

Česká spořitelna – penzijní společnost, a. s.

Half-Year Report 2016

Contents

Opening Statement	3
Board of Directors Member	5
List of funds	6
Povinný konzervativní účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.	7
Vyvážený účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.	10
Dynamický účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.	13
Transformovaný fond penzijního připojištění se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.	16
Důchodový fond státních dluhopisů důchodového spoření Česká spořitelna – penzijní společnost, a. s.	19
Konzervativní důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.	22
Vyvážený důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.	25
Dynamický důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.	28

Opening Statement



Aleš Poklop

Chairman of the Board of Directors

Ladies and Gentlemen,

Allow me to present to you with the Half-Year Report of Česká spořitelna – penzijní společnost, a.s.. At this point, I would like to summarize the most important events occurring in the first half of 2016 not only for ČS penzijní společnost, but also for the entire sector of pension insurance schemes.

Since 1 January 2016, changes in Supplementary Pension Savings Act have become effective increasing interest in Supplementary Pension Savings. Among other changes, Supplementary pension savings are now available for children and by the half of the year, we welcomed about 1 500 new under-aged clients. Their legal representatives can check the current balance of savings via e-banking SERVIS 24. Other changes have been also made in terms of external distribution resulting in the improvements in the acquisition of new clients.

We have been the leader in the market of Supplementary Pension Savings in the long term. In comparison with other pension companies, we manage the savings of the highest total number of clients. Additionally, the market's largest fund - our Conservative Participa-

tion Fund reached a net asset value of CZK 3.5 billion. Over the long term average, our Supplementary Pension Funds generates from 1% to 6% performance for our clients, which is comparable with other saving products and corresponds to the current situation in the financial markets. For more information concerning our Supplementary Pension funds, check out for quarterly reports (only in Czech) available on our website at www.ceskapenzijni.cz.

The Transformed Fund of Pension Insurance increased in the first half of 2016 by over CZK 2 billion and the asset value reached CZK 63.5 billion. The Transformed fund in the area of investments and financial assets is pursuing the original strategic goal of reaching the highest possible yield while maintaining a low rate of financial risks. As at 30 June 2016, the net profit of Transformed fund had reached CZK 177.6 million.

The final contributions to the Pension Savings (II. pillar) were sent by the end of 2015. In March 2016, we provided our clients with annual statements with information on the termination of the Pension Savings and requested the choice of pay-out of savings. As at June 30, 2016, the Pension Funds entered liquidation and pay-out of the clients' balances

will be processed from 15 October, 2016. In the context of the termination of II. Pillar, we decided that our clients will not be exposed to short-term investment risks. Savings accumulated in pension funds of II.Pillar are not being invested in accordance with long term investment strategies; however, savings are placed in a money market until the termination of the pension funds and the pay-out of savings. In this way, client savings in all pension funds will be protected from depreciation or a drop in value until the settlement. The expected yield of II.Pillar pension funds will correspond to the actual money market yields. Savings in pension funds are ready to be paid out in late 2016 in accordance with regulations. ČS penzijní společnost does not apply any fees from this passive asset management and all services and administration of Pension Savings funds are free of charge.

This year, the online app for conducting Supplementary Pension Savings from the comfort of one's home was launched. For more information, visit www.ceskapenzijni.cz/online. Additionally, we are on Facebook. Check out www.facebook.com/ceskapenzijni where you can find many mini contests and other interesting information.

Further, we are continuing our focus on further economic growth and professional asset management of savings entrusted by our clients. The fundamental priority for the upcoming period is for the present and future clients of ČS penzijní společnost to be provided with excellent service, to have all sufficient information disclosed, and to continue being a trusted partner for those who rely on themselves.

Ladies and Gentlemen, in conclusion, let me assure you that these reported results are both our commitment and our challenge for the upcoming period. Thank you for your continued faith which I personally, along with all my colleagues at ČS penzijní společnost, truly appreciate.

Yours faithfully



Aleš Poklop
Chairman of the Board of Directors
Česká spořitelna – penzijní společnost, a. s.

Board of Directors Member

Board of Directors Member

(as at 30th June 2016)

- Ing. Aleš Poklop, Chairman
- Ing. Martin Kopejtko, Vice Chairman
- Ing. Jakub Krkoška, Member

Supervisory Board Members

(as at 30th June 2016)

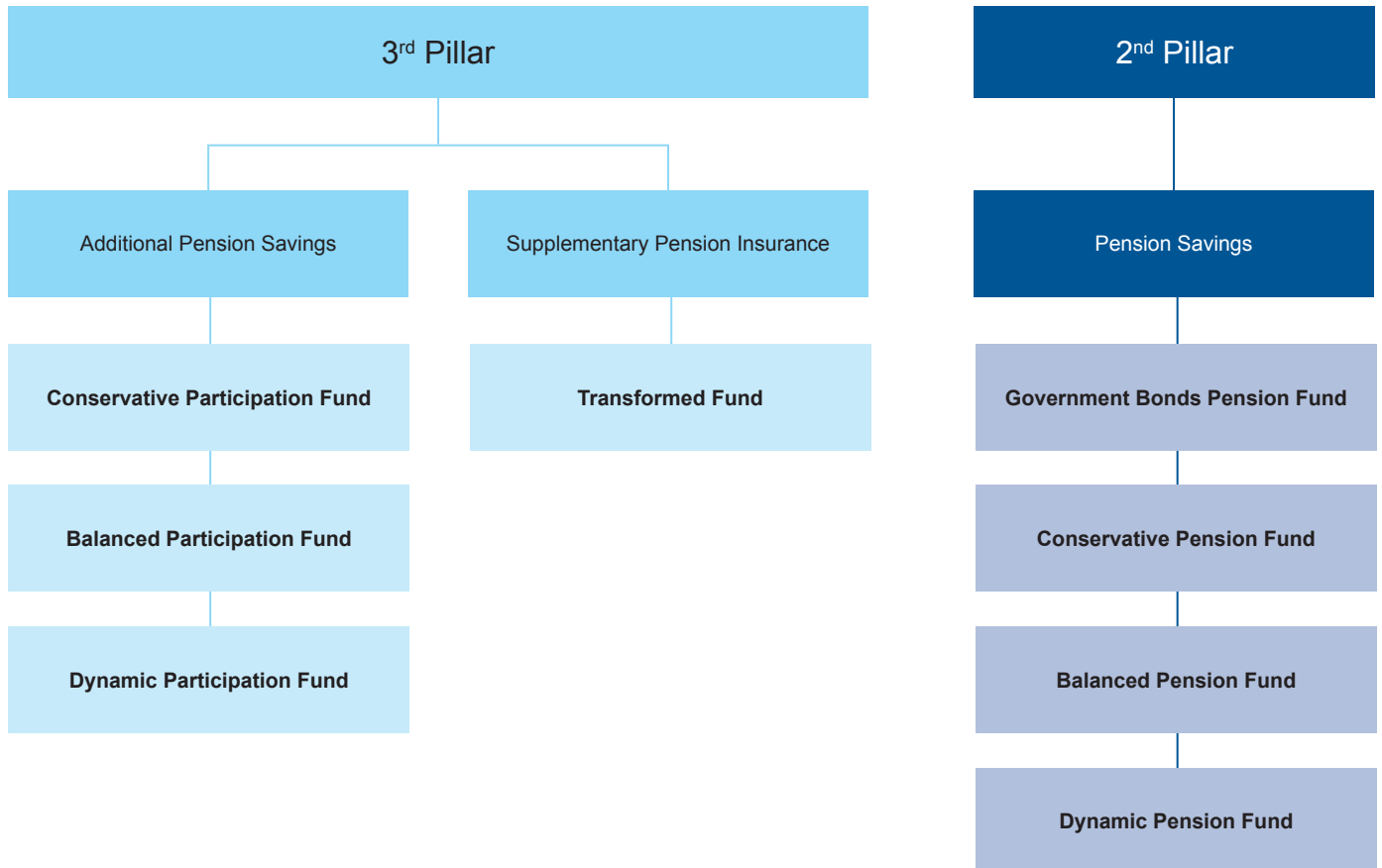
- RNDr. Monika Laušmanová, CSc., Chairwoman
- Ing. Dušan Sýkora, Vice Chairman
- Ing. Daniela Pešková, Member

Company Management

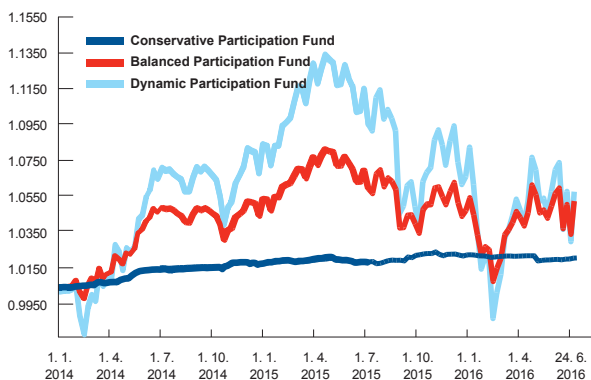
(as at 30th June 2016)

- Ing. Aleš Poklop, Chairman of the Board of Directors
appointed to control the Administrative Section
- Ing. Martin Kopejtko, Vice Chairman of the Board of Directors
appointed to control the Client Service Section
- Ing. Jakub Krkoška, MBA, Member of the Board of Directors
appointed to control the Financial Section
- Ing. Lenka Hůlová, Head of the Commercial and Marketing Section
- Daniel Šarman, Head of the IT Section

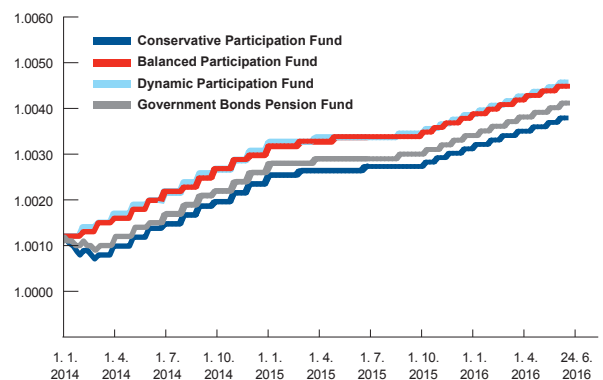
List of funds



Development of pension unit of the additional pension savings



Development of pension unit of the pension savings



Half-Year Report 2016

Povinný konzervativní účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.

Basic Information

Povinný konzervativní účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Conservative Participation Fund).

The establishment of the participation fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12485/570 with effective date 18 December, 2012.

It is managed by Česká spořitelna – penzijní společnost, a. s.
Registered office at Poláčkova 1976/2, 140 21 Prague 4,
Identification number (IN): 61672033,
Commercial Registry: Municipal Court in Prague, Section B,
Insert 2927, as part of the consolidation group, which only parent
company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into a Conservative Participation Fund is appropriate for participants who are neither interested nor informed about development on capital markets and are simultaneously looking for a complex solution for their investments diversified in money markets and bond markets. The Conservative Participation Fund is suitable for participants preferring fixed income and for lower intermediate investors with at least a one-year investment horizon. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into instruments of money markets, government bonds, and other high-quality debt securities in accordance with the Act on Supplementary Pension Savings. Interest rate risk is actively managed and investments denominated in foreign currencies are fully hedged.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Additionally, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in the areas of investments and asset management since 1998, holding both a brokerage license and an ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in area of investments and asset management since 2000.

Custody and Safekeeping

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

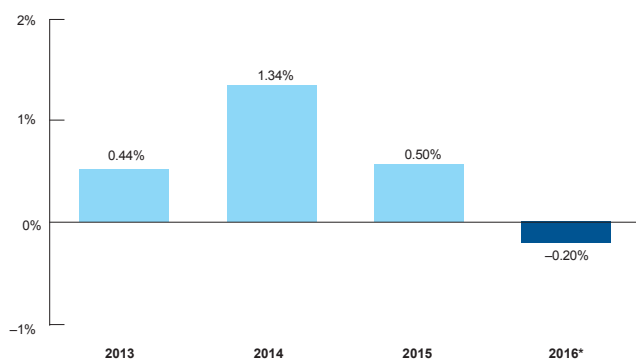
Fees and Charges

The management fee charged to the Conservative Participation Fund is 0.4% per annum of the average annual net asset value of the participation fund. The performance fee of the Conservative Participation Fund is 10% of the difference between the average annual value of pension unit in actual period and the highest average annual value of pension unit of the participation fund in the years preceding the actual period since the inception multiplied by the average annual number of pension units.

Fees and charges are regulated by the Act on Supplementary Pension Savings no. 427/2011 Coll. Consideration Section 60 Fees charged by pension companies.

Participation Fund Annual Performance

Performance of the Conservative Participation Fund



*as at 30 June 2016

Top holdings exceeding 1% of the portfolio as at 30 June 2016

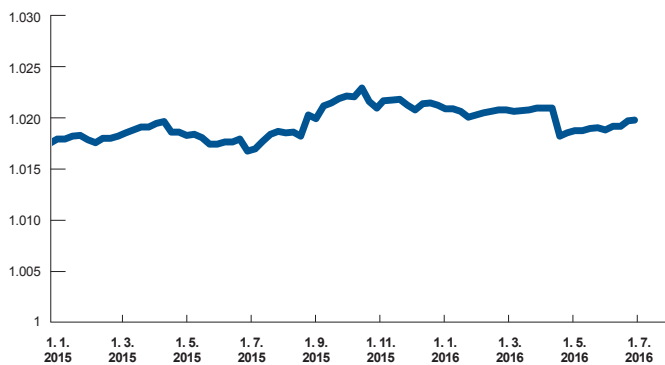
ISIN	Security	Type	Currency	Fair value in thousands CZK	Share
CZ0001004113	GOVERNMENT BOND VAR 12/09/20	Bond	CZK	1,013,232	28.8%
CZ0001000822	GOVERNMENT BOND 4.6 08/18/18	Bond	CZK	446,363	12.7%
CZ0001002331	GOVERNMENT BOND VAR 10/27/16	Bond	CZK	280,280	8.0%
CZ0001001903	GOVERNMENT BOND 4 04/11/17	Bond	CZK	209,240	5.9%
US912828XB14	US TREASURY 2.125 05/15/25	Bond	USD	129,247	3.7%
CZ0001003438	GOVERNMENT BOND VAR 07/23/17	Bond	CZK	101,250	2.9%
CZ0001003842	GOVERNMENT BOND 0.5 07/28/16	Bond	CZK	85,034	2.4%
XS0782720402	SLOVAKIA GOVT 4.375 05/21/22 USD	Bond	USD	50,165	1.4%
CZ0001500110	PRAHA 4.25 05/11/21	Bond	CZK	36,413	1.0%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

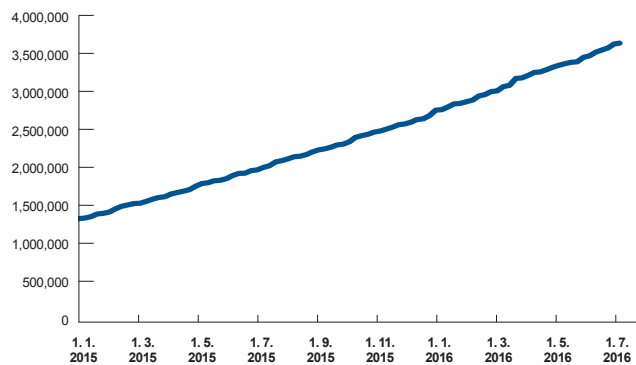
	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	785,949	1,964,620	3,528,093
NAV per pension unit in CZK	1.0142	1.0181	1.0210

Development of the fund NAV

Development of pension unit

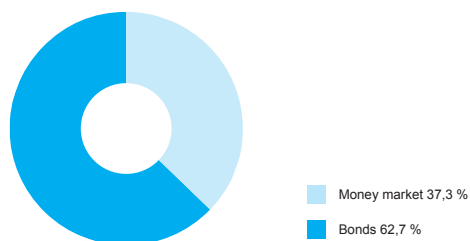


Development of the fund NAV

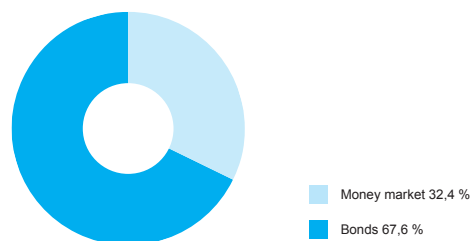


Portfolio of Participation Fund and Changes

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



For more information contact us at Poláčkova 1976/2, 140 21 Prague 4, hotline 956 777 444, e-mail info@cs-ps.cz or visit our website www.ceskapenzijni.cz.

Half-Year Report 2016

Vyvážený účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.

Basic Information

Vyvážený účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Balanced Participation Fund).

The establishment of the participation fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12487/570 with effective date 18 December, 2012.

It is managed by Česká spořitelna – penzijní společnost, a. s. Registered office at Poláčkova 1976/2, 140 21 Prague 4, Identification number (IN): 61672033, Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, which only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into a Balanced Participation Fund is appropriate for participants who are looking for a complex and long-term solution for their investments balanced and diversified in money markets, bond markets, and stock markets. The net asset value of the fund can fluctuate considerably in the mid-term horizon due to the mature nature of the investment strategy. The Balanced Participation Fund is suitable for upper intermediate investors preferring not only a fixed income, but also stocks with at least three-year investment horizon. Investment into the Balanced Participation Fund is also available for intermediate investors if part of a widely diversified portfolio. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into the instruments of money markets, government bonds, and other investment-grade debt securities and stocks or comparable instruments representing a share in a legal entity. Credit risk and interest rate risk are actively managed and non-hedged investments denominated in foreign currencies cannot exceed 25% of portfolio.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in areas of investments and asset management since 1995. Also, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in areas of investments and asset management since 1998, holding both a brokerage license and an ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in areas of investments and asset management since 2000.

Custody and Safekeeping

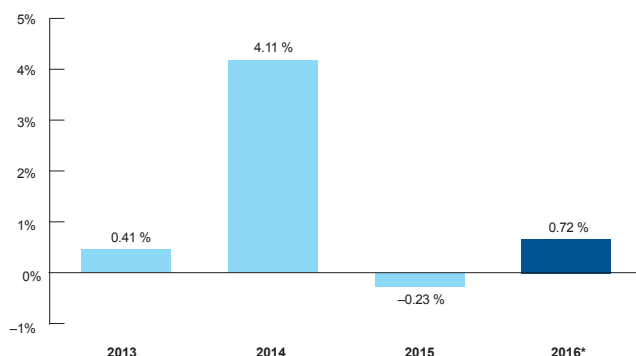
Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

The management fee charged to the Balanced Participation Fund is 1% per annum of the average annual net asset value of the participation fund. The performance fee of Balanced Participation Fund is 15% of the difference between the average annual value of pension unit in actual period and the highest average annual value of pension unit of the participation fund in the years preceding the actual period since the inception multiplied by the average annual number of pension units. Fees and charges are regulated by the Act on Supplementary Pension Savings no. 427/2011 Coll. Consideration Section 60 Fees charged by pension companies.

Participation Fund Annual Performance

Performance of the Balanced performance fund



*as at 30. 6. 2016

Top holdings exceeding 1% of the portfolio as at 30 June 2016

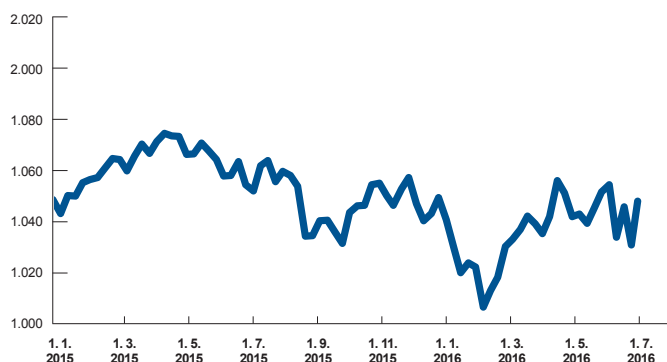
ISIN	Security	Type	Currency	Fair value in thousands CZK	Share
CZ0001002331	GOVERNMENT BOND VAR 10/27/16	Bond	CZK	61,161	7.8%
IE00B66F4759	ISHARES EURO HY CORP BND	ETF – Bond	EUR	53,130	6.8%
CZ0001004113	GOVERNMENT BOND VAR 12/09/20	Bond	CZK	50,160	6.4%
CZ0001000822	GOVERNMENT BOND 4.6 08/18/18	Bond	CZK	44,304	5.7%
DE0005933931	ISHARES CORE DAX UCITS ETF (DE)	ETF – Shares	EUR	32,876	4.2%
CZ0008472404	TOP STOCKS	ETF – Shares	CZK	31,666	4.0%
US4642885135	ISHARES IBOXX H/Y CORP BOND	ETF – Bond	USD	31,042	4.0%
CZ0008472297	TREND BOND	ETF – Bond	CZK	25,296	3.2%
FR0012517027	FRANCE GOVT 0.5 05/25/25	Bond	EUR	22,563	2.9%
IE00B4PY7Y77	ISHARES USD HY CORP BND	ETF – Bond	USD	20,945	2.7%
IE0005042456	ISHARES PLC - IFTSE 100	ETF – Shares	GBP	19,030	2.4%
CZ0008472289	SPOROTREND	ETF – Shares	CZK	17,876	2.3%
DE000A0D8Q07	ISHARES EURO STOXX UCITS ETF DE	ETF – Shares	EUR	11,679	1.5%
IE00B0M63177	ISHARES MSCI EM-INC	ETF – Shares	GBP	11,634	1.5%
IE0031442068	ISHARE SP 500 INDEX FUND (GBP)	ETF – Shares	GBP	11,252	1.4%
FR0012557957	FRANCE GOVT ZERO 05/25/20	Bond	EUR	11,044	1.4%
US4642875565	ISHARES NASDAQ BIOTECH INDX FUND	ETF – Shares	USD	9,431	1.2%
FR0010654913	AMUNDI ETF EURO STOXX 50 C	ETF – Shares	EUR	9,405	1.2%
AT0000A12GN0	VIENNA INSURANCE 5.5 10/09/43	Bond	EUR	8,619	1.1%
DE000A0H08M3	ISHARES DJ ST 600 OIL/GAS DE	ETF – Shares	EUR	7,925	1.0%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

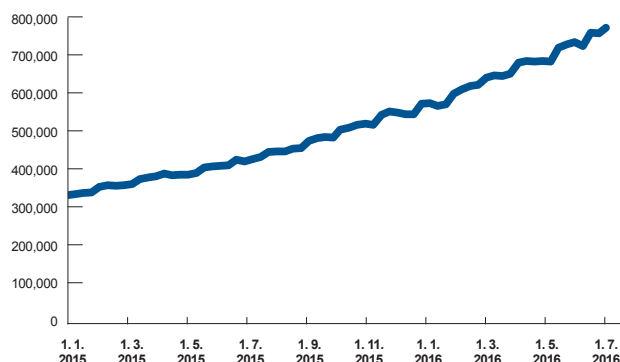
	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	48,135	362,348	781,372
NAV per pension unit in CZK	1.0461	1.0573	1.0505

Development of the fund NAV

Development of pension unit

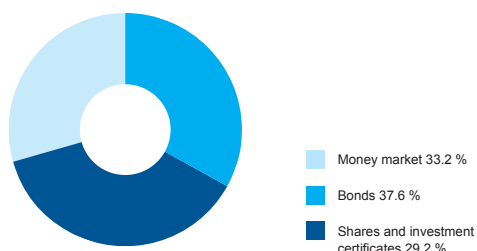


Development of the fund NAV

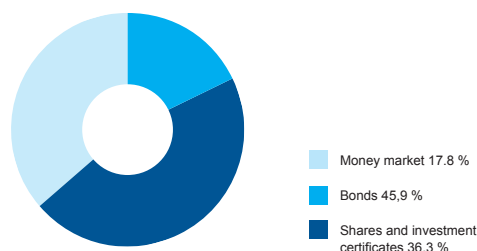


Portfolio of Participation Fund and Changes

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



For more information contact us at Poláčkova 1976/2, 140 21 Prague 4, hotline 956 777 444, e-mail info@cs-ps.cz or on the website www.ceskapenzijni.cz.

Half-Year Report 2016

Dynamický účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.

Basic Information

Dynamický účastnický fond doplňkového penzijního spoření se státním příspěvkem Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Dynamic Participation Fund).

The establishment of the participation fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12486/570 with effective date 18 December, 2012.

It is managed by Česká spořitelna – penzijní společnost, a. s. Registered office at Poláčkova 1976/2, 140 21 Prague 4, Identification number (IN): 61672033, Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, which only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into a Dynamic Participation Fund is appropriate for participants who are looking for the highest possible return of their investments, are familiar with financial markets, and are ready to accept significant volatility. The portfolio of the Dynamic Participation Fund is proportionally diversified in money markets, bond markets, and stock markets. The Dynamic Participation Fund is suitable for experienced investors, who are ready to bear even long periods of negative development and have at least a five-year investment horizon. Investment into a Dynamic Participation Fund is also available for less-experienced investors if part of a widely diversified portfolio. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into the instruments of money markets, government bonds, and other investment-grade debt securities and stocks or comparable instruments representing a share in a legal entity. Credit risk and interest rate risk are actively managed and non-hedged investments denominated in foreign currencies cannot exceed 50% of portfolio.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Also, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in area of investments and asset management since 1998, holding both a brokerage license and an ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in area of investments and asset management since 2000.

Custody and Safekeeping

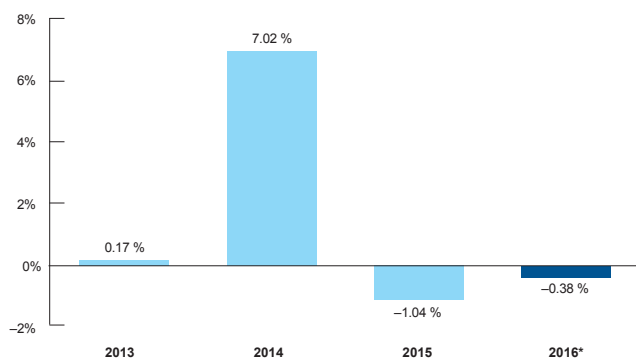
Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

The management fee charged to the Conservative Participation Fund is 1% per annum of the average annual net asset value of the participation fund. The performance fee of the Conservative Participation Fund is 15% of the difference between the average annual value of pension unit in actual period and the highest average annual value of pension unit of the participation fund in the years preceding the actual period since the inception multiplied by the average annual number of pension units. Fees and charges are regulated by the Act on Supplementary Pension Savings no. 427/2011 Coll. Consideration Section 60 Fees charged by pension companies.

Participation Fund Annual Performance

Performance of the Dynamic Participation Fund



*as at 30. 6. 2016

Top holdings exceeding 1% of the portfolio as at 30 June 2016

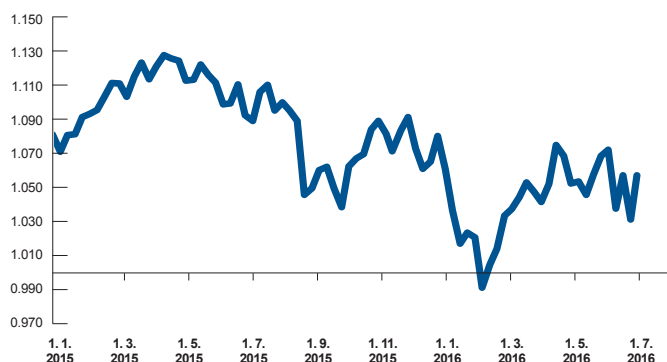
ISIN	Security	Type	Currency	Fair value in thousands CZK	Share
DE0005933931	ISHARES CORE DAX UCITS ETF (DE)	ETF – shares	EUR	22,760	6.6%
IE00B66F4759	ISHARES EURO HY CORP BND	ETF – bonds	EUR	22,603	6.6%
CZ0001002331	GOVERNMENT BOND VAR 10/27/16	Bond	CZK	16,917	4.9%
CZ0008472404	TOP STOCKS	ETF – shares	CZK	16,177	4.7%
US4642885135	ISHARES IBOXX H/Y CORP BOND	ETF – bonds	USD	15,521	4.5%
IE0031442068	ISHARE SP 500 INDEX FUND (GBP)	ETF – shares	GBP	12,787	3.7%
IE0005042456	ISHARES PLC - IFTSE 100	ETF – shares	GBP	12,465	3.6%
IE00B0M63177	ISHARES MSCI EM-INC	ETF – shares	GBP	10,109	2.9%
US4642875565	ISHARES NASDAQ BIOTECH INDX FUND	ETF – shares	USD	9,431	2.7%
CZ0008472289	SPOROTREND	ETF – shares	CZK	9,298	2.7%
DE000A0D8Q07	ISHARES EURO STOXX UCITS ETF DE	ETF – shares	EUR	8,292	2.4%
CZ0001000822	GOVERNMENT BOND 4.6 08/18/18	Bond	CZK	7,753	2.3%
CZ0001004113	GOVERNMENT BOND VAR 12/09/20	Bond	CZK	7,022	2.0%
FR0010654913	AMUNDI ETF EURO STOXX 50 C	ETF – shares	EUR	6,270	1.8%
AT0000A12GN0	VIENNA INSURANCE 5.5 10/09/43	Bond	EUR	5,746	1.7%
FR0012517027	FRANCE GOVT 0.5 05/25/25	Bond	EUR	5,641	1.6%
FR0012557957	FRANCE GOVT ZERO 05/25/20	Bond	EUR	5,522	1.6%
US4781601046	JOHNSON AND JOHNSON	Shares	USD	5,518	1.6%
IE00BCLWRG39	ISHARES MSCI JAPAN USD-H-A	ETF – shares	USD	5,489	1.6%
US92343V1044	VERIZON COMMUNICATIONS	Shares	USD	5,321	1.6%
US7170811035	PFIZER INC	Shares	USD	5,017	1.5%
DE000BASF111	BASF SE	Shares	EUR	4,890	1.4%
US5949181045	MICROSOFT	Shares	USD	4,862	1.4%
US88579Y1010	3M CO	Shares	USD	4,788	1.4%
CZ0005112300	CEZ	Shares	CZK	4,758	1.4%
CH0012005267	NOVARTIS	Shares	CHF	4,747	1.4%
CH0038863350	NESTLE SA	Shares	CHF	4,678	1.4%
US7427181091	PROCTER AND GAMBLE CO	Shares	USD	4,475	1.3%
DE000A0F5UJ7	ISHARES DJ STOXX 600 BANKS (DE)	ETF – shares	EUR	4,237	1.2%
CZ0008019106	KOMERCNI BANKA	Shares	CZK	4,125	1.2%
DE0008404005	ALLIANZ AG REG	Shares	EUR	4,119	1.2%
DE000A0H08M3	ISHARES DJ ST 600 OIL/GAS DE	ETF – shares	EUR	3,962	1.2%
DE0005190003	BMW GR	Shares	EUR	3,893	1.1%
CZ0001500110	PRAHA 4.25 05/11/21	Bond	CZK	3,524	1.0%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

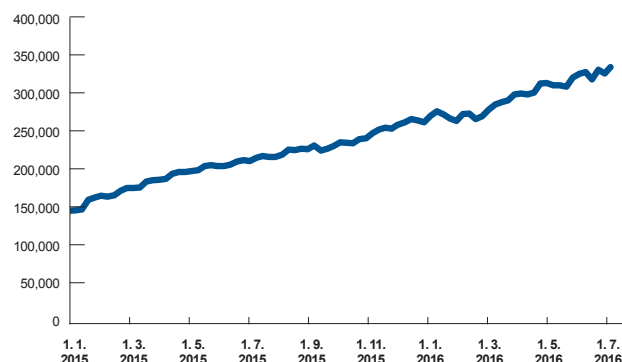
	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	20,470	204,405	341,890
NAV per pension unit in CZK	1.0690	1.0953	1.0568

Development of the fund NAV

Development of pension unit

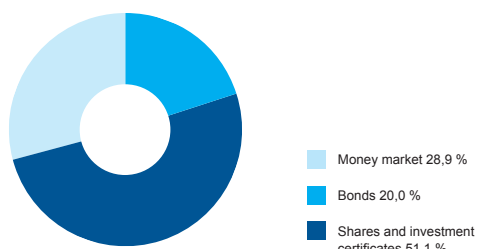


Development of the fund NAV

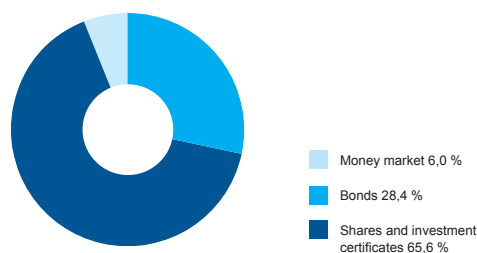


Portfolio of Participation Fund and Changes

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



For more information contact us at Poláčkova 1976/2, 140 21 Prague 4, hotline 956 777 444, e-mail info@cs-ps.cz or visit our website www.ceskapenzijni.cz.

Half-Year Report 2016

Transformovaný fond penzijního připojištění se státním příspěvkem Česká spořitelna – penzijní společnost, a. s.

Basic Information

Transformovaný fond penzijního připojištění se státním příspěvkem Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Transformed Fund).

Providing pension insurance and establishment of the Transformed Fund was permitted by The Czech National Bank (CNB) on 3 September 2012 with effective date 1 January, 2013.

It is managed by Česká spořitelna – penzijní společnost, a. s.
Registered office at Poláčkova 1976/2, 140 21 Prague 4,
Identification number (IN): 61672033,
Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, which only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

The purpose of the investment strategy is to provide participants with a constant long-term appreciation of their savings accumulated in the Transformed Fund and invested in order to cover all legal claims on benefits of the Pension Insurance. The investment strategy ensures liquidity and considers payments of Pension Insurance benefits at the period set by law or the pension plan. Savings accumulated in the Transformed fund of ČS penzijní společnost must be invested with professional diligence in order to ensure low-risk, quality, liquidity, and the profitability of the portfolio.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in areas of investments and asset management since 1995. Also, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in areas of investments and asset management since 1998, holding both a brokerage license and an ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in areas of investments and asset management since 2000.

Custody and Safekeeping

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

The management fee of Transformed Fund is 0.8% per annum of the average annual value of total assets.

The performance fee of Transformed Fund is 10% of the profit reported in the financial statements of Transformed Fund.

Fees and charges are regulated by Supplementary pension savings law no. 427/2011 Coll. Section 192

Top holdings exceeding 1% of the portfolio as at 30 June 2016

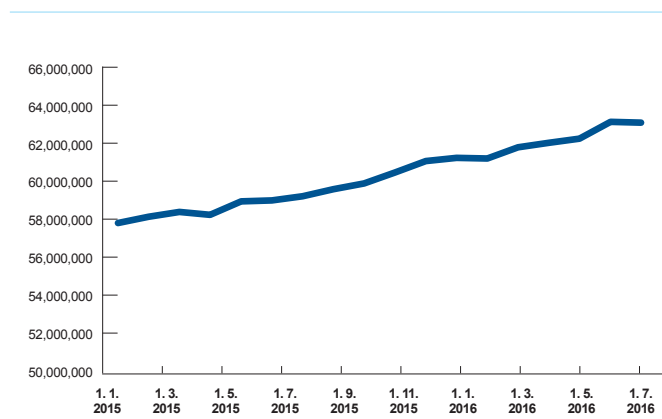
ISIN	Security	Type	Currency	Fair value in thousands CZK	Share
CZ0001002331	GOVERNMENT BOND VAR 10/27/16	Bond	CZK	7,025,819	11.1%
XS0836299320	ERSTE GROUP BANK 6.375 03/28/23	Bond	USD	4,979,907	7.9%
CZ0001004477	GOVERNMENT BOND 0.95 05/15/30	Bond	CZK	3,479,306	5.5%
CZ0001003438	GOVERNMENT BOND VAR 07/23/17	Bond	CZK	2,813,738	4.5%
CZ0001003859	GOVERNMENT BOND 2.5 08/25/28	Bond	CZK	2,768,012	4.4%
CZ0001002547	GOVERNMENT BOND 5.7 05/25/24	Bond	CZK	2,723,233	4.3%
CZ0001001796	GOVERNMENT BOND 4.2 12/04/36	Bond	CZK	2,678,352	4.2%
CZ0001004113	GOVERNMENT BOND VAR 12/09/20	Bond	CZK	2,207,040	3.5%
CZ0001004253	GOVERNMENT BOND 2.4 09/17/25	Bond	CZK	1,779,613	2.8%
CZ0001001945	GOVERNMENT BOND 4.7 09/12/22	Bond	CZK	1,594,428	2.5%
US912828XB14	US TREASURY 2.125 05/15/25	Bond	USD	1,033,974	1.6%
XS0782720402	SLOVAKIA GOVT 4.375 05/21/22 USD	Bond	USD	1,003,302	1.6%
CZ0001002851	GOVERNMENT BOND 3.85 09/29/21	Bond	CZK	1,002,577	1.6%
FR0012517027	FRANCE GOVT 0.5 05/25/25	Bond	EUR	987,152	1.6%
US912828J272	US TREASURY 2 02/15/25	Bond	USD	982,644	1.6%
US857524AA08	POLAND GOVERN. 5.125 04/21/21	Bond	USD	936,348	1.5%
FR0012993103	FRANCE GOV 1.5 05/25/31	Bond	EUR	859,627	1.4%
CZ0001002471	GOVERNMENT BOND 5 04/11/19	Bond	CZK	849,259	1.3%
CZ0001004113	GOVERNMENT BOND VAR 12/09/20	Bond	CZK	802,560	1.3%
XS0792803131	CESKA EXP. BANKA VAR 06/14/18	Bond	CZK	711,620	1.1%
XS0260783005	ERSTE BANK VAR 07/19/17	Bond	EUR	702,128	1.1%
FR0011883966	FRANCE GOVT 2.5 05/25/30	Bond	EUR	664,520	1.1%
CZ0001001317	GOVERNMENT BOND 3.75 09/12/20	Bond	CZK	640,263	1.0%

Total Assets as at 30 June 2016

	30. 6. 2014	30. 6. 2015	30. 6. 2016
Total assets	54,197,894	58,929,516	63,552,631

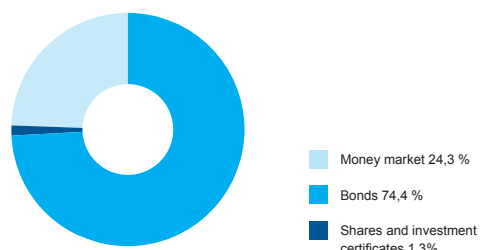
Total Assets of Transformed Fund

Total assets

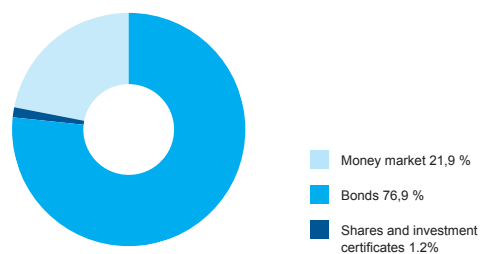


Transformed Fund Assets Structure and Changes

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



Half-Year Report 2016

Důchodový fond státních dluhopisů důchodového spoření Česká spořitelna – penzijní společnost, a.s.

Basic Information

Důchodový fond státních dluhopisů důchodového spoření Česká spořitelna – penzijní společnost, a.s. (hereafter referred to as Dynamic Pension Fund).

The establishment of the pension fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12421/570 with effective date 18 December, 2012.

As at 30. 6. 2016, the Licence for the Creation of Pension Fund has expired in accordance with Act no. 376/2015 Coll., On the Termination of Pension Savings. By the act of license expiration, the pension fund was dissolved and has entered into the process of liquidation. As at the date of entry into liquidation, extraordinary financial statements and half-year annual report of the Pension Fund for the period from 1. 1. 2016 to 30. 6. 2016 have been prepared and audited. The pension fund will subsequently cease by pay-out of all participants' savings at the latest by 31. 12. 2016.

It is managed by Česká spořitelna – penzijní společnost, a.s.
Registered office at Poláčkova 1976/2, 140 21 Prague 4,
Identification number (IN): 61672033,
Commercial Registry: Municipal Court in Prague, Section B,
Insert 2927, as part of the consolidation group, which only parent
company is Česká spořitelna, a.s., IN: 45244782

Fund Characteristics

Investment into a Dynamic Pension Fund is appropriate for participants who are looking for the highest possible return of their investments, are familiar with financial markets, and are ready to accept significant volatility. The portfolio of the Dynamic Pension Fund is proportionally diversified into money markets, bond markets, and stock markets. The Dynamic Pension Fund is suitable for experienced investors, who are ready to bear even long periods of negative development and have at least a five-year investment horizon. Investment into the Dynamic Pension Fund is also available for less-experienced investors if a part of widely diversified portfolio. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into instruments of money market, government bonds, and other investment-grade debt secu-

rities and stocks or comparable instruments representing a share in a legal entity. Credit risk and interest rate risk are actively managed and non-hedged investments denominated in foreign currencies and cannot exceed 50% of the portfolio.

Depository

Komerční banka, a.s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a.s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is the senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Additionally, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in area of investments and asset management since 1998, holding both a brokerage license and ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in area of investments and asset management since 2000.

Custody and Safekeeping

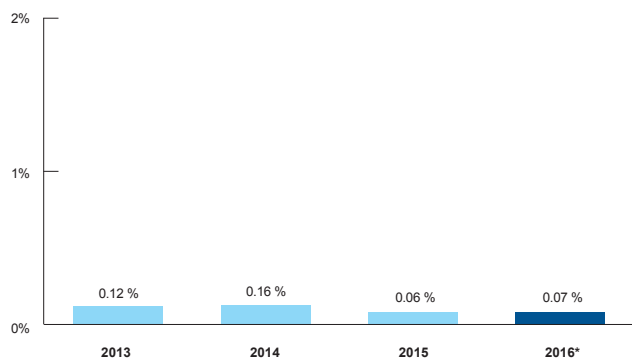
Komerční banka, a.s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

In 2016, Česká spořitelna - penzijní společnost did not charge any management fee nor performance fee (Fee holidays) at the expense of Conservative Pension Fund. By decision of the Board, fees and charges will not be applied on any of pension savings funds and saving is for our clients free of charge.

Pension Fund Annual Performance

Performance of the Government Bonds Pension Fund



*as at 30. 6. 2016

Portfolio as at 30 June 2016

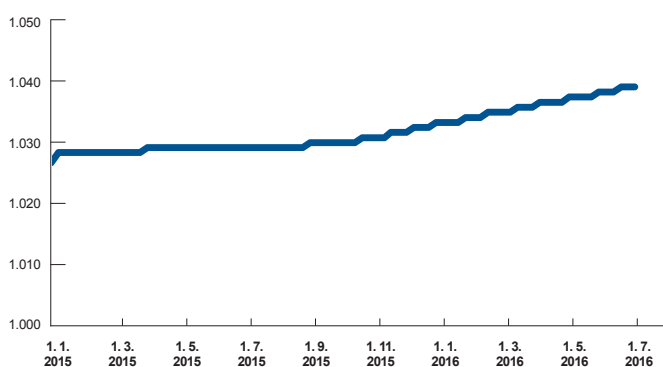
Security	Type	Currency	Fair value in thousands CZK	Share
Deposits	Money market	CZK	9 866	100%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

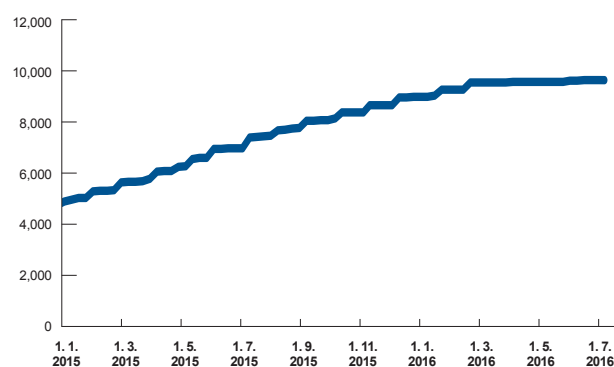
CZK thousand	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	3,151	84,379	113,012
NAV per pension unit in CZK	1.0017	1.0034	1.0041

Development of the fund NAV

Development of pension unit

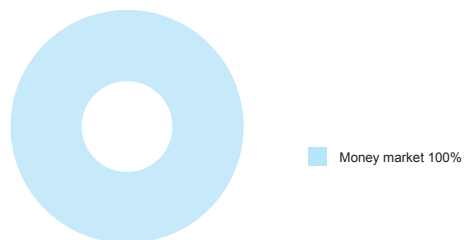


Development of the fund NAV

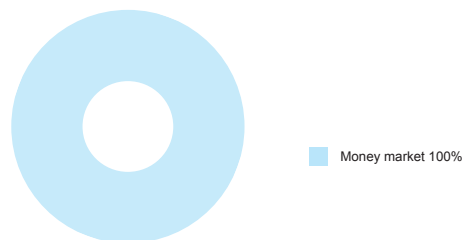


Assets Structure and Changes of the Pension Fund

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



For more information contact us at Poláčkova 1976/2, 140 21 Prague 4, hotline 956 777 444, e-mail info@cs-ps.cz or visit our website www.ceskapenzijni.cz.

Half-Year Report 2016

Konzervativní důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.

Basic Information

Konzervativní důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Conservative Pension Fund).

The establishment of the pension fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12421/570 with effective date 18 December, 2012.

As at 30. 6. 2016, the License for the Creation of the Pension Fund has expired in accordance with Act no. 376/2015 Coll., On the Termination of Pension Savings. By the act of license expiration, the pension fund was dissolved and has entered into the process of liquidation. As at the date of entry into liquidation, extraordinary financial statements and half-year annual report of the Pension Fund for the period from 1. 1. 2016 to 30. 6. 2016 have been prepared and audited. The pension fund will subsequently cease by pay-out of all participants' savings at the latest by 31. 12. 2016.

It is managed by Česká spořitelna – penzijní společnost, a. s.
Registered office at Poláčkova 1976/2, 140 21 Prague 4,
Identification number (IN): 61672033,
Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, whose only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into the Conservative Pension Fund is appropriate for participants who are neither interested nor informed about development on capital markets and are simultaneously looking for the complex solutions for their investments diversified in money markets and high-quality bond markets. The Conservative Pension Fund is suitable for participants preferring a fixed income and for lower intermediate investors with at least a one-year investment horizon. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into the instruments of money markets, government bonds, and other investment grade debt securities in accordance with the Act on Pension

Savings. Interest rate risk is actively managed and investments denominated in foreign currencies are fully hedged.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Also, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in area of investments and asset management since 1998, holding both a brokerage license and ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in area of investments and asset management since 2000.

Custody and Safekeeping

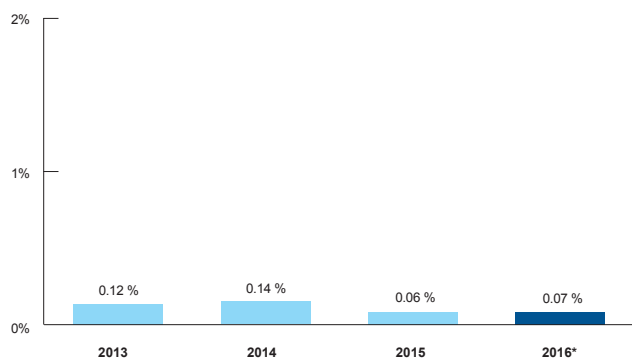
Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

In 2016, Česká spořitelna - penzijní společnost did not charge a management fee nor a performance fee (Fee holidays) at the expense of Conservative Pension Fund. By decision of the Board, fees and charges will not be applied on any of pension savings funds and saving is free of charge for our clients.

Pension Fund Annual Performance

Performance of the Conservative Pension Fund



*as at 30. 6 .2016

Portfolio as at 30 June 2016

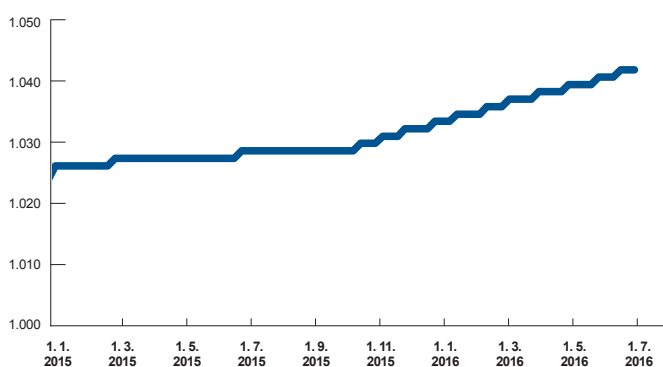
Security	Type	Currency	Fair value in thousands CZK	Share
Deposits	Money market	CZK	214,700	100%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

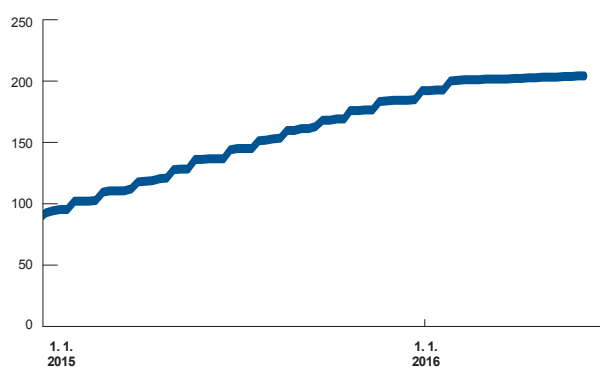
CZK thousands	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	64,502	151,807	214,678
NAV per pension unit in CZK	1.0015	1.0028	1.0039

Development of the fund NAV

Development of pension unit

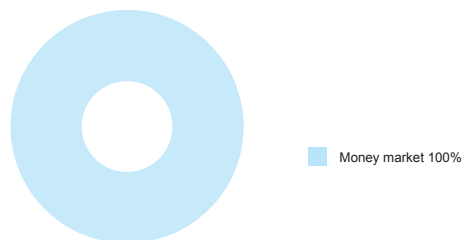


Development of the fund NAV (CZK million)

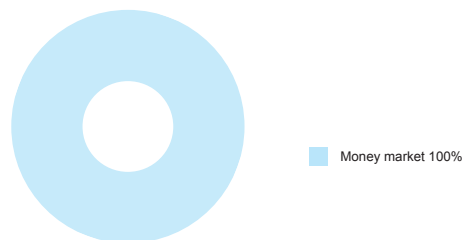


Assets Structure and Changes of the Pension Fund

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



Half-Year Report 2016

Vyvážený důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.

Basic Information

Vyvážený důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Balanced Participation Fund)

The establishment of the pension fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12421/570 with effective date 18 December, 2012.

As at 30. 6. 2016, the License for the Creation of Pension Fund has expired in accordance with Act no. 376/2015 Coll., On the Termination of Pension Savings. By the act of license expiration, the pension fund was dissolved and has entered into the process of liquidation. As at the date of entry into liquidation, extraordinary financial statements and half-year annual report of the Pension Fund for the period from 1. 1. 2016 to 30. 6. 2016 have been prepared and audited. The pension fund will subsequently cease by pay-out of all participants' savings at the latest by 31. 12. 2016.

It is managed by Česká spořitelna – penzijní společnost, a. s. Registered office at Poláčkova 1976/2, 140 21 Prague 4, Identification number (IN): 61672033, Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, which only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into a Balanced Participation Fund is appropriate for participants who are looking for a complex and long-term solution for their investments balanced and diversified in money markets, bond markets, and stock markets. The net asset value of the fund can fluctuate considerably in the mid-term horizon due to the mature nature of the investment strategy. The Balanced Pension Fund is suitable for upper intermediate investors preferring not only a fixed income but also stocks with at least a three-year investment horizon. Investment into the Balanced Pension Fund is also available for intermediate investors if part of a widely diversified portfolio. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into the instruments of money markets, government bonds, and other investment-grade debt secu-

rities and stocks or comparable instruments representing a share in a legal entity. Credit risk and interest rate risk are actively managed and non-hedged investments denominated in foreign currencies cannot exceed 25% of the portfolio.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Also, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in areas of investments and asset management since 1998, holding both a brokerage license and an ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in areas of investments and asset management since 2000.

Custody and Safekeeping

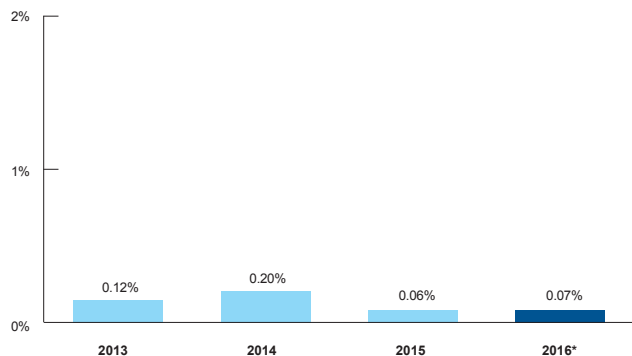
Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

In 2016, Česká spořitelna - penzijní společnost did not charge a management fee nor a performance fee (Fee holidays) at the expense of Conservative Pension Fund. By decision of the Board, fees and charges will not be applied on any of the pension savings funds and saving is free of charge for our clients.

Pension Fund Annual Performance

Performance of the Balanced Pension Fund



*as at 30. 6. 2016

Portfolio as at 30 June 2016

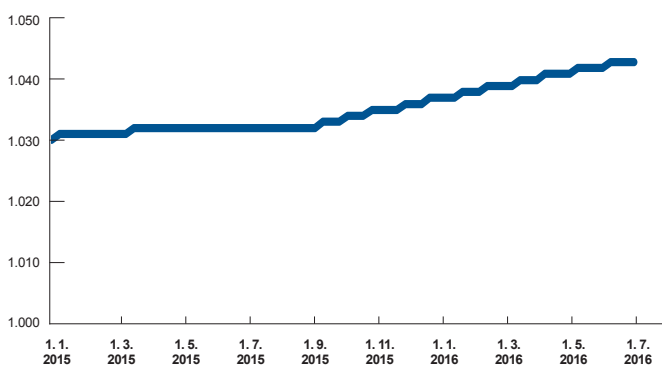
Security	Type	Currency	Fair value in thousands CZK	Share
Deposits	Money market	CZK	268,297	100%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

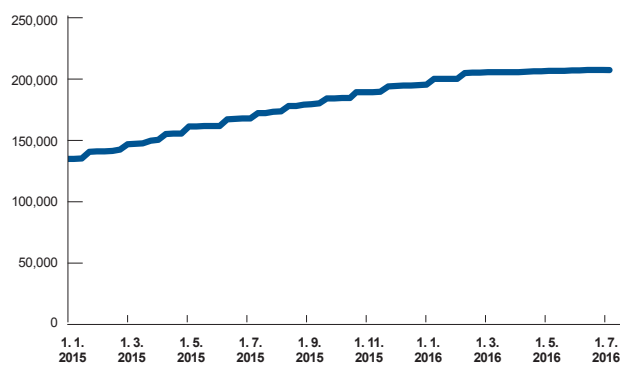
CZK thousands	30. 6. 2014	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	84,499	194,679	268,271
NAV per pension unit in CZK	1.0022	1.0034	1.0045

Development of the fund NAV

Development of pension unit

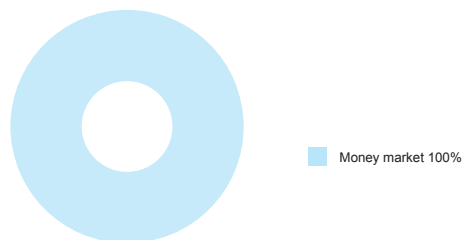


Development of the fund NAV

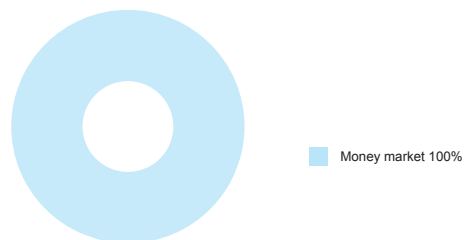


Assets Structure and Changes of the Pension Fund

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



Dodatečné informace o důchodovém fondu je možné získat na adrese Poláčkova 1976/2, 140 21 Praha 4, na informační lince 956 777 444, na e-mailu info@cs-ps.cz nebo na internetových stránkách www.ceskapenzijni.cz.

Half-Year Report 2016

Dynamický důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s.

Basic Information

Dynamický důchodový fond důchodového spoření Česká spořitelna – penzijní společnost, a. s. (hereafter referred to as Dynamic Pension Fund).

The establishment of the pension fund was permitted by The Czech National Bank (CNB) on 17 December 2012, reference number 2012/12421/570 with effective date 18 December, 2012.

As at 30. 6. 2016, the Licence for the Creation of Pension Fund has expired in accordance with Act no. 376/2015 Coll., On the Termination of Pension Savings. By the act of license expiration, the pension fund was dissolved and has entered into the process of liquidation. As at the date of entry into liquidation, extraordinary financial statements and half-year annual report of the Pension Fund for the period from 1. 1. 2016 to 30. 6. 2016 have been prepared and audited. The pension fund will subsequently cease by pay-out of all participants' savings at the latest by 31. 12. 2016.

It is managed by Česká spořitelna – penzijní společnost, a. s.
Registered office at Poláčkova 1976/2, 140 21 Prague 4,
Identification number (IN): 61672033,
Commercial Registry: Municipal Court in Prague, Section B, Insert 2927, as part of the consolidation group, which only parent company is Česká spořitelna, a. s., IN: 45244782

Fund Characteristics

Investment into a Dynamic Pension Fund is appropriate for participants who are looking for the highest possible return of their investments, are familiar with financial markets, and are ready to accept significant volatility. The portfolio of the Dynamic Pension Fund is proportionally diversified into money markets, bond markets, and stock markets. The Dynamic Pension Fund is suitable for experienced investors, who are ready to bear even long periods of negative development and have at least a five-year investment horizon. Investment into the Dynamic Pension Fund is also available for less-experienced investors if a part of widely diversified portfolio. The purpose of the investment strategy is to provide participants with a long-term appreciation of their savings invested mostly into instruments of money market, government bonds,

and other investment-grade debt securities and stocks or comparable instruments representing a share in a legal entity. Credit risk and interest rate risk are actively managed and non-hedged investments denominated in foreign currencies and cannot exceed 50% of the portfolio.

Depository

Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Prague 1, IN: 45317054.

Asset Management

Asset management is outsourced to Česká spořitelna, a. s., registered office at Prague 4, Olbrachtova 1929/62, 140 00, IN: 452 44 782, registered in the Commercial Registry at the Municipal Court in Prague, Section B, Insert 1171. Mgr. Marcel Kostovski is the senior portfolio manager of the fund having work experience in area of investments and asset management since 1995. Additionally, Mgr. Marcel Kostovski is a graduate of the CFA Institute and holds a brokerage license. Ing. Tomas Kroužel is the first substituting portfolio manager having work experience in area of investments and asset management since 1998, holding both a brokerage license and ACI Diploma. Ing. Štěpán Mikolášek is the second substituting portfolio manager and a graduate of the CFA Institute having work experience in area of investments and asset management since 2000.

Custody and Safekeeping

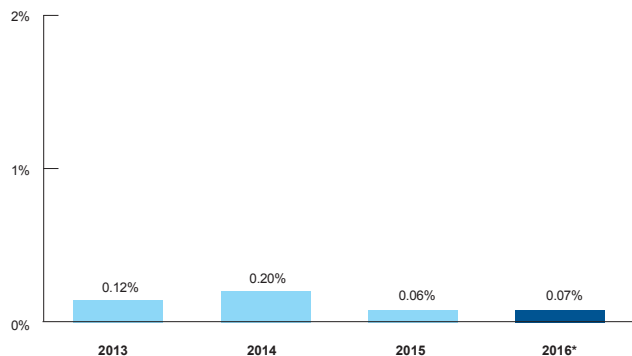
Komerční banka, a. s., registered office at Na Příkopě 33/969, 114 07 Praha 1, IČ: 45317054

Fees and Charges

In 2016, Česká spořitelna - penzijní společnost did not charge any management fee nor performance fee (Fee holidays) at the expense of Conservative Pension Fund. By decision of the Board, fees and charges will not be applied on any of pension savings funds and saving is for our clients free of charge.

Pension Fund Annual Performance

Performance of the Dynamic Pension Fund



*as at 30. 6. 2016

Portfolio as at 30 June 2016

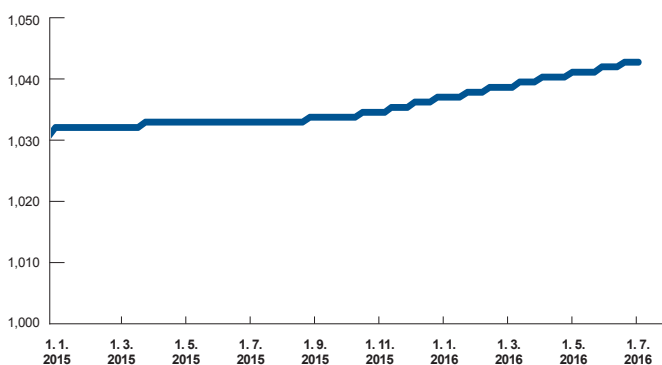
Security	Type	Currency	Fair value in thousands CZK	Share
Deposits	Money market	CZK	113,023	100%

Net Asset Value and Net Asset Value per Pension Unit as at 30 June 2016

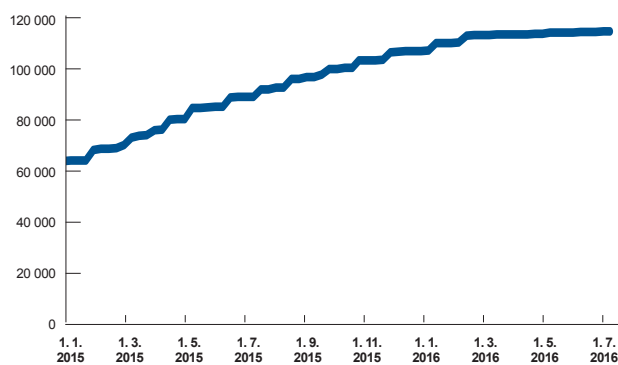
CZK thousands	30. 6. 2015	30. 6. 2016
NAV in thousands CZK	84,379	113,012
NAV per pension unit in CZK	1.0034	1.0046

Development of the fund NAV

Development of pension unit

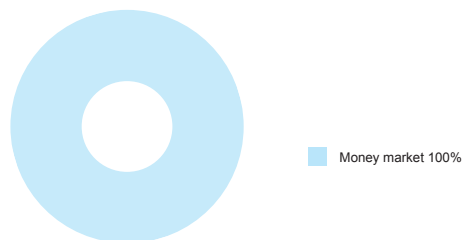


Development of the fund NAV

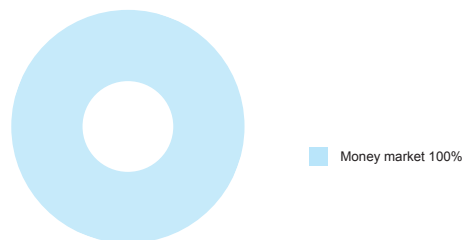


Assets Structure and Changes of the Pension Fund

Portfolio as at 30 June 2015



Portfolio as at 30 June 2016



Česká spořitelna – penzijní společnost, a. s.

Poláčkova 1976/2, 140 21 Prague 4

Identification number: 61672033

Information link: 956 777 444

E-mail: info@cs-ps.cz

Internet: www.ceskapenzijni.cz

Portfolio Manager:

Česká spořitelna, a. s., registered office at Prague 4,

Olbrachtova 1929/62, 140 00,

IN: 452 44 782, registered in the Commercial Registry at the
Municipal Court in Prague, Section B, Insert 1171

Portfolio manager of the funds and ČS penzijní společnost is Mgr. Marcel Kostovski, who is a graduate of broker examinations, CFA Institute and has been professionally engaged in investments, portfolio management and asset management since 1995.

Half-Year Report 2016

Production

Omega Design, s. r. o.

