

1 February 2024

**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"), (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate: investment advice and non-advised sales. 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 Floating Interest Rate Callable Subordinated Notes due 1 March 2034 (the "Notes")**

**(Podřízený dluhopis ČS / 2034)**

issued pursuant to the

**Retail Notes Programme**

of

**Česká spořitelna, a.s.**

Issue Price: 100 per cent.

Issue Date: 1 March 2024

Series No.: 2

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 2023 (the "**Securities Note**") and (ii) the registration document of Česká spořitelna, a.s. (the "**Issuer**") dated 4 December 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 2023 is expected to be valid until 23 December 2024. 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 floating interest rate (the "**Terms and Conditions**") and that is set forth in the Securities Note as Option III. 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 (" <b>CZK</b> ")
Aggregate Principal Amount	CZK 2,000,000,000
Aggregate Principal Amount in words	CZK two billion
Specified Denomination	CZK 25,000

#### 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 řád*") 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

<input checked="" type="checkbox"/> 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 7 February 2024 until 28 February 2024
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 payment of the Issue Price by the subscriber
Method and deadline for the delivery of the Notes	Subscribed Notes will be subscribed to the subscriber's

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

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

**Statement regarding supervision**

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 will be determined on a basis of an agreement between the relevant subscriber and the Issuer

Issue of the Notes will be solely administered by the Issuer

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
  - T2

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 Rate Interest Periods (§ 3 (1))**

Interest Commencement Date	1 March 2024
Fixed Rate of Interest	5.55 per cent. <i>per annum</i>
<input type="checkbox"/> Short or long first Fixed Rate Interest Period	
Regular fixed rate interest payments	annually
Fixed Rate Interest Payment Dates	1 March in each year
First Fixed Rate Interest Payment Date	1 March 2025
Reset Date	1 March 2029
Fixed Rate Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
Fixed Rate Determination Date(s)	
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	

30/360, 360/360 or Bond Basis

30E/360 or Eurobond Basis

**Floating Rate Interest Periods (§ 3 (2))**

Floating Interest Payment Dates

1 March and 1 September in each year, commencing on 1 September 2029

Regular interest payments

semi-annually

Floating Rate Business Day Convention

Modified Following Business Day Convention (adjusted)

Following Business Day Convention (adjusted)

Preceding Business Day Convention (adjusted)

Modified Following Business Day Convention (unadjusted)

Following Business Day Convention (unadjusted)

Preceding Business Day Convention (unadjusted)

Floating Rate of Interest

Reference Rate plus Margin

EURIBOR

PRIBOR

Original Benchmark Rate

6-month Prague Interbank Offered Rate

Screen Page

Reuters screen page PRIBOR=

Time of the Screen Page Determination

11:00 a.m. (Prague time)

Financial centre

Prague

Margin

plus

1.85 per cent. *per annum*

minus

Factor

Reference Rate other than EURIBOR or PRIBOR

Floating Rate Day Count Fraction

Actual/365 (Fixed)

Actual/360

30/360, 360/360 or Bond Basis

30E/360 or Eurobond Basis

**Fixed-to-Fixed Rate Notes (Option IV)**

**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

the Interest Payment Date falling on or around 1 March 2034

### **Early Redemption at the Option of the Issuer**

yes

Minimum Notice Period

20 Business Days

Maximum Notice Period

45 Business Days

Optional Redemption Date(s)

1 March 2029

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

yes

### **Early Redemption for Regulatory Reasons**

Minimum Notice Period

20 Business Days

Maximum Notice Period

45 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 far 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 2,000,000,000
Estimated Total Expenses of the Issue	CZK 160,000

#### INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

##### Securities Codes

- ISIN CZ0003708679
- Common Code
- Any Other Security Code

##### Issue Yield to the Reset Date

5.55 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 30 January 2024

#### 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 2,000,000,000
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 7 February 2024 in the period from 7 February 2024 to 28 February 2024 (the " <b>Subscription Period</b> "). 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 25,000

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
- Stabilisation Manager

Not applicable

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

Not applicable

as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment

## **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

### **Statement on benchmarks according to Article 29 (2) of the Benchmarks Regulation:**

As of the Reset Date the amount(s) payable under the Notes are calculated by reference to the 6-months Prague Interbank Offered Rate (PRIBOR), which is provided by the Czech Financial Benchmark Facility s.r.o. ("**CFBF**"). As at the date of these Final Terms, CFBF is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Regulation (EU) 2016/1011.

Signed on behalf of the Issuer

By: Viktor Kotlán, Director of BSM

By: Eva Boušová, Head of IPLM

Duly authorised

Duly authorised

## **Annex – Issue Specific Summary**

<b>Issue specific summary</b>	
<b>1<sup>st</sup> Section – Introduction, containing warnings</b>	
<b>Warnings</b>	
<p>This summary (the "<b>Summary</b>") should be read as an introduction to the base prospectus consisting of separate documents dated 21 December 2023 (the "<b>Prospectus</b>") in relation to the Retail Notes Programme (the "<b>Programme</b>") of Česká spořitelna, a.s. (the "<b>Issuer</b>" or "<b>Česká spořitelna</b>"). Any decision to invest in the notes (the "<b>Notes</b>") 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 2023 as supplemented, the registration document of the Issuer dated 4 December 2023 as supplemented (the "<b>Registration Document</b>") or any successor registration document, any information incorporated by reference into both of these documents, any supplements thereto and the final terms (the "<b>Final Terms</b>"). 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>	
<b>Introduction</b>	
<b>Name and securities identification number</b>	Fixed to Floating Interest Rate Callable Subordinated Notes due 1 March 2034 (Podřízený dluhopis ČS / 2034) ISIN: CZ0003708679
<b>Issuer</b>	Česká spořitelna, a.s. LEI: 9KOGW2C2FCIOJQ7FF485 Contact details: Olbrachtova 1929/62, Prague 4, Post Code 14000, the Czech Republic, +420800207207
<b>Competent authority</b>	Austrian Financial Market Authority ( <i>Finanzmarktaufsichtsbehörde - FMA</i> ), Otto-Wagner-Platz 5, A-1090 Vienna, Tel.: (+43-1) 249 59 0
<b>Date of approval of the Prospectus</b>	Final Terms dated 1 February 2024 Securities Note dated 21 December 2023 Registration Document dated 4 December 2023
<b>2<sup>nd</sup> Section – Key information on the Issuer</b>	
<b>Who is the Issuer of the Notes?</b>	
<b>Domicile, legal form, law of operation and country of incorporation</b>	
<p>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. The Issuer is established for an indefinite period of time and operates under Czech law.</p>	
<b>Principal activities</b>	
<p>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.</p>	
<b>Major shareholders</b>	
<p>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.</p>	
<b>Identity of key managing directors</b>	

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 million (rounded))

	31 December 2022 audited	31 December 2021 audited	30 September 2023 unaudited	30 September 2022 unaudited
Net interest income	36,719	31,083	25,418	27,603
Net fee and commission income	9,504	9,186	7,755	7,115
Impairment result from financial instruments	-636	-1,780	-466	-112
Net trading result	3,739	1,732	3,450	2,841
Operating result	28,541	21,957	18,644	21,931
Net result attributable to owners of the parent	20,161	14,181	14,601	15,031

##### Balance sheet (in CZK million (rounded))

	31 December 2022 audited	31 December 2021 audited	30 September 2023 unaudited	Value as outcome from the most recent Supervisor y Review and Evaluation Process (SREP)
Total assets	1,639,938	1,641,741	1,878,174	-
Senior debt (in issue)	76,657	213,357	89,800	-
Subordinated debt (in issue)	28,577	12,173	5,328	-
Loans and advances to customer (net)	913,847	836,949	985,321	-
Deposits from customers	1,256,795	1,184,543	1,414,753	-
Total equity attributable to owners of the parent	137,232	142,744	138,213	-

Non-performing loans (based on net carrying amount / loans and receivables)	1.9%	2.1%	1.8%	-
Common Equity Tier 1 capital (CET 1) ratio	18.2%	21.7%	16.6%	12.13% (minimum requirement as of 31 December 2023)
Total Capital Ratio	20.2%	23.8%	19.2%	16.5% (minimum requirement as of 31 December 2023)
Leverage Ratio	7.0%	7.5%	6.0%	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.

### 3<sup>rd</sup> 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 a floating 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: CZ0003708679

##### 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 25,000 (the "**Specified Denomination**") and an aggregate principal amount of CZK 2,000,000,000. The Notes have a fixed term which ends at the latest on 1 March 2034 (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 during the period (the "**First Period**") from and including the

Interest Commencement Date (as defined below) to but excluding 1 March 2029 (the "**Reset Date**") at the rate of 5.55 per cent. *per annum* and thereafter at the rate *per annum* equal to the Floating Rate of Interest (as defined below) from and including the Reset Date to but excluding the first Floating Rate Interest Payment Date and thereafter from and including each Floating Rate Interest Payment Date to but excluding the next following Floating Rate Interest Payment Date (each such period a "**Floating Rate Interest Period**", and each Fixed Rate Interest Period and each Floating Rate Interest Period, an "**Interest Period**").

The "**Floating Rate of Interest**" for each Interest Period will be a rate *per annum* equal to the 6-month PRIBOR reference rate plus the margin of 1.85 per cent. *per annum*, subject to a minimum Floating Rate of Interest of 0.00 per cent. *per annum*.

The "**Interest Commencement Date**" of the Notes is 1 March 2024.

"**Fixed Rate Interest Period**" means the period from and including the Interest Commencement Date to but excluding the first Fixed Rate Interest Payment Date and each successive period from and including a Fixed Rate Interest Payment Date to but excluding the next following Fixed Rate Interest Payment Date, with the last Fixed Rate Interest Payment Date falling on the Reset Date.

#### **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 20 Business Days' and not more than 45 Business Days' prior notice, redeem, on 1 March 2029 (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 20 Business Days' and not more than 45 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 Article 72c(1) CRR 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, insolvency or liquidation of the Issuer.

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,

<p>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.</p> <p><b>"Tier 2 Instruments"</b> 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.</p>
<p><b>Restrictions on transferability</b></p> <p>The Notes are freely transferable in accordance with applicable laws and applicable rules of the clearing system.</p>
<p><b>Where will the Notes be traded?</b></p>
<p><b>Application for admission to trading on a regulated market</b></p> <p>Notes will not be traded on a regulated market.</p>
<p><b>What are the key risks that are specific to the Notes?</b></p>
<p><b>Risk factor relating to Notes with a Fixed to Floating interest rate</b></p> <ul style="list-style-type: none"> <li>Fixed to Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate. A Holder bears the risk that after such conversion, the new interest rate may be lower than the then prevailing interest rates or the spread on the Fixed-to-Floating Rate Notes may be less favourable than the then prevailing spreads on comparable floating rate notes relating to the same reference rate(s).</li> </ul> <p><b>Risk factors relating to Subordinated Notes</b></p> <ul style="list-style-type: none"> <li>Holders of Notes are exposed to the risk of statutory loss absorption.</li> <li>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.</li> <li>Obligations under Notes will only be fulfilled after all non-subordinated claims of creditors have been satisfied.</li> <li>Notes may not be early redeemed at the option of the Holders.</li> </ul> <p><b>Risk factors relating to tax and legal matters</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Risk factors relating to the pricing of, costs associated with, market in and settlement of the Notes</b></p> <ul style="list-style-type: none"> <li>Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.</li> <li>Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.</li> <li>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.</li> <li>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.</li> </ul>
<p><b>4<sup>th</sup> Section – Key information on the offer of Notes to the public and/or the admission to trading on a regulated market</b></p>
<p><b>Under which conditions and timetable can I invest in these Notes?</b></p>
<p><b>General terms, conditions and expected timetable of the offer</b></p> <p>Not applicable; there are no conditions to which the offer is subject.</p> <p>The Notes will be offered in the Czech Republic.</p> <p>The issue date is 1 March 2024.</p> <p>The Notes will be offered by the Issuer for subscription at the issue prices by means of a public offering in the period from 7 February 2024 in the period from 7 February 2024 to 28 February 2024 (the "<b>Subscription Period</b>"). 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.</p> <p>The offer price is 100 per cent.</p> <p>The yield until the Reset Date is 5.55 per cent <i>per annum</i>.</p> <p>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.</p> <p>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.</p>

**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.