



Half-year Report 2010

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Macroeconomic Development of the Czech Republic

in the First Half of 2010

In the first half of 2010, the Czech Republic profited from a strong cyclical revitalization abroad. Strong German export growth has resulted in the revitalization of Czech industrial production (on the supply side) and increased exports (on the demand side). The connection between the Czech Republic and the rest of the world is stronger than it may seem at first sight; a large part of Czech industrial production is not earmarked for final household consumption in Western Europe; rather it re-enters the production process and is subsequently exported from Western European countries to the whole world. It is therefore not surprising that during the first quarter of 2010, the Czech economy grew 0.5% (compared to the preceding quarter) and, according to estimates, it will grow about 1% in the second quarter.

Strong cyclical revitalization in the first half of 2010 has also impacted the labor market. By the end of June, unemployment had dropped to 8.5%, which was much faster than expected. But the general revitalization will not continue at this pace. Česká spořitelna does not expect a double-dip recession, but there will be a slow-down of growth, especially as a result of the Czech Republic's and the European Monetary Union (EMU)'s fiscal consolidation, and also due to the reduced pace of inventory stocking. The crucial factor in the second half of 2010 will be a slow-down of exports (German exports will slow-down) and lower inventory contributions; in 2011, there will be a reduction in government spending. Therefore in 2010, the Bank expects year-on-year growth at a level of 1.8–2.0% (compared to 2009) and 1.7% in 2011.

Despite most observers' expectations, the Czech National Bank's rates continued to drop in the first half of the year to an historic low of 0.75%. The reasons were more of risk-management and prudence nature rather than purely economic because the EMU's fiscal consolidation may constitute a threat of another recession

and/or deflation. The Czech crown normalized, current inflation is low (the demand component is significantly negative) and the Central Bank is seemingly willing to risk little more inflation rather than little less growth (the risk perception is asymmetric). According to Česká spořitelna's expectations, the rates will remain low through 2011; by the end of 2011 they are expected to grow to 1.50%.

In the first half of 2010, the Czech crown remained volatile, but it strengthened compared to the 2009 closing value. In April 2010, the Czech crown exchange rate came down from CZK 26 per euro to the fundamentally more reasonable values of around CZK 25. The April and May debt crisis interrupted the Czech crown's strengthening trend despite the fact that Southern European debt does not affect the Czech economy (the Czech Republic's exports to Portugal, Spain, Italy and Greece constitute approximately 7.2% of total exports) and even though from the markets' viewpoint the Czech Republic election ended excellently, the Czech crown started to fluctuate again. According to Česká spořitelna's analysts, there is no reason for that. In summer 2010, the Bank expects more volatile trading as a result of the continuing tense atmosphere around the EMU debt crisis. In the fall, the Czech crown is expected to strengthen below CZK 25 per euro and will end the year at around 24.70. The current account balance suggests such development, especially the trading balance and the dividend balance, as well as the development of foreign investments. In 2011, the convergence process will continue, the economic different growth between the EMU and the Czech Republic will open because the Czech economy is on one hand more exposed to trade developments and demand in Asia, which will slow-down only insignificantly and, on the other hand, it is less impacted by structural problems and debt than the EMU. Thus the Czech crown will strengthen to an average value of 24.50.

Česká spořitelna's Consolidated Results of Operations

for the Six Months Ended 30 June 2010 (unaudited)

Profit and Loss Account

For the six months ended 30 June 2010, Česká spořitelna generated an unaudited consolidated profit net of taxation and minority interests in the amount of CZK 5.88 billion, which, compared to the same period a year earlier when the net consolidated profit amounted to CZK 6.31 billion, represents a 7% decrease. The return on equity ratio (ROE) decreased to 18.1%. As of 30 June 2009, the ROE amounted to 19.9%. The return on assets (ROA) decreased from 1.4% to 1.3%.

The economic results of the Bank for the first half of 2010 are predominantly impacted by the increase in provisioning for credit risk and the reduction of profit from operating activities, which was extraordinarily high a year ago. **The Bank was able to reduce operating expenses and significantly increase net revenue from financial assets.**

The operating profit, calculated as the difference between the operating income and expenses and reflecting the results of the Bank's primary activities decreased slightly year-on-year by 3% to CZK 12.97 billion. **Despite that, owing to a reduction in operating expenses, the cost/income ratio slightly improved from 42.5% to 42.2%.**

The total operating income including net interest income, net fees and commission income and net trading profit amounted to CZK 22.43 billion in the first half of 2010, which is a year-on-year decrease of 4%, predominantly due to the reduction of net trading profit and net interest income. The proportion of non-interest income to operating income slightly decreased to 32.7%.

Česká spořitelna's net interest income amounted to CZK 15.09 billion, which is a year-on-year reduction of 3%. **This reduction was predominantly driven by the reduction in the interest rates and a slowdown in credit business.** The interest rate reduction was also reflected in the net interest margin relating to interest earning assets which decreased by 33 basis points to 3.87%. **The net interest income from client credit transactions remained stable**, interest income from inter-bank loans and debt securities recorded the largest reductions.

Another significant element of operating income, net fees and commission income amounted to CZK 5.99 billion, which is a year-on-year increase of 9%. **Fees and commission income from loan transactions recorded a very positive development, especially owing to the successful sale of supple-**

mentary services. Due to economic uncertainty, a very popular product among clients is solvency insurance. Income from transactions with securities also increased, especially owing to the recovering mutual fund market. Traditionally, the income from card transactions and insurance activities also increased in relation to their increasing volumes and numbers. For example, the volume of card transactions affected in the network of Česká spořitelna increased by 15% in the first half of 2010. On the other hand, income from construction savings fees decreased as a result of a significant reduction in the fee for contract conclusion.

Net trading profit decreased significantly year-on-year, by 39% to CZK 1.35 billion, which actually indicates a return to standard values, **because in the previous year, trading profit was extraordinarily high.** Income from trading with securities (especially bonds) decreased significantly in the second quarter of 2010. Income from derivative transactions and foreign currency operations also decreased.

Due to the effective management of expenses, general administrative expenses (comprising staff costs, purchased consumables and the depreciation/amortization of tangible and intangible fixed assets) **decreased by 5% year-on-year, to CZK 9.46 billion.** Staff costs decreased by 5% as a result of lower bonuses tied to the Bank's results. Other administrative expenses also decreased by 5%, especially in the area of business transactions costs and legal and consulting services. The depreciation/amortization of tangible and intangible fixed assets decreased by 2% due to the decrease in intangible asset amortization (licenses and software).

The Bank reported a negative balance of CZK 5.33 billion in charges for reserves and provisions against loans, which represents a year-on-year increase of 39% compared to the period ended 30 June 2009. The year-on-year increase is predominantly due to the **increased provisions charged in relation to higher risk expenses in the area of small and corporate banking** in connection with the delayed effect of the economic recession.

Other operating expenses improved significantly (by 77%) to CZK -0.38 billion. This was due to a number of factors, but especially **net gains/losses from financial assets which recorded a significant improvement year-on-year** as a direct result of the positive development in financial markets, particularly in the first quarter of this year. Year-on-year, the Bank also recorded higher net income from real estate owned by real estate funds. From the total amount of other operating expenses, the contribution to the Deposit Insurance Fund represents CZK 0.28 billion.

Balance Sheet

The Bank's total assets amounted to CZK 926.65 billion, which represents a year-on-year increase of 8% from CZK 858.46 billion. On the assets side, interbank receivables increased and securities portfolios decreased. **On the liabilities side, the following items increased: client deposits**, amounts owed to banks and shareholder's equity.

Amounts owed to customers increased significantly over the last 12 months – a 6% increase of CZK 38.53 billion to CZK 699.75 billion (including deposits in the amount of CZK 705.84 billion). Customer deposits including deposits in the real value recorded an increase of 2% to CZK 511.00 billion. **Principal additions were specifically related to the new savings deposits** (namely the extremely popular Šikovní spoření and Zlatý vklad which together collected CZK 44.35 billion), **construction saving scheme deposits** which increased by 6% to CZK 93.90 billion and **additional pension insurance deposits** which reached a total of CZK 33.69 billion with an increase of 9%. To the contrary, sporogiro account deposits slightly decreased. **Amounts owed to corporate clients increased significantly** by 39% to CZK 112.48 billion, both on current accounts and term deposit accounts, including foreign currency-denominated accounts, primarily in Euro. Public sector clients' deposits increased by 2% to CZK 82.36 billion.

Amounts owed to financial institutions increased by 22% to CZK 51.04 billion; this development was predominantly attributable to the increase in interbank repo transactions from CZK 2.82 billion in mid 2009 to CZK 9.11 billion in mid 2010.

Payables from debt securities reported in the consolidated balance sheet increased by 15% to CZK 50.30 billion predominantly due to the increase in debt securities issued by Česká spořitelna. The volume of mortgage bonds is CZK 33.15 billion, issued bonds amounted to CZK 11.29 billion and depository bills amounted to CZK 5.86 billion.

The balance of shareholders' equity reached CZK 64.47 billion, i.e. **increased by 15%** when compared to the same period a year earlier owing to the increase in undistributed profit. To strengthen its capital base, Česká spořitelna issued subordinated bonds in the total amount of CZK 10.74 billion as of 30 June 2010. Capital adequacy under the BASEL II rules was 13.5% as of 30 June 2010 as compared to mid-2009 when it amounted to 12.2%. Total capital under BASEL II used in calculating the capital adequacy ratio was CZK 62.09 billion and the total capital requirements amounted to CZK 36.75 billion. At mid-2009, these figures amounted to CZK 55.52 billion and CZK 36.54 billion, respectively.

The aggregate portfolio of client loans decreased year-on-year by 1% to CZK 463.47 billion due to the Czech Republic's economic situation; **loans to corporate entities decreased, retail loans increased compared to the same period one year ago.**

The portfolio of retail loans amounted to CZK 264.95 billion which is a year-on-year increase of 2%. **This result was largely attributable to consumer loans** which increased by 4% to the current CZK 84.20 billion and **construction savings scheme loans** which increased year-on-year by 2% to CZK 45.47 billion. As part of consumer loans, the credit card loans and overdraft loans in sporogiro accounts increased by a double-digit rate.

The portfolio of mortgage loans to natural persons remained stable at a level of CZK 119.87 billion. In total, mortgage loans amounted to CZK 174.59 billion, which is generally at the same level as a year ago. **The deceleration of the mortgage loans portfolio is related to the development in the real estate market and the delayed effect of the economic recession.** The average mortgage loan amounts to CZK 1.6 million with an average repayment period of 21.2 years. The important indicator of the average amount of the loan in proportion to the value of the real estate is 62.9% throughout the portfolio.

Due to lower demand, loans to corporate entities decreased year-on-year by 7% to CZK 179.23 billion. To the contrary, the small and medium size business sector firms (SME) recorded a slight increase. Loans to the public sector increased significantly by 18% to CZK 19.29 billion.

The indicator of the proportion of client loans to client deposits represents 66.2%, compared to 70.9% in the last year, namely owing to a significant increase in client deposits. The quality of Česká spořitelna's loan portfolio is confirmed by the proportion of client loans which are past their due date by more than 90 days to the aggregate amount of client loans. As anticipated, this indicator amounted to 4.4% as of 30 June 2010 and 2.8% as of 30 June 2009.

Compared to the first half of 2009, loans and advances to financial institutions more than doubled to CZK 211.57 billion, predominantly due to the increase in repo transactions with the Czech National Bank and other banks – they increased from CZK 41.78 billion to the current CZK 137.65 billion, as a result of financial assets re-allocation and placing the deposits that the Bank was able to accumulate on the passive side of the balance sheet.

The aggregate balance of securities portfolios valued at their real value, realizable securities and securities held to maturity totaled CZK 170.06 billion at 30 June 2010, i.e. a decrease by 15% compared to 30 June 2009. Of the aggregate balance, fixed income securities, including treasury bills totaled CZK 166.57 billion.

Compared to the balance as of 30 June 2009, the aggregate balance of tangible and intangible fixed assets decreased by 3% to CZK 18.20 billion, with the balance of intangible assets decreasing to CZK 2.85 billion in the area of licenses and software. The balance of tangible assets remained at the level of CZK 15.36 billion.

Significant Events and Business Activities

in the First Half of 2010

New and Modernized Branch Offices

A well functioning network of branches is very important for many of Česká spořitelna's clients. The Bank pays great attention to the expansion and modernization of its network of branches and therefore it added four new branches in the first half of the year and opened an additional three branches with weekend operation. The Bank has a total of 664 branches, of which 20 offer weekend hours of operation. The modernization of the existing branches also contributes to a better and higher-quality service. This year, Česká spořitelna modernized 27 branches while an additional six branches were moved into more attractive areas. Modernization included branches in all regions and in both large and small cities. By the end of this year, Česká spořitelna plans to open six more new branches, move 12 branches into better facilities and modernize some 30 branches.

Support for Investments by Small and Medium Sized Enterprises

Česká spořitelna received EUR 300 million from the European Investment Bank (EIB) for the funding of the Czech economy. Of the total amount, EUR 200 million is earmarked for projects of small and medium sized enterprises and the public sector and EUR 100 million is for companies generating electricity from renewable sources. Česká spořitelna now offers low-interest, long-term loans from EIB funds. With the total amount of contracted funds totaling EUR 700 million, Česká spořitelna is EIB's most important banking partner in Central Europe.

Savings Products

Given the high client demand for safe deposit products due to the uncertainty in financial markets, Česká spořitelna focused on a solid offer of savings and deposit products. In the middle of the last year, the Bank introduced a new deposit product – Šikovné spoření, a new deposit range product for regular savings with the advantage of better appreciation and 100 percent liquidity. More than 300 thousand clients have already taken advantage of Šikovné spoření and other new savings and deposit products, such as Zlatý vklad (Golden deposit) and Perfektní vklad (Perfect deposit) and have saved in aggregate CZK 45.54 billion as of 30 June 2010.

The offer of Česká spořitelna's deposit products was expanded to include a brand new product – Česká spořitelna's Internet Saving – a new savings account with the interest rate of up to 1.50% p.a. Funds can be withdrawn at any time, the opening of the account and account maintenance is free of charge. Česká spořitelna's cli-

ent may request Internet Saving via the Česká spořitelna web page, by phone or by using the internet banking service – SERVIS 24.

Another savings product is the construction savings scheme. From the beginning of this year, Česká spořitelna's Stavební spořitelna introduced a permanent 50% discount for the conclusion of a construction savings contract and since April 1st, clients may conclude a construction savings contract simply and free of charge using the "Buřinka@přes internet" service by filling out an electronic form available at the www.burinka.cz website.

850 Thousand Clients of Česká spořitelna's Pension Fund (Penzijní fond ČS)

Penzijní fond ČS confirmed its position among the largest pension funds in the domestic market when the number of its clients reached 850 thousand. PFČS's dynamic growth is significantly higher than the rest of the market. Supplemental pension insurance with Penzijní fond ČS won second place in the Zlatá koruna 2010 competition in the supplemental pension insurance category.

Since the beginning of June, Penzijní fond ČS offers to its clients the option to comprehensively secure their financial future via the Penze PLUS product package. Clients can expand their supplementary pension insurance to include investing into an open mutual fund – the PLUS fund. The Fund, as a supplement to the supplementary pension insurance, offers greater appreciation above the level of investment in debt securities and at the same time it offers liquidity of funds. Investiční společnost České spořitelny (Česká spořitelna's investment company) established the PLUS mutual fund and administers the fund's assets.

Card Program

The aggregate number of issued active payment cards was 3.23 million (decrease of 1%), of which credit cards account for 0.46 million. Loans provided through credit cards as of 30 June 2010 amounted to CZK 5.05 billion which is an increase of 27 percent. In the Zlatá koruna 2010 competition, Chytrá karta of Česká spořitelna won second place in the card category for the second consecutive time.

Card holders completed almost 40 million transactions in the business network of more than 16 thousand Česká spořitelna's partners between January and June 2010 in the aggregate amount of CZK 39.00 billion which is an increase of 15 percent year-on-year. Česká spořitelna provided the Czech police with wireless payment

terminals allowing for card payment of a fine or fee directly to the patrol car officers. The pilot project was launched on 1 June 2010 with first 20 terminals which will be used by selected Czech Police Highway Patrol Departments. Česká spořitelna thus increased the number of its terminals in public administration.

The number of ATMs increased by 79 and totaled 1,264 units. The number of deposit ATMs increased by 8, which means that at the end of June, clients can already use 14 deposit ATMs. This number should increase by another 6 by the end of the year. Since the beginning of the year, cardholders have made 43.9 million ATM transactions in the total amount of CZK 145.7 billion. A barcode reader was located in one hundred of Česká spořitelna's ATMS making it easier for clients to pay postal money orders. For the time being, the barcode reader can only be used to pay Česká pošta's SIPO orders, in the future it will allow for the payment of all invoices with a barcode.

Transaction Terminals

Česká spořitelna installed so-called transaction terminals in selected branches. These are self-service tools which allow customers to quickly perform payment orders. The equipment can scan a post money order or a payment order form and read data directly from the document's barcode. With this technology a payment order can be made quickly and comfortably. Transaction terminals offer a total of eight functions. Apart from the payment orders, they can also be used to purchase mobile phone credit, to change a card PIN or to give the account's balance. Transaction terminals represent a new generation of non-cash payments. This is due to the unprecedented speed of payment as well as safety because before the transaction the client must identify himself/herself with a card and PIN.

SERVIS 24 and BUSINESS 24

As of 30 June 2010, the number of active SERVIS 24 and BUSINESS 24 direct banking clients was 1.28 million, i.e. a 4 percent increase over the last 12 months. The aggregate number of transactions completed through SERVIS 24 and BUSINESS 24 shows a year-on-year increase of 9 percent to 45 million. In the Zlatá koruna competition, SERVIS 24 won second place in the electronic banking category.

MoneyManie

In January 2010, Česká spořitelna launched a new educational portal for young people named MoneyManie. Its goal is to increase young people's aptitude in the area of finances. On the www.moneymanie.cz web site, the users can obtain information e.g. on how the banks function, what are the types of cards or how to obtain money for study purposes. The portal emphasizes

the user's interactive approach; the information is always general and does not promote Česká spořitelna's products. The new educational portal project is part of a socially responsible bank's strategy to promote financial education.

ČS Private Account (Osobní účet) and Low Threshold Clubs

From the beginning of January until 5 April 2010, Česká spořitelna donated CZK 60 for each newly-opened Osobní účet for the activities of so-called low threshold clubs. These are facilities offering social activities to children and young adults who would most likely not be able to perform such activities due to their social situation. At the same time they can talk about their problems and solve them with the assistance of experts. Charita ČR, one of the long-term partners of Česká spořitelna's Foundation (Nadace České spořitelny) is the founder of these clubs. Česká spořitelna donated more than 1.79 million CZK for the activities of low threshold clubs because in the above-mentioned period, nearly 30 thousand new Private accounts of Česká spořitelna were opened, including its student and child variant. The total number of Private accounts is quickly approaching 2 million, at the end of June it was more than 1.93 million.

Award for the Česká spořitelna Client Center

The Česká spořitelna Client Center with its seat in Prostějov was awarded in the category "Best customer service" in the international competition of contact centers in the EMEA region (Europe, Middle East and Africa), organized by the ContactCenterWorld.com association in London. Radek Bedřich, ČS Client Center Director, also received an award in the "Best contact center manager" category. Jaroslav Flek, a telephone banker for Česká spořitelna's commercial clientele, received an award in the "Best customer service operator" category. The Česká spořitelna Client Center has proven that it is among the best, not only in the Czech Republic. It is fully comparable with the best contact centers in the world.

The ČS Client Center serves all Česká spořitelna's clients and non-clients who want to learn information or need advice or assistance with the services and products of Česká spořitelna and its subsidiaries. Via the Client Center, clients can enter payment transactions, block stolen or lost cards, unblock internet banking or submit a claim. All of this can be done by phone or via e-mail. A special group of client center employees performs telemarketing.

Česká spořitelna's Anticipated Development in the Second Half of 2010

In the second half of 2010, Česká spořitelna expects a relatively stabilized development based on a reliably functioning business model and high client loyalty. Since the beginning of the year, Česká spořitelna has sought to implement its newly set strategy of gradual economic revitalization, the principal aims of which are defined as follows:

- Always be available for its clients in 2010 and support them in difficult times;
- With respect to clients, focus on further improvement of services and customer service culture; customer focus must be omnipresent in all areas of the bank's and financial group's activities, including support services;
- With respect to finances, carefully manage business risks and operating expenses;
- In relation to employees, maintain the status of "first choice employer" including further development of company culture; and
- In relation to processes, focus on their further simplification and proper set-up.

The latter half of the year will equally present a challenge for Česká spořitelna and the entire financial group to successfully manage all negative impacts from the external environment on the economic results and fulfillment of business goals.

With respect to the principle components of the assets and liabilities in the balance sheet, the Bank anticipates a slight increase in the volume of loans provided to clients. At the same time, the Bank anticipates the decline of primary deposits. This development will result in a slight increase in the existing ratio between loans and deposits.

In the latter half of the year, the Bank anticipates similar development in the principal items of the profit and loss account as in the first half of the year. Net interest income will be predominantly impacted by the expected interest rate movements and additions to provided loans. Net income from fees will be positively affected by the increased rate of loan expansion and new service and product offerings, while the announced price book changes should not result in a significant increase of individual fees; it should rather simplify the entire system and restructure individual fees and commissions. A significant role in the achievement of the anticipated profit will be played by the benefits of the implementation of selected Group and Bank projects focused on savings in general administrative expenses.

Selected Financial Indicators

Important Ratios

	30 June 2010	30 June 2009
Return on equity (ROE)	18.1%	19.9%
Return on assets (ROA)	1.3%	1.4%
Cost/income	42.2%	42.5%
Net interest margin in relation to interest-earning assets	3.87%	4.20%
Non-interest income / operating income	32.8%	33.3%
Loans and advances to customers / amounts owed to customers	65.7%	70.9%
Individual capital adequacy (BASEL II)	13.4%	12.2%
Consolidated capital adequacy (BASEL II)	13.5%	12.2%

Selected Operational Figures

	30 June 2010	30 June 2009
Average number of employees of the Česká spořitelna Financial Group	10,742	10,873
Total number of clients	5,270,665	5,281,520
Sporogiro accounts	2,815,512	2,849,865
of which Private Accounts	1,934,259	1,445,414
Number of SERVIS 24 and BUSINESS 24 active clients	1,277,783	1,223,538
Number of cards	3,232,750	3,271,989
of which credit cards	459,153	509,042
Number of ATMs	1,264	1,185
Number of Česká spořitelna branches	664	652

Net Profit After Taxes of Selected Subsidiaries of Česká spořitelna

under International Financial Reporting Standards (Unaudited)

CZK million	30 June 2010	30 June 2009
brokerjet České spořitelny	1	-3
Factoring České spořitelny	7	-77
Penzijní fond České spořitelny	342	280
s Autoleasing	-24	-82
Stavební spořitelna České spořitelny	683	823

Affidavit

The signatories of this document represent that according to their best knowledge, the consolidated half-year report provides a true and fair view of the financial position, operations and results of Česká spořitelna and its consolidated group for the six months just ended and on the future prospects of its financial position, operations and results.



Dušan Baran
Vice-Chairman of the Board
1st Deputy General Director



Jiří Škorvaga
Board Member and
Deputy General Director

Consolidated Interim Financial Statements

for the Period Ended 30 June 2010

Prepared in Conformance with the International Accounting Standard
IAS 34: Interim Financial Reporting (Unaudited)

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Interim Consolidated Statement of Financial Position

as at 30 June 2010, 31 December 2009 and 30 June 2009

MCZK	30 June 2010	31 December 2009	30 June 2009
ASSETS			
Cash and balances with the CNB	31,282	29,371	30,441
Loans and advances to financial institutions	211,574	126,506	99,954
Loans and advances to customers	463,472	469,192	468,840
Provisions for losses on loans and advances	(18,886)	(14,713)	(11,791)
Securities at fair value through profit or loss	21,158	37,011	42,603
(a) Securities held for trading	13,916	29,644	31,485
(b) Securities designated upon initial recognition as at fair value through profit or loss	7,242	7,367	11,118
Positive fair value of derivative transactions	18,720	17,675	18,915
Securities available for sale	25,515	28,388	34,871
Securities held to maturity	123,391	111,977	122,402
Investments in associates and joint ventures	220	211	211
Investment property	12,652	12,375	14,678
Property under construction	4,314	4,725	4,837
Intangible assets	2,853	3,251	3,375
Property and equipment	15,346	15,390	15,308
Other assets	15,040	13,778	13,813
Total assets	926,651	855,137	858,457
LIABILITIES AND SHAREHOLDERS' EQUITY			
Amounts due to financial institutions	51,040	47,434	41,704
Amounts due to customers	699,751	643,420	657,422
Liabilities at fair value	8,592	8,129	6,674
Negative fair value of derivative transactions	19,032	16,412	17,968
Bonds in issue	50,302	43,119	43,683
Provisions	2,026	2,040	1,903
Other liabilities	20,511	17,719	20,623
Subordinated debt	10,737	13,404	12,096
Shareholders' equity	64,660	63,460	56,384
(a) Equity attributable to the Bank's shareholders	64,474	63,168	55,832
(b) Non-controlling interests	186	292	552
Total liabilities and shareholders' equity	926,651	855,137	858,457

These consolidated financial statements were prepared by the Bank and approved by the Board of Directors on 10 August 2010.



Gernot Mittendorfer
Chairman of the Board
and Chief Executive Officer



Dušan Baran
Vice Chairman of the Board
and 1st Deputy Chief Executive Officer

Interim Consolidated Income Statement

for the Periods Ended 30 June 2010 and 30 June 2009

MCZK	30 June 2010	30 June 2009
Continuing operations		
Interest income and similar income	19,478	20,578
Interest expense and similar expense	(4,386)	(4,995)
Net interest income	15,092	15,583
Provisions for credit risks	(5,327)	(3,827)
Net interest income after provisions for credit risks	9,765	11,756
Fee and commission income	7,162	6,648
Fee and commission expense	(1,174)	(1,133)
Net fee and commission income	5,988	5,515
Net trading result	1,346	2,196
General administrative expenses	(9,457)	(9,908)
Other operating expenses, net	(380)	(1,618)
Profit from continuing operations before taxes	7,262	7,941
Income tax expense from continuing operations	(1,385)	(1,623)
Profit from continuing operations after taxes	5,877	6,318
Net profit for the year		
Profit after taxes	5,877	6,318
Net profit for the year attributable to		
Bank's shareholders	5,880	6,307
Non-controlling interests	(3)	11
	5,877	6,318

Interim Consolidated Statement of Comprehensive Income

for the Periods Ended 30 June 2010 and 30 June 2009

MCZK	30 June 2010	30 June 2009
Net profit for the year	5,877	6,318
Other comprehensive gains and losses		
Hedges of net investments in foreign operations	93	187
Deferred tax	(17)	(37)
Hedges of net investments in foreign operations, net	76	150
Translation reserve	(167)	(188)
Gains and losses on revaluation of financial assets available for sale	77	212
Deferred tax	(10)	(51)
Gains and losses on revaluation of financial assets available for sale, net	67	161
Cash flow hedges	(10)	114
Deferred tax	–	(6)
Cash flow hedges, net	(10)	108
Total other comprehensive gains and losses after taxes	(34)	231
Comprehensive income for the year after taxes	5,843	6,549
Of that attributable to		
Bank's shareholders	5,874	6,532
Non-controlling interests	(31)	17
	5,843	6,549

Interim Consolidated Statement of Changes in Shareholders' Equity

for the Periods Ended 30 June 2010 and 30 June 2009

Equity attributable to the Bank's shareholders (MCZK)	Retained earnings	Revaluation of available for sale securities	Revaluation of hedging derivatives	Translation reserve	Statutory reserve fund
At 1 January 2010	44,645	(280)	(29)	(112)	3,733
Net profit for the year	5,880	–	–	–	–
Other comprehensive gains and losses after taxes	–	69	65	(140)	–
Comprehensive income for the year after taxes	5,880	69	65	(140)	–
Dividends	(4,560)	–	–	–	–
Sale of subsidiaries	–	–	–	–	(7)
Transfer to reserve funds	(150)	–	–	–	150
Use of funds	–	–	–	–	(1)
At 30 June 2010	45,815	(211)	36	(252)	3,875

Equity attributable to the Bank's shareholders (MCZK)	Share premium	Share capital	Total	Non-controlling interests	Total equity
At 1 January 2010	11	15,200	63,168	292	63,460
Net profit for the year	–	–	5,880	(3)	5,877
Other comprehensive gains and losses after taxes	–	–	(6)	(28)	(34)
Comprehensive income for the year after taxes	–	–	5,874	(31)	5,843
Dividends	–	–	(4,560)	(75)	(4,635)
Sale of subsidiaries	–	–	(7)	–	(7)
Transfer to reserve funds	–	–	–	–	–
Use of funds	–	–	(1)	–	(1)
At 30 June 2010	11	15,200	64,474	186	64,660

Equity attributable to the Bank's shareholders (MCZK)	Retained earnings	Revaluation of available for sale securities	Revaluation of hedging derivatives	Translation reserve	Statutory reserve fund
At 1 January 2009	48,203	(1,963)	(200)	(115)	3,669
Net profit for the year	6,307	–	–	–	–
Other comprehensive gains and losses after taxes	–	160	259	(194)	–
Comprehensive income for the year after taxes	6,307	160	259	(194)	–
Dividends	(15,504)	–	–	–	–
Non-controlling interests in newly consolidated entities, capital increase	–	–	–	–	–
Transfer to reserve funds	(39)	–	–	–	39
Use of funds	–	–	–	–	(2)
Treasury and Group share transactions	–	–	–	–	–
At 30 June 2009	38,967	(1,803)	59	(309)	3,706

Equity attributable to the Bank's shareholders (MCZK)	Share premium	Share capital	Total	Non-controlling interests	Total equity
At 1 January 2009	11	15,200	64,805	564	65,369
Net profit for the year	–	–	6,307	11	6,318
Other comprehensive gains and losses after taxes	–	–	225	6	231
Comprehensive income for the year after taxes	–	–	6,532	17	6,549
Dividends	–	–	(15,504)	(33)	(15,537)
Non-controlling interests in newly consolidated entities, capital increase	–	–	–	4	4
Transfer to reserve funds	–	–	–	–	–
Use of funds	–	–	(2)	–	(2)
Treasury and Group share transactions	1	–	1	–	1
At 30 June 2009	12	15,200	55,832	552	56,384

Interim Consolidated Statement of Cash Flows

for the Periods Ended 30 June 2010 and 30 June 2009

MCZK	30 June 2010	30 June 2009
Cash and cash equivalents at beginning of year	25,816	32,051
Net cash flow from operating activities	11,321	(933)
Net cash flow from investing activities	(12,141)	(9,534)
Net cash flow from financing activities	(109)	(4,321)
Cash and cash equivalents at end of the period ended 30 June	24,887	17,263

Notes to the Interim Consolidated Financial Statements

Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union for the Period Ended 30 June 2010

1. Introduction

Česká spořitelna, a.s., (henceforth the “Bank”), having its registered office address at Olbrachtova 1929/62, Prague 4, 140 00, Corporate ID 45244782, is the legal successor of the Czech State Savings Bank and was founded as a joint stock company in the Czech Republic on 30 December 1991. The Bank is a universal savings bank offering retail, corporate and investment banking services within the Czech Republic.

The Bank’s majority shareholder is EGB Ceps Holding GmbH, which is a 100 percent subsidiary of EGB Ceps Beteiligungen GmbH, a wholly-owned subsidiary of Erste Group Bank AG (“Erste Group Bank”). The change in ownership structure was adopted as part of the technical optimisation of the Erste Group Bank shareholders’ structure; the optimisation took place in 2009 and was duly approved by the Czech National Bank (“CNB”).

The principal activities of the Bank are as follows:

- Acceptance of deposits from the general public;
- Extension of credit;
- Investing in securities on its own account;
- Payments and clearing;
- Issuance of payment facilities, e.g. payment cards, traveller’s cheques;
- Issuance of guarantees;
- Opening of letters of credit;
- Collection services;
- Proprietary or client-oriented trading with foreign currency assets, forward and option contracts, including foreign currency and interest rate transactions, and transferable securities;
- Management of clients’ securities on clients’ accounts and provision of advisory services;
- Participation in the issuance of shares and provision of related services;
- Safe-keeping and administration of securities or other assets;
- Rental of safe-deposit boxes;
- Provision of business advisory services;
- Issuance of mortgage bonds under special legislation;
- Financial brokerage;
- Depositary activities;
- Foreign exchange services (foreign currency purchases and sales);
- Provision of banking information; and
- Maintenance of a separate part of the Securities Centre’s records.

The Bank provides the following additional services through its subsidiaries (together the “Group”):

- Funds management;
- Building society savings and loans;
- Pension insurance;
- Finance leasing;
- Factoring;
- Consulting services;
- Provision of investment services;
- Real estate activities;
- Lease of information technology, installation and repair of electronic equipment;
- Provision of software and advisory services in relation to hardware and software; and
- Corporate management and finance.

The Group is subject to the regulatory requirements of the CNB. These regulations include those pertaining to minimum capital adequacy requirements, categorisation of exposures and off-balance sheet commitments, credit risk connected with clients of the Group, liquidity, interest rate risk, foreign currency positions and operating risk.

In addition to the banking entities, other Group companies are subject to regulatory requirements, specifically in relation to retirement and collective investment.

2. Basis of Preparation

These interim consolidated financial statements comprise the accounts of the Bank and its subsidiaries and have been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting.

All figures are in millions of Czech crowns (“MCZK”), unless stated otherwise.

These interim consolidated financial statements have been prepared under the historical cost convention as modified by the remeasurement to fair value of available for sale securities, financial assets and liabilities at fair value through profit or loss, all derivatives, issued debt securities which are hedged against interest rate risk, investment properties and assets held for sale. Assets held for sale are measured at fair value less cost to sell if this value is lower than their carrying amount (i.e., cost less accumulated depreciation and cumulative impairment losses).

The accounting policies have been consistently applied by the entities in the Group.

The presentation of interim consolidated financial statements in conformity with IAS 34 requires management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the reporting date and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

These interim financial statements include information significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. A user of the interim financial report will also have access to the most recent annual financial report of that entity.

3. Significant Accounting Policies

In the preparation of the interim consolidated financial statements same policies were applied as in the preparation of the consolidated financial statements at 31 December 2009 except for the following standards and interpretations that were adopted during the interim period:

- Restructured “IFRS 1 First-time Adoption of IFRS” (effective 1 July 2009),
- Amendments to “IAS 32 Financial Instruments: Presentation” (effective 1 February 2010),

5. Liabilities at fair value

(unaudited)

MCZK	30 June 2010	31 December 2009
Customer deposits	6,091	4,109
Liabilities arising from issued securities	1,343	1,947
Payables arising from short sales – debt securities	1,141	2,072
Payables arising from short sales – shares	17	1
Total	8,592	8,129

- “IFRIC 17 Distributions of Non-cash Assets to Owners” (effective 1 July 2009),
- “IFRIC 18 Transfers of Assets from Customers” (effective 1 July 2009),
- April 2009 Improvements to International Financial Reporting Standards, including minor amendments to IFRS 2, IAS 38, IFRIC 9, 16 (effective 1 July 2009) and IFRS 5, 8, IAS 1, 7, 17, 36, 39 (effective 1 January 2010),
- Amendments to “IFRS 1 First-time Adoption of IFRS”, defining additional exemptions for first-time adopters (effective 1 January 2010),
- Amendments to “IFRS 2: Share-based Payments, regarding group cash-settled share-based payment transactions” (effective 1 January 2010).

4. Companies Included in Consolidation

In the first half of the year 2010 the following real estate companies held through Czech and Slovak Property Fund B.V. (“CSPF B.V.”) were first consolidated:

- BELBAKA a. s.,
- CASIOPEA VISION, a. s.

In the first half of the year 2010 the following real estate companies held through CSPF B. V. were sold:

- NHS CZECH s. r. o.,
- Stodůlky Real Estate s. r. o.

The Group issued the following bonds which are presented within “Liabilities arising from issued securities”:

(unaudited)

	ISIN	Date of issue	Maturity	Interest rate	30 June 2010	31 Dec 2009
					MCZK	MCZK
Bonds	CZ0003701237	February 2007	April 2011	x)	290	289
Bonds	CZ0003701278	March 2007	March 2010	xx)	–	740
Bonds	CZ0003701351	September 2007	September 2011	x)	284	285
Bonds	CZ0003701518	April 2008	May 2011	x)	293	291
Bonds	CZ0003701690	July 2008	January 2012	x)	226	237
Bonds	CZ0003701955	May 2009	June 2012	xxx)	54	54
Bonds	CZ0003701963	May 2009	June 2012	xxx)	50	51
Bonds	CZ0003701237	February 2007	April 2011	x)	146	–
Total					1,343	1,947

^{x)} Bonds bear no interest, the yield of bonds increases on a one-off basis as at the final maturity date.

^{xx)} The yield depends on the development of the EUR/PLN spot exchange rate.

^{xxx)} Bonds bear no interest, yield is determined as a difference between the rate of issue and the bond value payable at its final maturity date.

6. Bonds in Issue

(unaudited)

	ISIN	Date of issue	Maturity	Interest rate	30 June 2010	31 Dec 2009
					MCZK	MCZK
Mortgage bonds	CZ0002000524	May 2005	May 2010	4.50%	–	1,909
Mortgage bonds	CZ0002000573	June 2005	June 2010	4.05%	–	1,801
Mortgage bonds	CZ0002000623	October 2005	October 2015	4.75%	5,005	5,075
Mortgage bonds	CZ0002000755	February 2006	February 2016	4.80%	4,563	4,615
Mortgage bonds	CZ0002000896	October 2006	October 2011	floating	1,121	1,129
Mortgage bonds	CZ0002000904	October 2006	October 2014	3.65%	1,012	1,026
Mortgage bonds	CZ0002000920	October 2006	October 2011	3.00%	793	796
Mortgage bonds	CZ0002000995	May 2007	May 2012	5.90%	1,034	1,044
Mortgage bonds	CZ0002001068	June 2007	October 2015	4.50%	758	759
Mortgage bonds	CZ0002001084	July 2007	July 2014	floating	1,585	1,596
Mortgage bonds	CZ0002001126	August 2007	August 2012	3.70%	1,500	1,504
Mortgage bonds	CZ0002001274	November 2007	November 2014	floating	578	280
Mortgage bonds	CZ0002001282	November 2007	November 2017	5.90%	2,059	2,071
Mortgage bonds	CZ0002001415	November 2007	November 2023	6.15%	457	460
Mortgage bonds	CZ0002001423	December 2007	December 2017	5.85%	5,284	5,312
Mortgage bonds	CZ0002001639	December 2007	December 2012	3.70%	2,516	2,522
Mortgage bonds	CZ0002001647	December 2007	December 2017	3.90%	619	308
Mortgage bonds	CZ0002001654	December 2007	December 2022	floating	1,209	1,401
Mortgage bonds	CZ0002002132	October 2009	October 2012	3.20%	761	354
Mortgage bonds	CZ0002002157	November 2009	May 2011	0.25%	655	133
Mortgage bonds	CZ0002002165	November 2009	November 2014	3.55%	335	61
Mortgage bonds	CZ0002002173	November 2009	May 2013	3.20%	1,226	193
Mortgage bonds	CZ0002002215	April 2010	October 2013	0.25%	78	–
Bonds	CZ0003700767	February 2004	February 2014	floating	1,252	1,253
Bonds	CZ0003701047	July 2005	July 2012	3.55%	556	557
Bonds	CZ0003701054	September 2005	September 2017	x)	231	227
Bonds	CZ0003701062	October 2005	October 2013	x)	271	267
Bonds	CZ0003701286	March 2007	March 2012	3.49%	921	820
Bonds	CZ0003701781	December 2008	December 2010	0.50%	988	982

	ISIN	Date of issue	Maturity	Interest rate	30 June 2010	31 Dec 2009
					MCZK	MCZK
Bonds	CZ0003701948	April 2009	October 2010	xx)	496	489
Bonds	CZ0003702011	July 2009	January 2014	xxx)	525	512
Bonds	CZ0003702037	October 2009	October 2016	xxx)	435	424
Bonds	CZ0003702078	November 2009	November 2016	xxx)	483	473
Bonds	CZ0003702268	December 2009	December 2012	3.50%	2,039	444
Bonds	CZ0003702359	April 2010	April 2013	3.00%	606	–
Bonds	CZ0003702367	April 2010	April 2013	floating	1,259	–
Depository bills of exchange					5,856	1,453
Cumulative change in carrying amount due to fair value hedging					1,236	869
Total					50,302	43,319

^{xi)} Bonds were issued with a combined yield.

^{xx)} Bonds bear no interest, yield is determined as a difference between the rate of issue and the bond's nominal value.

^{xxx)} Bonds bear no interest, yield is determined as a difference between the rate of issue and the bond value payable at its final maturity date.

7. Subordinated Debt

(unaudited)

ISIN	Date of issue	Maturity of the issue	Interest rate	Nominal value in MCZK	Carrying amount at 30 June 2010 in MCZK	Carrying amount at 31 Dec 2009 in MCZK
CZ0003701005	16 May 2005	16 May 2015	6M PRIBOR + 0.46%	3,000	–	2,724
CZ0003701187	2 October 2006	2 October 2016	6M PRIBOR + 0.45%	3,000	2,213	2,214
CZ0003701906	12 March 2009	12 March 2019	5% p. a.	2,000	1,968	1,966
CZ0003701930	23 April 2009	23 April 2019	6M PRIBOR + 1.50%	6,500	6,500	6,500
CZ0003702342	24 March 2010	24 March 2020	6M PRIBOR + 0.40%	1,000	56	–
Total					10,737	13,404

8. Income Tax Expense

(a) Income statement

(unaudited)

MCZK	30 June 2010	30 June 2009
Current tax expense from continuing operations	(1,424)	(1,727)
Deferred tax income from continuing operations	39	104
Total	(1,385)	(1,623)

(b) Other comprehensive income statement

(unaudited)

MCZK	30 June 2010	30 June 2009
Expense as a result of deferred tax on items charged into equity		
Hedge of net investment in foreign currency equity investments	(17)	(37)
Losses on revaluation of available-for-sale financial assets	(10)	(51)
Effective portion of gains and losses on hedge instruments in cash flow hedges	–	(6)
Total	(27)	(94)

9. Contingent Assets and Liabilities

(unaudited)

MCZK	30 June 2010	31 December 2009
Guarantees and letters of credit	16,268	17,618
Undrawn loan commitments	77,175	75,740

10. Cash and Cash Equivalents

Cash and cash equivalents at the end of the year as shown in the interim consolidated statement of cash flows is composed of the following balances:

(unaudited)

MCZK	30 June 2010	30 June 2009
Cash	17,236	17,532
Nostro accounts with the CNB	1,852	546
Treasury bills and government bonds with maturity of less than three months	6,706	434
Nostro accounts with financial institutions	1,275	1,152
Loro accounts with financial institutions	(2,182)	(2,401)
Total cash and cash equivalents	24,887	17,263

11. Segment Reporting According to Industry Segments

For management purposes, the Group is organised into the following major operating divisions:

- Retail banking (accepting deposits from the public, providing loans to retail clients, services related to credit and debit cards);
- Commercial banking (providing loans to corporate clients and municipalities, issuance of guarantees, opening of letters of credit);
- Investment banking (securities investments, proprietary trading and trading on behalf of the client with securities, foreign exchange assets, entering into futures and options including foreign currency and interest rate transactions, financial brokerage, custodian services, participation in issuance of stock, management, safe keeping and administration of securities or other assets);
- Other operations (leasing, management of investment and mutual funds, investment construction and advisory services). These operations are aggregated in one segment “Other activities” as they are less material than the remaining activities.

(unaudited)

30 June 2010 MCZK	Banking			Other activities	Elimination	Total
	Retail	Commercial	Investment			
REVENUE						
External income	16,896	3,205	622	2,561	(1,597)	21,687
Income from other segments	524	304	809	24	–	1,661
Segment revenue	17,420	3,509	1,431	2,585	(1,597)	23,348
PROFIT						
Segment profit	6,984	721	986	373	(1,802)	7,262
Profit before tax						7,262
Income tax						(1,385)
Non-controlling interests						3
Total profit						5,880

30 June 2010	MCZK	Retail	Commercial	Banking Investment	Other activities	Elimination	Total
STATEMENT OF FINANCIAL POSITION							
Assets							
Segment assets		377,704	151,920	353,146	104,192	(61,510)	925,452
Equity investments in associates							220
Unallocated assets							979
Total consolidated assets							926,651
Liabilities							
Segment liabilities		509,989	104,219	225,521	79,403	(66,247)	852,885
Unallocated liabilities							9,106
Total consolidated liabilities							861,991

Segment income is composed of “Net interest income”, “Net fee and commission income”, “Net trading result”, “Total other operating income”, “Income/(expense) from the revaluation/sale of securities”, and “Gains/(losses) on the sale of equity investments”.

(unaudited)

30 June 2009	MCZK	Retail	Commercial	Banking Investment	Other activities	Elimination	Total
REVENUE							
External income		16,901	2,756	1,309	2,464	(903)	22,527
Income from other segments		442	255	456	27	–	1,180
Segment revenue		17,343	3,011	1,765	2,491	(903)	23,707
PROFIT							
Segment profit		8,413	622	1,208	(802)	(1,500)	7,941
Profit before tax							7,941
Income tax							(1,623)
Non-controlling interests							(11)
Total profit							6,307

31 December 2009 ^{*)}	MCZK	Retail	Commercial	Banking Investment	Other activities	Elimination	Total
STATEMENT OF FINANCIAL POSITION							
Assets							
Segment assets		383,741	157,210	268,237	99,028	(55,072)	853,144
Equity investments in associates							211
Unallocated assets							1,782
Total consolidated assets							855,137
Liabilities							
Segment liabilities		500,115	77,511	172,966	72,382	(53,346)	769,628
Unallocated liabilities							22,049
Total consolidated liabilities							791,677

^{*)} Assets and liabilities are stated as at comparative period ended at 31 December 2009.

Segment income is composed of “Net interest income”, “Net fee and commission income”, “Net trading result” and “Total other operating income”.

12. Related party transactions

Related parties involve connected entities or parties that have a special relation to the Group.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Group is controlled by Erste Group Bank. The remaining investment is held by minority shareholders and institutional investors via freely traded shares on the stock exchanges in Vienna, Prague and Bucharest.

The parties that have a special relationship with the Group are considered to be members of the Group's statutory and supervisory bodies and management, legal entities exercising control over the Group (including entities with a qualified interest in these entities and management of these entities), persons closely related to the members of the Group's statutory and supervisory bodies, management, and entities exercising control over the Group, legal entities in which any of the parties listed above holds a qualified interest, entities with a qualified interest in the Group and any other legal entity under their control, members of the CNB's Banking Board, and legal entities which the Group controls.

Pursuant to the definitions outlined above, the category of the Group's related parties principally comprises members of its Board of Directors and Supervisory Board, and other entities, namely Erste Group Bank, its subsidiary and associated undertakings.

The Group has the following amounts due from/to Erste Group Bank and other related parties:

(unaudited)

MCZK	30 June 2010		31 December 2009 ⁽¹⁾	
	Erste Group Bank	Other	Erste Group Bank	Other
Assets				
Loans and advances to financial institutions	36,759	2,719	19,961	2,985
Loans and advances to customers	–	1,555	–	1,529
Securities at fair value through profit or loss	–	181	–	–
Securities available for sale	–	308	–	318
Securities held to maturity	–	300	–	699
Positive fair value of financial derivative transactions	6,901	82	7,199	55
Other assets	124	14	196	62
Total assets of the Group	43,784	5,159	27,356	5,648
Liabilities				
Amounts owed to financial institutions	6,790	1,061	8,293	1,250
Amounts owed to customers	–	349	–	530
Negative fair value of derivative transactions	8,934	4	8,272	7
Bonds in issue	181	–	80	80
Subordinated debt	6,530	299	6,580	299
Other liabilities	44	210	166	561
Total liabilities of the Group	22,479	1,923	23,391	2,727
Off-balance sheet				
Undrawn loans	–	15	299	192
Issued guarantees	–	43	2	43
Received guarantees	–	5	–	3
Positive nominal value of derivatives	326,581	1,540	343,307	1,472
Negative nominal value of financial derivatives	(327,517)	(1,466)	(343,426)	(1,425)

MCZK	30 June 2010		30 June 2009	
	Erste Group Bank	Other	Erste Group Bank	Other
Income				
Interest income	239	23	323	35
Fee and commission income	16	273	3	100
Net trading gains/(losses)	(907)	31	3,722	34
Other operating income	76	8	(1,095)	13
Total income	(576)	335	2,953	182
Expenses				
Interest expense	143	43	142	53
Fee and commission expense	–	41	–	25
General administrative expenses	9	592	4	430
Other operating expenses	–	–	–	4
Total expenses	152	676	146	512

^{*)} Assets, liabilities and off-balance sheet items are stated as at comparative period ended at 31 December 2009.

The column ‘Other’ includes other companies that are included in the Erste Group (sister companies). Information on associates is not material.

13. Dividends

Shareholders, who attended the Annual General Meeting on 23 April 2010, approved the declaration of dividends in respect of the profit for the year ended 31 December 2009 in the amount of CZK 4 560 million, which represents CZK 30 per both ordinary and priority share (2008: CZK 15,504 million, that is, CZK 102 per both ordinary and priority share). Dividends were payable as at 1 June 2010. Dividends paid to shareholders are subject to a withholding tax of 15 percent or a percentage set out in the relevant double tax treaty. Dividends paid to shareholders that are tax residents of an EU member country and whose interest in a subsidiary’s share capital is no less than 10 percent and that hold the entity’s shares for at least one year are not subject to a withholding tax.

14. Subsequent Events

As at 1 January 2010 the merger of the company s Autoúvěr, a. s., with the company s Autoleasing, a. s., was carried out. The merger became effective on 1 July 2010, when s Autoúvěr, a. s., was dissolved without liquidation and s Autoleasing, a. s., acts as the universal legal successor. In respect of consolidation this transaction will not have any effect.

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