

24 May 2023

Final Terms

MIFID II PRODUCT GOVERNANCE / TARGET MARKET ELIGIBLE COUNTERPARTIES, PROFESSIONAL INVESTORS AND RETAIL INVESTORS

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"), and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Fixed to Fixed Callable Subordinated Notes due 22 June 2029 (the "Notes")

(Podřízený dluhopis ČS / 2029)

issued pursuant to the

Retail Notes Programme

of

Česká spořitelna, a.s.

Issue Price: 100 per cent.

Issue Date: 22 June 2023

Series No.: 1

Tranche No.: 1



IMPORTANT NOTICE

These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended and must be read in conjunction with the base prospectus consisting of separate documents (i.e. (i) the securities note dated 21 December 2022 (the "**Securities Note**") and (ii) the registration document of Česká spořitelna, a.s. (the "**Issuer**") dated 2 December 2022, and its supplement dated 19 May 2023) (the "**Prospectus**") pertaining to the Retail Notes Programme (the "**Programme**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("[www.csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms. A summary of this issue is annexed to these Final Terms.

Warning: The Prospectus dated 21 December 2022 is expected to be valid until 22 December 2023. Thereafter the Issuer intends to publish an updated and approved Prospectus on the Issuer's website ("[www.csas.cz/en/documents-to-download#/"](http://www.csas.cz/en/documents-to-download#/)) and from that point in time, the Final Terms must be read in conjunction with the new Prospectus.

PART A. – TERMS AND CONDITIONS OF THE NOTES

This Part A. of the Final Terms shall be read in conjunction with the set of Terms and Conditions of the Notes that applies to Notes which commence with a fixed interest rate which is superseded by a fixed interest rate (the "**Terms and Conditions**") and that is set forth in the Securities Note as Option IV. Capitalised terms not otherwise defined in these Final Terms shall have the meanings specified in the Terms and Conditions of the Notes when used in these Final Terms.

All references in this Part A. of the Final Terms to sections and paragraphs are to sections and paragraphs of the Terms and Conditions of the Notes.

The blanks in the provisions of the Terms and Conditions of the Notes, which are applicable to the Notes shall be deemed to be completed by the information contained in these Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions of the Notes corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions of the Notes applicable to the Notes.

ISSUER, CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)

Currency and Denomination

Specified Currency	Czech koruna (" CZK ")
Aggregate Principal Amount	CZK 8,000,000,000
Aggregate Principal Amount in words	CZK eight billion
Specified Denomination	CZK 10,000

Form of the Notes

- Book-entry notes (in Czech "*zaknihované dluhopisy*") under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) issued as book-entry securities (in Czech "*zaknihované cenné papíry*")
- Certificated notes (in Czech "*listinné dluhopisy*") which are issued to the order of the respective Holder (in Czech "*cenné papíry na řad*") under the Czech Act on Bonds (Act No. 190/2004 Coll., as amended) and which are represented by the Global Note (in Czech "*sběrný dluhopis*") which is an immobilised security (in Czech "*imobilizovaný cenný papír*")

Other information

- Any other information required to be included under Czech law (in particular the Czech Act on Bonds) Not applicable
- Time limit for the subscription of the Notes Notes will be subscribed from 1 June 2023 until 20 June 2023
- The Issuer has decided that the Notes will be issued in total nominal value which is greater than the anticipated nominal value Not applicable
- The Issuer has decided that the Notes will be issued up to the anticipated total nominal value of Notes Not applicable
- Method and place of the subscription of the Notes Notes will be subscribed on a basis of an agreement concluded between the relevant subscriber and the Issuer and on a basis of a

Method and deadline for the delivery of the Notes

payment of the Issue Price by the subscriber

Subscribed Notes will be subscribed to the subscriber's relevant securities account on the Issue Date or within 2 Business Days after the Issue Date

Method and place of payment of the issue price for the subscribed Notes

Method and place of payment of the Issue Price will be determined on a basis of an agreement between the relevant subscriber and the Issuer

Information about the persons which are involved in the administration of the issue of the Notes

Issue of the Notes will be solely administered by the Issuer

Statement regarding supervision

Neither the issuance of the Notes nor, in relation to the approval of the Prospectus consisting of separate documents (i.e. the Securities Note and the Registration Document), Česká spořitelna, a.s., as an issuer, are subject to the supervision of the Czech National Bank.

Business Day

- Specified Currency is Euro
- Specified Currency is not Euro
 - Relevant Financial Centre
 - TARGET

Prague

STATUS (§ 2)

- Non-Preferred Senior Notes
- Subordinated Notes

INTEREST (§ 3)

- Fixed Rate Notes (Option I)**
- Floating Rate Notes (Option II)**
- Fixed to Floating Rate Notes (Option III)**
- Fixed to Fixed Rate Notes (Option IV)**

Interest Commencement Date

22 June 2023

First Rate of Interest

6.75 per cent. *per annum*

Short or long first Interest Period

Regular interest payments

annually

Interest Payment Dates

22 June in each year

First Interest Payment Date

22 June 2024

Last Interest Payment Date

22 June 2029

First Reset Date	22 June 2028
Reset Date(s)	First Reset Date
Reset Rate	Reference Rate plus the Margin
Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA) Determination Date(s)	
<input type="checkbox"/> Actual/Actual (ISMA/Hungarian Bonds)	
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input checked="" type="checkbox"/> 30E/360 or Eurobond Basis	
Mid Swap Rate	1-year interest rate swap for the Czech koruna (CZK 1Y_IRS)
Time of the Screen Page Determination Margin	11:00 a.m. (Prague time)
<input checked="" type="checkbox"/> plus	2.00 per cent. <i>per annum</i>
<input type="checkbox"/> minus	
<input type="checkbox"/> Factor	
Reset Determination Date	second Reset Determination Business Day(s) prior to the Reset Date
Reset Determination Business Day	commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Prague
Screen page	Bloomberg screen page "CKSW1" (or any successor page) under the heading "CZK SWAP ANN (vs 3M) 1Y"
Reference Rate applicable to the first Reset Period for purposes of clause (iii) of the definition of the term "Reference Rate" in § 3 (4) (a)(iii) and § 3 (4) (c)(v)	4.75 per cent. <i>per annum</i>

PAYMENTS (§ 4)

Business Day Convention

- Following Business Day Convention (unadjusted)
- Modified Following Business Day Convention (adjusted)
- Following Business Day Convention (adjusted)
- Modified Following Business Day Convention (unadjusted)

- Preceding Business Day Convention (unadjusted)
- Preceding Business Day Convention (adjusted)

REDEMPTION (§ 5)

Redemption at Maturity

Maturity Date 22 June 2029

Early Redemption at the Option of the Issuer

yes

Minimum Notice Period 37 Business Days

Maximum Notice Period 45 Business Days

Optional Redemption Date(s) 22 June 2028

Early Redemption following an MREL disqualification event (§ 5 (3)(a)(ii))

yes

Early Redemption for Regulatory Reasons

Minimum Notice Period 30 Business Days

Maximum Notice Period 60 Business Days

Early Redemption for Minimal Outstanding Aggregate Principal Amount

no

PAYING AGENT AND CALCULATION AGENT (§ 6)

Principal Paying Agent

Česká spořitelna, a.s.

Other

Additional or other Paying Agent and specified office(s)

Calculation Agent

Česká spořitelna, a.s.

Other

NOTICES (§ 10)

Website where Notices will be published

<https://www.csas.cz/en/documents-to-download#/1438/Retail-Notes-Programme>

HOLDERS' MEETING, MODIFICATIONS AND WAIVER (§ 11)

Applicable

Not applicable

Appointment of a Joint Representative of the Holders

by majority resolution of the Holders

in the Terms and Conditions

PART B. – OTHER INFORMATION

ESSENTIAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- Save for the commercial interests of the Manager, so as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.
- Other Interests, including conflicts of interest

Reasons for the Offer and Use of Proceeds

Estimated net amount of the proceeds	CZK 8,000,000,000
Estimated Total Expenses of the Issue	CZK 190,000

INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

Securities Codes

- ISIN CZ0003708315
- Common Code
- Any Other Security Code

Issue Yield to the Reset Date

6.75 per cent. *per annum* in case there is no early redemption.

The yield is calculated in accordance with the ICMA (International Capital Market Association) method. The ICMA method determines the effective interest rate on notes by taking into account accrued interest on a daily basis.

Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation

Not applicable

Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued

Resolutions of the Issuer's board of directors dated 4 April 2023

TERMS AND CONDITIONS OF THE OFFER

Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer

Conditions, to which the offer is subject

Not applicable

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer

CZK 8,000,000,000

The time period, including any possible amendments, during which the offer will be open and description of the application process

The Notes will be offered by the Issuer for subscription at the Issue Price by means of a public offering from 29 May 2023 in the period from 1 June

2023 to 20 June 2023 (the "**Subscription Period**"). Following the expiration of the Subscription Period until the final closing of the offer, an acquisition may be made subject to the confirmation of the respective selling price by the Issuer.

If the aggregate principal amount for the Notes indicated in the Final Terms has been reached prior to the end of the subscription period or offer period at any time on a business day, the Issuer will terminate the subscription period or offer period for the Notes at the relevant time on that business day without prior notice. If the Issuer has not received sufficient valid subscription applications for the Notes until the first value date of the tap issue, the Issuer reserves the right to cancel the tap issue of the Notes. The Issuer is not obliged to issue subscribed Notes.

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants	Not applicable
Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest)	CZK 10,000
Method and time limits for paying up the securities and for delivery of the securities	Payment of the Issue Price and delivery of the securities is made on the basis of the subscription agreement to be concluded between the subscriber (investor) and the Issuer in relation to the purchaser of the Notes
A full description of the manner and date in which results of the offer are to be made public	The results of the offer will be made public by the Issuer at the end of the subscription period.
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised	Not applicable

Plan of Distribution and Allotment

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. Not applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made. The subscriber will be informed of the amount of securities allocated by way of booking on its securities account

Pricing

An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Issue Price of 100%

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser. Expenses charged by the Issuer to the subscriber or purchaser will not be higher than 5.00% of the principal amount, but may be lower depending on the market development during the offer period. Income received or accrued in connection with the Notes might be subject to taxation.

PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place. Not applicable

Method of Distribution

- Non-Syndicated
- Syndicated

Subscription Agreement

Date of Subscription Agreement Not applicable

General Features of the Subscription Agreement Not applicable

Details with regard to the Manager (including the type of commitment)

- Manager
 - Firm Commitment
 - Without Firm Commitment
- Stabilising Manager

Commissions, Concessions and Estimated Total Expenses

- Management and Underwriting Commission
- Selling Concession
- Other

Total Commission and Concession

Issue charge Not applicable

LISTING, ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Listing

No

- Prague - Regulated Market
- Vienna - Official Market
- Listing Agent
 - Česká spořitelna, a.s.
 - Other

Date of Admission

Estimate of the total expenses related to the admission to trading Not applicable

All regulated markets or equivalent markets on which to the knowledge of the Issuer, notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading Not applicable

Name and address of the entities which have committed themselves to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment Not applicable

ADDITIONAL INFORMATION

Rating

As at the date of these Final Terms the Notes have not been rated. The Issuer reserves the right to apply for a rating in future.

Selling Restrictions

TEFRA

- TEFRA C
- Non-TEFRA

Additional Selling Restrictions Not applicable

Consent to the Use of the Prospectus

Offer period during which subsequent resale or final placement of the Notes by dealers and/or further financial intermediaries can be made

Further conditions for the use of the Prospectus Not applicable

Signed on behalf of the Issuer

By: Viktor Kotlán
Director of Balance Sheet Management

By: Eva Boušová
Head of Investment Portfolio and Liquidity
Management

Duly authorised

Duly authorised

Annex – Issue Specific Summary

Issue specific summary	
1st Section – Introduction, containing warnings	
Warnings	
<p>This summary (the "Summary") should be read as an introduction to the base prospectus consisting of separate documents dated 21 December 2022 (the "Prospectus") in relation to the Retail Notes Programme (the "Programme") of Česká spořitelna, a.s. (the "Issuer" or "Česká spořitelna"). Any decision to invest in the notes (the "Notes") should be based on a consideration of the Prospectus as a whole by the investors, i.e. the securities note relating to the Programme dated 21 December 2022 as supplemented, the registration document of the Issuer dated 2 December 2022 as supplemented (the "Registration Document") or any successor registration document, any information incorporated by reference into both of these documents, any supplements thereto and the final terms (the "Final Terms"). Investors should note that they could lose all or part of their invested capital.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investors might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only where this Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</p> <p>You are about to purchase a product that is not simple and may be difficult to understand.</p>	
Introduction	
Name and securities identification number	Fixed to Fixed Callable Subordinated Notes due 22 June 2029 (Podřízený dluhopis ČS / 2029) ISIN: CZ0003708315
Issuer	Česká spořitelna, a.s. LEI: 9KOGW2C2FCIOJQ7FF485 Contact details: Olbrachtova 1929/62, Prague 4, Post Code 14000, the Czech Republic, +420800207207
Competent authority	Austrian Financial Market Authority (<i>Finanzmarktaufsichtsbehörde - FMA</i>), Otto-Wagner-Platz 5, A-1090 Vienna, Tel.: (+43-1) 249 59 0
Date of approval of the Prospectus	Final Terms dated 24 May 2023 Securities note dated 21 December 2022 Registration Document dated 2 December 2022
2nd Section – Key information on the Issuer	
Who is the Issuer of the Notes?	
Domicile, legal form, law of operation and country of incorporation	
The Issuer is registered as a joint-stock company (<i>akciová společnost</i>) in the Czech Commercial Register (<i>obchodní rejstřík</i>) at the Municipal Court in Prague (<i>Městský soud v Praze</i>) under file no. B 1171 and has the registration number 45244782. The Issuer's registered office is Olbrachtova 1929/62, Post Code 14000, Czech Republic. Issuer operates under Czech law.	
Principal activities	
Česká spořitelna is a credit institution with a very long tradition in the Czech market. It has been one of the fundamental pillars of the Czech banking system. Currently, Česká spořitelna provides services to 4.5 million clients. Since 2000, Česká spořitelna has been part of Erste Group, a multinational financial group. Česká spořitelna offers a universal range of financial products and related services to private individuals, small and medium sized enterprises, municipalities and large corporates. These services include acceptance of deposits, lending, including mortgage credit, investment banking, securities trading and derivatives business (on its own account and for the account of customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring, bank assurance and private pension fund management.	
Major shareholders	
Česká spořitelna's sole shareholder is Erste Group Bank, which acquired all shares on the basis of a decision of Česká spořitelna's general meeting held on 3 October 2018.	
Identity of key managing directors	
The members of the Issuer's management board as of the date of the Final Terms are: Tomáš Salomon, Karel Mourek, Martin Kobza, Daniela Pešková, Pavel Kráčmar and Ivan Vondra.	

Identity of statutory auditors

PricewaterhouseCoopers Audit, s.r.o. with its registered seat at Hvězdova 1734/2c, Prague 4, the Czech Republic, Identification Number 40765521, registered with the commercial register kept by Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors in the Czech Republic under Evidence No 021, has audited the Audited Consolidated Financial Statements 2021 and the Audited Consolidated Financial Statements 2022 and issued unqualified audit opinions on the Audited Consolidated Financial Statements 2021 (dated 29 March 2022) and the Audited Consolidated Financial Statements 2022 (dated 29 March 2023).

What is the key financial information regarding the Issuer?
Income statement (in CZK thousand (rounded))

	31 December 2022 audited	31 December 2021 audited	31 March 2023 unaudited	31 March 2022 unaudited
Net interest income	36,719,295	31,082,661	8,158,664	9,265,842
Net fee and commission income	9,504,272	9,186,204	2,537,055	2,516,627
Impairment result from financial instruments	-635,870	-1,779,859	-230,549	-358,820
Net trading result	3,739,365	1,731,792	1,071,777	994,140
Operating result	28,540,888	21,956,677	5,651,024	7,496,168
Net result attributable to owners of the parent	20,161,019	14,180,795	3,299,955	4,963,683

Balance sheet (in CZK thousand (rounded))

	31 December 2022	31 December 2021	31 March 2023 unaudited	Value as outcome from the most recent Supervisory Review and Evaluation Process (SREP)
Total assets	1,639,937,637	1,641,740,942	1,846,808,973	-
Senior debt (in issue)	76,656,906	213,356,730	64,079,098	-
Subordinated debt (in issue)	28,577,207	12,173,200	28,467,817	-
Loans and advances to customer	913,847,197	836,948,752	918,058,621	-
Deposits from customers	1,256,795,191	1,184,542,570	1,397,928,682	-
Total equity attributable to owners of the parent	137,232,295	142,744,076	141,859,009	-
Non-performing loans (based on net carrying amount / loans and receivables)	1.9%	2.1%	1.9%	-
Common Equity Tier 1 capital (CET 1) ratio	18.2%	21.7%	-	12.6% (minimum requirement as of 17 May 2023)

Total Capital Ratio	20.2%	23.8%	19.6%	17.0% (minimum requirement as of 17 May 2023)
Leverage Ratio	7.0%	7.5%	-	3.0% (minimum requirement pursuant to CRR applicable as of 2023)

What are the key risks that are specific to the Issuer?

- Česká spořitelna may experience severe economic disruptions that may be induced by the armed conflict in Ukraine, economic sanctions towards Russia and disruption in gas supplies which may have significant negative effects on Česká spořitelna and its clients.
- Česká spořitelna may in the future continue to experience deterioration in credit quality, particularly as a result of financial crises or economic downturns.
- Česká spořitelna's business entails several forms of operational risks.
- Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that Česká spořitelna may charge for certain banking transactions and might allow consumers to claim back certain of those fees and interest already paid in the past.
- Credit rating agencies may suspend, downgrade or withdraw a credit rating of the Issuer and/or any of its subsidiaries, and such action might negatively affect the refinancing conditions for Česká spořitelna in particular its access to debt capital markets.

3rd Section – Key information about the Notes

What are the main features of the Notes?

Type, class and ISIN

The Notes are notes which initially bear a fixed rate of interest followed by another fixed rate of interest which shall be determined on the basis of a reference rate once on or prior to the date on which the interest rate changes.

The Notes are being issued as certificated securities which will be represented by a permanent global note which will be kept by the Issuer who is entitled to keep the respective records of financial instruments under the Act No. 256/2004 Coll., on Capital Market Business, as amended.

ISIN: CZ0003708315

Currency, Principal Amount (denomination), number of Notes issued and term of the Notes

The Notes are denominated in CZK with a principal amount per Note of CZK 10,000 (the "**Specified Denomination**") and an aggregate principal amount of CZK 8,000,000,000. The Notes have a fixed term which ends at the latest on 22 June 2029 (the "**Maturity Date**"), subject to any early redemption rights or repurchase and cancellation by the Issuer.

Rights attached to the Notes

Interest Payments under the Notes

The Notes shall bear interest on their Specified Denomination from and including the Interest Commencement Date (as defined below) to but excluding 22 June 2028 (the "**First Reset Date**") and thereafter from and including the Reset Date to but excluding the Maturity Date at the Reset Rate.

The rate of interest for the reset period ("**Reset Rate**") will be the 1-year interest rate swap for the Czech koruna (CZK 1Y_IRS) plus the margin of 2.00 per cent. *per annum*, subject to a minimum Reset Rate of 0.00 per cent. *per annum*.

The "**Interest Commencement Date**" of the Notes is 22 June 2023.

Redemption of the Notes on the Maturity Date

Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment, the Notes shall be redeemed at their principal amount on the Maturity Date.

Early redemption of the Notes

Early redemption at the option of the Issuer

The Issuer may, upon giving not less than 37 Business Days' and not more than 45 Business Days' prior notice, redeem, on 22 June 2028 (the "**Optional Redemption Date**"), all but not only some of the Notes at their Specified Denomination together with accrued

interest, if any, to but excluding the Optional Redemption Date specified in the notice. Any such early redemption shall only be possible if the conditions to redemption and repurchase are met.

Early Redemption for Regulatory Reasons

The Issuer may at any time, upon giving not less than 30 Business Days' and not more than 60 Business Days' prior notice, redeem, on the date fixed for redemption specified in the notice, all but not only some of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption if, as a result of any change in, or amendment to, the directives, laws and regulations applicable in the European Union or the Czech Republic or their interpretation, (i) there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full or in part from own funds or reclassification as own funds of lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group); or (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as a Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the MREL Requirement, except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Any such early redemption shall only be possible if the conditions to redemption and repurchase are met.

"**Issuer's Regulatory Group**" means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the applicable supervisory regulations apply.

No Early Redemption at the Option of an investor

The Holders shall have no right to terminate or otherwise accelerate the redemption of the Notes.

No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority

The Notes are not subject to any set off arrangements or netting rights that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to any guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

Relative seniority of the Notes

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and are intended to qualify as Tier 2 Instruments of the Issuer. In the event that the Issuer enters into liquidation (in Czech "*vstoupí do likvidace*") or it is decided on the Issuer's insolvency (in Czech "*je rozhodnuto o úpadku*"), the obligations of the Issuer under the Notes

- (a) rank *pari passu* (i) among themselves; and (ii) with all other present or future claims from Tier 2 Instruments and other subordinated instruments or obligations of the Issuer (other than subordinated instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes);
- (b) rank senior to all present or future obligations under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

"**Issuer's Senior Ranking Obligations**" means (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time.

"**Tier 2 Instruments**" means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR and within the meaning of Section 34 of the Czech Act on Bonds.

Restrictions on transferability

The Notes are freely transferable in accordance with applicable laws and applicable rules of the clearing system.

Where will the Notes be traded?

Application for admission to trading on a regulated market

Notes will not be traded on a regulated market.

What are the key risks that are specific to the Notes?

Risk factor relating to Notes with a Fixed to Fixed interest rate

- Fixed to Fixed Rate Notes bear interest at a rate that converts from a fixed rate to a different fixed rate. A Holder bears the risk that after such conversion, the new interest rate may be lower than the then prevailing interest rate.

Risk factors relating to Subordinated Notes

- Holders of Notes are exposed to the risk of statutory loss absorption.

- In case of an insolvency of the Issuer, deposits and certain other claims have a higher ranking than claims of the Holders under the Notes.
- Obligations under Notes will only be fulfilled after all non-subordinated claims of creditors have been satisfied.
- Notes may not be early redeemed at the option of the Holders.

Risk factors relating to tax and legal matters

- The Notes are governed by Czech law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.

Risk factors relating to the pricing of, costs associated with, market in and settlement of the Notes

- Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.
- Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.
- Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.
- A liquid secondary market for the Notes may not develop or, if it does develop, it may not continue. In an illiquid market, a Holder may not be able to sell his Notes at fair market prices.

4th Section – Key information on the offer of Notes to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in these Notes?

General terms, conditions and expected timetable of the offer

Not applicable; there are no conditions to which the offer is subject.

The Notes will be offered in the Czech Republic.

The issue date is 22 June 2023.

The Notes will be offered by the Issuer for subscription at the issue prices by means of a public offering from 29 May 2023 in the period from 1 June 2023 to 20 June 2023 (the "**Subscription Period**"). Following the expiration of the Subscription Period until the final closing of the offer, an acquisition may be made subject to the confirmation of the respective selling price by the Issuer.

The offer price is 100 per cent.

The yield until the Reset Date is 6.75 per cent.

If the aggregate principal amount for the Notes indicated in the Final Terms has been reached prior to the end of the Subscription Period or offer period at any time on a business day, the Issuer will terminate the Subscription Period or offer period for the Notes at the relevant time on that business day without prior notice.

If the Issuer has not received sufficient valid subscription applications for the Notes until the first value date of the tap issue, the Issuer reserves the right to cancel the tap issue of the Notes. The Issuer is not obliged to issue subscribed Notes.

Estimated expenses charged to the investor

Expenses charged by the Issuer to the investor will not be higher than 5.00% of the principal amount, but may be lower depending on the market development during the offer period. Income received or accrued in connection with the Notes might be subject to taxation.

Why is the Prospectus being produced?

Use and estimated net amount of the proceeds

The issue of the Notes is part of the ordinary business activity of the Issuer and is undertaken solely for its general funding purposes and for generating profit.

Date of the underwriting agreement

There is no firm underwriting in relation to the Notes offered.

Indication of the most material conflicts of interest pertaining to the offer or the admission to trading

The Issuer acts as market maker for the Notes. In the context of such market making activities, the Issuer will substantially determine the market price of the Notes. The market prices provided by the Issuer in their capacity as market makers will not always correspond to the market prices that would have formed in the absence of such market making and in a liquid market.

Employees of financial institutions such as the Issuer might undertake deals on their own behalf subject to securities laws on personal transactions and market abuse as well as statutory or internal compliance standards.

The Issuer's sales employees may be motivated to sell the Notes, due to the value of incentives received by them (in case the sale is successful) subject to securities and banking laws applicable to any such incentives. Furthermore, employees might be permitted to take part in securities offerings of the Issuer.

The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to make calculations in respect of the Notes (e.g. the amount of interest to be paid) which are binding for the Holders. This fact could generate conflicts of interest and may affect the market price of the Notes.

The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may decrease or increase the market price of the Notes. These hedging transactions and structuring costs might cause a depreciation of the initial value received by the Holders.