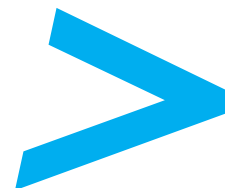




*ČSOB Group
2007 Sustainability Report*





About the Report



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About the Report

The Report provides a full picture of **ČSOB Group activities as performed in various areas of sustainability in 2007**. The Report is to be published on the same day as, and is an appendix to, the ČSOB Group Annual Report to be published on 30 April 2008. It is a follow-up to the 2006 Sustainability Report; Both are found on the ČSOB web pages. Divided according to **key sustainability areas**, the Report submits readily accessible information for consideration. Each chapter contains short case studies detailing activities and presenting comments from persons responsible for given projects.

The companies whose activities are covered by the Report are Československá obchodní banka, a.s. (including Postal Savings Bank or PSB), Hypoteční banka, a.s., Českomoravská stavební spořitelna, a.s., ČSOB Pojišťovna, a.s., ČSOB Investment Company, a.s. and ČSOB Leasing, a.s. More information on these companies is found in the ČSOB Group Annual Report.

2.

ČSOB Group at a glance

We listen carefully to the needs
of our client—not to sell them
products, but to provide them with
the best solutions.



2. ČSOB Group at a glance

We listen carefully to the needs of our client – not to sell them products, but to provide them with the best solutions.



The ČSOB Group is a leading player in the Czech financial service market. We belong to the KBC Group, an international bankassurance institution operating in Belgium and in Central and Eastern Europe with market capitalization exceeding EUR 30 bn. With the combined power of our brands, we have a strong position in all segments of the Czech financial market. The ČSOB Group has been number one for a long time in the financing of housing, secured funds, leasing and total assets under management.

Be it personal and family finance, SME funding or corporate finance, we build a solid and long-term partnership with each of our clients. We listen carefully to the needs of our clients – not to sell them products, but to provide them with the best solutions.

2.1. Key financial
indicators
(CZK bn)2.2. Main innovations
and changes in
the ČSOB GroupKey financial
indicators (CZK bn)

	2007	2006	Y/Y
Net profit	10,837	8,891	+21.9 %
Operating income	32,090	28,800	+11.4 %
Operating expenses	16,965	16,550	+2.5 %
Net interest income	21,198	18,220	+16.3 %
Net fee and commission income	7,309	6,890	+6.1 %
Net trading income	2,253	2,499	-9.8 %
Cost / income ratio	52.9%	57.5%	-4.6 pp
Net interest margin	2.73%	2.62%	+0.11 pp



For comprehensive financial information please refer to the 2007 Annual Report published concurrently with this Report. All data for 2006 are net of revenues from the one-off sale of buildings.

Main innovations and changes in the ČSOB Group

Innovation is the driving force of every enterprise. For this reason, the ČSOB Group introduced **new product and distribution innovations** in the market and continued to simplify processes to achieve high standards of **operating excellence**. Main innovations include *On-line mortgage*, *Image card*, the *Red account* PSB savings product, *CarPark* web pages for operational leasing, the PSB client loyalty programme, the ČSOB Savings account for businessmen and many more.

Over the past year, the Group also witnessed a significant number of **changes**. At the beginning of last summer, nearly one quarter of all its employees moved to the **new, environmentally-friendly headquarters building in Prague-Radlice (NHQ)** to realise an important milestone in the journey towards a high performance corporate culture. After having completed the squeeze-out of minority shareholders, **KBC Bank NV became the sole ČSOB shareholder**, an operation financed with KBC capital surplus. On 1 January 2008, **ČSOB SK, formerly a Slovak branch of a foreign bank**, started operating as a **new legal entity** and became the owner of the ČSOB Group business subsidiaries in Slovakia.



3.

Sustainability at ČSOB Group



“Dear Readers,

Sustainable development has recently become a more frequently heard term. But the concept has deep meaning and expresses an idea more interesting and imaginative than the oft-heard “corporate social responsibility”.

Sustainable development stands for continual progress and growth, positive and long-term development of win-win interaction between our business interests, individual constituencies – and as a result society as a whole.

Sustainable development expresses the overall approach taken by the ČSOB Group. I’ll give you a good win-win situation example. Last year we were the first financial institution to launch a new equity product, the first of its kind on the Czech market: the ČSOB Water Wealth 1 fund.

During the course of its development we took into consideration the value orientation of contemporary society. The equity is aimed at sectors such as development of ecological technology ensuring higher quality of life. Success can be measured by the level of interest on the part of investors: it was fully underwritten earlier than expected – a mere 15 days after the start of the project. I hope our Report will be a good and interesting read for you and I will appreciate your feedback or comments.”

*Pavel Kavánek, CEO and chairman
of the Board of Directors*



3.1. What is most
important
to us

3.2. Implementing
sustainability
policy

3.3. Year 2008
outlook

3.1

What is most important to us?

We care about the environment



“To design a new building for the ČSOB Group was a huge and unparalleled challenge. The many awards received

demonstrate that the result is an extraordinarily sound building in the broadest ecological sense. **A clear signal was sent to our community that it is possible even for buildings of massive size to have minimal impact upon the environment while maintaining high user quality.”**

Ing. arch. Josef Pleskot

Financial literacy is crucial for the sound development of society (ČSOB)



“Our goal is to have clients satisfied in every way.

That is why we want our clients to know how to make the best use of their money while avoiding, in particular, the hazard of debt trap. Financial difficulties may appear unexpectedly for those unaware of basic concepts and unfamiliar with the terms and conditions of loans. Thus, the development of financial literacy is an integral part of our support.”

Ondřej Škorpil,
Corporate Office director

We actively support the inclusion of the socially and physically excluded (PSB)



“To integrate disabled persons into society, the sustainability programme has strongly enhanced the existing cooperation between Ergotep, a co-operative working with the physically challenged, and Postal Savings Bank. All joint

projects have one underlying idea in common: **Not to raise funds for material support, but to proactively develop work positions and production programmes in a social environment fostering the creation of job opportunities, for the most part, in workshops appropriate for persons disadvantaged in the job market.”**

Petr Herynek,
managing director of Ergotep

Implementing sustainability policy

„In Focus“ - Sustainability governance

Our sustainability policy shows the importance of the concept to the ČSOB Group. The concept itself was approved as early as 2006 and is updated each year to meet evolving needs: Main goals are identified, as are tools for achieving them; Key areas of interest are set and control and approval processes are set out. The policy is approved by the Board of Directors.

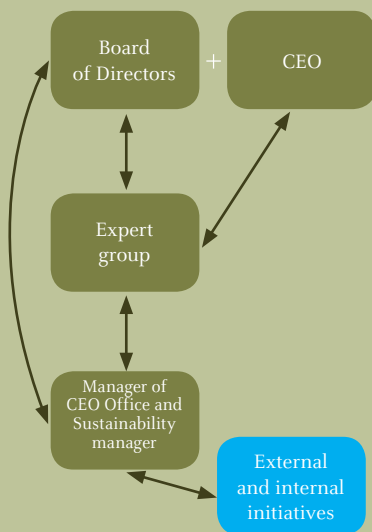
Control systems have been established within the Group. On a regular basis, our special expert group takes decisions on all activities and projects based on set criteria and rules.

Excerpt from the criteria for sustainability projects:

- o A project is considered efficient if it builds relationships with the community (trustworthiness) and if it involves active cooperation and co-management with a third party and ex-post measuring of efficiency (quality).
- o A project must not be a condition for creating or improving relationships with clients and other communities of interest.
- o A project must not be an explicit tool for public affairs and marketing purposes.

For a long time, ČSOB¹ has been a member of the Business Leaders Forum, an association of international and Czech companies and firms promoting adherence to business ethics. In 2007, the Bank's philanthropic activities were for the first time assessed by Donors Forum methodology.

¹Only the ČSOB bank



3.3. Year 2008 outlook

The future of the Group is directly related to ongoing change in society. To find opportunities and offer solutions is our primary area of interest; Sustainable development is the means of improving Group performance through its implementation in key business processes and organizational principles.

In 2008, our main intent is to **further increase investment in key areas**. We will continue offering socially responsible funds and extend our regional support programme to an additional seven regions in the Czech Republic. To address financial literacy, we became, among other activities, a partner to the Advisory office for those in financial need. We also launch new projects such as **employee volunteerism support**, prepared on the basis of employee surveys. We became a member of Donator, a prestigious corporate donors' club.



4.

*What do we
bring to our
customers?*

The interest of investors is documented by statistics on ČSOB Water Wealth 1, the first SRI fund offered. The subscription period had to be ended after only 15 days, during the course of which CZK 880 million was invested. We intend to go on focusing on these types of funds and, in doing so, making other contributions to the overall mosaic of sustainable development in the ČSOB Group."

*Jan Barta,
general manager, ČSOB Investment
Company*



4.1. We ensure
quality at sales
points

4.2. We are ethical in
our daily business
practices

4.3. What are socially
responsible invest-
ment (SRI) funds?

4.4. Our special
products

4.1

*We ensure quality
at sales points*

Customer focus is a crucial
element of our long-term
business strategy.



Clients play the key role in our decision-making and are for us the proverbial 'number one'. In 2007, we implemented service quality standards for the retail and SME branch network. Advice given to our clients is always based on fair and accurate information about products, services, contracts and transactions. Both pluses and minuses are communicated to clients.

More than 3,000 employees, 1,600 sales representatives and 700 professional agents work in the Group's branch network. Clients are served at 239 branches and 211 offices. To ensure high quality, we train throughout the year and check and control service quality on a regular basis.

We use satisfaction surveys to guarantee the quality of service directly at points of sale. Moreover, Postal Savings Bank trained 10,000 Czech Post employees to provide PS services at 3,410 points of sale.

4.1. We ensure
quality at sales
points4.2. We are ethical in
our daily business
practices4.3. What are socially
responsible invest-
ment (SRI) funds?4.4. Our special
products

We are *ethical* in our daily business practices

We are a Group that always finances responsibly. We actively prevent **money laundering and funding of terrorism**.


We fully comply with strict standards to prevent funding illegal, **criminal or socially unacceptable** activities and trade associated **with weapons**. The Group also provides loans only to clients doing business in an ethical manner. We strictly require that our clients do business legally and we do not provide loans to companies or entrepreneurs who violate social laws or fail to respect human rights agreements. We do not finance companies that fail to observe legal regulations associated with the environment and we carefully consider whether or not to finance projects that might pose an ecological

risk. Each front-office employee is duly informed of the characteristic features of suspicious deals and transactions.

The ČSOB Group *Code of Ethics* helps us build a key competitive advantage **through the way we work and think and through quality human relations**. The code is a mandatory guide that helps us in situations where we need to establish what constitutes proper conduct and what does not. Based on the values respected within the Group, the Code of Ethics deals with relationships with clients, principles of teamwork, protection of employer interests and personal responsibility of employees. An open and transparent environment among employees, clients and

partners is fostered also by the internal policy on gift accepting. The basic rule determines that only small gifts with a small may be accepted. Any gift potentially leading to a conflict of interest or which may be considered a bribe, commission or reward is strictly forbidden.



4.1. We ensure
quality at sales
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practices4.3. What are socially
responsible invest-
ment (SRI) funds?4.4. Our special
products


“In Focus“ – What are socially responsible investment (SRI) funds?

In accordance with the value orientation of contemporary society, socially responsible investing is a collective term for a clear-cut type of **investment philosophy** creating investment strategies.

Socially responsible investments and funds focus on sectors, technologies and methods ensuring the sustainable development of society as a whole. These include investments in advanced ecological technologies, in infrastructure improvement

and in ensuring quality of life in sectors such as the water industry, technologies responding to the threat of climatic change, and so on. Therefore, each investment in securities issued must meet strict economic, environmental and social criteria. As regards attitudes towards the environment, social links, business ethics, corporate governance and human rights, companies included in these funds must be among the best in their respective fields. Socially responsible investing and SRI funds are not charity activities.

Revenues are at least comparable to standard funds and, in some cases, even higher; They meet the economic and business needs of progress and transformation of technologies and management techniques. We offered investors a total of six secured SRI funds and one shared SRI fund. The SRI funds are made up of shares from companies known for their proactive approach to the protection of the environment, for example *Toyota* and *Veolia*.

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our daily business
practices4.3. What are socially
responsible invest-
ment (SRI) funds?4.4. Our special
products

“In Focus” – Our special products

Liška plus is an ideal combination of long-term saving products and an optimal way of financing the roof over one's head.



Českomoravská stavební spořitelna offers products with preferential treatment for youth. Children and teenagers have their first building saving contract privileged. For sponsors – in most cases parents – building saving presents an ideal means of providing for children. An advantageous saving scheme generates an important financial reserve and, moreover, the right to receive a no less advantageous loan. For example, a building saving contract with the Atraktiv tariff guarantees upon signature a fixed interest rate for a building savings loan as low as 3.7% p.a. Children will appreciate these terms when they become independent and have to find or upgrade their own home.

Liška plus – a building saving scheme with advantageous housing loans and a contributory pension scheme – is made up of two parallel products. Czechs surveyed regarded Liška plus as the best plan for the elderly. In addition to special attractive schemes for children and youth (Mini and Junior, respectively), Postal Savings Bank offers an account for the non-profit sector, a Handicap account and a student loan. Postkonto – Non-profit sector is a special bank account for societies, associations, clubs, foundations, churches, housing cooperatives and similar groups. Possessing all of the features typical of a standard entrepreneurial account, this product has numerous advantages.

Handicap is a PSB product with advantageous conditions designed specifically for physically challenged TP, ZTP, ZTP/P card holders. When creating this product, Postal Savings Bank closely cooperated with Ergotep, a co-operative working with the physically challenged. In 2005, the account received an award from the magazine “Osobní finance” and was named product of the year. A year later, it received the award for second-best product in the prestigious Accenture “Zlatá koruna” contest. The Student loan is a special-purpose consumer loan for financing studies or further education (re-training, domestic and foreign studies). The product, which may also be granted to students with no income, offers a grace period allowing repayment to be postponed until after graduation. In 2007, this product received the best product award in the Accenture Zlatá koruna financial contest.

5.

*Employees are
key to us*



“It is no easy task to act and behave in compliance with the values professed by our company and, at the same time, keep them linked to the individual personal values of our employees

It is a challenge to foster the values of corporate culture while focusing on the personal values of each and every employee. It is a given that all of us want to grow and improve and, in doing so, create a better environment in which to work each day. I do believe that we are on the right track: Our efforts and those of the Human Resources unit increase the will to improve in each and in all of us. Let's be sure to realise our goal: An excellent team to be proud of and a culture in which we all want to work.”

*Petr Hutla,
senior manager and member
of the Board of Directors*



5.

Employees are key to us

Employees are the key to our success. Our ambition is to strengthen our competitive advantage in the market by developing a human resources culture that helps our people achieve the goals of the Group.



“The human resources unit cares about employees as they are the most precious resource available to the Group. We foster the individual approach. Knowing each employee, their strengths and what motivates them allows us to harmonize the interests of the employee with the needs of the Bank. Our goal is to have motivated employees who enjoy their work. What we offer is self-actualization and further development in more than just technical skills. Great emphasis is also placed on the development of soft skills, self-knowledge and teamwork. We support the sharing of corporate values, including humanity, accountability and cooperation.”

Kateřina Legnerová,
director of Human Resources

5.1. Who are we?

5.2. Everybody is
equal with us!5.3. Talent
programmes
are crucial5.4. Employee
Leadership
Academy5.5. What are our
employee
benefits?5.6. We care for
those who are
leaving5.7. How do
we behave
internally?

Who are we?

Employees build ČSOB. We provide them with a friendly working environment.

The Group employs more than 9,000 people, of which 65% are women. Our youngest employee is 19, while the oldest is 78. Most employees are Czech, but we have colleagues from thirteen countries around the world, including Slovakia, Canada, Belarus, Senegal, Germany, Israel, Ecuador, Russia and Ukraine.

Our key competitive advantage is **high-performance corporate culture**. It is determined by the way we work and think and by the quality of human relations. **Focus on customers, accountability, motivation and cooperation** are the key drivers of the success of the Group.

* An average of all observed values

Everybody is equal with us!

Performance, skills and depth of knowledge are taken into consideration when recruiting new staff or assessing current employees. What we appreciate most is reliability, ability to share information, people skills and objectivity. **On all levels, we respect human rights and the opinions of all, regardless of gender, race, religion and belief.**

We are aware of the position of women in Czech society. For them and for all those who work for ČSOB, we proactively foster the best conditions for balancing professional and private life, such as **flexible working hours, part-time work, or work from home.** All our employees, irrespective of gender, have the same access to training courses and talent schemes. In recent managerial talent development programmes, for example, 50% of participants were women—and the number is gradually increasing.



In the past year, more than 2500 employees moved to the

new building in Prague – Radlice. Not only is the four-floor barrier-free building ecological but, first and foremost, it is open and friendly.

12 people in the main team and 36 delegates worked on the moving project for two years.

2 months were needed to vacate 13 buildings, most of which were located in the historical centre of Prague.

70 employees were moved each day.

10 minutes were available to pack the belongings of one employee.

40 movers and 15 vans moved 10,000 boxes and 63 tons of shredded material.

Talent programmes are crucial

Newly-graduated high school and university students are another disadvantaged group of potential employees, facing difficulties finding jobs due to a lack of work experience. That is why we offer **temporary fellowships, temporary jobs, bachelor or master degree thesis supervision and on-the-job practical training within our *Manager Shadowing* programme.** Graduates are given an opportunity to take part in our Quail and Foxes training programmes, where they are trained for managerial and specialist positions.

Due to comprehensive specialised training the transition from school to the workplace is natural and smooth.

That our approach is well received is evident in our high position in yearly charts ranking the most sought-after employers for university students.

Well-educated employees are a driving force in our company and employee training is, therefore, an important part of the change process. **The quality, not quantity, of training facilitates better performance, success in everyday work, improvement in the quality of all activities and further overall development.** We offer our employees a wide range of individual and group courses and training, developing both soft and hard skills in numerous areas. Our employees choose the form and scope of training activities according to **individual development plans.**

In 2007, training courses totalled 77,070 man-days; The ČSOB Group invested more than CZK 170,000,000 in employee training.

„In Focus“ Employee Leadership Academy

Leadership Academy is one of the most sought-after means of developing managerial potential. It helps graduates to understand and to identify themselves with the Group. The goal is to guide and motivate managers to think in new ways and to spread corporate values among employees. In 2007, *Leadership Academy* not only focused on top and medium management, but also on employees (*Employee Leadership Academy* - ELA). A total of 637 employees completed ELA and it has become an important part of training and development.



Through the participants' eyes ...

"I was surprised by ELA. It was very professional. Only there I understood how difficult it is to implement change in the workplace. ELA explored many topics and my goal was to understand and find a solution to considerable challenges from practical life. ELA did not disappoint."

"I expected something great and it was great. Thanks for that. Full of action, full of interesting information and inspiring meetings with colleagues, it is terrific that ELA really works!"

What are our employee benefits?

We provide our employees with a high number of benefits. We have our colleagues' future in mind: We offer **life insurance contributions and pension insurance** with state contributions; Popular bank and financial group products with favourable conditions are provided to employees; A variety of **company events and outings** are organized to maintain and improve upon strong relationships among our employees.

We provide free-time benefits to our employees – **one week of vacation in addition to that stipulated in the Labour Code as well as contributions to sports, culture and recreation.** Our employees are also entitled to two sick days per year with pay when a letter from a doctor need not be provided.



5.6. We care for those who are leaving

Within the outplacement programme we make efforts to minimize the negative impact of job loss by assisting in the search for a new job and offering a survey of jobs available, financial compensation and a practical manual, the *Labour Market Orientation Guide*. We make employee dismissal a dignified matter.



How do we behave internally?

Employees are key to us – they are the backbone of our operations and, thus, taking care of them is one of the most important parts of our sustainability strategy. We create an environment for our employees where they feel comfortable while performing work duties.

The ČSOB Group supports improvements in customer service quality and in employee team work. Similar to quality standards in the branch network applied to improve the relationship between employees and clients, **the quality standards newly introduced in NHQ raise the level of cooperation among employees.**

The Group consistently builds upon a highly productive team environment by introducing rules and regulations and carrying out regular assessment.



6.

We care for the environment

A green building is generally understood as a building totally independent of any external sources of energy. While this is true, extreme measures are required to achieve this goal. In order to live in such buildings, inhabitants have no choice but to forego certain standards. Not so long ago, designers of buildings started to think in a far more complex manner.

The sound ecological basis of all buildings stems from the proper use of all elements. It begins with the selection of the right location and the positioning of the building vis-a-vis the surrounding environment. Work with green plantscape is sophisticated and careful consideration is given to various needs: Fenestration, ventilation, and heating or cooling are thoroughly thought through. Balance – the harmonization of all contradictory requirements and relations inherent in every building – is the key and the basis of sound building.

And this was exactly what was sought for the ČSOB Group new headquarters building. It was a huge and unparalleled challenge. The many awards received demonstrate that the result is an extraordinarily sound building in the broadest ecological sense. A clear signal was sent to our community that it is possible even for buildings of massive size to have minimal impact upon the environment while maintaining high user quality.

Ing. arch. Josef Pleskot



6.1. Environment
and credit
policy

6.2. We approach
project financing
prudently

6.3. Ecological office
building in
Prague centre

6.4. Internal processes
and carbon
reduction initiatives

6.1

Environment and credit policy

Within the framework of our credit policy **we do not finance companies that fail to observe environmental legal regulations,** fail to fulfill the environmental protection requirements set out in CR/SR or EU legislation, or are in conflict with EBRD/IFC* requirements.

Within the framework of corporate financing, we provide loans to clients in fields posing environmental risks only in the event that such companies have had an environmental audit performed, hold an ISO certificate of environmental care, have decontamination projects, look after the rectification of past damage to the environment and harmonise all activities with existing environmental standards.

*European Bank for Reconstruction and Development and International Finance Corporation

We approach project financing prudently – Equator Principles

Due to the fact that we administer huge amounts of funds, we significantly influence the flow of capital. It is therefore important to us that projects we finance do not have a negative impact upon the environment.

Our commitment to society is affirmed by adhering to Equator Principles, an independent 2003 initiative supported by several noteworthy international banking institutions. More than sixty companies have joined so far.

New renewable resources projects in 2007

	Installed electrical capacity in MW	Project costs in CZK m	Bank financing in CZK m
Wind	3.6	158	126.93
Biomass*	2.5	290	250
Biogas	1.506	148.7	125.7
Solar	0.4368	51.17	40
<i>Total</i>	<i>8.04</i>	<i>647.87</i>	<i>542.63</i>

A healthy environment is a prerequisite for long-term sustainability of society. Not only do we ensure that any and all adverse impact of business activities on the environment is minimized, but we encourage ecological thinking on the part of Group employees.

“In Focus” – Ecological office building in Prague centre

Why is NHQ a “green” building?

- The project used a brownfield lot.
- The site is easily accessible by public transport.
- The greenery and plants used extensively outside and inside the building have positive impact on the outer microclimate of the building as well as the quality of the interior workspace.
- The optimized orientation of the building and passive shielding elements reduce heat gains from the sun and sky while keeping the front face visually open.
- Sophisticated fix and mobile shielding systems controlled by meteo-terminals reduce heat gains from the sun and sky and reduce heat loss in the winter.
- Maximum preference is given to natural lighting of workstations.
- Heat absorption capacity and inertia of reinforced steel constructions harmonizes inner thermal comfort and natural pre-cooling, which utilizes night air during summer months.
- Economical energy management utilizes recovered heat/cold loss and heat pumps.
- Sophisticated artificial lighting is system-controlled and varies according to the intensity of sunlight in each part of the building; The positioning of mobile shading elements, at the same time, eliminates unnecessary lighting on workstations as per user needs.
- The control system of the building allows for dynamic management, including anticipated changes of external influences, and monitors the status and interrelations of systems within the building.

ČSOB Group New Headquarters Building (NHQ) - Awards

Building of the year 2007



ABF – Architecture and Building Foundation, Stavitel magazine, the

Ministry of Industry and Trade and the Czech Association of Entrepreneurs in the Construction Industry gave ČSOB NHQ the prestigious Building of the Year award for 2007 (15th competition).

LEED – Green Building Award for the ČSOB building



In 2007, ČSOB NHQ received a prestigious American award, the third-highest grade in the LEED certification system from the U. S. Green Building Council.

Health and Save Environment Award 2006



NHQ was awarded a silver medal in the Health and Safe Environment Award for respecting the environment as well as the inhabitants and the community.

6.1. Environment
and credit
policy6.2. We approach
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building in
Prague centre6.4. Internal processes
and carbon reduction
initiatives

Internal processes and carbon reduction initiatives

Since 2003, we have had containers located in the workplace for recycling paper, glass, plastic and residual unsorted waste. Besides recycling, we also separate used consumables from printers, fax machines, copiers, typewriters, calculator batteries and so on. Disposal of electrical appliances and dangerous waste such as luminescent tubes is done on our behalf by product suppliers.

When closing supply contracts, we emphasize separating, recycling and ecological disposal of waste while giving preference to environmentally aware partners.

In order to reduce carbon emissions, we launched a series of initiatives:

Reduction of energy consumption and carbon production

- In accordance with EU legislation and with the assistance of independent providers, we regularly measure energy consumption as well as CO2 emissions.
- A full time central services specialist is in charge of reduction of energy consumption and emissions.
- Energy consumption policy is based on an independent audit of all ČSOB premises.
- NHQ was built according to environmental standards, with efficient energy use in mind.

Reduction of fuel consumption associated with travelling

We are dedicated to a policy focused on maintaining high car pool efficiency and have implemented environmentally positive measures:

- A fellow-travel reservation system minimizes the use of the ČSOB car pool.
- NHQ equipment enables extensive use of video or phone conferences.
- The Green Parking regime allows for the reservation of parking places for hybrid engine cars.
- New buildings in Prague are built and rented close to the subway line to encourage the use of public transportation.
- Green energy has been purchased for 14.3% of the total energy consumption for 2008/2009.

*převážně týkajících se nové budovy v Praze-Radlicích

What we plan?

Not only price but also environmental criteria are to be taken into consideration when carrying out tenders for the construction and/or reconstruction of boiler rooms.

Sophisticated fleet manager system is to be used in the ČSOB car fleet to decrease fuel consumption by an expected 10% in 2008.

A portrait of Miroslav Seidl, a middle-aged man with short brown hair, wearing a dark pinstripe suit, a white shirt, and a gold and blue striped tie. He is smiling and looking towards the camera. The background is a blurred view of a modern building with large windows and greenery.

Our community

“For sustainability in Postal Savings Bank, 2007 was a key year. Not only did we determine areas we want to focus on in the coming years but, first and foremost, we succeeded in finding a way to strengthen the still-unique link between CSR and business. It is not about charity—rather, our aim is to support activities that motivate long-term social business. At the same time, these investments are a means of making business even more efficient and achieving even higher quality in everything we do. I am very glad that for us sustainability is not a mere communication event, but part of the corporate strategy.”

*Miroslav Seidl,
managing director of segment
and strategic marketing,
Postal Savings Bank*

Our community

We understand the needs of the surrounding community and play an active role in society. We are a partner aware of the close link between business and the public and aim our activities towards positive societal development.

We regard it as essential to actively establish relationships with the public and offer solutions to the problems common to the society in which we do business. Such a principle has become as integral an element of our day-to-day activities as providing first-class service and products to our clients. As we are in close contact with various public groups, we also appreciate the non-financial needs of our clients and their families and we lend a helping hand wherever it is most needed.

Healthy societal development is our ultimate aim. In order to achieve this, we support non-profit organizations, civic associations and local communities in addition to providing high quality products and services. We believe that business targets are closely linked to societal progress on the whole and it is our priority to become a leader in development.

We donated more than CZK 20,000,000 for philanthropic activities; When the volume of funds are taken into consideration, it may be said that $\frac{3}{4}$ of projects have nation-wide impact.

Fostering education and financial literacy is the main focus of ČSOB support. Postal Savings Bank set the goal of supporting projects aimed at the integration of the physically and socially disadvantaged and the support of leisure time activities for children and teenagers to prevent youth disorders.



7.1. Donations by
support areas

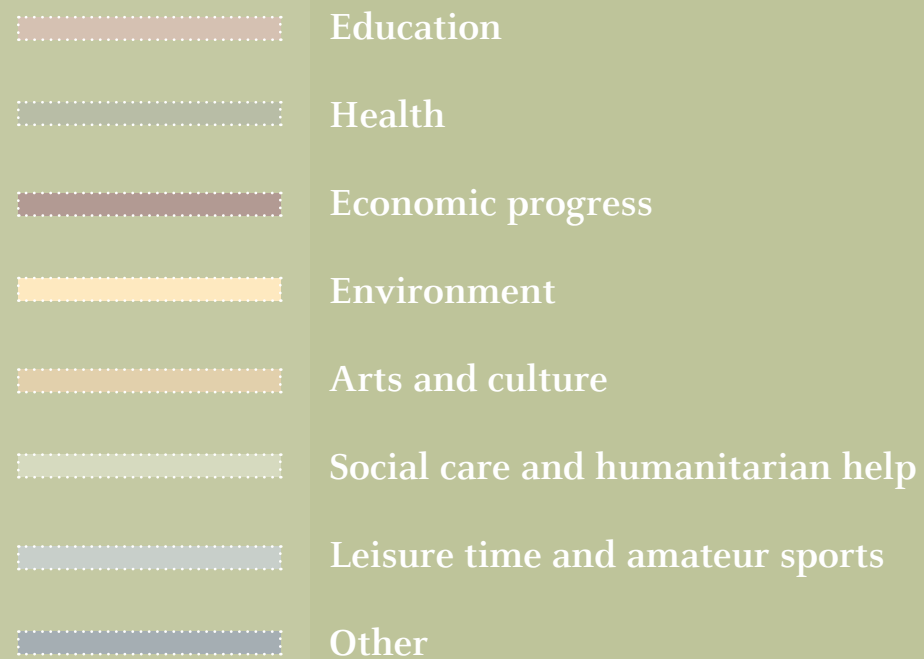
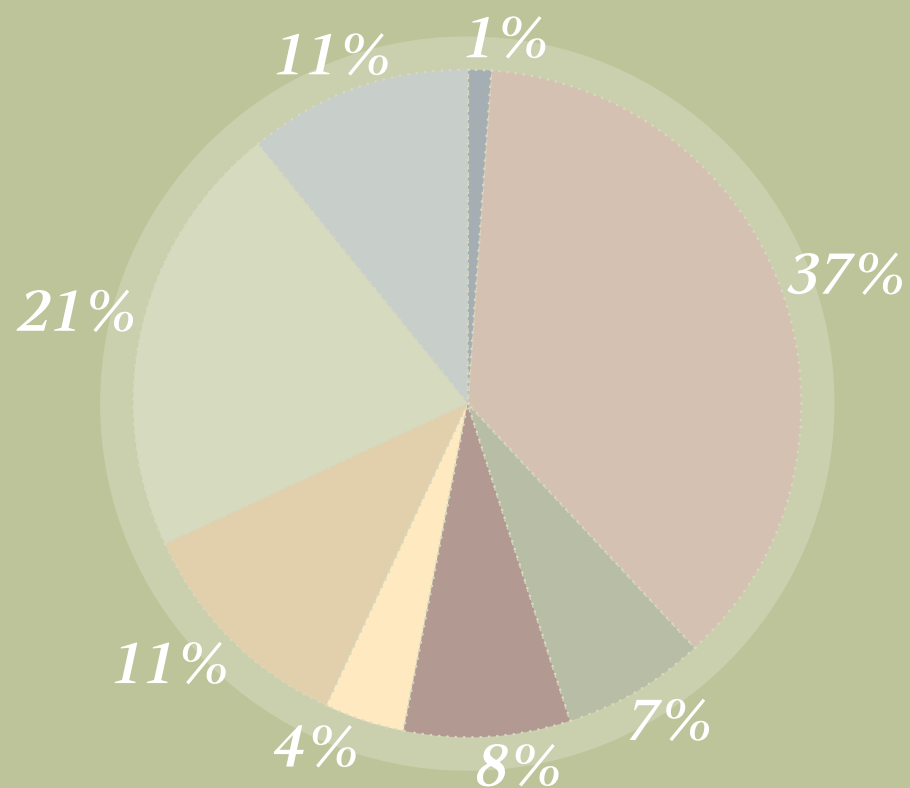
7.2. What do we
support?

7.3. We actively involve
employees and the
public

7.4. We strengthen
cooperation
with NGOs

7.5. NHQ and the
surrounding
community

Donations by support areas



“In Focus“ – What do we support?

Ergotep – cooperative of the disabled

To support the physically challenged is one thing, but to expend efforts and create 25 new jobs for a workshop is another. And this is what **Postal Savings Bank** succeeded in doing in cooperation with Ergotep, a cooperative working with the physically challenged. The partnership dates back to 2004, when Ergotep started to send promotional and advertising materials. Since then, the level of cooperation between **Postal Savings Bank** and Ergotep has increased and, at present, the cooperative manages the marketing warehouse, supplies promotional giveaways and carries out a number of back-office tasks. Thanks to the support of **Postal Savings Bank**, the www.ctyrlitek.cz electronic shop was launched in 2007.



„All joint projects have the following fundamental unifying idea: Not to raise funds for material support, but in the main to proactively develop work positions and production programmes in a social environment able to create job opportunities, for the most part in workshops appropriate for persons disadvantaged in the job market.

Petr Herynek,
managing director of Ergotep

To invest in sustainable development does not mean sacrificing profit, but quite the opposite when the project is efficient and innovative. The long-term cooperation of the two parties is proof of this; Only in such events is a win-win situation created.



What do we support?

“Advisors will not advise people where to get better loans or credits, but will instead help draw up personal or family budgets, set priorities and demonstrate responsible decision-making on whether or not to go into debt.”
Hynek Kalvoda, Association of Citizen Advisory Offices

Financial literacy against debt trap

Our goal is to satisfy our clients in every respect. We want our clients to know the exact benefits of each product, the best use of their money and, in particular, how to avoid the hazard of debt trap. Financial straits can strike unexpectedly at those unfamiliar with the basic concepts and terms and conditions of loans. Improved financial literacy is a goal shared by ČSOB, Postal Savings Bank and the Association of Citizen Advisory Offices. A three-year project gives the public an opportunity to obtain free information on all aspects of finance. Awareness of financial tools and related issues and risks is at a low level in the Czech Republic; The project aims to eliminate the problem posed by lack of awareness.

Regional support programmes

Non-profit organizations with local scope face the greatest challenges raising funds but use funds in the most efficient way—no one is more familiar with what regions need most. Therefore, we launched a pilot regional support programme and granted one million Czech crowns to project applicants. 33 projects applied for grants and a grant committee made up of members representing the Bank, the non-profit sector and the regional authority decided to support the eleven best projects. The public then selected the best project on the ČSOB and Postal Savings Bank web sites to receive an additional financial bonus. The grant programme was well received by the public and the programme budget was increased to three times its original size; The programme is to be expanded into other regions over the course of 2008.

Organization	Project	Amount donated (CZK)
MÚ Krnov	Reconstruction of the chapel at Civilin pilgrim's place	190,000*
Angelis, o.s.	Zen café – training café, Havířov	115,000
NANKA Orlová, horse	Through hipotherapy back to society	80,000
O.s. ANIMA Opava	Klub Kafe Ostrava	115,000
Country Newsletter AHOJ, o.s.	Country Way – I give one day in a month to education or to nature	24,000
Municipality of Třinec	Vacations in 3nec 2008	30,000
Silesian diacony	Seeking knowledge	60,000
Opava Charity	Memory exercises for seniors	103,000
Royal Rangers	With adventure for knowledge in Royal Rangers	100,000
Zámeček Rainbow	The best five: for kids from orphan homes	118,000*
Municipal library, Třinec	Reading program: Strolling with a library hobbit	15,000

* Including the Public Award totalling CZK 50,000

We actively involve employees and the public

In October, we offered our clients a unique opportunity to help some of our partner non-profit organizations or the National Park by choosing a special **image card from the “We help” series**. Given organizations received a ČSOB donation of CZK 500 for each client who selected a card from the ČSOB Gallery. More than one fifth of the clients who selected an image card from the ČSOB Gallery took advantage of the special offer.

Each of the first thousand Postal Savings Bank clients who opened a **Red Account** in November received a calendar issued by the Our Kid foundation which, in turn, received CZK 500 from Postal Savings Bank for each distributed calendar. Our clients chose other ways of getting involved, for example buying children's paintings at the sales exhibition held at the Prague branch at na Poříčí or voting in the regional support programme.

Our employees could also take active part in philanthropic support. During our **Let's play ball for something** good sports event, employees participated in those projects they deemed most interesting. The event took place in the NHQ building in Prague and was attended by employees, their families and participating non-profit organizations. Both children and their parents acquired new knowledge about animal-assisted therapy and had the opportunity to play games with trainers specialized in environmental protection.



A group of **ČSOB Pojišťovna** employees helps children in Africa. Through distant adoption they support two girls, Beth and M'Mah, and a boy, Edward. At present, their schooling is paid for by 53 foster mothers and fathers from **ČSOB Pojišťovna**.

We strengthen cooperation with NGOs

To make the lives of our partners, clients and applicants for support easier, we prepared a simple electronic application [form](#) which takes only a few minutes to fill in. A special e-mail box for suggestions and comments was established at csr@csob.cz. The sustainability manager reads the e-mails daily and answers messages regularly. Of course, many of our [pages](#) are sustainability pages where project archives are found, information is updated and, last but not least, the report you are reading may be downloaded.



NHQ and the surrounding community – Old furniture and IT technology has been donated to the NGO sector



Moving to the new NHQ building made thousands of pieces of furniture and IT equipment redundant.

We decided to donate the furniture to organizations able to make further use of it. Thanks to our help, the furniture is used for beneficial projects. A long list of organizations participated in the project, but a brief summary includes **all types of schools, orphanages and civic institutions.** The biggest portion was given to the information centre for non-profit organizations, which sent the property to other non-profit organizations.

What have we donated?

- 2,400 pieces of furniture
- 2,100 pieces of user technology
- 98 electrical appliances
- 8 safe-deposit boxes

Hypoteční banka - we help our young friends with living. Including children lacking a family and/or the opportunity to be placed in adoptive or foster families. For each mortgage, the Bank sends CZK 20 to the SOS Children's Village association account with the goal of preparing children and foster mothers for independent life. Also, Hypoteční banka employees make financial donations. From 2001, when co-operation began, to the end of 2007, CZK 1,517,338 was donated by the Bank to abandoned children (The figure does not include employee donations).

A photograph of a modern building with a vertical slat facade and a gravel path with plants.

Our goal is to
satisfy our clients
in every respect.

