programmes • **8,000** seniors attended our "Seniors Communicate" educational courses in **634** Czech towns and cities • **1,879** of our employees participated in the Sporitelna Days for Charity. This means that we donated **14,440** of our employees' work hours • **376** of our branches are wheelchair-accessible and over **250** of our ATMs are adapted for use by visually impaired clients • Each employee can use **2** work days for public benefit activities thanks to Sporitelna's Days for Charity • *For additional interesting information about Ceska sporitelna's corporate social responsibility, read here.*

#### **Erste Group's Profile**

Erste Group is the leading financial services provider in the Eastern part of the EU • Approximately 46,000 employees serve 16.5 million clients in around 2,900 branches in 7 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia) • As of YE 2013 Erste Group has reached EUR 199.9 billion in total assets, a net profit of EUR 61 million and a cost-income-ratio of 52.5%.