

ČSOB Group: 2010 Sustainable Development Report



ČSOB friendly responsible



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CEO of ČSOB Pavel Kavánek and moderator Jaroslav Dušek hand the main prize over to CEO of Vodafone



Second-most responsible large firm of the year

ČSOB received a noteworthy Business for Society award for social responsibility, as part of the prestigious TOP Filantrop competition, and became the second Most Responsible Large Firm of the Year 2010. The award is given to large firms actively engaged in society, with the aim of bringing benefits to areas of operation by systematic and innovative means—leading firms that have a professional approach, evaluating the needs of society and closely monitoring the effect of business activities.



About the Report

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“ About the Report



„Dear Readers.

It gives me great pleasure that our social responsibility has become a natural part of who we really are, in thousands of ‘moments of truth’. Each year brings us new ideas and projects. In 2010, we succeeded in starting a ČSOB Education Fund Program and we supported to a greater extent our long-term aim of increasing financial literacy in Czech society. We have given our employees even greater opportunity to get involved in helping out in Czech society. The Considerate and Healthy campaign inspired employees to think about how to live more healthy and considerate lives.

Our long-term efforts were acknowledged with the awards we received in 2010.

I look forward to how our social responsibility will develop in the future and I hope that our Report will be a pleasant and interesting read.”

Pavel Kavánek, CEO and Chairman of the Board



ČSOB Social Responsibility

Every firm ought to have a story of its own, with which everyone is able to positively relate. The social responsibility of ČSOB is an important reflection of the character of our firm and of our way of thinking. It shows how each of us – both individually and together as a firm – treats the society we live in and behaves towards others: employees, clients, suppliers and ourselves. In our story we positively influence the environment around us. Our small story enriches the bigger story of our country and the people who live in it.

Our goal is to increase the quality of life for all of the target groups in society and support their sustainable future—by means of ČSOB internal processes, employees' work life and activities as well as by philanthropic activities.

The goal of the Report is to provide everyone interested with a full picture of ČSOB Group activities in various areas of sustainable development in 2010. It is published the same day as, and as an annex to, the ČSOB Group Annual Report: 30th April, 2011. It develops the 2009 CSR Report, also focused on sustainable development, and is also found on the ČSOB webpages. It is divided according to individual key areas of sustainable development, allowing the reader to easily locate information of interest.

Firms included in the Report are 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. More information is found in the ČSOB Group Annual Report.



Third place CSR Award

ČSOB was awarded third place in the large firm category in the prestigious and renowned CSR Award 2010 for its social responsibility concept and its ecological approach to the environment and surrounding areas. M.C. TRITON declared CSR Award winners; Fleishman-Hillard organized the competition; Business Leaders Forum and Donator's Forum guaranteed the expertise and integrity of the competition.



The ČSOB Group

The ČSOB Group

2.0



We listen carefully to our clients' needs and offer not products, but the best solutions.

Innovation is an investment into the future of both business and society.

The ČSOB Group is a leading player in the Czech financial services market and a part of the international bankassurance KBC Group, itself active in Belgium as well as in central and

eastern Europe. Combining the strength of the brands of ČSOB (for banking, insurance, asset management, pension funds, leasing and factoring); Poštovní spořitelna (banking in the postal network); Hypoteční banka (mortgages); and ČMSS (home financing), the ČSOB Group holds a strong position in all segments of the Czech financial market. The ČSOB Group prides itself on solid and long-term partnership with each and every client—whether in personal and family finance, the financing of small- and medium-sized enterprises, or in corporate financing. The ČSOB Group listens carefully to client needs and offers not products but the best solutions.

Key financial indicators (mld. Kč)

2.1

	2010	2009	Y/Y
Net earnings	13,471	17,368	-22,4%
Operating revenue	33,049	39,665	-16,7%
Operating costs	14,551	13,640	+6,7%
Net yield from interest	24,758	23,516	+5,3%
Net yield from fees and provisions	5,440	5,579	-2,5%
Total assets	885,1	859,0	+3,0%
Capital adequacy consolidated	18,0%	15,0%	+3 pb

Complete financial information is found in the 2010 Annual Report

Main innovations and changes in the ČSOB Group

2.2



Innovation is the driving force of every company. Therefore, the ČSOB Group introduced further product and distribution novelties to the market in 2010 and carried out ongoing process simplification leading to operational excellence.

Poštovní spořitelna introduced **the new ERA product line**, offering current clients and the public the simplicity, rationality, openness and practicality of its banking services.

The blind and the visually impaired are now able to withdraw money at approximately 220 ATMs throughout the Czech Republic thanks to an application installed since mid-June at selected ČSOB and Poštovní spořitelna bank machines.

The public is able to make use of **the reasonable debt coefficient calculator** introduced by Poštovní spořitelna. PaySec clients are able to easily remit resources for charitable purposes to non-profit organizations, whose presence in PaySec is growing ever larger.



First place VIA Bona

ČSOB received the prestigious VIA Bona 2009 award in the main category for large firms for its philanthropic activities including, among others: support of education and increased financial literacy in Czech society; the ČSOB Group Helping Together employee volunteer programme; and, the ČSOB and Poštovní spořitelna Support Regions programme, aimed at fostering regional development.



Sustainable development in the ČSOB Group

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Sustainable development in the ČSOB Group

Our goal is to increase the quality of life for all target groups in society and to support a sustainable future.

The future of the ČSOB Group is connected with ongoing societal change. Searching out opportunities and offering solutions are the focus of our interests. The route to improving Group output lies in sustainable development and its implementation into key business processes and organizational principles.



What is most important to us?

3.1

Our relationship with clients

Client relationships are built on long-term partnership and an individual approach. Our goal is to have each client satisfied in every way.

Our employees

Employees are a key asset in the ČSOB Group and the backbone of our work. Therefore, employee care is one of the most important elements of our social responsibility strategy. We have created for employees an environment in which they will feel good both in and outside of professional life.

We look after the environment

Our care for the environment rests mainly in our considerate behaviour. The new ecological ČSOB Group building is an important signal that even structures of huge dimension may have minimal impact on the environment, at the same time maintaining high user quality. Our employees are also motivated towards a considerate lifestyle.

We look after our environs

We have long made an effort **to increase the quality of life in society.** We support **the financial literacy** of the Czech public. We seek out activities motivating employers **to create work opportunities for the disadvantaged and disabled.** We support at the same time social service providers and partners who increase quality of life among the less fortunate—always in the spirit of a high level of quality, accessibility and transparency, and on the basis of cooperation beneficial to both parties. We provide assistance to **good ideas in the regions** and to the development of local life. We fight for **a safer Internet.** **Our employees are involved** in our philanthropic activities.



Sustainable development policy

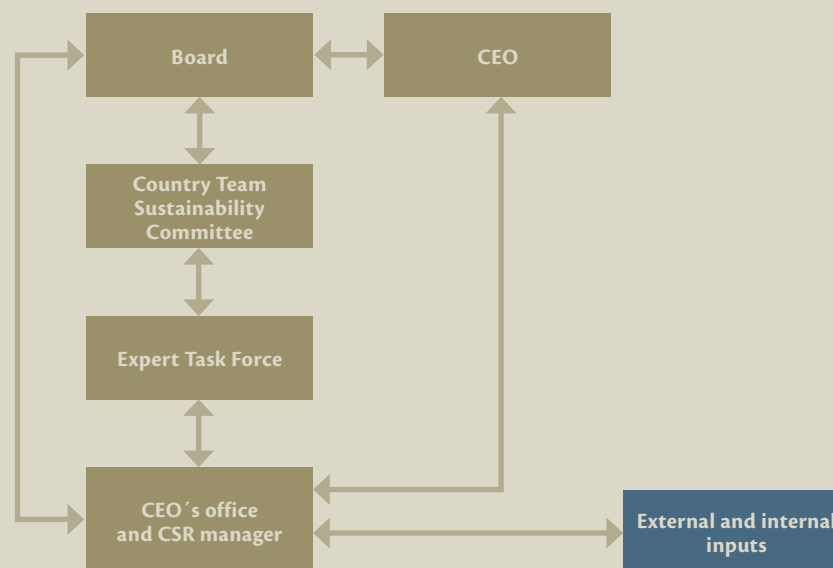
3.2

The very nature of our sustainable development policy demonstrates the importance of the concept to the ČSOB Group. The concept was approved in 2006 and is brought up to date every year according to developing needs: strategic direction and goals are set; tools for realization selected; key areas identified; and management and approval processes decided. All sustainable development policy is approved by the Board of Directors.

Sustainable development management

The managing team for sustainable development sets the strategic direction of sustainable development. Committee members include board members, and top management is also involved.

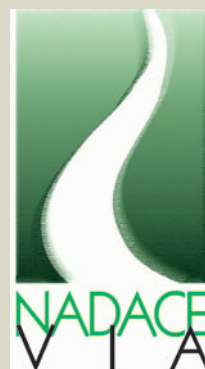
A special expert group meets regularly to make decisions on all activities and projects on the basis of established criteria and rules. Projects must be trustworthy and of quality and must not be a tool with the goal of public relations, marketing or improving client relations.



Our partners

Sustainable development strategy is based on regular and flexible dialogue with top players in the field. We are VIP members of the **Business for the Society** platform, within the framework of which we discuss our own projects and actively seek out initiatives for further improvement of sustainable development strategy. We regularly participate in conferences and workshops focused on social responsibility. We cooperate on our projects with, among others, **the VIA Foundation, VŠE and Neziskovy.cz**. Since 2007 we have measured the effectiveness of financial means invested into socially responsible projects by means of the London Benchmarking Group (LBG).

3.3

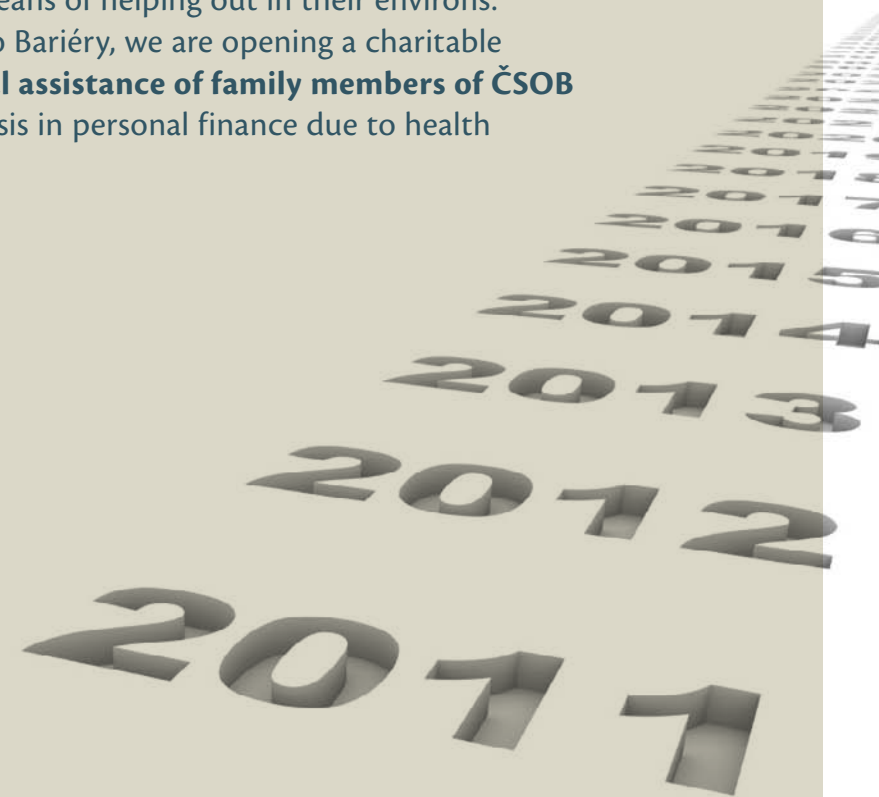


2011 Outlook

In 2011 we will work, first and foremost, **towards extending investment in individual key areas**. In the **ČSOB Education Fund Programme** we moreover focus on projects whose goal is to increase financial literacy among children in a creative way. Currently we are actively playing a role in thematic groups whose goal is to help employers to set proper **policies for employing persons with health problems**. In the **Helping**

together volunteer programme we offer further new activities for employees and means of helping out in their environs. Along with the Konto Bariéry, we are opening a charitable fund for **the financial assistance of family members of ČSOB employees** with a crisis in personal finance due to health problems.

3.4



We involve our employees in our social support for example through charity collection



MOSTY award for Poštovní spořitelna

Poštovní spořitelna was given the MOSTY award for creating workplaces for the ERGOTEP Proseč cooperative for the disabled and for its cooperation, aimed at integrating the disadvantaged and disabled into society.



What do we bring our clients?

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What do we bring our clients?

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Our relationship with clients is based on long-term partnership and an individual approach.

Our goal is a satisfied client who is in no way indebted. Both clients and client orientation are key elements of our long-term strategy. Our main value for clients is in an advisory capacity.

More than 2 600 persons employed in the ČSOB branch network serve clients at 220 branches.

Poštovní spořitelna serves its clients at 3377 Czech Post business centres and with a network that includes 53 financial centres and 3000 business representatives.



How do we deliver quality at sales points?

4.1

At each and every branch we provide a wide range of advice to our clients about financial needs—whether in setting up an account, by helping to find home finance solutions, or savings and the evaluation of financial resources. We even are prepared

to help clients find solutions to entrepreneurial needs. Advisory always stems from client needs and requests and, because we wish to develop partnerships, we provide information to our partners about both advantages and disadvantages.

We follow quality service standards based on client expectations throughout the Retail and SME branch network. Quality is ensured by regular year-round education and regular research of service quality as well as client satisfaction. We contacted more than 60 thousand clients, for example, over the course of 2010 to determine the level of satisfaction with branch services. We also regularly evaluate client satisfaction with products and services.



We adhere to the rules of business etiquette

4.2



The ČSOB Group finances responsibly. We actively combat **money laundering and financial terrorism**. We meet standards for preventing unlawful, illegal or **societally unacceptable financial activities** as well as fields of business associated with the **arms**

industry. The Group further provides loans only to those clients who also behave according to business ethics. During the loan process, we require that our clients strictly obey the law. We do not provide loans to firms or entrepreneurs not following environmental legal regulations. We carefully consider supporting projects whose consequences may increase ecological risk. Every client worker is thoroughly informed about typical features of suspicious business and transactions.

The ČSOB **Code of Ethics** has helped us to build a key competitive advantage, **given elements of our work practices, as well as consideration and high quality interpersonal**

relationships. The Code is a mandatory navigational system providing assistance in such situations as when we must consider whether negotiations are proper and acceptable or, contrarily, unacceptable. It reinforces the value of proper behaviour and demonstrates that unethical behaviour is neither acceptable nor justifiable. The Code is based on values recognized by the Group and is devoted to client relationships: the basis of teamwork, the protection of employer interests and the personal responsibility of employees. Openness and transparency among employees, clients and partners also shape the internal policy on **receiving gifts**. The basic rule is that it is permissible to accept only that which is more gesture than gift. Every and any gift which may lead to a conflict of interest and considered to be a form of bribe, provision or reward, is strictly forbidden.

SRI funds

SRI is short for 'Socially responsible investment funds'.

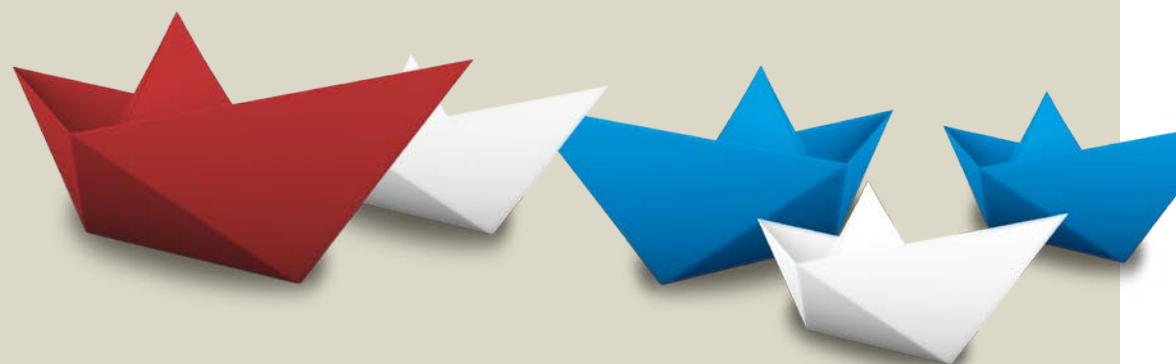
Since 2000 we have offered investors a total of six socially responsible funds and one socially responsible share fund. Funds are made up of shares from firms, such as Toyota or Veolia, known for an active approach to environmental protection.

Socially responsible investment and funds are aimed at **sectors, technologies and methods fostering sustainable development in society. Investments are made into advanced ecological technology; infrastructures improving and ensuring the quality of life, such as sections of the water industry;** and technologies reacting to threats to climate

change—all of which meet strict economic, environmental and social criteria.

Socially responsible investment and related funds do not constitute a form of philanthropic activity. **On the contrary, the yield of funds are at least comparable with standard funds and, in certain cases, surpasses them.** It has been demonstrated that socially responsible investment funds positively meet the economic and business needs of progress and change in technological and managerial techniques.

4.3



Our special products

Českomoravská stavební spořitelna in 2010: Liška plus finance program

Liška plus brings its clients two products viewed by Czechs as being among the most preferred means of preparation for old age: **buildings savings and pension premiums**. Liška plus combines the advantages of both state supported products and is advantageous for anyone planning for the future, who has decided to save for retirement and, at the same time, considers making an investment into their own property. The building savings contract in the Aktiv tariff, for example, guarantees already when closing contracts invariable interest from mortgages from building savings at only 3,7% per annum. The Liška plus financial program gives clients preferential financial treatment in such cases as when clients close product agreements themselves.

LIŠKA plus⁺

4.4

Poštovní spořitelna offers special preferential accounts

In addition to special products for children and youth, Poštovní spořitelna offers a business account for the non-profit sector, preferential accounts for seniors and the disabled as well as loans and a savings account for educational activities.

The account for non-profit organizations

is special regular account designated exclusively for clients from a range of foundations, charitable firms, church organizations or citizen associations. All planning units and charitable organizations may also take advantage of the account, which has an above-standard fixed interest-rate limits. In return for paying one fee, clients may take advantage of further services such as issuing of payment cards or electronic banking. The more than 6000 non-profit organizations who currently have the product attest to its popularity.



Ď award for education fund support

At a gala awards presentation for Czech donators and benefactors, ČSOB received the Ď award for its support of the education fund project. ČSOB nominated the Committee of Good Will – The Olga Havlova Foundation as thanks for its 16 years of support and financial study of disadvantaged and disabled youth as well as its linking of employees to programme activities.



Our employees are key for us

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Our employees are key for us

5.0

We wish to be the most prestigious and sought-after employer on the market.

ČSOB is the second most sought-after employer of 2010.

Employees are key for us and the backbone of our business.
Employee care is one of the most important elements of

our socially responsible strategy. For our employees we have worked hard to create an environment where they feel good both in and outside of professional life.

After ranking first in both 2008 and 2009, ČSOB was the second most sought-after employer chosen by university students in the 2010 **sodexo.cz Employer of the Year 2010** competition.



Who are we?

More than 9000 persons are employed by the ČSOB Group. 60% of employees are women. The most common employee profile is a 41-year-old woman with a high-school education and ten years of experience in the bank. The youngest employee in the bank is 19 years of age; The oldest employee is 68 years old.

Most ČSOB Group employees are Czechs. We also employ persons from 13 other countries around the world, including Slovakia, Belgium, Canada, Belorussia, Senegal, Germany, Israel, Equador, Russia and the Ukraine. Our key competitive advantage is a highly **effective firm culture**. It is a given means of working and thinking, along with high quality interpersonal skill. **A client focus** is key for the success of the Group, **as well as responsibility, motivation and cooperation**.



Employee news

5.2

We focused on three areas in 2010: **motivation and leadership; acquiring and maintaining talents; and process simplification.** All are areas which strengthen ČSOB Group strategy and needs. Specific activities react to expected changes on the market.

We have been successfully continuing ***The new Programme for Moms and Dads***, which helps employees on maternity or paternity leave to return to the workplace.

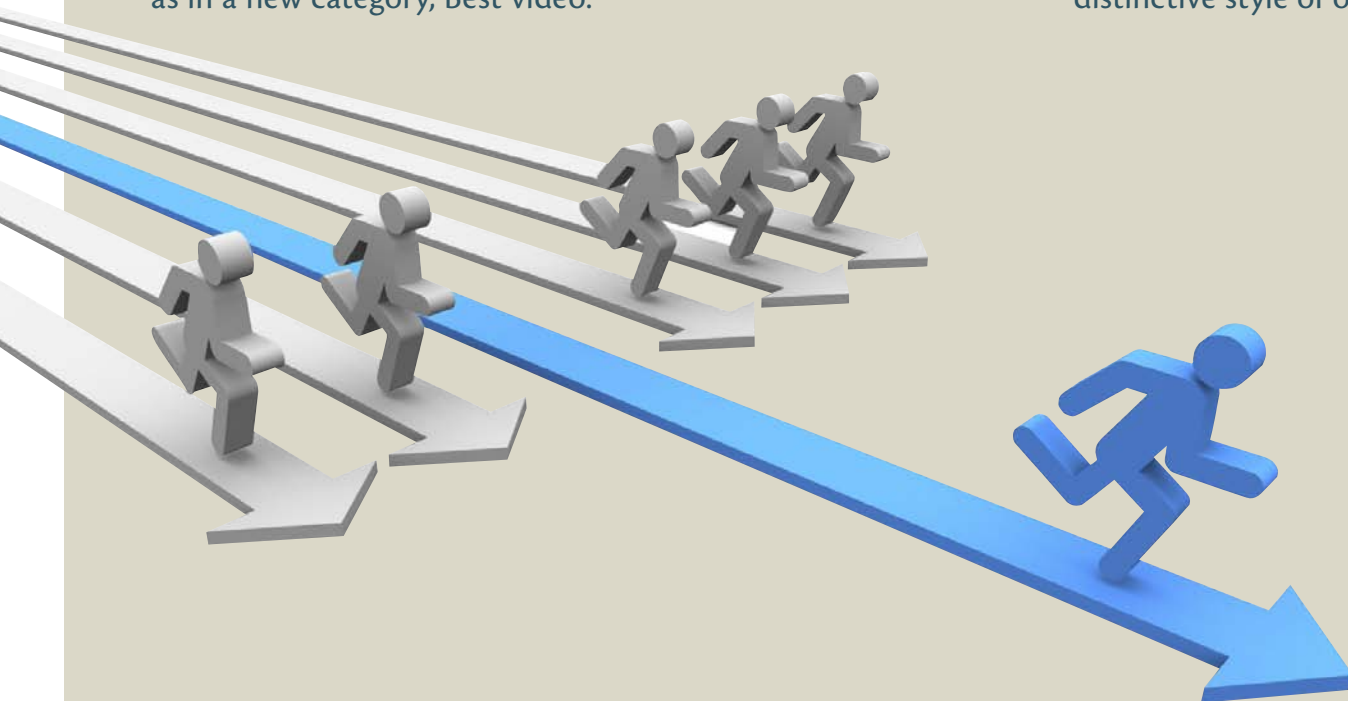


We support new forms of sharing managerial experience. We have realized a series of special workshops for managers, focusing on such themes as nonfinancial motivation and work/life balance. Further management forums for discussion have built upon the successful 2007 Leadership academy.

We have enjoyed long-term and systematic cooperation with university students and graduates. During 2010, we continued to work with the Prague Economic University (VŠE), of which we are one of the main partners; with the MU Economic and Administrative faculty of Brno, of which we are the main partner; and, last but far from least, we have strengthened our cooperation with the Statistics and Information faculty of VŠE in Prague, of which we are the VIP partner. We have recently expanded our cooperation with further partners, such as the economic faculty of the Liberec Technical University and the South Bohemian University in České Budějovice. We participate in trade fairs focused on work opportunities and **actively support young talents** in the AIESEC CR and IAESTE CR student organizations. Essential elements of our offer to students and graduates include employment and work placement, as well as training programmes.

For the third year we organized the **Ideal bank of the 21st Century** competition. 133 students, mostly from universities, competed on the theme 'An offer of advantageous products and services'. Finalists were awarded prizes of CZK 100 thousand in the categories Best work and Best idea, as well as in a new category, Best video.

The ČSOB Group ecological building continues to surprise with its value of long-term sustainability. The building at Radlice and ČSOB firm culture have become points of architectural and ecological interest and a source of inspiration for HR personnel visiting ČSOB headquarters to experience its distinctive style of open space.



For us, everyone is equal

5.3

When recruiting staff or assessing current employees, we always judge according to performance, depth of knowledge and skills. What we appreciate most is reliability, ability to share information, humaneness and objectivity. **On all levels, we respect human rights and freedom of opinion, regardless of gender, race, religion and belief.**

We are aware of the position of women in Czech society. For women in general and those in ČSOB in particular, we facilitate the best conditions for professional and domestic life and **offer**

flexible working hours, part-time employment and work from home. All ČSOB employees, regardless of gender, have equal access to training courses and talent programmes. In managerial development initiatives in recent years, for example, at least half of the participants have been women—a number which has been growing.



Training programmes are essential

5.4

High school and university graduates are yet another disadvantaged group of potential employees. Lack of experience is a major obstacle to be overcome when looking for employment. We therefore offer **work placements, temporary jobs and supervision Bachelor's and Master's degree theses**. Graduates are also given the opportunity to participate in our Quails and Foxes training programmes as preparation for management and specialist positions. **The transition to the workplace is smooth and natural due to comprehensive specialized training.** Appreciation of our approach is to be found in annual evaluations, where we occupy top positions among employers most preferred by university students.

Well-trained employees are the driving force of the ČSOB Group and employee training is an important part of all

change processes. **It is the quality and not the quantity of training that creates opportunities for success in day-to-day work and makes work easier, increasing overall quality and developing workplace opportunities.** We offer a wide spectrum of individual and group courses and training programmes in a variety of areas focused on both hard and soft skills. Employees may select form and content according to personal needs and goals, based on **individual development plans.**

In 2010 we trained 28 996 trainees and realized 3 266 courses; 1952 employees attended language courses; 105 employees increased qualifications; Total training costs in 2010 were CZK 86.667.326.

How we offer advantages to employees

We provide our employees with a great number of advantages. We think of the future and therefore offer **life insurance contributions as well as supplementary pension insurance** with state contribution. Popular bank and financial group products with favourable conditions are offered to employees. **We organize a variety of company events and outings** to maintain a positive atmosphere for employees.

We also offer free-time advantages to our employees: **a week of vacation above and beyond that stipulated in the Labour code; contributions to sports, culture and recreation; and health programmes** demonstrating our concern with

employee well-being. We aim to alter the balance of advantages in favour of health care and also to emphasize individual choice. In addition, we allow employees to have three paid sick days per year without a note from a doctor. Since 2008, employees have been given **an extra day off for volunteer activities.**

5.5



We look after those who are leaving the ČSOB Group...

5.6

In our outplacement programme we offer help finding new jobs and attempt to mitigate the negative impact of job loss. We strive to make dismissal dignified in cases of redundancy. We

offer the Labour Market Orientation Guide, a practical manual for dismissed employees, job search advisory and an overview of jobs available within the ČSOB Group.



How do we behave internally?

5.7

The ČSOB Group systematically supports not only quality client services but also team work among employees. Similar to quality standards applied in the branch network to improve employee/client relationships, **the level of cooperation between employees**

has been expanded by quality standards newly introduced in NHQ. Introducing, measuring and assessing rules enables the Group to systematically build a highly productive team environment.



CEO of ČSOB Pavel Kavánek accepts the main prize



Environmental Award

ČSOB won the Most Responsible Approach to the Environment, 2010 award in the prestigious TOP Filantrop competition, for its employee ecological campaign Considerate and Healthy. The goal of the campaign was to inspire and motivate employees to adopt a more considerate and healthier lifestyle.



▶ We care about the environment

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We care about the environment

6.0

Our approach to environmental protection is primarily determined by how we ourselves treat the environment.

A healthy environment is a necessary precondition for long-term sustainability. We foster ecological thinking among all ČSOB Group employees rather than limiting ourselves to minimizing the negative environmental impact of business activities.

The ČSOB Group ecological head office building proves this to be true...

The story began by selecting the right location and position of the building vis-a-vis the natural environment. Its plot developed with thought of how to locate green plantscape in and around the building, as well as careful consideration given to fenestration. Ventilation as well as heating and cooling demanded extraordinary attention. The realization of the work environment concept – based on social and psychological criteria – concluded the tale. We now have a building fulfilling the widest sustainability requirements. Numerous awards attest to the success of our story.

ČSOB building was the only building in Europe in 2007 to be awarded a gold certificate from the prestigious LEED – Leadership in Energy and Environmental Design – international environmental certification system.

A strong signal was sent to our community that even buildings of great size are able to maintain high user quality and have minimal negative impact on the environment.

Environment and credit policy

6.1

Our credit policy stipulates that we do not finance companies failing to observe environmental legal regulations. We will not finance companies failing to fulfill environmental protection criteria set in CR/SR or EU legislation or companies whose practices are in conflict with EBRD/IFC*.

Corporate financing is provided to clients posing environmental risk only in cases where an environmental audit has been performed; an ISO environmental care certificate has been granted; decontamination projects have been realized; past damage to the environment has been rectified; and activities have been harmonized with current environmental standards.

As managers of enormous funds, we have a significant influence on capital flow. It is therefore essential that projects we finance will not have an adverse effect on the environment. Our commitment to society is proven by our adherence to

Equator Principles, an independent 2003 initiative by several international banking institutions. More than 60 companies have joined the initiative thus far.

**European Bank for Reconstruction and Development and International Finance Corporation*

Renewable financial resources

In 2010 ČSOB continued to finance renewable resource projects producing electric power. Financing was focused on sector-oriented investor projects in which construction and long-term operation are key business fields.

NHQ: Ecological administrative building in Prague

6.2

Why does our building deserve a 'green' attribute?

- A **brownfield** lot was used for the project
- The site is easily **accessed by public transit**
- Plants are extensively **used both** on the outer structures of, and inside, the building; Its microclimate and workspace quality are improved upon by greenery
- Heat gains from the sun are reduced by optimal **building orientation** and passive shielding elements; Its front face is visually open
- Heat gains from sun and sky, as well as heat loss in winter, are reduced by sophisticated **fixed and mobile shielding systems** controlled by meteo terminals
- Workspaces are lighted naturally as much as possible
- **Heat absorption capacity and inertia of reinforced steel constructions** harmonize inner thermal comfort and **natural pre-cooling** with night air in summer months



- Recuperated waste, heat and cold as well as heat pumps are utilized by **economical energy management**
- **Sophisticated artificial lighting** is automatically controlled according to sunlight intensity at each work station and positioning of mobile shading elements; Lighting is based on user presence and need; Unnecessary lighting at work stations is eliminated
- **Building control system** allows for dynamic management, monitoring status and interrelation of building systems as well as anticipation of changes in external factors.



6.2

New ČSOB Group building: Awards

**Grand Prix 2008: Society
of Czech Architects**

15th annual Grand Prix Awards from the Czech Society of Architects: National Award for Architecture; The Czech Ministry of the Environment awarded a Certificate of Merit to the new ČSOB headquarters at Radlice, Prague; Jury also awarded Grand Prix to the building

**Building of the year 2007**

Prestigious Building of the year 2007 awarded to the ČSOB Group for ČSOB headquarters at Radlice, Prague in the fifteenth competition by ABF (Architecture and Building Foundation), Stavitel magazine, Ministry of Industry and Trade, CR, and the Czech Association of Entrepreneurs in the construction industry

**LEED – Green building
award for the ČSOB
headquarters building**

In 2007, ČSOB received the third highest award granted to environmentally friendly buildings in the prestigious LEED certification system from the U.S. Green Building Council

**Health and Safe
Environment Award 2006**

ČSOB received a silver medal for the new headquarters building at Radlice, Prague for respecting the environment, inhabitants and the community.



Internal processes and carbon reduction initiatives

6.3

Since 2003 we have located containers in the workplace for recycling paper, glass, plastic and residual unsorted waste. We also separate used consumables from printers, fax machines, copiers, typewriters and calculator batteries. Disposal of electrical appliances and such dangerous waste as luminescent lighting tubes is carried out by product suppliers. We pay attention to separating, recycling and disposing ecological waste when closing contracts **with suppliers** and we place preference on cooperation with environmentally aware partners.

We launched a series of noteworthy initiatives to **reduce carbon emissions**, including:

Reduction of energy consumption and carbon production

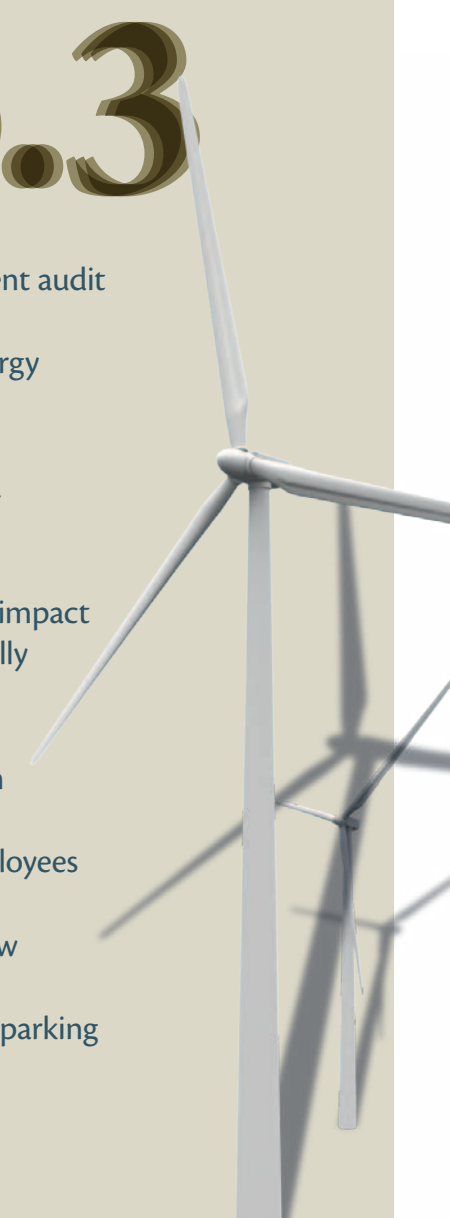
- In line with EU regulations, we regularly measure energy consumption as well as carbon emissions with the assistance of independent providers
- Central services specialists or sponsors are responsible for reduction of energy consumption and emissions

- Energy consumption policy is based on an independent audit performed at all ČSOB premises
- The new building at Radlice was built in line with energy efficiency and environmental standards

Reduction of fuel consumption related to travel and commuting

We are dedicated to increasing positive environmental impact by maintaining high efficiency and being environmentally friendly in our company car pool policy.

- We implemented the fellow-travel reservation system to minimize the use of the ČSOB car pool
- Our web application enables car-pooling among employees commuting to work
- Video and phone conferences are fully enabled by new equipment at Radlice
- Our Green Parking regime enables the reservation of parking places for hybrid engine cars



- We build and rent new buildings in Prague located close to underground lines to facilitate the use of public transit
- Since 2008, 14.3% of all energy produced and consumed in ČSOB is green energy.

What do we plan to do?

At the Modrava recreation centre we plan to increase heating efficiency. We will regulate heating in rooms, and unoccupied spaces will not be heated fully; In doing so, we will increase heating efficiency while lowering LTO combustion connected with waste product exhalation.

We plan to lower the consumption of disposable tableware in catering at ČSOB headquarters by replacement with portable containers designated for repeated use. We further aim to lower the food wasted by offering unsold lunches at a lower prices to employees.

The introduction of long-distance energy allowance in 2011 helped us to actively influence energy consumption in time and place. We plan to exchange the neon ČSOB logo with LED lighting.



We encourage our employees to behave considerately

6.4

Ecological awareness among employees is supported by various activities. We held our six-month **Considerate and Healthy ecological campaign** in 2009-2010. Its goal was to encourage employees to think about how to behave considerately towards the environment and to live healthier lives. We offered employees information about environmentally friendly transport, renewable energy sources, low-energy housing, organic food and fair trade products, healthier lifestyles and



much more by means of our e-magazine, fairs, workshops, lectures and contests. The conclusion of the campaign was the ČSOB Earth Day, where employees and their families and friends devoting free time to cleaning the Czech mountains. In recognition of our efforts in this ecological campaign, we received first place for **The most responsible company approach to the environment in the TOP Filantrop 2010 competition.**



Thanks for the Olga Havlova Award

ČSOB received thanks for the 2010 Olga Havlova Award for its years of effective and reliable cooperation in VDV activities, including the Education Fund. Other activities include the Prague International Marathon for the benefit of VDV and the sponsorship of disabled students by ČSOB employees in the Education Fund.



Výbor dobré vůle –
Nadace Olgy Havlové uděluje
Poděkování
za účinnou spolupráci
Ing. Pavlíně Folovské,
ČSOB

Dana Němcová
Dana Němcová
předsedkyně správní rady
V Praze dne 7. června 2010



Our surroundings



Our surroundings

7.0



We understand the needs of the surrounding environment and we are active in society. We are a partner who realizes the close relationship between business and society and we wish to contribute to the positive development of society.

Our goal is to support healthy societal development and to increase quality of life. To that end, we offer not only quality products and services but also support non-profit organizations, societies and local communities. We believe that business goals are closely connected with societal development and it is therefore our goal to be a leader in positive growth.

We have donated more than CZK 25 million to sustainable development. Three-quarters of projects supported have



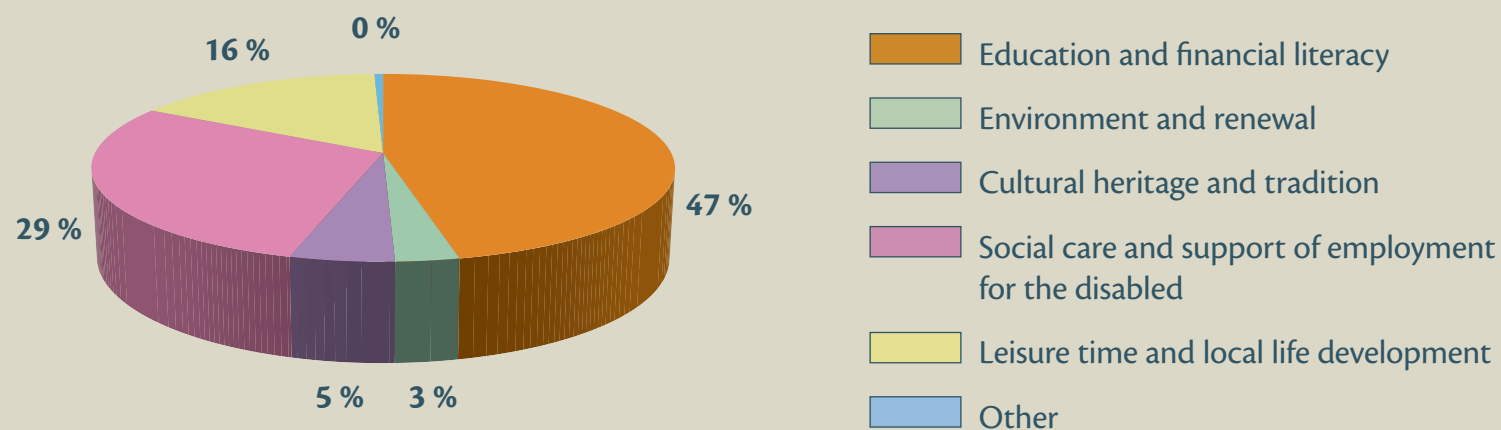
nation-wide impact, given the amount of funds granted. Our main area of support is education and financial literacy. We support activities aimed at the creation of maintainable job positions for the disadvantaged and disabled. We support good ideas in the regions as well as the development of local life. We fight for a safer Internet. Our employees are involved in philanthropic activities.



Areas of support in 2010

7.1

Areas of support in 2010



Education and financial literacy

7.2

Financial straits strike unexpectedly.

Our goal is to satisfy our clients. We therefore want clients to know the benefits of each product, how to put money to its best use and, of course, how to avoid debt trap. We strive to develop financial literacy because we believe it contributes to long-term societal sustainability.



In the **ČSOB Education Fund Programme** we gave more than CZK one million in grant management to projects aimed at increasing financial literacy. Projects supported were for both children and adults.

A long-term project of independent and specialized advisory with the **Association of Citizen Advisory Offices** continues to enjoy success in areas such as personal finance, debt trap and financing basics. It allows the public free consultation on financial topics. Along with other key players in the finance sector, we finance the operation and development of **Advisory in Financial Straits**, where experts effectively advise regarding responsible indebtedness and help solve debt-related problems.

We are general partners of the **Czech Financial Literacy** competition for children from elementary and secondary schools organizing Financial Literacy o.p.s. and MŠMT. We supported a series of theatre performances **The last Coin** for elementary schools and orphanages, motivating children creatively towards a responsible relationship with finances. We helped COFET a.s. publish two books: the **Financial Literacy primer** – the first of its kind – and **Never owe again**.

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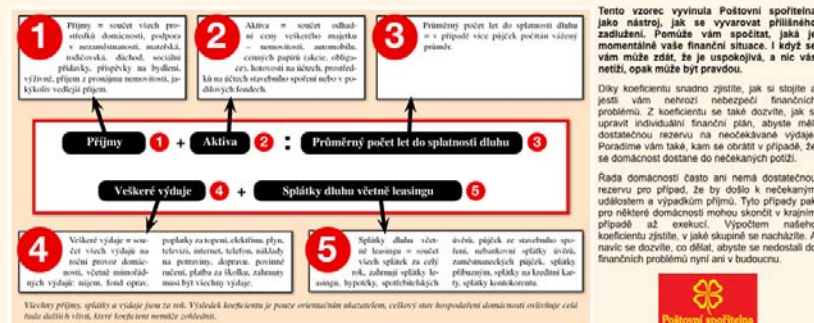
7.8 Strengthening cooperation with the non-profit sector

The Consumer Institute joint project **The World of Money Differently or Money for Everyone** is a computer-based financial programme for elementary and secondary school students. In the **Life Rough** programme, we help the Múzy dětem society to prepare children in orphanages for common life situations, such as how to find accommodation and work, how to budget, and how to take care of a family. Poštovní spořitelna offers the public the web calculator for reasonable indebtedness.

www.rozumnezadluzeni.cz

Jak je na tom vaše rodina?

KOEFICIENT ROZUMNÉHO ZADLUŽENÍ



Tento vzorec vyvinula Poštovní spořitelna jako nástroj, jak se vyzarovat příslušného zadlužení. Pomůže vám spočítat, jaká je momentálně vaše finanční situace. I když se vám může zdát, že je uspokojivá, a nic vás netíží, opak může být pravdou.

Díky koeficientu snadno zjistíte, jak si stojíte a jestli vám nehrozí nebezpečí finančních problémů. Z koeficientu se také dozvíte, jak si upravit individuální finanční plán, abyste měli dostatečnou rezervu na neočekávané výdaje. Poradíme vám také, kam se obrátit v případě, že se domácnost dostane do nečekaných potíží.

Rada domácnosti často ani nemá dostatečnou rezervu pro případ, že by došlo k nečekaným událostem a výpadkům příjmů. Tyto případy pak pro některé domácnosti mohou skončit v krajním případě až exekucí. Vypočtem našeho koeficientu zjistíte, v jaké skupině se nacházíte. A navíc se dozvíte, co dělat, abyste se nedostali do finančních problémů nyní ani v budoucnu.



Výsledný koeficient může být nižší, než byste sami očekávali. Příčin je několik: ačkoli máte solidní příjem, nemáte příliš mnoho majetku, nebo naopak máte dostatečný majetek, ale také ještě dlouho budete splácet úvěr či úvěry, díky nimž jste ho získali. Nizký koeficient rovněž může způsobit fakt, že jste si půjčili na věci, které nemají příliš velkou nebo dokonce žádnou hodnotu jako je například dovolená. Váš koeficient může snížit i to, že nemáte žádnou finanční rezervu. Berte proto vždy hodnotu koeficientu a následný popis situace a doporučení jako obecné.

Příjmy (uvádějte pouze čisté příjmy, po zdanění, platbě nemocenského a sociálního pojištění):

	Měsíčně:	Ročně:
Plat, případně příjmy z podnikání, podpora v nezaměstnanosti, důchod, příspěvek na mateřské	0 Kč	0 Kč
Výživné	0 Kč	0 Kč
Příjmy z pronájmu	0 Kč	0 Kč
Sociální příspěvky	0 Kč	0 Kč
Jiné pravidelné příjmy	0 Kč	0 Kč
Jiné příjmy jednorázové	0 Kč	0 Kč
Celkové příjmy	0 Kč	0 Kč

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We support students

The **Education Fund** is a joint project of ČSOB and **The Committee of Good Will – The Olga Havlova Foundation**. It supports the studies of socially and physically disadvantaged students. We have granted stipends of more than CZK 18 million over the course of our long-term cooperation. Our employees are also involved in the project as patrons of disabled students.



In 2010, 60 ČSOB Good Will runners participated in the Prague marathon, raising CZK 81 440.



Poznáte, která z nich vyrůstala v dětském domově?



Lucie Kučerová dnes může díky naší pomoci studovat medicínu, jak si vždycky přála. Věříme, že pomoc jednotlivcům obohacuje nás všechny, a proto jsme během dlouhodobé spolupráce s **Fondem vzdělání, Výborem dobré vůle – Nadací Olgy Havlové** rozdělili na stipendia sociálně a zdravotně znevýhodněných studentů více než 12 milionů korun. Více informací najdete na našich webových stránkách nebo na www.vdv.cz.



www.csob.cz

Člen skupiny KBC

Infolinka 800 300 300

We help integrate the disadvantaged and disabled

7.3

Workplaces for the disadvantaged and disabled



We cooperate with **Ergotep**, a sheltered workshop and cooperative of **disabled persons**. Our unique partnership began in 2004 and is based on a customer/

supplier relationship bringing benefit to both parties. Ergotep is based in Proseč near Skuteč and offers numerous services to Poštovní spořitelna. Marketing materials are manufactured and distributed, motivational and public programmes are realized, and bank operations are performed in an administrative centre. Currently, web projects carried out for Poštovní spořitelna include the PaySecCUP competition, part of the www.bezpecne-online.cz.

Yearly volume increase has created approximately 120 permanent and maintainable job positions for the disabled.

We are also partners of **Konto Bariéry**. Together we introduced the project **Short-term Internship for Stipend Holders**.

The goal of the project is to provide young persons with disabilities – students and graduates of secondary school and universities – an opportunity to realize a short internship with an employer and thereby gain a view of day-to-day life in firms as well as essential work experience. The project offers firms

the opportunity to work with the disabled.



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We have been devoted to blind children for a long time in our work with the **ARTEVIDE Foundation**. A unique gallery, Sightless to the sightless, was opened in Karmelitska street in

Prague with the support of the Poštovní spořitelna. The gallery regularly organizes workshops, theme meetings and other activities for blind children and youth. In 2010, Poštovní spořitelna hosted an exhibition of works by blind artists at 20 of its financial centres. The artworks are being sold at the e-shop www.ctyrlitek.eu; Proceeds are used to support further foundation development.

Our work with the **Paraple Centrum** helps persons paralyzed by spinal cord lesion to adapt to challenges faced, return to normal life and acquire the basics needed for social and professional fulfilment.

We are a long-term partner of the **Kontakt bB** association, a swimming course for disabled persons.



Regional support to good ideas

7.4

ČSOB and Poštovní spořitelna support regions is an extremely successful regional programme covering the whole Czech Republic. Community grants for Local care for culture and natural heritage and Development of community life through local social activities and local culture are given in the programme. We seek three large investment grants for environmental protection and landscape restoration. Working with the VIA Foundation, we reward the work of mayors in small municipalities through the **Poštovní spořitelna Mayor of the year award**.



In 2010, **smaller community grants totalling CZK two million were made to 45 projects** throughout the Czech Republic. **Large community grants** of CZK 300 thousand were made to the **three best projects** supporting landscape renewal and environmental care: Poustka protects nature in the Karlovy Vary region; Children's alley, second stage in Nová Ves nad Nisou of the Liberec region; and Butterfly paradise in prospering Ždánice in Ždánice of the South Moravian region.

Josef Zamečník from Písečná near Žamberk in the Pardubice region was **Mayor of the Year 2010**; He received CZK 250 thousand for his regional budget and was ennobled as a symbol of a well-led region.



We fight for Internet safety

7.5

Poštovní spořitelna supports www.bezpecne-online.cz with the goal of spreading awareness of safe Internet use among youth. Created with the **Czech National Safer Internet Centre**, the project is not only for children but also for parents and teachers. The new website informs about threats disseminated both on the Internet and by advanced communication technologies, while educating in an entertaining and popular way. It also covers themes such as electronic banking and on-line payments. The **PaySecCUP** competition for elementary and secondary schools is part of the project.

We have recently become the general partner of **Linka bezpečí**. Our cooperation is aimed mainly at Internet help links.



Employees Helping Together

The **Helping Together volunteer programme** creates opportunities for employees to play an active role in environmental care and to help the less fortunate. In 2010, we supported employees who have actively been engaged in the non-profit sector with CZK one million from our **grant fund**.

in 36 non-profit organizations. Employees also helped clean up after last year's floods in the Liberec region.

7.6



For those who also wish to help, we have organized **Volunteer days** allowing employees to work for one day in one of several non-profit organizations. In 2010, 371 employees spent a volunteer day



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Employees also get involved in **other volunteer activities**. Several times per year employees purchase **fair-trade and sheltered workshop products** at bank markets at ČSOB headquarters. The ČSOB football team regularly participates at a beneficial tournament for the **Sue Ryder Home a Committee of Good Will – Olga Havel Foundation**.

Employees also contribute to drives and collections, such as the collection of unwanted items for the Sue Ryder Home,

Committee of Good Will – Olga Havel Foundation and for Kontakt bB. Before Christmas, employees had the chance to make children from orphanages in Liptál and Dlažkovice happy by purchasing them Christmas presents. Together with the Dejvice theatre, we again organized a charity autograph session; It raised CZK 100 thousand for the **Múzy dětem society and the Rozum a cit Foundation**. Employee support of disabled students in the **Education Fund of Committee of Good Will – Olga Havlova Foundation** is a unique cooperation. 60 ČSOB employees ran in the **Prague half marathon and the Prague marathon** for the Committee of Good Will – Olga Havlova Foundation. Our Good Will runners raised CZK 81 440 to support the studies of **disabled secondary school and university students**.



Helping throughout the Group

7.7

SOS villages for children



Hypoteční banka is a mortgage specialist. Its charitable work is focused on children from SOS villages who have found themselves without a family or the chance of being located in an adoptive or foster home.

Hypoteční banka fulfills

its mission even among the young with 'Helping clients live'.

For every closed mortgage contract the bank contributes CZK 20 from its own funds to the SOS villages for children account. Last year, Hypoteční banka gave **CZK 348 780** and from the time that cooperation began in 2001 until year-end 2009, Hypoteční banka donated more than CZK 2,5 million to children without a family or home.

Socially responsible outdoor



Last year, Hypoteční banka decided to connect a retreat meeting for employees with active help to be given where needed. **More than half of bank employees**, including board members and middle management, devoted two days at the end of September to weeding, uprooting and removing scrub brush and undergrowth for the **renewal of the original parking area of the national castle, Veverí in Brno**. By joint effort employees managed to ready for seeding a whole section in the immediate vicinity of the castle. Hypoteční banka also financially supported the grassing of the area.



Českomoravská building savings and its employees help out

Donations

The Eset Help society was given computers from ČMSS to be used by clients in computer courses. The society strives to raise the quality of life of persons with psychiatric problems, provides shelters for living, supports employment and a daily activity centre. **The Ratolest society**, helping socially disadvantaged children and youth, was given a useful gift: a special armchair for disabled children. In **the flood collection** begun by Člověk v tísni employees helped clean up after a flash flood. Collected funds were given to families from the worst affected areas.



Volunteer activities

ČMSS organized another volunteer day event: Liška helps. The day involved a trip to Pruhonice park with the

Malešice seniors' residence. In December, employees gave gifts to seniors.



Firm school

ČMSS opened a firm school for its employees in November, 2009. The Pampeliška daycare centre for pre-schoolers has a capacity of 30 children.

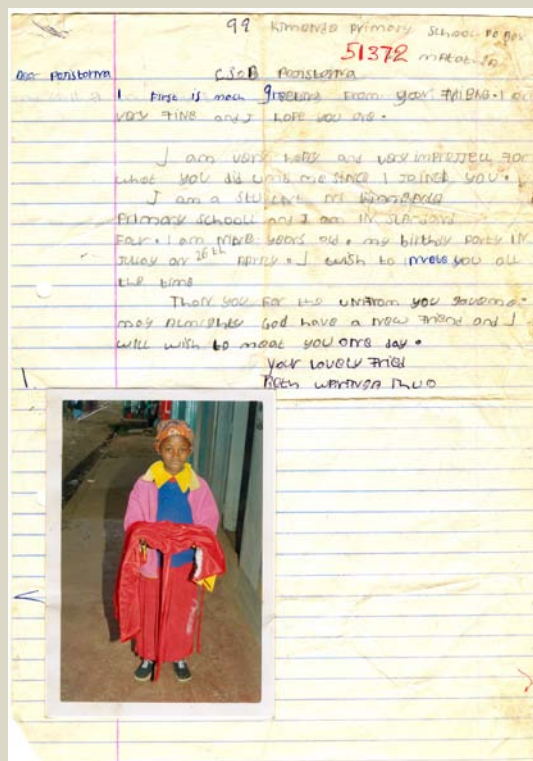
Janský plaque holders

Last year six ČMSS employees received Janský bronze plaques as thanks for blood donations.



ČSOB Pojišťovna helps out

For the willingness of people to 'roll up sleeves and open hearts'.



For the fifth year an informal team of 50 employees has provided **financial assistance to children in Kenya and Guinea** in the **Long distance adoption project**. Monies are used for schooling and other related forms of help, including health insurance and useful gifts such as bicycles



and sporting equipment. Employees organized a children's book collection as a Christmas present for the **Sunrise** special school for physically and mentally disabled children; purchased toys for the **Pardubice orphanage**; and helped **disabled children** in Pardubice. ČSOB Pojišťovna offered free

participation to child flood victims from north Bohemia in yearly **ČSOB Pojišťovna kids' days** and **ČSOB Pojišťovna summer camp** in 2010.

Strengthening cooperation with the non-profit sector

To make the lives of our partners, clients and support applicants easier, we prepared a simple *electronic application form* that takes only a few minutes to fill out. We also set up a special e-mail box csr@csob.cz where ideas and comments are sent. Each day the sustainability manager reads the e-mails and no messages are left unanswered. Our web has sustainability pages where our project archives, photographs and updated information are found along with—last but not least—the 2010 CSR Report.

7.8

