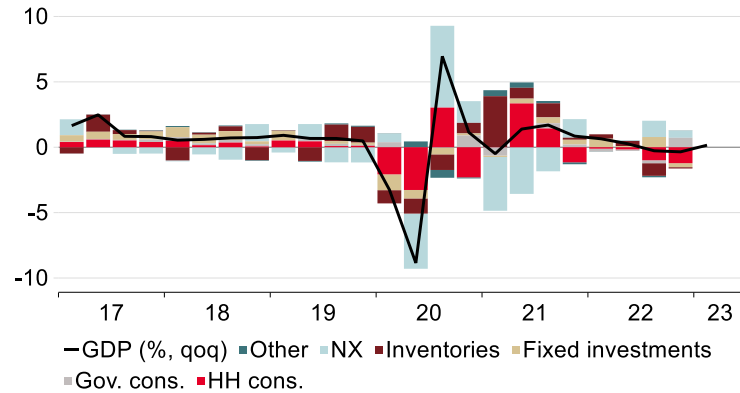

3 MAY 2023

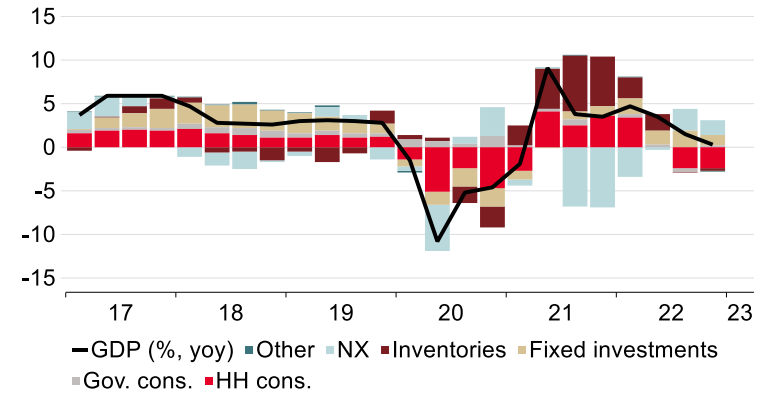
CZECH ECONOMIC OUTLOOK

CURRENT STATE OF THE CZECH ECONOMY

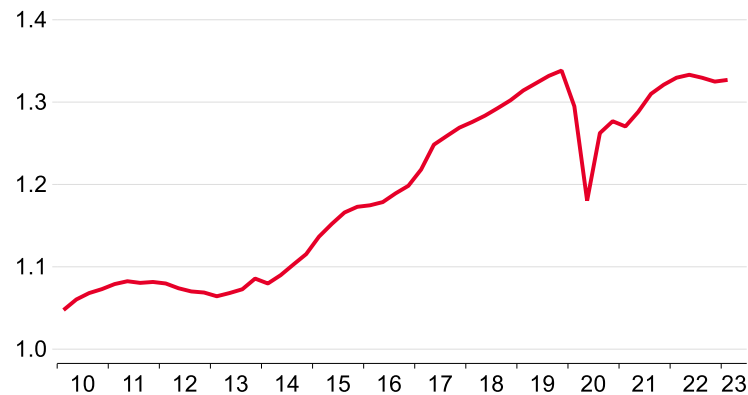
GDP (% , pp, qoq)



GDP (% , pp, yoy)



Real GDP (2015 CZKtn)

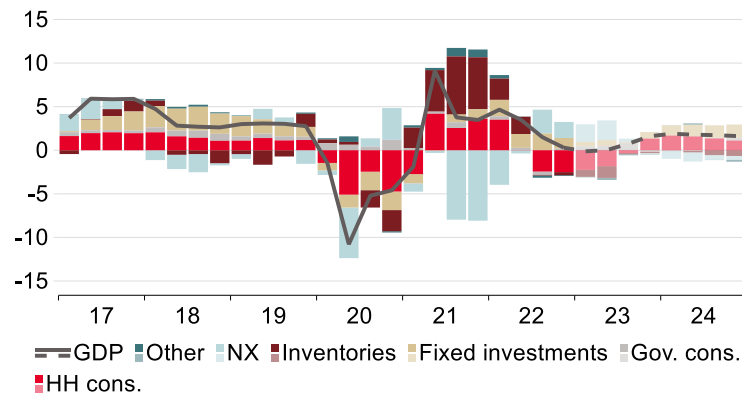


Real household consumption (2015 CZKbn)

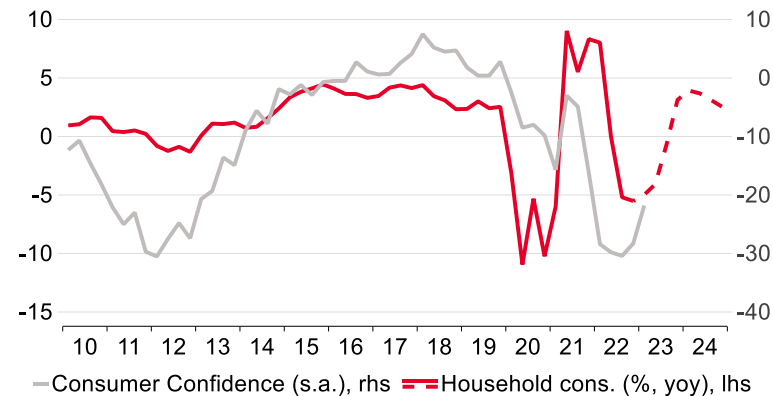


ECONOMIC ACTIVITY & LABOUR MARKET – OUR FORECASTS

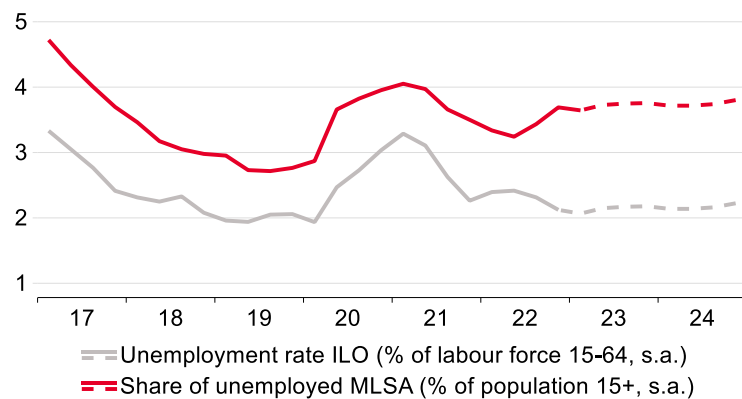
GDP growth (% , pp, yoy)



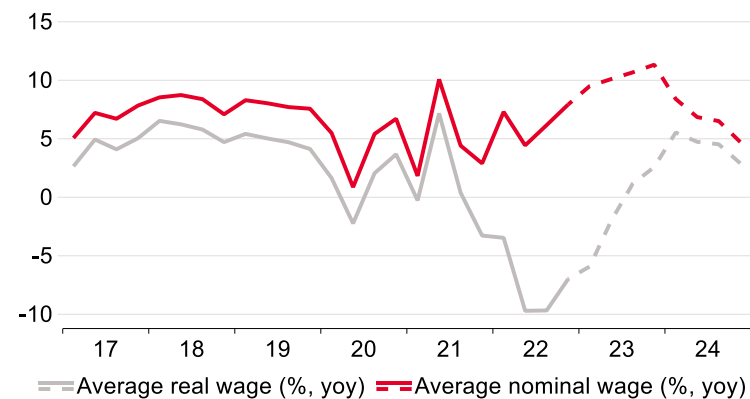
Real household consumption (% , yoy)



Unemployment rate

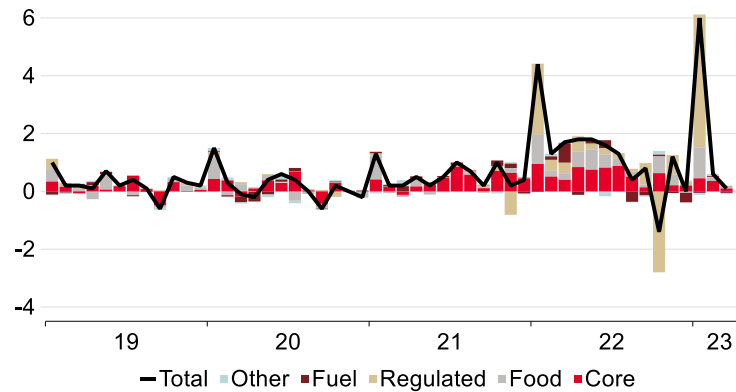


Average wage growth

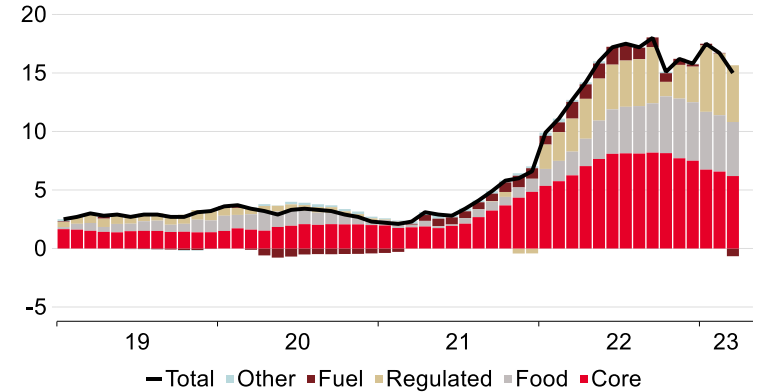


RECENT INFLATION DEVELOPMENTS

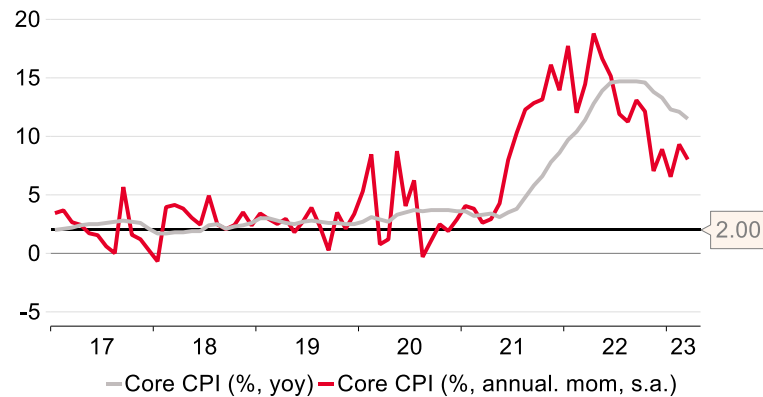
CPI (% , pp, mom, n.s.a.)



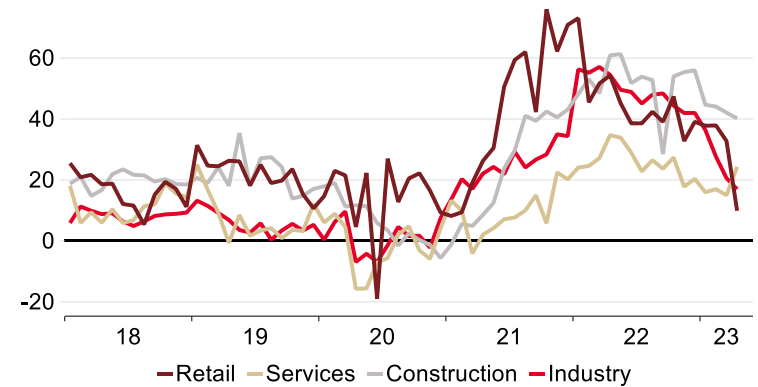
CPI (% , pp, yoy)



Core CPI

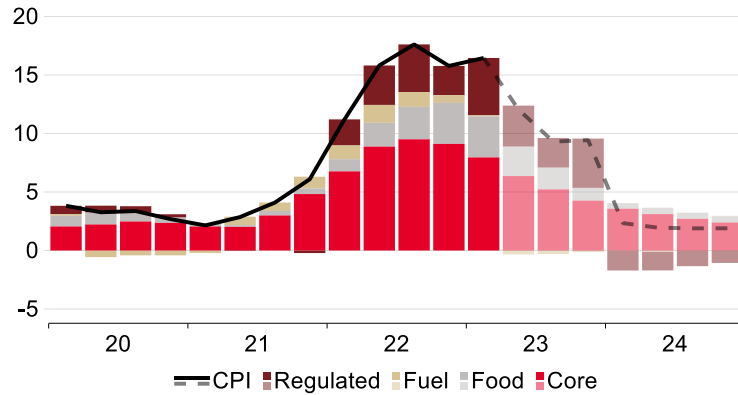


Expected price change by firms in 3M horizon (% , balance)

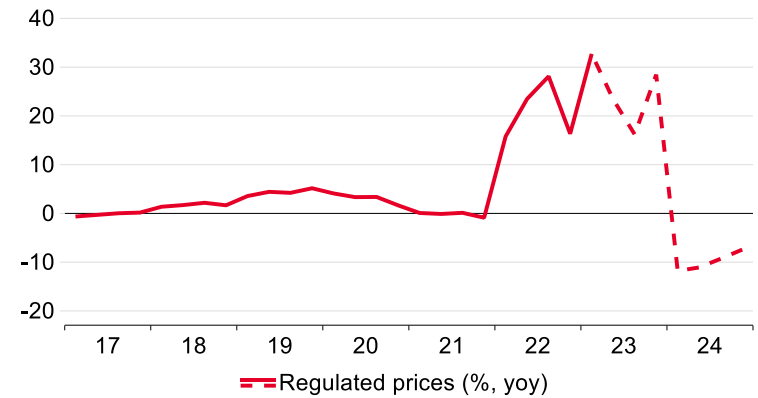


FORECAST OF CPI INFLATION

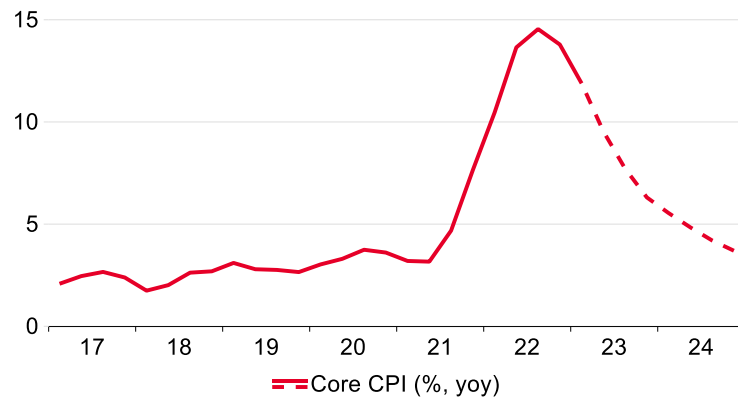
CPI (% , pp, yoy)



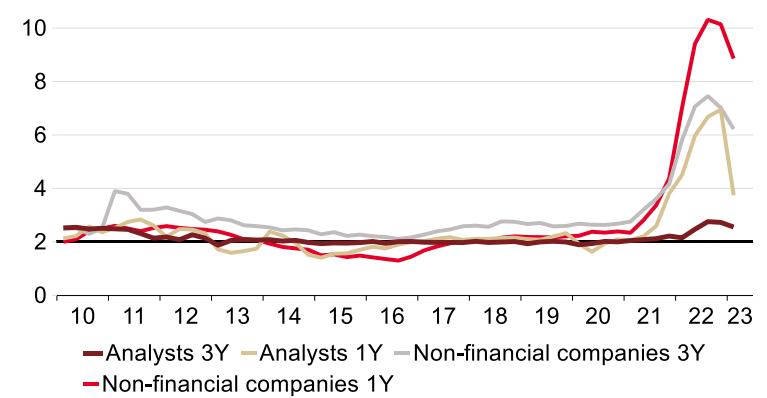
Regulated prices



Core CPI

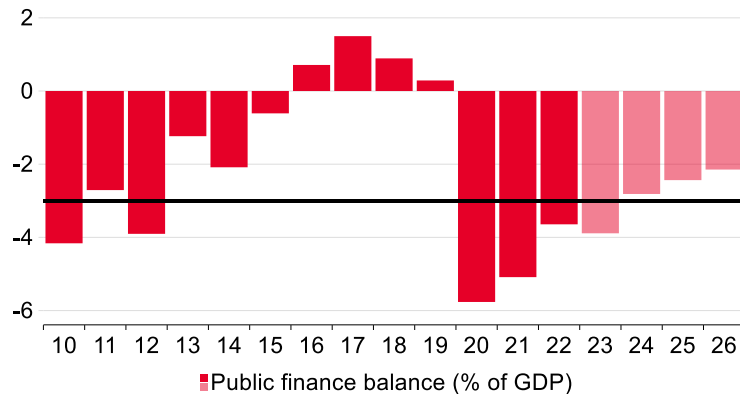


Inflation expectations (% , yoy)

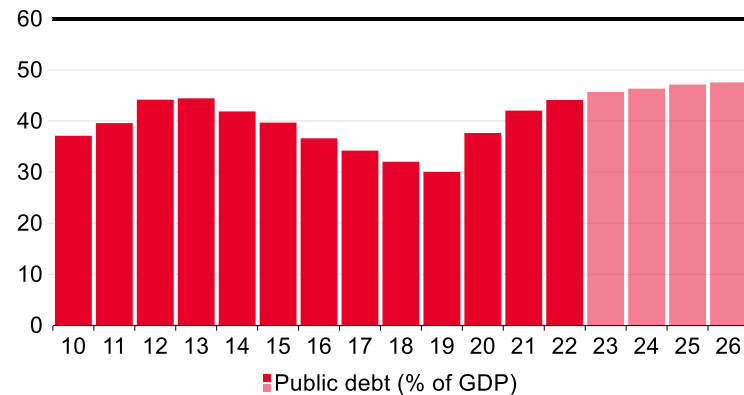


FISCAL & MONETARY POLICY

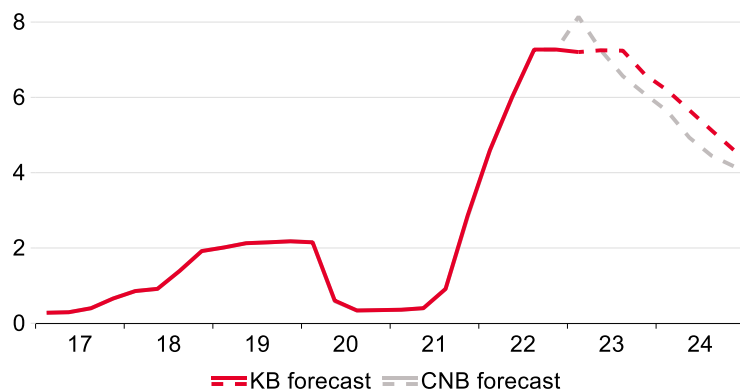
Public finance balance



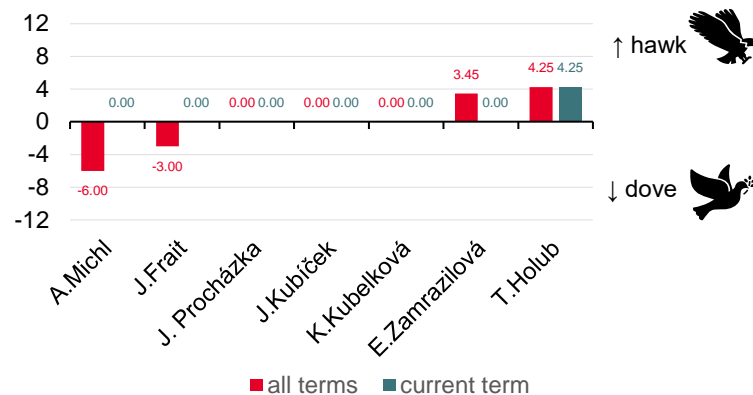
Public debt



3M Pribor (%)

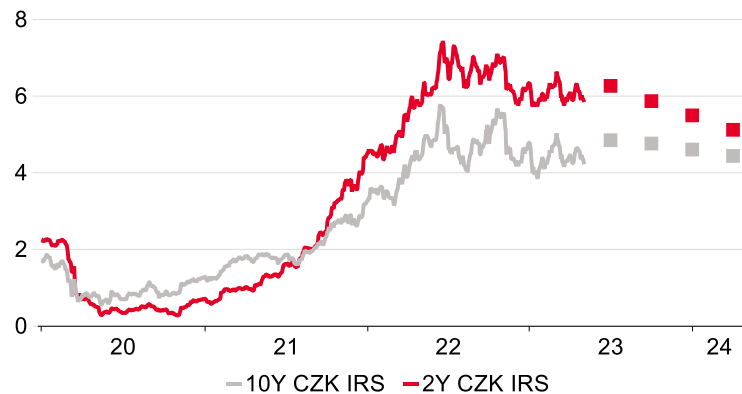


Cummulative deviation in voting from the decision (pp)

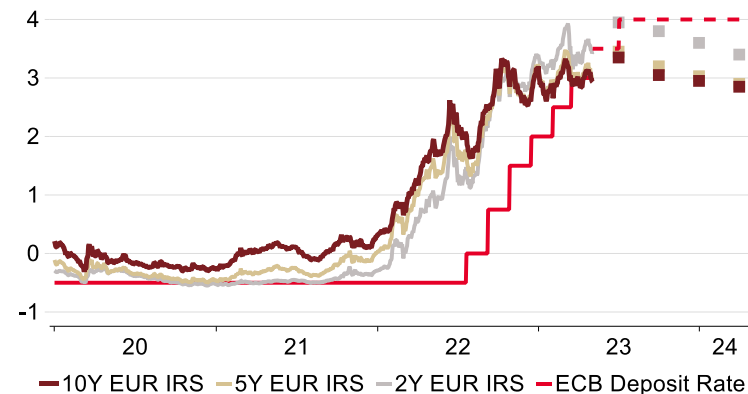


MARTKET INTEREST RATES & CZGB

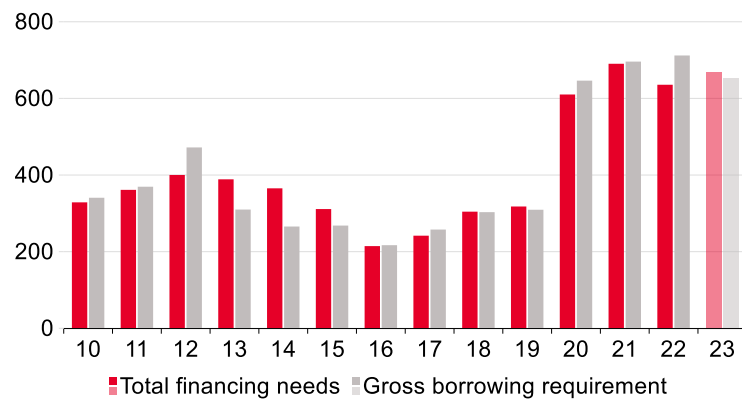
IRS (%)



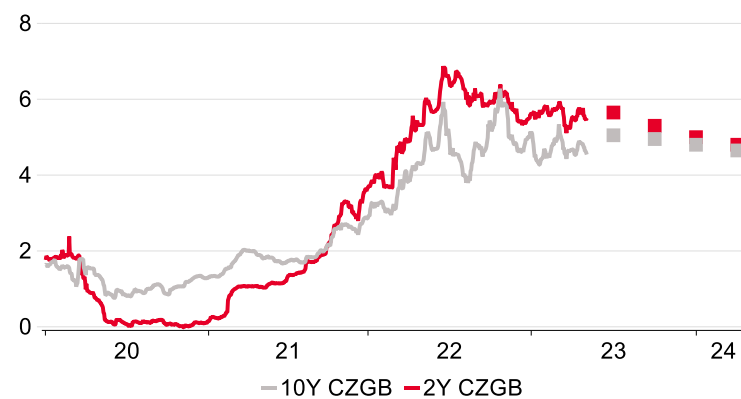
EUR rates (%)



Financing needs (CZKbn)

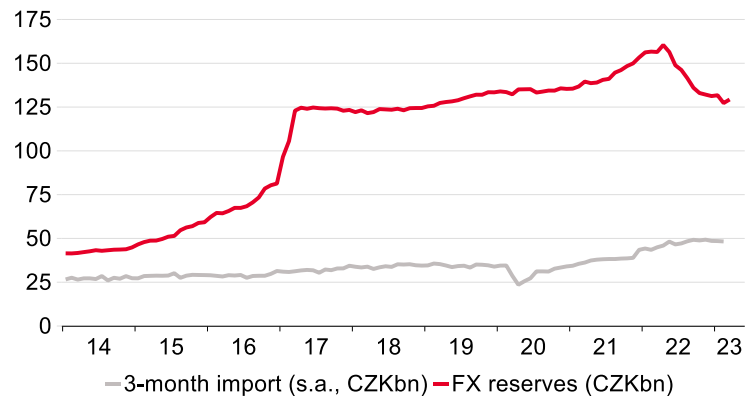


CZGB yields (%)



CZECH FX MARKET

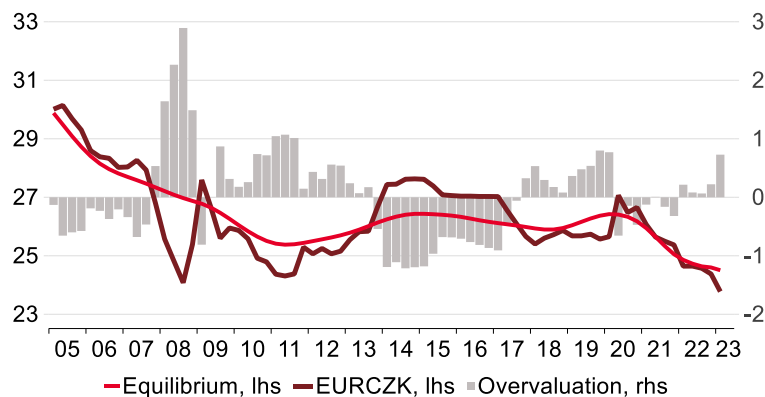
CNB FX reserves



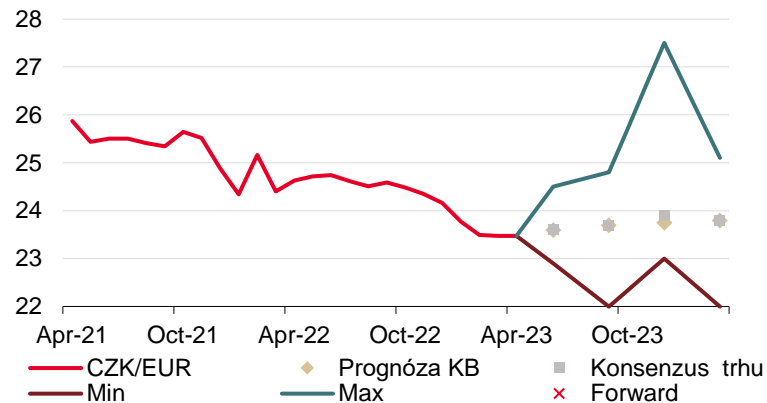
EURCZK and interest rate differential



Equilibrium EURCZK



EURCZK outlook

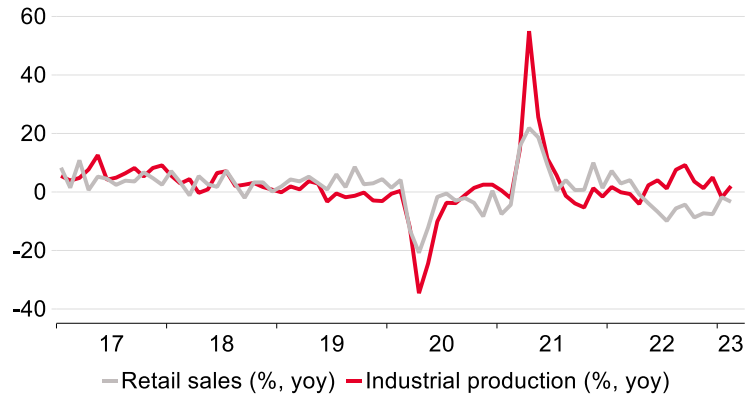




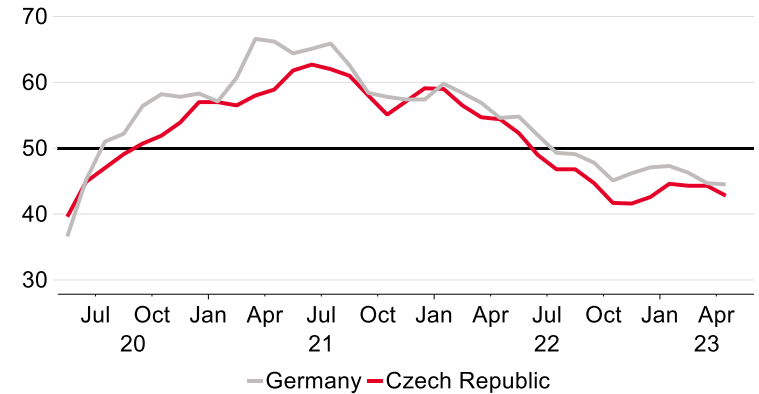
BACKUP SLIDES

MONTHLY INDICATORS

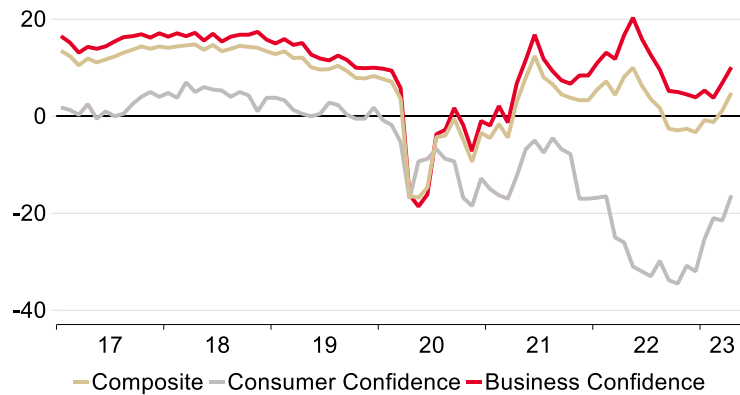
Industrial production, real retail sales



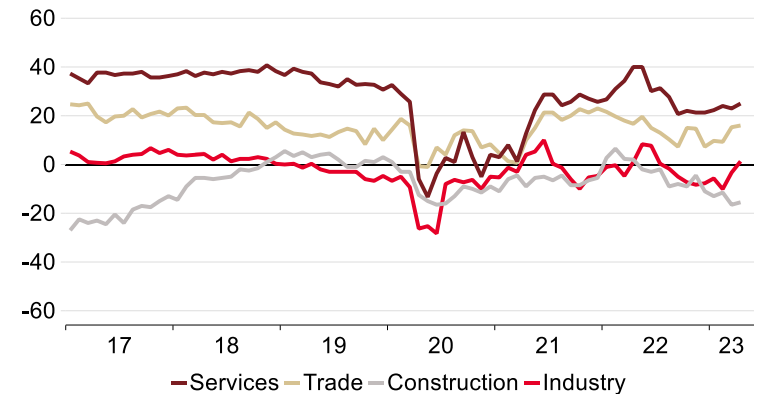
Manufacturing PMI (s.a.)



Economic confidence (% balance)

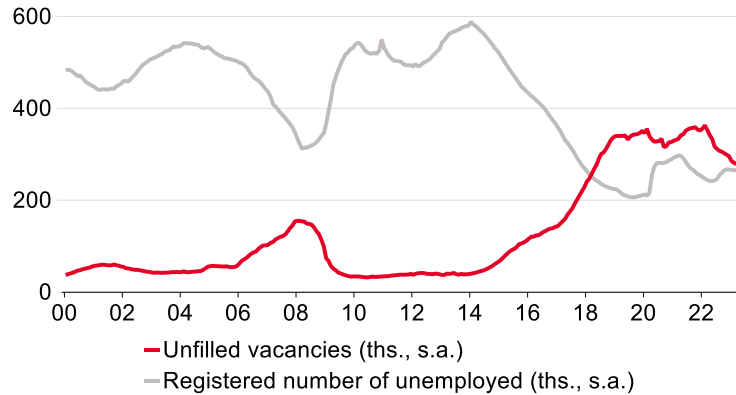


Economic confidence by sector (% balance)

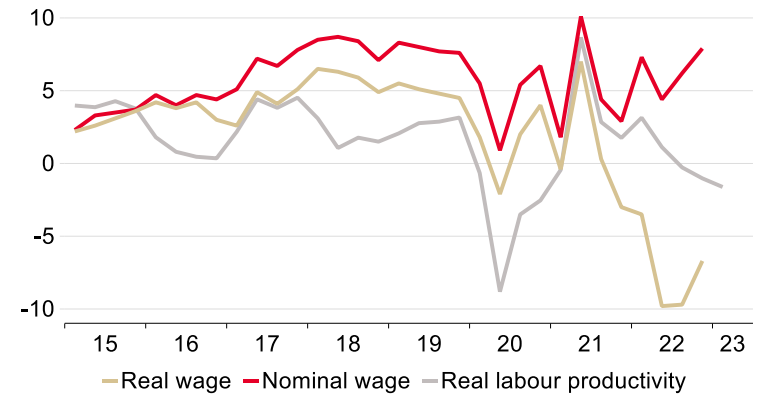


LABOUR MARKET

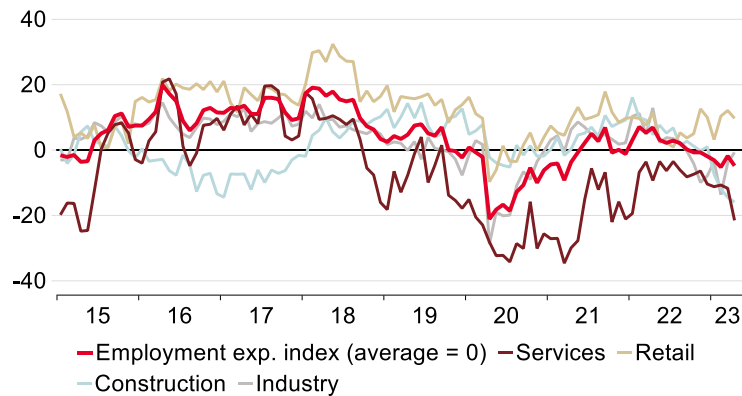
Vaccancies and registered unemployed



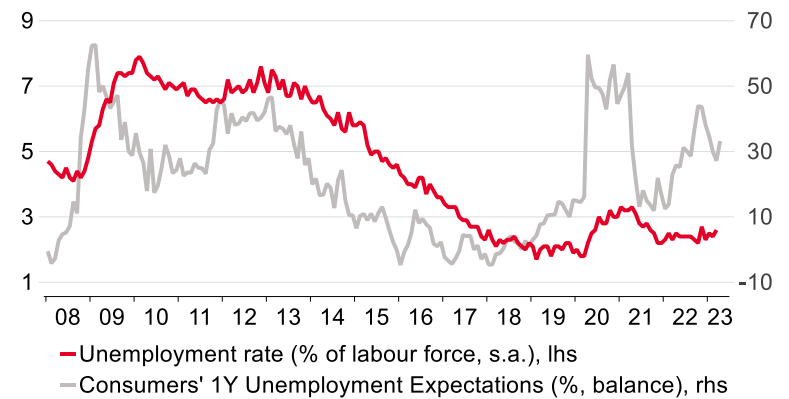
Wages and labour productivity (% , yoy)



Expected change in employment by firms in 3M horizon (% , balance)

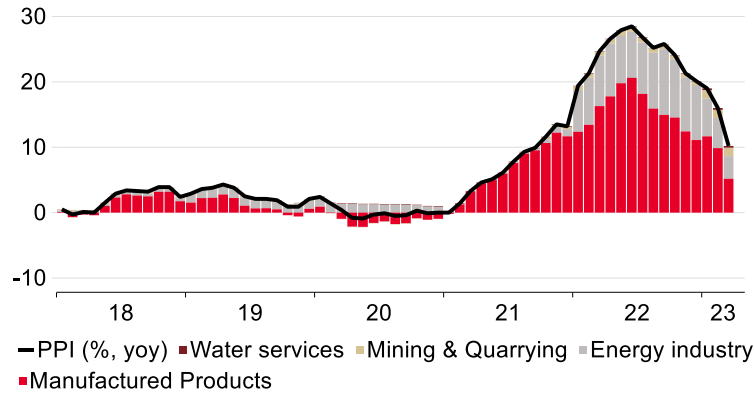


Consumers' unemployment expectations

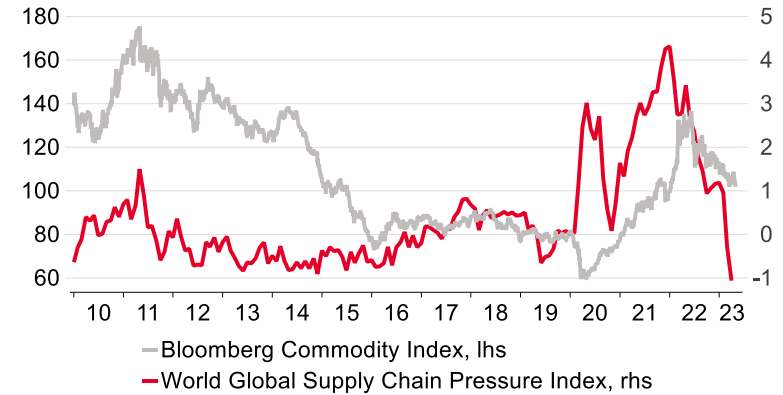


PRICE DEVELOPMENTS

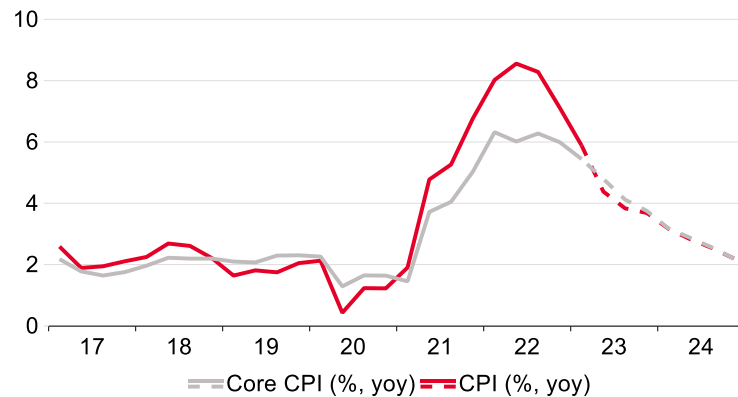
Czech PPI



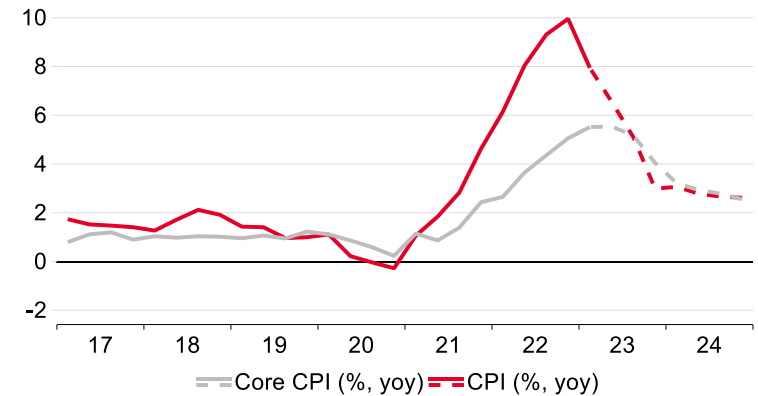
Commodity prices and supply chains



CPI inflation in USA



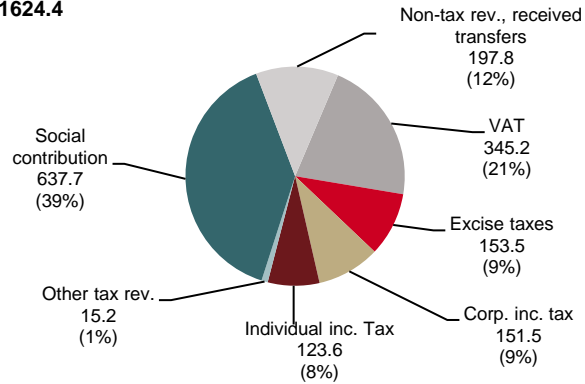
CPI inflation in Eurozone



FISCAL POLICY

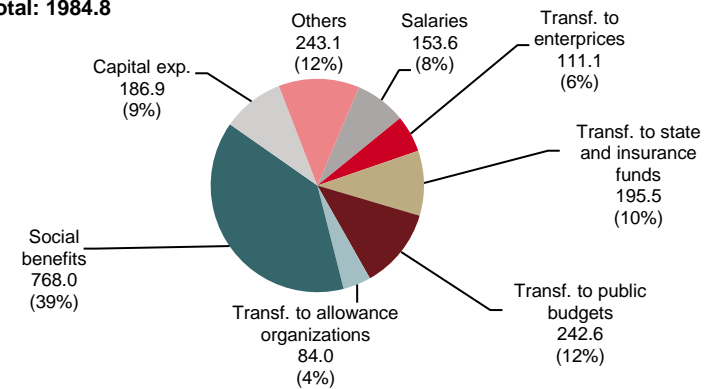
State budget revenue in 2022 (CZKbn, % of total)

Total: 1624.4

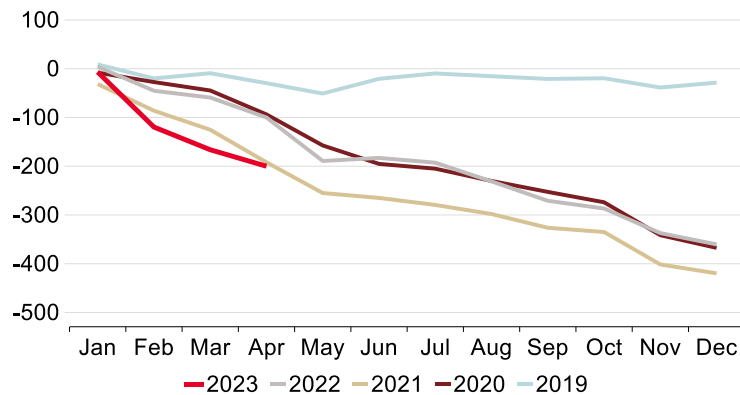


State budget expenditure in 2022 (CZKbn, % of total)

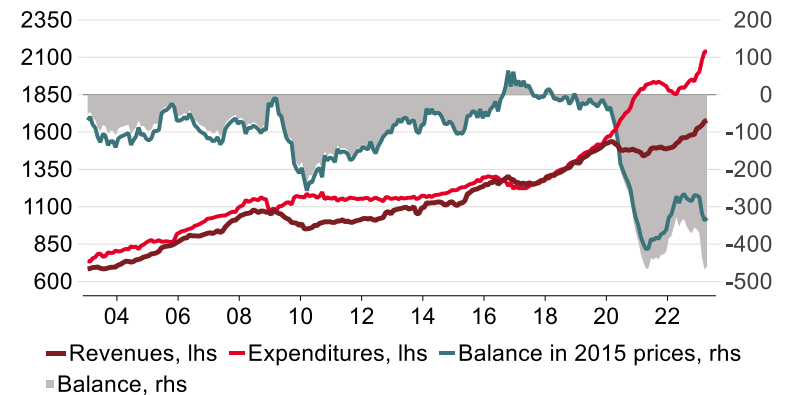
Total: 1984.8



State budget balance (CZKbn, YTD)

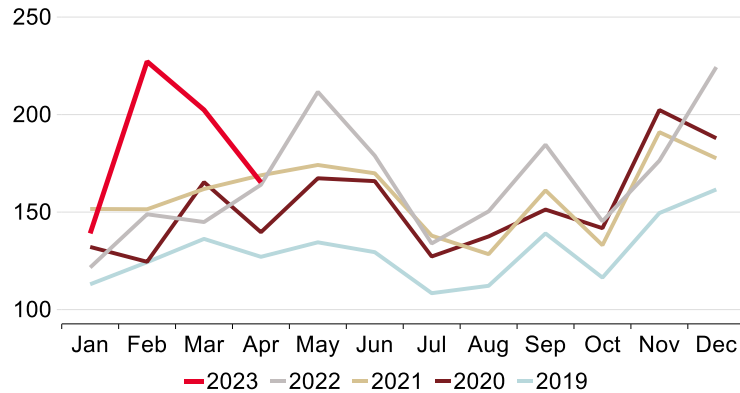


Budget revenues and expenditures (CZKbn, 12m cumulative)

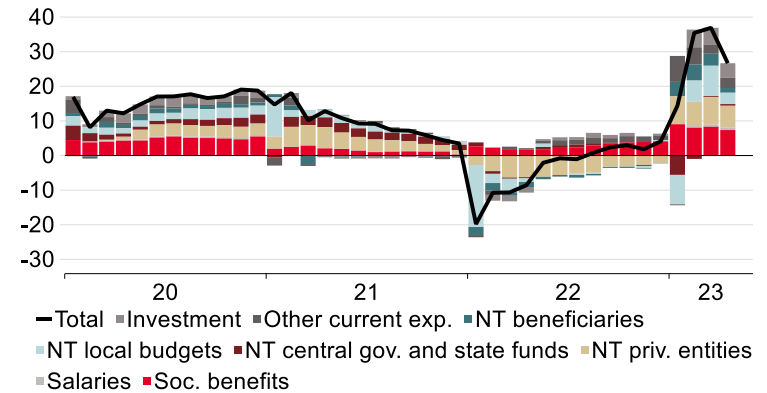


FISCAL POLICY II

State budget expenditure
(CZKbn, non-cumulative)

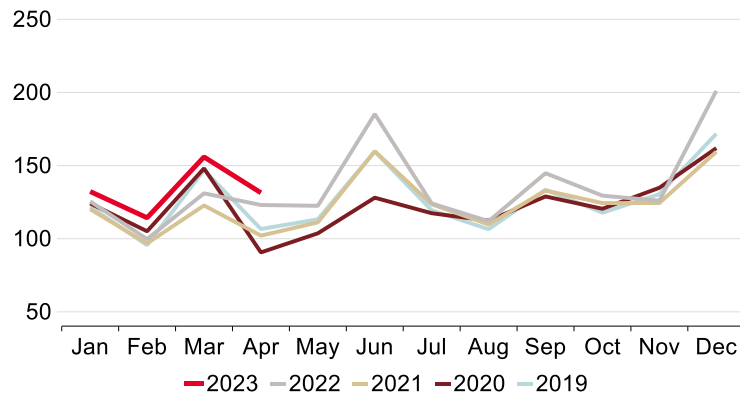


State budget expenditure
(%, pp, yoy, YTD cumulative)

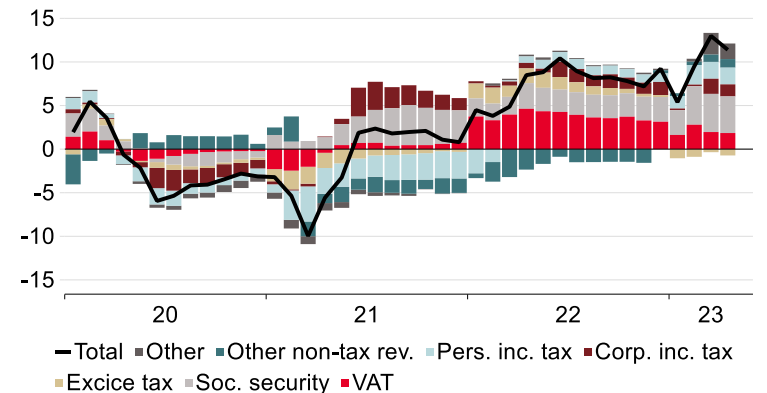


NT – non investment transfers

State budget revenue
(CZKbn, non-cumulative)

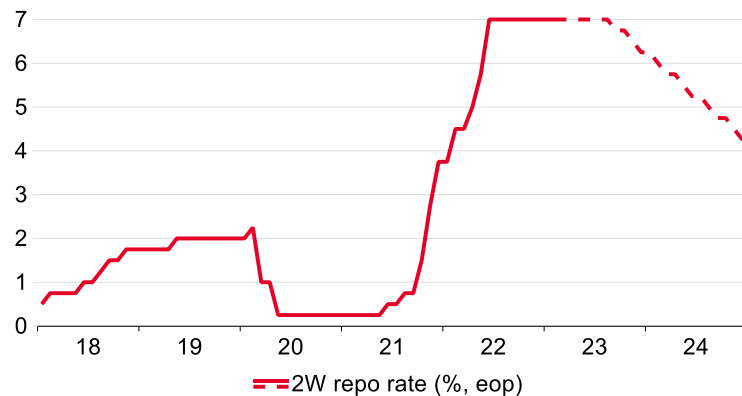


State budget revenue
(%, pp, yoy, YTD cumulative)



MONETARY POLICY

2W repo rate (%)

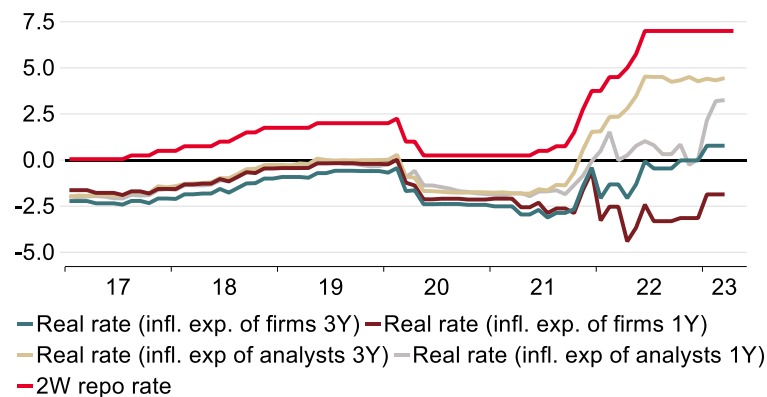


CNB Bank Board Members

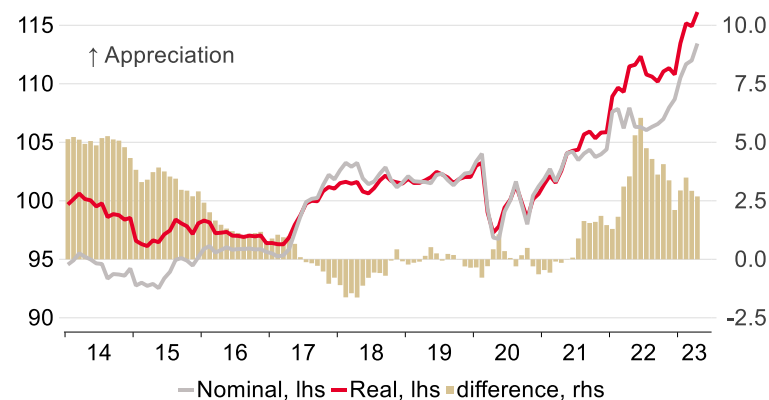
Board Member	Note	Term*	Current term end
A. Michl (G)	Dove	2 nd	30.06.2028
E. Zamrazilová (VG)	Dove	2 nd	30.06.2028
J. Frait (VG)	Dove	2 nd	30.06.2028
K. Kubelková	Dove	1 st	30.06.2028
J. Kubíček		1 st	12.02.2029
J. Procházka		1 st	12.02.2029
T. Holub	Hawk	1 st	30.11.2024

* Board members are appointed by the Czech president for a six-year term and are allowed to serve a maximum of two terms.

Real interest rates

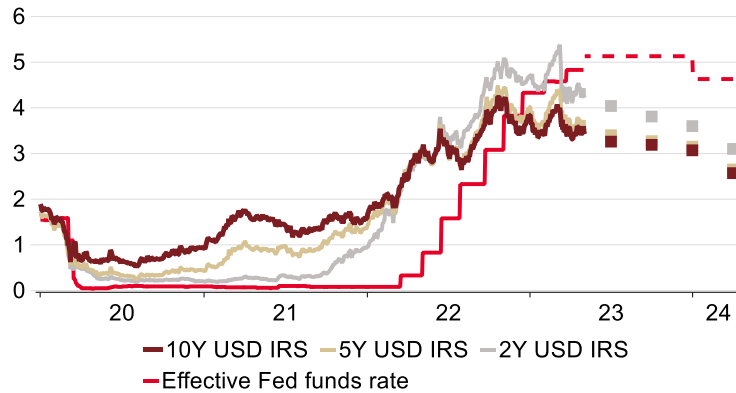


Effective exchange rate (2015 = 100)

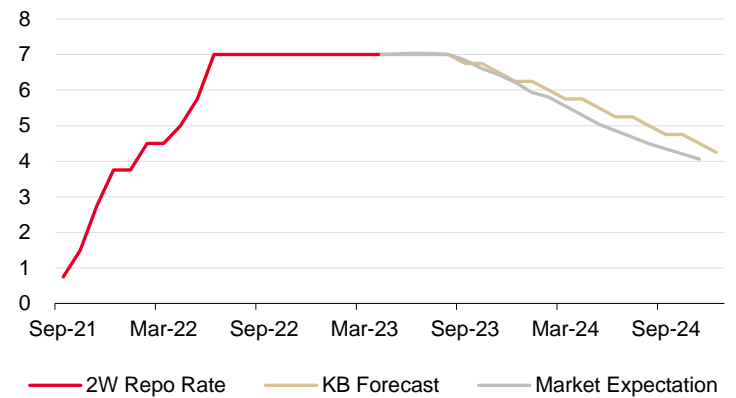


RATES

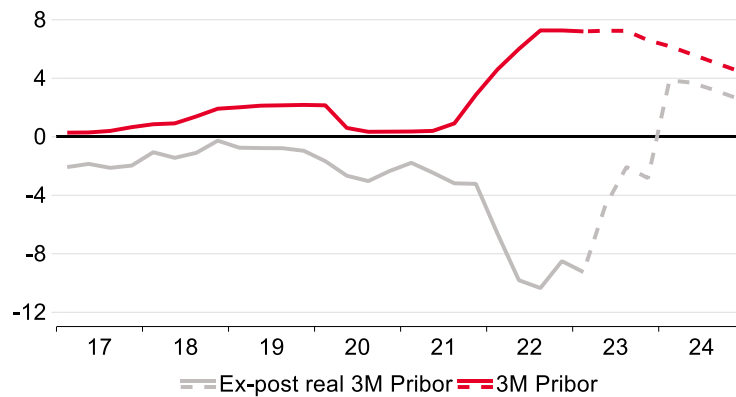
USD rates



Market pricing



3M Pribor (%)

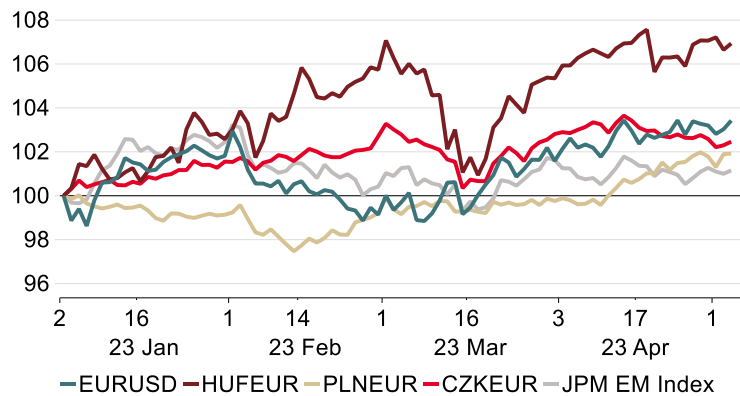


CZ sovereign rating

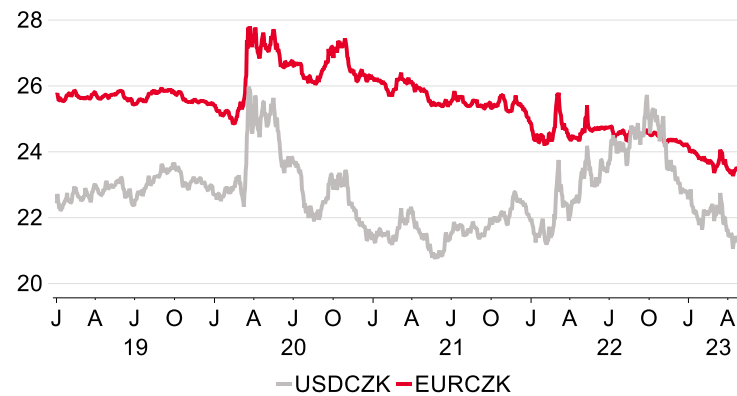
	Local currency	Outlook	Foreign currency	Outlook	Next review
S&P	AA	STABLE	AA-	STABLE	13 Oct 2023
Moody's	Aa3	NEGATIVE	Aa3	NEGATIVE	26 May 2023
Fitch	AA-	NEGATIVE	AA-	NEGATIVE	25 Aug 2023

CZECH FX MARKET

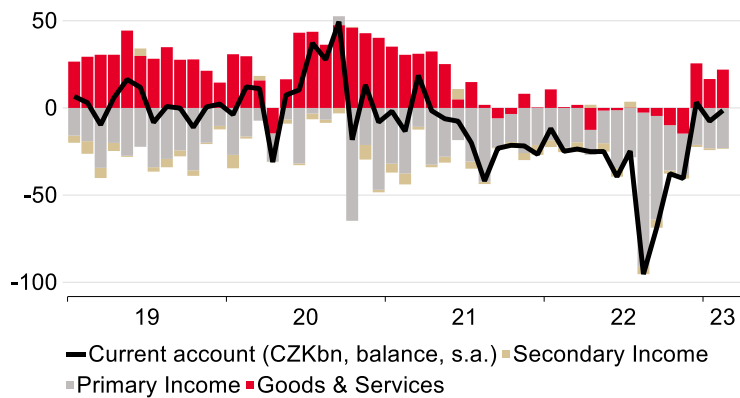
Performance of CE currencies (1.1.2022 = 100)



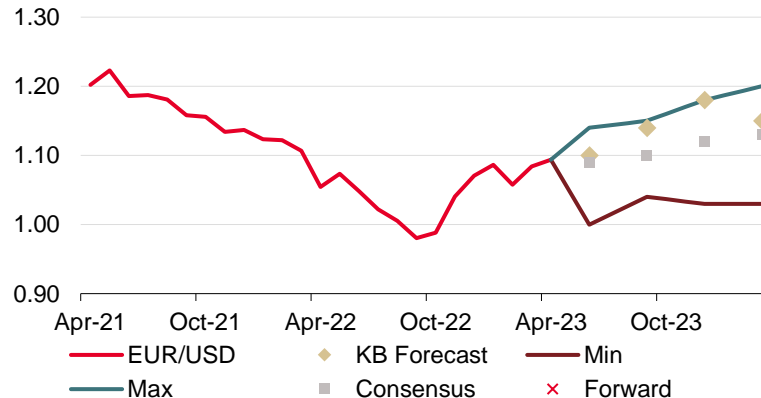
CZK exchange rates



Czech current account balance



EURUSD outlook



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#2 BEST OVERALL FORECASTER - CZECH REPUBLIC



#2 EXCHANGE RATE FORECASTER - CZECH REPUBLIC



#2 FISCAL BALANCE FORECASTER - SLOVAKIA

HISTORICAL AWARDS OF KB ECONOMIC & STRATEGY RESEARCH



#1 POLICY RATE FORECASTER - CZECH REPUBLIC



#2 INFLATION FORECASTER - CZECH REPUBLIC



#3 BEST INFLATION FORECASTER - SLOVAKIA



#1 GDP FORECASTER - CZECH REPUBLIC



#2 BEST OVERALL FORECASTER - SLOVAKIA



#3 BEST OVERALL FORECASTER - CZECH REPUBLIC

Consensus Economics
Forecast Accuracy
Award Winner
2014 Slovakia

Consensus Economics
Forecast Accuracy
Award Winner
2013 Czech Republic

SG CROSS ASSET RESEARCH CREDENTIALS

Institutional Investor 2021

Global Fixed-Income Research Team

Macro

- #7** Economics & Strategy – Europe
- #5** Cross Asset Strategy - Europe
- #2** Investment Grade Strategy – Europe

Credit

- # 4** Banking & Financial services
- #3** Industrials (IG)
- #4** TMT (IG)
- #4** Consumer (IG) and **#5** Consumer (HY)

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- #3** Quantitative/Database Analysis
- #1** Index Analysis

Equity

- 5** Sector Research Teams in the **Top 10**
- 15** Sector Research Teams in the **Top 15**
- 3rd** French Mid & Small Caps



Research house
of the year
Societe Generale

**Institutional
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Global Fixed Income Research Team

#5 Cross Asset Strategy

(#7 Alain Bokobza)

#5 Covered Bonds

(#4 Cristina Costa Rausa)

#8 Economics

(#18 Michel Martinez, #19 Yvan Mamalet)

#2 Investment Grade Strategy

(#3 Guy Stear, #2 Juan Valencia)

#8 Local Markets Rates Strategy

#9 Local Markets FX Strategy

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#3 Multi Asset Research

(#1 Alain Bokobza)

#3 Quantitative/Database Analysis

(#3 Andrew Lapthorne)

#1 Index Analysis

(#3 Yohan Le Jalle; #5 Georgios Oikonomou; #8
Sebastien Lemaire)

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