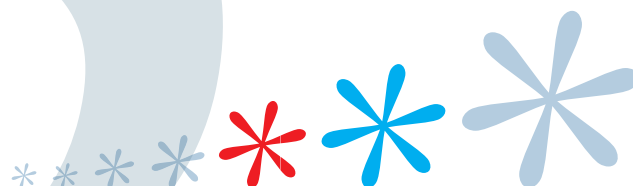




ČSOB Group Sustainability Report 2008



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“Dear Readers,

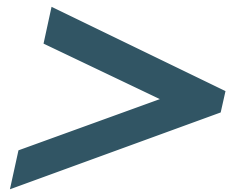
Social responsibility provides an important picture of the company’s character. The ongoing and mainly sustainable development and story of the company would remain incomplete without this chapter. Our story is not limited only to money spent, but it is also about the mindset and behaviour of all of us in order to positively influence the environment in which we act. Our small story, as I strongly believe, enhances the big story of our country and the people who live here.

It is my wish that reading this report becomes a motivating and enjoyable experience for you.”

Pavel Kavánek, CEO and Chairman
of the Board of Directors



About the Report



About the Report



1.

The purpose of this Report is to provide all parties concerned with a full picture of the ČSOB Group's activities in various areas of sustainability as they were performed in 2008. The Report is published on the same day as the ČSOB Annual Report – on 30 April 2009 – and constitutes an appendix thereto. It is a follow-up of the 2007 Sustainability Report that is, alike this Report, available on the ČSOB's web pages. Divided according to key sustainability areas, the Report submits for the readers' consideration easily accessible information.

Companies covered by the Report are as follows: Československá obchodní banka, a. s. (including Poštovní spořitelna), Hypoteční banka, a.s., Českomoravská stavební spořitelna, a.s., ČSOB Pojišťovna, a. s., ČSOB Investiční společnost, a.s., and ČSOB Leasing, a.s. For more information on these companies please refer to the ČSOB Annual Report.



“We were enthusiastic about PaySec and had no doubts about its success. We were sure that we did everything we could to give our customers a new payment product they would enjoy. Moreover, we knew that we could rely on the support of the whole bank and that it would remain so also in the future. Our big advantage was that PaySec was introduced to the market by the product design team.”

Kateřina Nerudová, PaySec team member

www.paysec.cz

ČSOB group



We listen carefully to the needs of our clients not to provide them with products, but with the most suitable solutions.

Innovations are an investment in the future of both the company and the society.

ČSOB Group



2.

We listen carefully to the needs of our clients not to provide them with products, but with the most suitable solutions.

Innovations are an investment in the future of both the company and the society.

The ČSOB Group is a leading player in the Czech financial service market. We belong to the international bankassurance KBC Group that performs its activities in Belgium and in Central and Eastern Europe with total assets exceeding EUR 355 bn. While combining the power of our trademarks, ČSOB (banking, insurance, asset management, pension funds, leasing and factoring), Poštovní spořitelna (banking in the post office network), Hypoteční banka (mortgages) and ČMSS (housing financing), we hold strong positions in all segments of the Czech financial market. The ČSOB Group has been No. 1 for a long time in financing of housing, secured funds, leasing and total assets under management. Services related to trading in financial markets are rendered by Patria, a ČSOB's subsidiary.

Key financial indicators (CZK bn)

2.1.

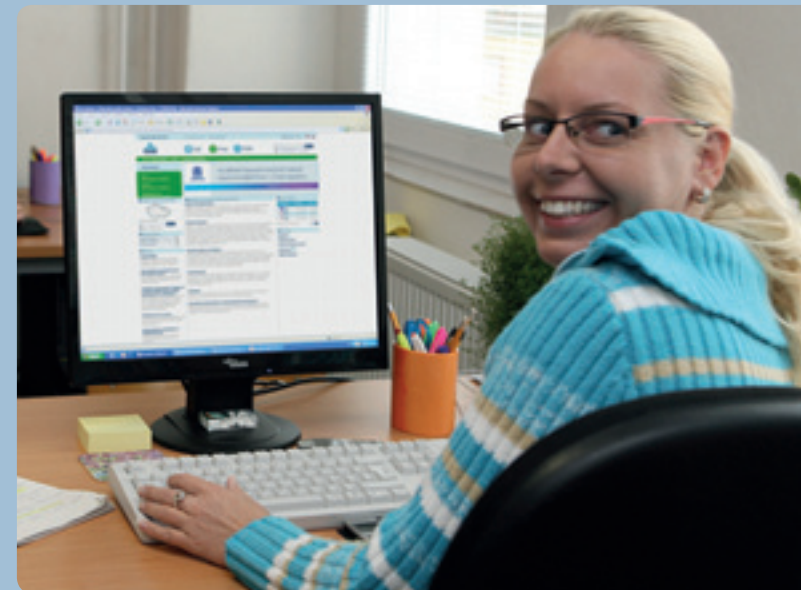
	2008	2007	Y/Y
Net profit	1.034	9.902	-90%
Operating income	32.245	28.105	+15%
Operating expenses	15.014	14.012	+7%
Net interest income	21.385	18.833	+14%
Net fee and commission income	6.644	6.493	+2%
Total assets	824.485	782.898	+5%
Consolidated capital adequacy ratio	10.31%	10.49%	-0.18 pb

For comprehensive financial information please refer to the 2008 Annual Report issued in parallel with this Report.



Main innovations and changes in the ČSOB Group

Innovation is a driving force of each enterprise. This is why the ČSOB Group introduced new product and distribution innovations in the market and kept on simplifying processes to achieve operating excellence in 2008. The main innovations include e.g. the possibility to change PIN at an ATM, TV Bank, “Flexi card” – a consumer loan in the form of an instalment card, PS education saving programme with advantageous conditions for students, payment order with Maxkarta via ATM, Investment mortgage (a mortgage combined with a guaranteed fund or life insurance), Account online (a web application for administration of insurance contracts), Variace life insurance, extension of CashBack to Čepro EuroOil petrol stations network, PaySec (a system for on-line payments) and many others.



2.2.

“



Richard Pešek,
Career Development
Department

*“I can see a big leap forward in ČSOB’s **social responsibility** both among the company management and current employees. Last year, I was really happy to see ČSOB supporting 33 small non-profit organizations suggested by our employees. What surprised me even more was how numerous and how enthusiastic my colleagues were when taking part in our volunteer days. **My congratulations go to the Bank on its employees.**”*

Sustainability in the ČSOB Group

Our goal is to enhance the quality of life of all target groups in the society and to ensure its sustainable future.

Sustainability in the ČSOB Group

The future of the ČSOB Group is wedded with ongoing changes in the society. To find opportunities and offer solutions is the very focus of our interest. Sustainable development is the way how to improve the Group's performance through implementation of its substance in key business processes and organizational principles.

Our goal is to enhance the quality of life of all target groups in the society and to ensure its sustainable future.

3.

What is most important for us?

3.1.



We care for the environment

Our care for the environment rests mainly in our considerate behaviour. ČSOB building sends a non-negligible signal that even buildings of a giant size can both have a minimum impact on the environment and maintain high user quality.

We support an adequate level of financial literacy (ČSOB)

Our goal is to have a client who is satisfied in all respects. That is why we help our clients to know how to best treat their money and how to avoid the hazard of a debt trap in particular.

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

We support activities that motivate to long-term social entrepreneurship and create work space for persons impaired in the job market.

We get our employees in- volved in our activities

We act proactively in providing our employees with opportunities to get personally involved in care for our community, giving them a good chance to have a positive impact on our society.

Sustainability policy

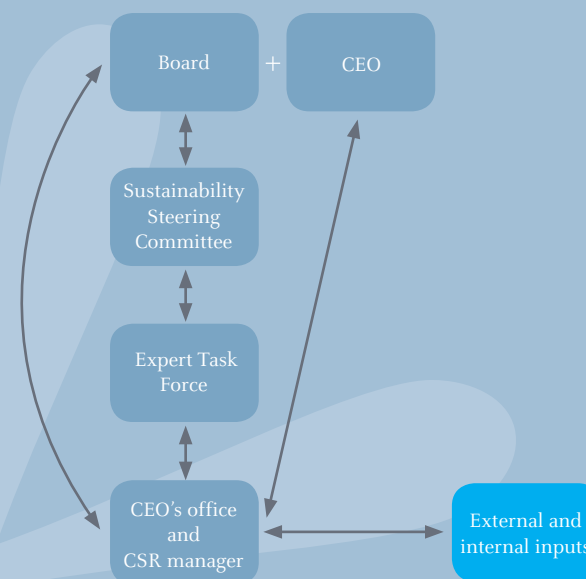
3.2.

The existence of sustainability policy demonstrates the importance attached by the ČSOB Group to this concept. The concept itself was approved as early as in 2006 and it is updated each year to reflect the evolving needs: it sets the strategy and main goals, tools for achieving them, key areas of interest, and control and approval processes. It is approved by the Board of Directors.

Sustainability governance

In 2008, a new control structure was established within the Group. The newly established Sustainability Steering Committee **sets sustainable development strategy**. Since the Committee members are representatives of the Board of Directors, the company top management is, thus, involved in the sustainability affairs.

On a regular basis, our special Expert Group **takes decisions on all activities and projects** based on the set criteria and rules. To be approved a project must be **credible and of good quality** and it must not be an explicit tool for public affairs or marketing purposes and for improving our relations with clients.



our partners

3.3.



Sustainability strategy is based on a regular and ongoing dialogue with the leading players. Regularly, we take part in conferences organized by the Donors Forum, VIA Foundation, Business Leaders Forum and in other events. These communication forums allow us to present our own projects and to actively seek new suggestions for further improvement of our sustainability strategy.

Since 2007, the effectiveness and efficiency of funds invested in social responsibility projects have been assessed by the Responsible Company Standard and in 2008 we became a member of the Donator work group.

Awards

The VIA Bona Award is an award to acknowledge philanthropy of companies and individuals who provide financial and other support to their community. Poštovní spořitelna entered its cooperation with ERGOTEP, a co-operative associating physically impaired citizens, in the contest and was awarded the Award for Innovative Projects appreciating its courage to support an innovative project.

Poštovní spořitelna is also proud of other achievements in sustainability. In the national round of the European Corporate Responsibility Award Poštovní spořitelna's Sustainability Concept ranked among TOP 10. Moreover, Poštovní spořitelna won the Bronze plaque awarded by ŽIVOT 90, civic association, for the Internet for Seniors, a project helping this group of citizens to make their first contact with Internet and show them how to use it generally and also for banking transactions.



Year 2009 outlook

3.4.

In 2009, our main intent is to further deepen investments within the key topics. We extend our Regional Support Programme to all regions in the Czech Republic and bring in new activities, large community grants to promote environmental issues and a new Mayor of the Year contest by Poštovní spořitelna. We pay more attention to employees' volunteering activities. And we also prepare topics for discussion on providing work to persons with disabilities between corporations and non-profit organizations active in the Czech market.



"Empathy, listening, helpfulness, care, positive and competent approach, product knowledge and precision of execution are definitely the most important qualities when serving a client. I always treat a client in the same manner I want others to treat me. I keep the customer's benefit, profit and the best solution available always in mind.

When dealing with a customer, I prefer fair treatment and I keep on reminding myself that it is the customer who is the most respectable person in the bank. It feels so good if I meet friends of my client who recommended me."



Vladka Tesařová,
SME credit adviser
branch RET / SME Brno

What do we bring to our customers?

Our relationship with a customer is based on a long-term partnership and individual treatment.

4.1. How do we
ensure quality
at our branches?

4.2. We follow ethical
principles in our daily
business practise

4.3. SRI funds

4.4. Our special
products

What do we bring to our customers?

4.

Our relationship with a customer is based on a long-term partnership and individual treatment.



Our goal is to have satisfied customers and not over-indebted customers. Clients and client orientation are key elements of our long-term strategy.

In autumn 2008, we organized a **Leadership Conference** where more than 300 ČSOB Group managers could meet our clients to find how our clients feel about the ČSOB Group, what they like most and what they would change if they could.



How do we ensure **quality** at our **branches?**

4.1.

Customers are a crucial element of our long-term business strategy. Advisory is the main added value we provide to our clients. In each branch our clients get advice on basic products, but also on investments, financing of housing and credits for corporate and SME clients. We are ready for having a talk about the current financial situation. Advice given to our clients is always based on fair, realistic and accurate information about products, services, contracts and transactions and both pluses and minuses are communicated to clients.

In 2007, we implemented service quality standards for the retail and SME branch network, all of them based on our clients' needs.

More than 3,000 employees, 1,600 sales representatives and 700 professional agents work in the ČSOB Group's branch network. Employees help clients in 217 branches and 211 offices. To ensure their high quality we train them regularly all the year round. We investigate the quality of service on a regular basis. To guarantee the quality of service directly in points of sales we employ surveys of satisfaction.



Poštovní spořitelna

Nowhere in the market is there a better accessible and barrier-free bank! Clients can manage their money at more than 3,300 post offices, at more than 45 financial centres and with the help of 726 ATMs. Clients can come to the bank also during weekends, as 498 post offices are open on Saturdays and 32 post offices serve their customers seven days a week. We remove barriers... At present, nearly 1,000 points of sales have disabled access; an additional 1,300 post offices are equipped with signalling devices to call a staff member. In 2008, a total of 58 Poštovní spořitelna's ATMs were provided with a system that makes it possible for the visually impaired customers to use them. By the end of 2009, a further 395 ATMs will be equipped with this technology.

We follow ethical principles in our daily business practise

4.2.

We are a Group that always finances responsibly. We actively prevent money **laundering and funding of terrorism**. We comply with standards to prevent funding of illegal, criminal or **socially unacceptable activities** and trading associated with weapons. The Group also provides **loans** only to clients doing business in an ethical manner. We require our clients to strictly adhere to the law and do not provide loans to companies or entrepreneurs who fail to respect social laws or human rights agreements. We do not finance companies that fail to observe legal regulations associated with the environment.

We carefully consider whether 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's Code of Ethics helps us build a key competitive advantage through the way we work and think and through the quality of human relations. The Code is a mandatory guiding system that helps us in situations where we hesitate what is proper conduct and what is not. Along with its contribution, the right conduct is appreciated and unethical conduct is not

justified as acceptable. Based on the values respected within the Group, the Code deals with relationships with clients, principles of teamwork, protection of employer's interests and personal responsibility of employees. Open and transparent environment among employees, clients and partners is fostered also by the internal policy on gift giving. The basic rule determines that only small gifts that are more a gesture than a present may be accepted. Any gift that can eventuate in a conflict of interests and can be considered to be a kind of a bribe, commission or consideration is strictly forbidden.

SRI funds

SRI stands for Socially responsible investment funds.

Since 2000, we have offered investors the total of six secured SRI funds and one share SRI fund. The SRI funds are composed of shares of companies known for their proactive approach to the protection of the environment, for example Toyota and Veolia.

Socially responsible investments and funds focus on sectors, technologies and methods able to ensure sustainable development for civilization. These comprise investments in advanced ecological technologies, in infrastructures improving and ensuring

the quality of life (e.g. water industry), technologies responding to the threat of climatic change and others and comply with strict economic, environmental and social criteria.

Socially responsible investing and SRI funds are no charity activities. On the contrary, their revenues are at least comparable to standard funds and, in some cases, even higher. Apparently, they meet the economic and business need of progress and transformation of technologies and management techniques.



4.3.

“

4.1. How do we
ensure quality
at our branches?4.2. We follow ethical
principles in our daily
business practise

4.3. SRI funds

4.4. Our special
products

our special products

4.4.1.



Products for the young and for senior citizens from the Českomoravská stavební spořitelna's product portfolio in 2008

Children and teenagers below 19 years of age can receive up to CZK 1,500 as a bonus from ČMSS upon the signature of their initial Liška (Fox) **building saving** contract. For next friends, usually parents, building saving renders an ideal opportunity to provide for kids on a long-term basis. An advantageous saving scheme generates an important financial reserve and, moreover, the right to receive a no less advantageous loan. They will appreciate this once they decide to be independent and have their own homes. For example, a building saving contract with the Atraktiv tariff guarantees upon signature a fixed interest rate from a building saving loan as low as 3.7% p.a.

At the end of 2008, a new attractive offer for babies was introduced: a **bonus for baby foxes** up to CZK 3,000. If from 8 October 2008 to 31 December 2008 one of legal representatives, usually a parent, signed an initial building saving contract for a baby aged below one year no contract processing fee was imposed for contracts up to CZK 300 ths. This contract could be signed as late as on the baby's first birthday.

The Liška plus scheme brings two parallel products and Czech citizens surveyed in a public survey appreciated them as the best product providing for the old age: building saving scheme and a contributory pension scheme. This is an ideal combination of long-term saving products and an optimum way of financing the roof over one's head.

our special products

4.4.2.



We are the only bank in the Czech market to offer a special bank account for persons with disabilities

In addition to special attractive schemes for children and the youth (Mini a Junior), Poštovní spořitelna offers an account for the non-profit sector, Handicap account, and a student loan and saving account. **Postkonto – Non-profit sector** is a special bank account for societies, associations, clubs, foundations, churches, housing cooperatives, etc. Possessed of all features typical for a standard entrepreneur's account, this product brings numerous advantages. **Handicap** is a PS's product with advantageous conditions designed specially for citizens with physical disability (TP, ZTP, ZTP/P card holders). When creating this product,

Poštovní spořitelna closely cooperated with ERGOTEP, co-operative associating the physically impaired. In 2005, this account received award from the Osobní finance magazine and became the financial product of the year. A year later, it was awarded in Zlatá koruna prestigious financial contest by Accenture as the second best product. **Student loan** is a special-purpose consumer loan to finance studies or further education (re-training, domestic and foreign studies). The product offers a grace period allowing students to postpone repayment after graduation and can be granted also to students with no income. In 2007, this product received award in Zlatá koruna prestigious financial contest by Accenture as the best product and in 2008 it ranked number three.

“I decided for ČSOB based on *positive experience* I collected during a university project supported by the Bank. *Employees’ knowledge, their willingness to help and the atmosphere in the new headquarters* were so attractive for me that I wanted to become part of all this.”



Martin Vycpálek, student

Our employees are key for us

We want to stand highest in the list of prestige and most preferred employers.

our employees are key for us

5.

ČSOB is the Employer of the Year 2008.

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

In the **Employer of the Year 2008** event organized by jobpilot.cz ČSOB was selected number one in the most preferred employer category by university students.



“

Who are we?

5.1.

The Group employs more than 9,000 people, of which nearly 66% are women. The most often profile in the bank: a woman above 50, a high school graduate with more than nine-year practice in the Bank.* Our youngest employee is 19, while the oldest is 69.

Most ČSOB Group employees are Czech, but we have colleagues from thirteen countries around the world, including Slovakia, Belgium, Holland, Canada, Belarus, Senegal, Germany, Israel, Ecuador, Russia, Ukraine and other countries.

Our key competitive advantage is the **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 Group's success.

* An average of all observed values



“

News in HR

In 2008, we focused on 3 different areas: **motivation and leadership, recruitment and retention of talents and process simplification.** With specific activities responding to the expected changes in the job market, they enforce the strategy and meet the needs of the ČSOB Group.

We introduced **New scheme for mothers and fathers** to help our employees get back to an active professional life.

While supporting new forms of sharing management experience we launched a series of special workshops for managers, for example on **non-financial motivation.** These are manager discussion forums following up the Leadership academy that was a real success in 2007.

We established a new **ČSOB Class** to support new talents even in high schools. Together with our colleagues from the Retail / SME segment and the team of our internal trainers we cooperate, among others, with Technical College and high schools of management in Prague. We seek to deepen our support via partnerships with student



organizations and universities. We take part in many fairs and cooperate on a long-term basis with student organizations, e.g. AIESEC and IAESTE. This year, we became the main partner to the University of Economics, Prague and, while offering a very active involvement of the ICT department, we are a VIP partner of the Faculty of Informatics and Statistics, University of Economics, Prague.

We organized second **Ideal Bank of the 21st century** contest, this time on **"mutual communication between a bank and its client"** with 197 mainly university students. Finalists received a prize worth more than CZK 80,000.

The new ČSOB Headquarters keeps on surprising with its sustainability value. Anchored in the ČSOB corporate culture, the working environment in the Radlická building attracts not only by its architecture and environment friendliness, but it became an inspiration for HR managers who visit us to gain experience with open space and its specific features.

For us, everybody is equal!

5.3.

When recruiting new staff or assessing the current employees, we always judge them by their performance and the depth of their knowledge and skills. What we appreciate most is reliability, ability to share information, humanity and objectivity. On all levels, we observe human rights and respect everybody's opinions regardless of his/her gender, race, religion and belief.

We are aware of the position of women in the Czech society. For them and simply for all those who work for ČSOB, we proactively foster the best suitable conditions to aid reconciliation of professional and private life, including flexible working hours, part-time work, or work from home. All our employees, irrespective of their gender, have the same access to training courses and talent schemes. In the recent managerial talent development programmes, for example, 50% of participants have always been women and their share has been still slightly growing.



Training programmes are crucial

5.4.

Another rather often disadvantaged group of potential employees are fresh graduates from high schools and universities who face difficulties in finding jobs mainly because of their lack of work experience. That is why we offer the undergraduates temporary fellowships, temporary jobs, supervision over their bachelor or master degree theses, and also 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 special training their transition from school to practice is natural and smooth. Our approach is appreciated as we rank high in annual charts

of the most preferred employers listed by university students.

Well-educated employees are a driving force of our company and training of our employees is, therefore, an important part of the change process. It is the quality of training, not the quantity, what opens opportunities to succeed in everyday work, to make performance easier and to improve the quality of all activities and achieve their further development. We offer our employees a wide range of individual and group courses and trainings on numerous topics developing both soft and hard skills. Our employees can choose the form and scope according to their individual development plans.



In 2008, trainings totalling 64,789 man-days took place. Thus, the ČSOB Group invested more than CZK 101,000,000 in education of its employees.

What are our employee benefits?

We provide our employees with high amount of employee benefits. We think of the future of our colleagues and offer **life insurance contributions** and **pension insurance** with state contributions. In addition, popular bank and financial group products with favourable conditions are provided to employees. We organise various company events and outings to maintain and improve good relationships among our employees.

We also provide free-time benefits to our employees – **one week of vacation** in addition to that stipulated in the Labour Code and contributions to sports, culture and recreation, etc. Our employees are also entitled to two sick days per year, essentially time off work when they receive their pay but do not have to provide a doctor's letter. In 2008, they got **one more day off** for “volunteering activities”.



We care for those who are leaving the ČSOB Group...

5.6.

Within the Outplacement programme we offer help in the search for a new job and try to minimise the negative impact of job loss. We always seek to make employee dismissal for redundancy a dignified matter. We offer a practical manual – the Labour Market Orientation Guide, advice in job search and a list of jobs available within the ČSOB Group.



How do we behave internally?

5.7.

The ČSOB Group systematically supports improvements in quality of service provided to our clients, but also a team work of our employees. Alike quality standards in the branch network applied to improve the employee/client relationship, the quality standards newly introduced in NHQ enhance the level of cooperation among the employees. Introducing the rules, performing regular measurements and assessment, the Group consistently builds an environment of teamwork and high productivity.





“At first glance, there is nothing that special about the new ČSOB building except for its architecture. But since I spend there 5 days a week, it fits well in my everyday life. Green everywhere you go, a roof garden, and if I come by bicycle it can be safely stored. Moreover, surrounding lots are part of the property and they will remain a natural park.”

Tomáš Svátek, Business excellence
of RET/SME branch network

We care for the environment

Our attitude towards environment protection is determined mainly on how we ourselves want to treat the environment.

6.1. Environment and
credit policy6.2. We approach
project financing
prudently6.3. Ecological office
building in
Prague6.4. Renewable
resources financing6.5. Internal processes
and carbon reduc-
tion initiatives

We care for the environment

6.

Our attitude towards environment protection is determined mainly on how we ourselves want to treat the environment.

Healthy environment is a prerequisite of long-term sustainability of the society. Not only do we confine ourselves to minimizing adverse impacts of business activities on the environment, but we also foster ecological thinking of all employees of the ČSOB Group.

The new ecological building of the ČSOB Group is a proof of this ...

It started with the selection of the right location and orientation of the building against the elements. Sophisticated was the work with green plant scape, careful consideration was given to fenestration needs; ventilation, heating or cooling were thoroughly thought over, a lot of attention was paid to the concept of the work environment and all criteria implied by psychology and sociology of work. To construct a building that will be environmental friendly in the broadest sense of the term was an unparalleled challenge for us – numerous awards are a proof that we were successful in meeting this challenge.

In 2008, it was the only building in Europe to receive the **Golden Certificate** from the prestigious LEED (Leadership in Energy and Environmental Design) international environmental friendly certification system.

A non-negligible signal was sent to our community that even buildings of a giant size can both have a minimum impact on the environment and maintain high user quality.



“

6.1. Environment and
credit policy6.2. We approach
project financing
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building in
Prague6.4. Renewable
resources financing6.5. Internal processes
and carbon reduc-
tion initiatives

Environment and credit policy

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

Within the framework of corporate financing we provide loans to clients in fields where environmental risks are to be expected only if the company has had an environmental audit performed, holds an ISO certificate of environmental care, has decontamination projects, looks after the rectification of past damage to the environment and harmonises its activities with the existing environmental standards.

* European Bank for Reconstruction and Development and International Finance Corporation



We approach prudently project financing – Equator Principles

As managers of huge amounts of funds we influence significantly capital flows. This why it is so important for us that projects we decide to finance do not adversely impact our environment. Our commitment to the society is affirmed by adhering to “Equator Principles”, an independent initiative of 2003 stimulated by several considerable international banking institutions. More than sixty companies have joined in so far.



6.2.

“

Ecological office building in Prague

Why does our new building deserve a “green” attribute?

- The project used a **brownfield lot**.
- The site is easily **accessible by public transport**.
- **Plants used** extensively to cover the outer structures of the building and inside the building have positive impact on the outer microclimate of the building as well as the quality of the interior workspace.
- 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, in winter, also heat loss.
- **Maximum preference to daylight on workstations**.
- **Heat absorption capacity and inertia of reinforced steel constructions** to harmonize the inner thermal comfort, **natural pre-cooling** with night air in summer, etc.
- **Economical energy management** utilizing recuperated waste heat/cold and heat pumps.
- **Sophisticated artificial lighting** controlled smoothly by the system depending on the intensity of sunlight in each place and the position of mobile shading elements eliminating unnecessary lighting on workstations based on the presence and needs of users.
- 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.



Ecological office building in Prague

6.3.2.

New ČSOB Group building – Awards

Grand Prix 2008 by the Society of Czech Architects
15th annual Grand Prix awards by the Society of Czech Architects – National Award for Architecture: The Czech Ministry of Environment conferred a Certificate of Merit to the new ČSOB Headquarters in Prague-Radlice. The jury decided to award the Grand Prix to this building, too.

Building of the year 2007
ABF – Architecture and Building Foundation, Stavitel magazine, Ministry of Industry and Trade, CR, and the Czech Association of entrepreneurs in construction industry – 15th competition: prestigious award Building of the year 2007 awarded to the ČSOB NHQ building in Prague-Radlice.

LEED – Green Building Award for the ČSOB building
In 2008, the ČSOB building in Radlice received a prestigious American award (the third highest grade) from LEED certification system (U. S. Green Building Council) that is awarded to environmental friendly buildings.

Health and Save Environment Award 2006
The Health and Save Environment Award: a silver medal for the new ČSOB building in Prague-Radlice for respecting the environment and also the inhabitants and the community.



Renewable resources financing

6.4.

New renewable sources projects in 2008

<i>Renewable sources of energy</i>	<i>Financing CZKm</i>	<i>%</i>	<i>Installed el. capacity MW</i>
Photovoltaic power plants	513	23%	5.46
Mine gases	467	21%	17.90
Biogas	322	14%	6.41
Biomass	365	16%	6.60
Wind power plants	447	20%	11.84
Small hydro-plants	18	1%	0.19
Waste incineration	99	4%	1.05
TOTAL	2,231	100%	49.44



Internal processes and carbon reduction initiatives

What do we plan to do?

We plan to go on replacing old boilers, this time in Jindřichův Hradec and Havlíčkův Brod branches. Although this project does not override the scope of our renovation project in Roztyly implemented in 2008, still the environmental parameters of the new boilers will be significantly better than the current boiler room equipment.

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 (e.g. luminescent tubes) is done on our behalf by suppliers of these products. When entering **supply contracts**, we emphasize separating, recycling and ecological disposal of waste and we prefer cooperating with environmental aware partners.

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

Reduction of energy consumption and carbon production

- In line with EU legislation, we regularly measure energy consumption as well as carbon emissions using independent providers.
- Central Services specialists (“sponsors”) are in charge of reduction of energy consumption and discharges of emissions.
- Energy consumption policy is based on an independent audit in all ČSOB premises.
- The new building in Prague-Radlice was built in line with energy efficiency and environmental standards.

* Relating mainly to the new building in Radlice, Prague.

Internal processes and carbon reduction initiatives

Reduction of fuel consumption connected with travelling

We are dedicated to a policy focused on maintaining a high efficiency and environmental friendliness of a company car pool. This continually improves the positive environmental impact in the following issues:

- We implemented the fellow-travel reservation system for the sake of minimization the usage of ČSOB car pool.
- The equipment of the new building in Prague-Radlice fully enables a
- wide use of video or phone conferences.
- We introduced a “Green Parking regime” – reservation of parking places for hybrid engine cars.
- In order to increase the usage of public transportation, we build and rent new buildings in Prague located close to the underground lines.
- Since January 2008, 14.3% of all energy purchased and consumed in ČSOB is green energy.



6.5.2.



Jitka Šlapalová,
MIS Reporting Manager



Jana Kloudová,
Investor Relations

We understand the needs of the surrounding community and play an active role in the society where we operate. We are a partner who acknowledges the close link between business and civic society and we want our activities to contribute towards the positive growth of the society.

Our community

“To care for our community and to help should be a commonplace not only for companies but also for each of us. Unlike abroad, it still does not work here in the Czech Republic and, thus, we have to learn it somehow. This is why I am so happy that our company came up with this “Helping together” programme that is a small step in the right direction.”

Jitka Šlapalová, MIS Reporting Manager

“In 2008 many of us took part in volunteer days. We helped where necessary and, doing unconventional things, we started to know each other better. I believe that this work for our “community” will become a tradition in ČSOB and that even more colleagues will join in.”

Jana Kloudová, Investor Relations

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Our community

7.

To actively enter into relationships with the society where we perform our business and to offer solutions of problems is a commonplace for us. Alike first-class financial service and products, also this principle became an integral part of our everyday activities. As we are in close contact with various groups of citizens, we understand also non-financial needs of our clients and their families and we lend a helping hand wherever most needed. Healthy development of the whole society is our ultimate goal. To achieve this we render high quality service and products, but also support non-profit organizations, civic associations and local communities. We believe that

business targets are closely linked with the progress of the civic society and to become a leader in its auspicious development is, therefore, our priority.

We donated more than CZK 25,000,000 for sustainability activities of which 3/4 of projects have national impact considering the volume of funds.

Fostering education and financial literacy are the main focuses of ČSOB's support. Poštovní spořitelna set the aim of supporting projects on integration of physically and socially disadvantaged citizens and support of leisure time activities of children and teenagers to prevent sociopathological phenomena.

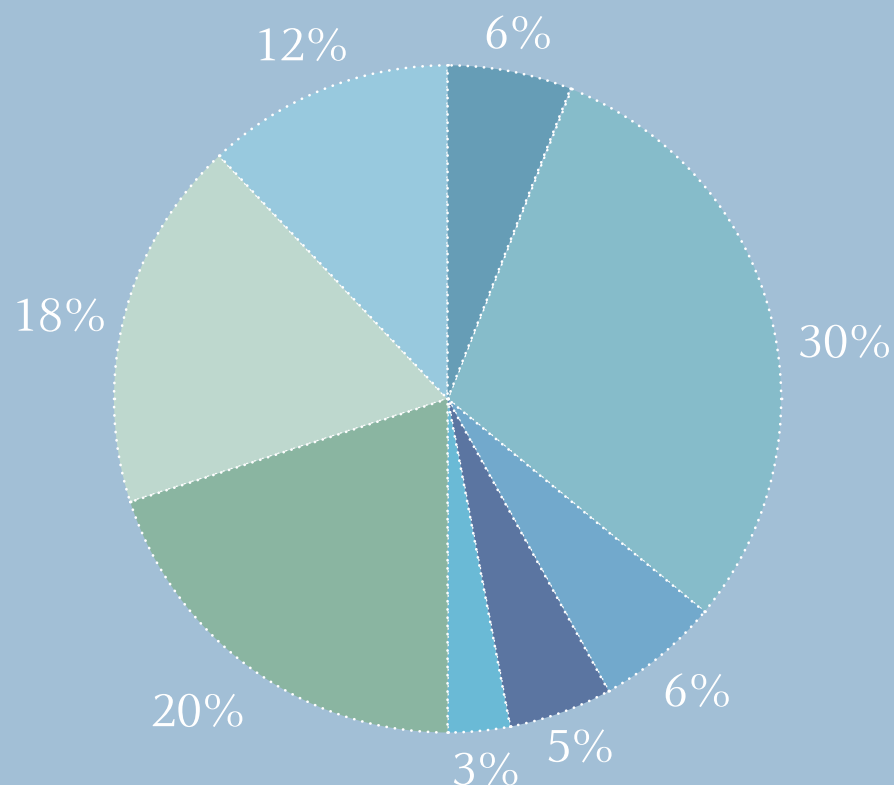
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Donations by support areas in 2008

7.1.

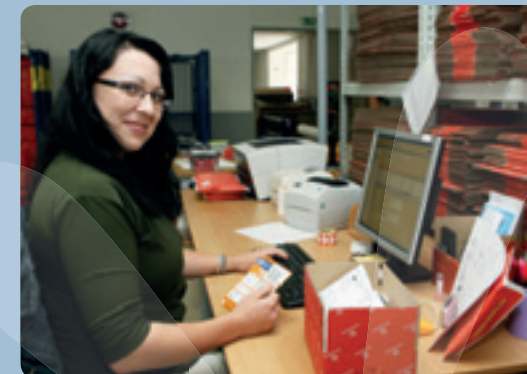


- Education
- Health
- Economic growth
- Environment
- Arts and culture
- Social care and humanitarian help
- Leisure time and amateur sports
- Other

“

What do we support?

7.2.1.



Ergotep – cooperative of persons with disabilities

It is not about charity, our aim is to support activities that motivate long-term social business. The main sustainable activities here are projects focused on **creating work space apt for persons impaired in the job market**. Ergotep, cooperative of persons with disabilities, has a status of sheltered workshop. Launched in 2004, the unique partnership with Poštovní spořitelna has been based on a customer-supplier relationship providing benefits to both partners. Numerous services are offered to us from Proseč u Skutče, Ergotep's home town. The cooperative is in charge of manufacturing and distributing marketing materials for Poštovní spořitelna and performs part of back-office tasks in the newly established administrative centre. At the same time, it administers the www.ctyrlistek.eu e-shop system where Poštovní spořitelna's clients can shop for better prices.

Financial literacy against debt trap

Our goal is to have a client who is satisfied in all respects. That is why we want that our clients know exactly what are the benefits of each product, how to best treat their money and how to avoid the hazard of debt trap in particular. Financial straits can strike unexpectedly at those unfamiliar with the terms and conditions of loans and ignorant of basic concepts. To improve financial literacy in the Czech society is a goal of the common project of ČSOB, Poštovní spořitelna and the Association of Citizen Advisory Offices that gives the public an opportunity to get free information on anything from finance.

What do we support?

7.2.2.



The world of money seen in a different light

We supported **The world of money seen in a different light** or **Money for everybody**, a project launched by the Consumer Institute. This is an e-learning course and implementation of a combined subject in the curricula of basic and high schools. It is not the goal of the course to turn school kids into financial experts, but to introduce the banking world to them, to make them aware of the flow of money and to practise related skills – to fill a payment order, settle an invoice, open a bank account, etc.

Draft Life project with the Tereza Maxová Foundation

By contributing to the **Draft Life** programme we support financially kids in children's homes to get prepared for everyday life situations: how to find housing and job, how to manage monthly pocket money, how to provide for family and other skills.

We support students

For more than fourteen year we have been partners to the **Committee of Good Will – Olga Havel Foundation** to assist, through the **Education Fund**, socially and physically impaired students in their studies. Donating one million Czech crowns we supported university, high school and vocational scholarships and language courses for kids in children's homes.



What do we support?

7.2.3.

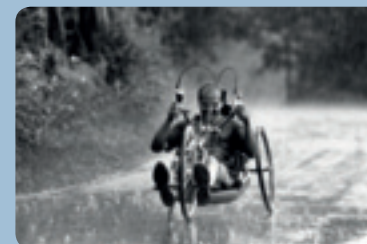


PARAPLE Centre

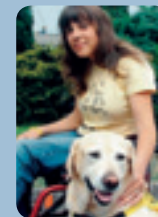
Poštovní spořitelna is the main partner of Paraple Centre. Together we contribute to further social integration of persons suffering from spinal cord injury. In summer, we organized a unique touring exhibition in Poštovní spořitelna's financial centres called "Walking and riding together". Photos of people in wheelchairs and their friends showed human closeness, mutual support, efforts to overcome one's limitations, excitement over the victory of courage and determination.

SOS villages

Hypoteční banka offers housing for everybody. Also for children who do not have their own family and cannot be placed in adoptive or foster families. For each mortgage contract signed, the Bank sends CZK 20 to the SOS villages association account. The purpose is to prepare children together with their foster mothers for independent life. Also Hypoteční banka's employees make financial donations. Since the beginning of this cooperation in 2001 by the end of 2008, the Bank donated CZK 1,941,038 (except employees' donations) to deserted children.



Regional support to good ideas



Regional support programmes

Non-profit organizations with local scope face biggest problems with raising funds, but they can use them in the most efficient way. They know what bothers their region most of all.

In 2008, we extended the programme into 7 regions: Plzeňský, Karlovarský, Zlínský, Olomoucký, Pardubický, Středočeský and Vysočina, and granted more than CZK 3,000,000 for implementation of projects to local applicants. 222 projects applied in the grant tendering process – the grant committee consisting of members representing the Bank, non-profit sector and the Regional Authority decided to support 55 best projects. Moreover, the winner of Public Award in each region received CZK 50,000. As the grant programme received significant public acceptance we plan to expand it to all Czech regions in 2009.

7.3.



Our employees also help

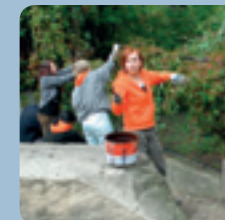
7.4.1.

We helped together

In 2008, we launched the first **Helping Together** volunteering programme. We seek to support those employees who have been active in the non-profit sector for a long time. Determined to provide also the unexperienced with an opportunity to try work in a non-profit organization for one day, we organized the **Volunteer Days**.

We used the ČSOB and Poštovní spořitelna's grant fund to support thirty-three projects with grants totalling CZK 873,500. Thus, ČSOB and Poštovní spořitelna helped implement projects in ten regions of the Czech Republic – where our employees are actively involved in the non-profit sector.

During the volunteering days organized at the end of September also other employees could have a look in the non-profit world. They cleaned premises, worked in gardens, helped with leisure time activities of ill children and elderly people, cared for animals and carried out numerous helpful activities.



Our employees also help

For the third year in a row, the ČSOB Pojišťovna's "volunteering group" continued their activities in 2008. Launched in 2006, humanitarian activities have been carried out by 72 employees. They have contributed with CZK 70,000 to good and wholesome purposes. For example "distance adoption" of three African children: the donations were used, of course, to pay for their education, but even more – for their health insurance, small Christmas presents and sports gears. In addition, they help kids from children's homes and kids suffering from various diseases. Purchasing collectively books by Kuba, an ill boy from Česká Třebová, they supported him before he passed away. They bought Christmas presents for kids from the children's home in Pardubice and for kids attending the "Dawn" basic school for mentally impaired children.

7.4.2.



We get the **public** involved

Flower Day – We support fight against cancer

For many years, we have been a financial partner in the **Czech Day Against Cancer national fundraising collection**. On top of our traditional free-of-charge help with cash counting and depositing it on the League Against Cancer's bank account we introduced other support activities in order to contribute to the fundraising collection even more. For the first time this year, the **ČSOB clients** themselves could directly help. For each payment made at a merchant with any ČSOB card on 14 May 2008, ČSOB contributed CZK 10 to the League Against Cancer's bank account. Moreover, the clients could, for a limited period of time, use an offer to get free of charge an Image card with the Czech Day Against Cancer motif. For each Image card issued within this campaign ČSOB contributed CZK 100 to the League Against Cancer. Thus, the clients' help amounted to CZK 275,000.

Payments with Maxkarta helped a good thing

For each payment made in August by Poštovní spořitelna's Maxkarta we donated CZK 1 for the establishment of a multipurpose training office designed for students with disabilities. Donation from clients payments coupled with a project donation totalling CZK 749,000 was provided to the Business School, Vocational School and Practical School for physically impaired students in Janské Lázně. With its nationwide span the school educates students with diseases of locomotor system, including those suffering from serious impairment of motor activities. This project helps students get on-the-job training which, together with education attained, provides a significant advantage in the job market.




We strengthen our cooperation with NGOs

To make the lives of our partners, clients and applicants for support easier, we prepared a simple electronic application form. To fill it in will take only a couple of minutes. We also established a special e-mail box csr@csob.cz where any suggestions and comments can be sent. Each day the sustainability manager reads the e-mails, so do not be afraid that any of your messages is left unanswered. Of course, many of our pages are sustainability pages where you can find our projects archives, update information and last but not least also this report for downloading.



7.6.



We have always gone our own way and stuck to our opinion, we are independent and professional, we have always been interested in the principles and care for long-term prospects more than immediate opportunistic success achieved at the expense of integrity and common sense.

“



Československá obchodní banka, a. s. * CSR manager, office of the CEO

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