

**Official information
of the Ministry of Finance
dated 30 June 2023
defining issuance terms and conditions of
“Government Bond of the Czech Republic, 2023–2043, VAR%”**

The following is a translation of the issuance terms and conditions. The issuance terms and conditions are in the Czech language, and in the case of any inconsistency between the English translation and the Czech language version the Czech language version shall prevail.

The Ministry of Finance (hereinafter referred to as “the Ministry” or “the Issuer”) determines these issuance terms and conditions, which set out the rights and obligations of the Issuer and bondholders, as well as the information about the bond issue and the essentials of the Government Bond of the Czech Republic, 2023–2043, VAR% (hereinafter referred to as “the Bond” or “the Bonds”). The Bonds are issued by the Czech Republic acting through the Ministry in accordance with Section 25 and 26 of the Act No. 190/2004 Coll., on Bonds, as amended (hereinafter referred to as “the Bonds Act”), Section 35 of the Act No. 218/2000 Coll., on Budgetary Rules and on Amendment to Some Related Acts (Budgetary Rules), as amended (hereinafter referred to as “the Budgetary Rules”), and with part one (General Provisions) of the Rules for the Primary Sale of Government Securities Organized by the Czech National Bank, as amended, published on the website of the Czech National Bank and the Ministry (hereinafter referred to as the “Rules for the Primary Sale”). The Bonds are governed in particular by these issuance terms and conditions, the Bonds Act, the Budgetary Rules, Rules for the Primary Sale, procedures and rules contained in the contractual documentation between the Issuer and the selected auction participants (hereinafter referred to as “the Contractual Documentation”).

1. Basic description of the Bonds:

Issuer: The Czech Republic – the Ministry of Finance

Name: Government Bond of the Czech Republic, 2023–2043, VAR%

Short name: ČR, VAR%, 43

Serial number of issue: 155

Face value: 10,000 CZK (in words: ten thousand Czech koruna)

Category of Bond: government bond

Currency in which the Bonds are denominated: Czech koruna (CZK)

Beginning of the subscription period: 16 August 2023

Termination of the subscription period: 19 July 2043

Issue date: 18 August 2023

Maturity date: 18 August 2043

Interest: defined by floating interest rate

Day count convention: ACT/360

ISIN: CZ0001007041

2. The Bonds are issued based on the Budgetary Rules in accordance with Section 25 (2) (b) of the Bonds Act.
3. The Bonds are issued in book-entry securities form, and on the issue date, are registered in the central record of book-entry securities maintained by the Central Securities Depository Prague (Centrální depozitář cenných papírů, a.s.), having its registered office at Rybná 14, 110 05 Prague 1, Czech Republic, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 4308, ID No. 25081489, (hereinafter referred to as the “the Central Depository”) in accordance with the Czech law and with Section 92 (1) of the Capital Market Act, Act No. 256/2004 Coll., as amended. A person other than the Central Depository, which is authorized to maintain a record of book-entry securities, maintains the record of the Bonds based on the Issuer’s decision.
4. The Bonds may be subscribed and acquired by legal or natural persons having their seat or residence in the territory of the Czech Republic as well as abroad (hereinafter referred to as the “Investor” or “Investors”).
5. The right to interest payment has the person who is entitled to exercise the rights related to the Bond on 19 January and 19 July starting as of 2024 and in the following years according to the Annex I these issuance terms and conditions. The right to interest payment from the issue date (inclusive of this date) to 18 February 2024 (exclusive of this date) has the person who is entitled to exercise the rights related to the Bond on 19 January 2024. Transferability of the Bonds and granting a lien on the Bonds after 19 July 2043 are excluded.
6. The interest of the Bond is defined by floating interest rate, which is determined by the Ministry for each interest period on the reset date as an average reference interest rate. The minimum interest rate for each interest period is set at 0.00% p.a. The interest rate will be published on the Ministry's website on the reset date. The average reference interest rate is determined as an arithmetic mean of the reference interest rate for five consecutive business days expressed to three decimal places according to the Annex II to the issuance terms and conditions, the last business day being the date preceding the reset date in accordance with the article 7 of the issuance terms and conditions. The resulting average reference interest rate is rounded to two decimal places. The reference interest rate in relation to the respective interest period for the purposes of the issuance terms and conditions is 6M PRIBOR, which is a reference value of interest rates in percentages p.a. (per annum) for the sale of CZK deposits (offer) in the market of interbank deposits for a term of six months. The interest based on the respective floating rate is paid twice a year, always on 18 February and 18 August of the relevant year. If the payment date falls on a date, which is not a business

day, the payment will be made on the next business day without the entitlement to the proceeds for the deferred payment.

7. The reset date for the purposes of the issuance terms and conditions in relation to the respective interest period is a business day that falls two business days prior the first day of the respective interest period. For the purposes of the first interest period the reset date is the auction date of the first tranche of the issue. If the reference interest rate 6M PRIBOR is not published on one of the five business days indicated in Annex II to the issuance terms and conditions, the reference interest rate shall be determined by the Issuer as arithmetic mean rounded to two decimal places of quotations for the sale (offer) in the market of interbank CZK deposits for a term of six months obtained on the respective day after 11 a.m. (in words: eleven) Central European Time quoted by at least five banks operating in the CZK interbank market chosen by the Issuer. If this way of determination is not possible, the last published 6M PRIBOR interest rate shall be used to determine the average reference interest rate and the interest rate of the Bond for the respective interest period.
8. For the avoidance of doubt, if the interest rate 6M PRIBOR is no longer used in the market of interbank deposits in general or in consequence of the Czech Republic's transition to other legal currency, an interest rate used in the market of interbank deposits in the Czech Republic instead of the 6M PRIBOR will be used for the purposes of the average reference interest rate determination according to the articles 6 and 7. The change of reference interest rate will be executed in accordance with the laws of Czech Republic valid on the date of the Czech Republic's transition to other legal currency. The provisions of article 7 of the issuance terms and conditions will be used analogously.
9. Interest period is six months, always from 18 August (inclusive of this date) to 18 February (exclusive of this date) of the respective year and from 18 February (inclusive of this date) of the respective year to 18 August (exclusive of this date) of the following year according to Annex I to these issuance terms and conditions. The first interest period for the interest payment begins on 18 August 2023 (inclusive of this date) and ends on 18 February 2024 (exclusive of this date). The second interest period for the interest payment begins on 18 February 2024 (inclusive of this date) and ends on 18 August 2024 (exclusive of this date). For the purpose of any calculation related to the Bonds issued on the basis of these issuance terms and conditions, day count convention for the period shorter than one year is based on one year of 360 (in words: three hundred and sixty) days and actual days in a respective period (standard ACT/360). Accrued interest is included in the Bond price starting from the issue date, or from the beginning of the respective interest period to the date of the calculation of the accrued interest.
10. The issue of the Bonds may be issued in tranches within the subscription period.

11. The issue price of the respective tranche of the Bond is determined by the price achieved at auction. In case of the issue by means of booking on the Issuer's asset account in accordance with Section 35 (7) of the Budgetary Rules, the issue price is determined as 100% of the principal.
12. The Bonds shall be offered for subscription in the Czech Republic. The Bonds shall be sold on primary market through the Czech National Bank pursuant to Section 26 (4) of the Bonds Act. Primary sale of the Bonds, method and place of the Bond subscription, method and time of delivery to individual Investors and manner and place of payment of the issue price of the subscribed Bonds is governed by the Rules for the Primary Sale, and procedures and rules contained in the Contractual Documentation, and in the event of a conflict, the procedures and rules contained in the Contractual Documentation shall prevail. Primary sale of the Bonds is carried out via auctions. The auction place is the Czech National Bank. Only the person specified by the Issuer or the Issuer may participate in the auction. Other Investors may participate in the auction indirectly through the person specified by the Issuer or the Issuer. The Issuer is authorized to book securities on the issue date firstly on its asset account in accordance with Section 15 (4) of the Bonds Act, and to acquire the Bonds before the maturity date, including buy-backs of the Bonds at any time and any price, and under other conditions defined by the Ministry. The Bonds acquired by the Issuer before the maturity date, including the Bonds bought back by the Issuer, do not expire. It is at the Issuer's discretion to keep the Bonds on its asset account, sell them or decide otherwise.
13. Primary sale of the first tranche shall be carried out through the auction organized on 16 August 2023 by the Czech National Bank in accordance with the Rules for the Primary Sale, and procedures and rules contained in the Contractual Documentation, and in the event of a conflict, the procedures and rules contained in the Contractual Documentation shall prevail. The issuance and primary sale of further tranches shall be decided by the Issuer, as well as the respective auctions dates and methods. The announcement of the Bond auction and the auction method is published on the website of the Ministry well in advance.
14. In accordance with Section 7 of the Bonds Act, the Bonds may be issued in smaller or larger total nominal value than the estimated total nominal value of the issue. The possible increase in the total nominal value of the issue is 50,000,000,000 CZK (in words: fifty billion Czech koruna).
15. The Bonds principal shall be redeemed on 18 August 2043. The interest of the Bonds ends on this date. The principal of the Bond will be repaid together with the last interest payment to the person, who will be the owner of the Bonds on 19 July 2043. If the repayment date of principal and payment date of last interest of the Bonds falls on a day, which is not

a business day, the repayment will be made on the next business day without the entitlement to the proceeds for the deferred payment.

16. The Issuer undertakes to ensure the interest payments and the repayment of the principal of the Bonds according to these issuance terms and conditions to persons who are entitled to exercise the relevant rights related to the Bond on the date set by these issuance terms and conditions exclusively in CZK or other currency, that will be the official currency of the Czech Republic on the respective payment date. The principal repayment and interest payment are ensured by the Czech National Bank and the Ministry directly or through other authorized persons. The principal of the Bonds will be repaid and the interest of the Bonds will be paid by cashless transfer according to the instructions of persons who are entitled to exercise the relevant rights related to the Bond on the date set by these issuance terms and conditions. The payment place is the Czech National Bank or another person authorized by the Issuer, which shall publish the method of repayment of the principal and the interest payment.
17. Valid rating of long-term obligations denominated in CZK on the date of defining these issuance terms and conditions is at AA level by S&P Global Ratings, at Aa3 level by Moody's, at AA- level by Fitch Ratings, at AA level by Japan Credit Rating Agency, at AA- level by R&I, at AA- level by Scope Ratings and at AA level by ACRA.
18. The Bonds are direct, unconditional and unsubordinated debts of the Czech Republic, which are at the same level as all other existing and future direct, unconditional and unsubordinated debts of the Czech Republic.
19. The right related to the Bond shall become statute-barred on the date on which it could be exercised for the first time pursuant to applicable law regulation.
20. The Ministry announces these issuance terms and conditions in the Collection of Laws. The estimated total nominal value of the issue of Bonds is published in the Czech language together with these issuance terms and conditions on the website of the Ministry, in the section where information on issued government bonds is published. All other announcements to the bondholders and to the public regarding the Bonds are published in the same manner.
21. The Czech National Bank does not supervise the issue of these Bonds or their Issuer.
22. These issuance terms and conditions may be translated into foreign languages. In case of any discrepancy between various language versions of issuance terms and conditions, the Czech version shall prevail.

23. The Bonds are issued in accordance with the Czech law and the interest taxation in the Czech Republic is governed by the laws of the Czech Republic. The rights and the obligations following from these issuance terms and conditions and the rights and the obligations related to the Bond issued on the basis of these issuance terms and conditions are governed and interpreted by the laws of the Czech Republic, without regard to conflicts of laws provisions thereof.

Minister of Finance
Zbyněk Stanjura

Annex I to issuance terms and conditions of Government Bond of the Czech Republic, 2023–2043, VAR%

Overview of interest periods and individual dates related to the interest payment					
Interest period	Reset date	Interest period		Decisive date for interest payment	Date of yield payment
		from*	to**		
1	16/08/2023	18/08/2023	18/02/2024	19/01/2024	18/02/2024
2	15/02/2024	18/02/2024	18/08/2024	19/07/2024	18/08/2024
3	15/08/2024	18/08/2024	18/02/2025	19/01/2025	18/02/2025
4	14/02/2025	18/02/2025	18/08/2025	19/07/2025	18/08/2025
5	14/08/2025	18/08/2025	18/02/2026	19/01/2026	18/02/2026
6	16/02/2026	18/02/2026	18/08/2026	19/07/2026	18/08/2026
7	14/08/2026	18/08/2026	18/02/2027	19/01/2027	18/02/2027
8	16/02/2027	18/02/2027	18/08/2027	19/07/2027	18/08/2027
9	16/08/2027	18/08/2027	18/02/2028	19/01/2028	18/02/2028
10	16/02/2028	18/02/2028	18/08/2028	19/07/2028	18/08/2028
11	16/08/2028	18/08/2028	18/02/2029	19/01/2029	18/02/2029
12	15/02/2029	18/02/2029	18/08/2029	19/07/2029	18/08/2029
13	16/08/2029	18/08/2029	18/02/2030	19/01/2030	18/02/2030
14	14/02/2030	18/02/2030	18/08/2030	19/07/2030	18/08/2030
15	15/08/2030	18/08/2030	18/02/2031	19/01/2031	18/02/2031
16	14/02/2031	18/02/2031	18/08/2031	19/07/2031	18/08/2031
17	14/08/2031	18/08/2031	18/02/2032	19/01/2032	18/02/2032
18	16/02/2032	18/02/2032	18/08/2032	19/07/2032	18/08/2032
19	16/08/2032	18/08/2032	18/02/2033	19/01/2033	18/02/2033
20	16/02/2033	18/02/2033	18/08/2033	19/07/2033	18/08/2033
21	16/08/2033	18/08/2033	18/02/2034	19/01/2034	18/02/2034
22	16/02/2034	18/02/2034	18/08/2034	19/07/2034	18/08/2034
23	16/08/2034	18/08/2034	18/02/2035	19/01/2035	18/02/2035
24	15/02/2035	18/02/2035	18/08/2035	19/07/2035	18/08/2035
25	16/08/2035	18/08/2035	18/02/2036	19/01/2036	18/02/2036
26	14/02/2036	18/02/2036	18/08/2036	19/07/2036	18/08/2036
27	14/08/2036	18/08/2036	18/02/2037	19/01/2037	18/02/2037
28	16/02/2037	18/02/2037	18/08/2037	19/07/2037	18/08/2037
29	14/08/2037	18/08/2037	18/02/2038	19/01/2038	18/02/2038
30	16/02/2038	18/02/2038	18/08/2038	19/07/2038	18/08/2038
31	16/08/2038	18/08/2038	18/02/2039	19/01/2039	18/02/2039
32	16/02/2039	18/02/2039	18/08/2039	19/07/2039	18/08/2039
33	16/08/2039	18/08/2039	18/02/2040	19/01/2040	18/02/2040
34	16/02/2040	18/02/2040	18/08/2040	19/07/2040	18/08/2040
35	16/08/2040	18/08/2040	18/02/2041	19/01/2041	18/02/2041
36	14/02/2041	18/02/2041	18/08/2041	19/07/2041	18/08/2041
37	15/08/2041	18/08/2041	18/02/2042	19/01/2042	18/02/2042
38	14/02/2042	18/02/2042	18/08/2042	19/07/2042	18/08/2042
39	14/08/2042	18/08/2042	18/02/2043	19/01/2043	18/02/2043
40	16/02/2043	18/02/2043	18/08/2043	19/07/2043	18/08/2043

* Inclusive of this date

** Exclusive of this date

Annex II to issuance terms and conditions of Government Bond of the Czech Republic, 2023–2043, VAR%

Overview of dates of 6M PRIBOR publication for the purpose of average reference interest rate calculation		
Interest period	Reset date	Reference interest rate 6M PRIBOR calculation dates
1	16/08/2023	09/08, 10/08, 11/08, 14/08, 15/08
2	15/02/2024	08/02, 09/02, 12/02, 13/02, 14/02
3	15/08/2024	08/08, 09/08, 12/08, 13/08, 14/08
4	14/02/2025	07/02, 10/02, 11/02, 12/02, 13/02
5	14/08/2025	07/08, 08/08, 11/08, 12/08, 13/08
6	16/02/2026	09/02, 10/02, 11/02, 12/02, 13/02
7	14/08/2026	07/08, 10/08, 11/08, 12/08, 13/08
8	16/02/2027	09/02, 10/02, 11/02, 12/02, 15/02
9	16/08/2027	09/08, 10/08, 11/08, 12/08, 13/08
10	16/02/2028	09/02, 10/02, 11/02, 14/02, 15/02
11	16/08/2028	09/08, 10/08, 11/08, 14/08, 15/08
12	15/02/2029	08/02, 09/02, 12/02, 13/02, 14/02
13	16/08/2029	09/08, 10/08, 13/08, 14/08, 15/08
14	14/02/2030	07/02, 08/02, 11/02, 12/02, 13/02
15	15/08/2030	08/08, 09/08, 12/08, 13/08, 14/08
16	14/02/2031	07/02, 10/02, 11/02, 12/02, 13/02
17	14/08/2031	07/08, 08/08, 11/08, 12/08, 13/08
18	16/02/2032	09/02, 10/02, 11/02, 12/02, 13/02
19	16/08/2032	09/08, 10/08, 11/08, 12/08, 13/08
20	16/02/2033	09/02, 10/02, 11/02, 14/02, 15/02
21	16/08/2033	09/08, 10/08, 11/08, 12/08, 15/08
22	16/02/2034	09/02, 10/02, 13/02, 14/02, 15/02
23	16/08/2034	09/08, 10/08, 11/08, 14/08, 15/08
24	15/02/2035	08/02, 09/02, 12/02, 13/02, 14/02
25	16/08/2035	09/08, 10/08, 13/08, 14/08, 15/08
26	14/02/2036	07/02, 08/02, 11/02, 12/02, 13/02
27	14/08/2036	07/08, 08/08, 11/08, 12/08, 13/08
28	16/02/2037	09/02, 10/02, 11/02, 12/02, 13/02
29	14/08/2037	07/08, 10/08, 11/08, 12/08, 13/08
30	16/02/2038	09/02, 10/02, 11/02, 12/02, 15/02
31	16/08/2038	09/08, 10/08, 11/08, 12/08, 13/08
32	16/02/2039	09/02, 10/02, 11/02, 14/02, 15/02
33	16/08/2039	09/08, 10/08, 11/08, 12/08, 15/08
34	16/02/2040	09/02, 10/02, 13/02, 14/02, 15/02
35	16/08/2040	09/08, 10/08, 13/08, 14/08, 15/08
36	14/02/2041	07/02, 08/02, 11/02, 12/02, 13/02
37	15/08/2041	08/08, 09/08, 12/08, 13/08, 14/08
38	14/02/2042	07/02, 10/02, 11/02, 12/02, 13/02
39	14/08/2042	07/08, 08/08, 11/08, 12/08, 13/08
40	16/02/2043	09/02, 10/02, 11/02, 12/02, 13/02