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## **M. 9787 - ČESKÁ SPOŘITELNA/ČESKOSLOVENSKÁ OBCHODNÍ BANKA/KOMERČNÍ BANKA/JV**

### **SECTION 1.2**

#### **Description of the concentration**

The Parties of the transactions are as follows. Česká spořitelna, a.s is a bank with its headquarters in the Czech Republic belonging to Erste Group (Austria) that provides banking and financial services to individuals, corporations and public authorities. Československá obchodní banka, a. s. is a bank with its headquarters in the Czech Republic belonging to KBC Group (Belgium) that provides banking and financial services to all groups of clients. Komerční banka, a.s. is a bank with its headquarters in the Czech Republic belonging to Société Générale Group (France) that provides a wide range of services in retail, corporate and investment banking.

The Parties plan to create a full-function joint venture (the "JV") that will be established by them by means of contribution of assets based on the Shareholders Agreement. The JV will provide services of electronic identification and authentication and trust services (the "Identification Services") in the Czech Republic. The Identification Services will be provided

by the JV using bank identities of more than 5.5 million citizens, who commonly use it, for example, to access to internet banking or remote communication with their bank service providers. The product of JV, by cumulating the inputs of banking institutions involved and by establishing its own identity portfolio will provide a unique product – one stop shop solution for service providers, both public and private.

The transaction is an essential part of a complex project on the development of the eGovernment and digitalisation of the Czech Republic's society which has the full support of public authorities. It follows the ongoing legislative changes, which allow banking institutions and their subsidiaries to legally provide the Identification Services. The JV will provide the Identification Services in relation to various services offered by public authorities (e.g. filing a tax return, paying a waste collection fee or checking driver register, etc.) or by the private sector (e.g. financial institutions, telco operators, energy suppliers, online shops, etc.). Clients holding an account in any banking institution (not only clients of the Parties) operating in the Czech Republic and participating on the JV's activities will have the possibility to easily handle their matters with both private companies and public institutions electronically.

Although controlled by the Parties, the participation in the JV's activities will be widely open. After the implementation of the transaction, all banking institutions and branches of foreign banking institutions registered in the Czech Republic may engage in the provision of the JV's Identification Services in a position of identity providers on the open, transparent and non-discriminatory basis: each candidate, incl. the Parties fulfilling the necessary conditions set in transparent and non-discriminatory basis will be allowed by the JV to incorporate its bank identities to the JV's product. Furthermore, the Parties presume that interested third party banking institutions may become later JV's minority shareholders. Finally, all Czech banking institutions, which will be identity providers, will be allowed to use the JV's Identification Services in the position of so-called service providers (on the open, transparent and non-discriminatory basis).