



Ministry of Finance

Debt and Financial Assets
Management Department

Debt Portfolio Management Quarterly Report

1st - 3rd Quarter of 2020



16 October 2020

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Ministry of Finance
Letenská 15, 118 10 Prague 1
Czech Republic
Tel.: +420 257 041 111
E-mail: pd@mfcz.cz

ISSN 2336-2669 (On-line)

Issued three times a year

Electronic archive:
www.mfcz.cz/statedebt

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List of Abbreviations

bn	Billion
CDCP	Central Securities Depository Prague
CHF	Swiss franc currency code
CNB	Czech National Bank
CPI	Consumer price index
CZK	Czech koruna currency code
CZSO	Czech Statistical Office
ESA 2010	European System of Accounts 2010
EUR	Euro currency code
FIX	Fixed-rate
FX	Foreign exchange
GDP	Gross domestic product
ISIN	International Securities Identification Number
JPY	Japanese yen currency code
mil	Million
MTS	Mercato Telematico Secondario
p.a.	Per annum
p.p.	Percentage point
SEK	Swedish krona currency code
T-Bills	State treasury bills
T-Bonds	Medium-term and long-term government bonds
thous	Thousands
USD	United States dollar currency code
VAR	Variable-rate

Summary and Main Events

The Ministry of Finance (hereinafter the Ministry or MoF) presents, in accordance with the calendar of published information, the Debt Portfolio Management Quarterly Report, which contains in particular the evaluation of the announced strategic targets and limits, the operational fulfilment of the funding programme and issuance activity plans specified in The Czech Republic Funding and Debt Management Strategy for 2020 published on 20 December 2019 and The Czech Republic Funding and Debt Management Strategy for 2020 - Second Half Update published on 26 June 2020. It also includes regular quarterly evaluations of primary dealers for the period from the fourth quarter of 2019 to the third quarter of 2020.

During the first three quarters of 2020, the Ministry proceeded to a significant increase in its issuance activity in order to cover the increased financing needs and sufficiently strengthen the liquidity reserves of the state treasury. It responded to the negative effects of the pandemic outbreak of the coronavirus SARS-CoV-2 in the form of an increased crisis deficit of the state budget, which was gradually increased to CZK 500 billion as part of amendments to the Act on the State Budget of the Czech Republic for 2020. During this period, it successfully sold CZK-denominated government bonds on the domestic market maturing after 31 December 2020, including the eighth subscription period of the "Dluhopis Republiky" bond in total nominal value of CZK 562 billion.

In the third quarter of 2020, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 23.1 billion were placed on the primary market through nine auctions in four auction days. Compared to the previous quarters of this year, the Ministry's issuance activities were normalized due to the provision of a satisfactory amount of funds in the treasury single accounts in previous months to cover the financing needs, including the crisis deficit of the state budget. In addition to re-opened fixed-rate and variable-rate issues, the Ministry issued new fixed-rate issues maturing in 2029. In the first three quarters of the year, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 434.1 billion were sold on the primary market. During the third quarter of 2020, issuance activity on the primary market was supplemented by operations on the secondary market, where the Ministry sold government bonds in a total nominal value of CZK 2.0 billion as part of government bonds exchange operations. In the first three quarters of the year, CZK-denominated medium-term and long-

term government bonds in a total nominal value of CZK 49.4 billion were placed on the secondary market.

In July, the Ministry places second auction of government EUR-bond issued on the domestic market under Czech law. The total demand exceeded EUR 1 billion, while the Ministry satisfied bids in a total nominal value of EUR 300 million, i.e. CZK 8.0 billion, achieving an average yield to maturity of -0.015% p.a.

On 12 September, the Czech Republic Treasury Bond, 2005 - 2020, 3.75 % in a total nominal value of CZK 65.6 billion was redeemed, and government bonds in a total nominal value of CZK 2.1 billion maturing in 2021 were exchanged as part of exchange operations. The net issue of medium-term and long-term government bonds thus amounted to CZK -42.6 billion in the third quarter and CZK 344.2 billion in the first three quarters of the year.

During the third quarter of 2020, the Ministry sold state treasury bills in a total nominal value of CZK 4.4 billion in four auctions and redeemed state treasury bills in total nominal value of CZK 35.5 billion, thus the net issue amounted to CZK -31.0 billion, and CZK 97.3 billion in the first three quarters of the year.

The project of direct sale of government bonds intended for citizens continued in the third quarter, as on 1 July government bonds in a total nominal value of CZK 2.3 billion were issued. At the same time, the eighth subscription period with the issue date of 1 October took place, when government bonds in a total nominal value of CZK 4.0 billion were subscribed. No regular redemption of government bonds intended for citizens took place, however, redemptions before the maturity date based on the exercise of the right of holders in the total nominal value of CZK 85 million were carried out. The net issue of government bonds for citizens including the reinvestment of yields thus reached CZK 2.3 billion in the third quarter and CZK 5.7 billion in the first three quarters of the year.

In the area of loans and credits received from international financial institutions, a loan of EUR 200 million was received in the third quarter from the Development Bank of the Council of Europe with a maturity of 10 years with an interest rate of 0.0% p.a., and repayments and pre-payments of loans from the European Investment Bank totaling CZK 3.3 billion were carried out, with no new tranche being received.

Expanding the Portfolio of Instruments Covering the Euro Financing Needs

This year, the Ministry successfully covered the redemption of the foreign issue of government bonds denominated in euro in a total nominal value of EUR 1.0 billion and the repayments of deposit operations in a total amount of EUR 505 million, which were concluded to cover repayments of previous foreign currency debts.

To cover the repayments of foreign currency operations, the Ministry uses a wide portfolio of short-term and long-term debt instruments in order to utilize favorable conditions on the euro money and bond market to the maximum and smooth the maturity profile of state debt. The issue of government bonds on the domestic market denominated in the euro and under Czech law was successfully tested last year already, followed in July of this year by the first tranche of the second issue government EUR-bond with a seven-year maturity in a total nominal value of EUR 300 million. Deposit operations, repo operations and, newly, foreign exchange swaps with a maturity of up to one year are concluded to cover short-term euro financing needs. Foreign exchange swaps to cover euro financing needs have been actively involved on the basis of their previous use to cover positions in the Swiss franc since 2016.

Furthermore, the Ministry utilizes the possibility of drawing new or converting already received loans from international financial institutions. In the case of regular revisions of interest rates on loans from the European Investment Bank, the Ministry has the option to convert a loan into euros if the offered revision of a CZK-denominated loan is not advantageous for the Ministry compared to the issue of CZK-denominated government bonds with similar maturities on the domestic market. This year, the Ministry converted two tranches of loans totaling CZK 2.1 billion into tranches of loans totaling EUR 82 million with an interest rate of 0.0% p.a. In addition, a loan of EUR 200 million was provided by the Council of Europe Development Bank, while the credit framework allows the Ministry to receive another EUR 100 million. All the above operations are concluded by the Ministry for a zero or negative interest rate, which generates additional revenues to the state budget. In the first three quarters of this year, the Ministry thus achieved additional state budget revenues from euro operations amounting CZK 93 million with an average yield of -0.40% p.a. They are thus a flexible alternative to foreign issues of government bonds issued under foreign law, usually associated with higher costs, especially in the area of administration and fees for lead managers.

Affirmation of the Rating of the Czech Republic

During the third quarter, the current rating of the Czech Republic was affirmed by rating agencies with international scope of activities, as on 24 July, Fitch Ratings affirmed AA- rating with a stable outlook, and the rating at the AA level were affirmed by ACRA Europe and Scope Ratings. Maintaining the current rating is thus a positive signal of the state of public finances for domestic and foreign investors, especially in the current situation, when many developed countries are facing a rating downgrade or revision of outlook to negative. Maintaining a stable

outlook reflects credit rating agencies' expectations that the country's public finances and economic performance will be able to absorb the negative consequences of measures to fight the coronavirus pandemic.

In their evaluations, the agencies regularly appreciate the relatively low indebtedness, strong institutional structure, healthy banking sector, while highlighting the good economic position with which the Czech economy entered the current crisis.

High Interest in the New Issue of the "Dluhopis Republiky" Government Bonds

As part of the eighth subscription period, which ran from 15 June to 18 September, the Ministry offered subscription of six-year reinvestment and inflation-linked government bonds, the so-called "Dluhopis Republiky" government bonds, with an issue date of 1 October. Citizens purchased government bonds in a total nominal value of CZK 4.0 billion through an electronic access to asset account management or at selected branches of contractual distributors. Traditionally, there was a high interest in inflation-linked bonds, the yield of which is linked to the development of the consumer price index. This is the second highest value subscribed within one subscription period since the re-launch of the project at the end of 2018.

"Dluhopis Republiky" Government Bonds are thus increasingly targeted by retail investors, who focus primarily on more conservative investments with a very low level of risk and a secure yield, despite the current economic downturn and uncertain future developments. After the end of the eighth subscription period, their nominal value outstanding reached CZK 20.6 billion, together with bonds intended for citizens issued in the years 2011 to 2014, the total nominal value outstanding reached CZK 22.8 billion. The sale of government bonds to citizens continues with the ninth subscription period starting from 21 September and ending on 22 December, with the bonds being credited to the subscribers' asset accounts as at the issue date of 31 December 2020.

1 – Borrowing Requirement and Development of State Debt

Table 1: Structure and Balance of the Debt Portfolio

CZK bn	2018	2019	30/9/2020
Gross state debt	1,622.0	1,640.2	2,071.9
T-Bills and other money market instruments	43.6	18.0	108.2
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	1,377.1	1,419.2	1,773.3
T-Bonds issued on foreign markets	152.9	151.5	133.2
Savings government bonds	5.2	13.0	18.7
Received credits and loans ¹	43.2	38.5	38.4
Promissory notes	0.0	0.0	0.0
Share of GDP (%)²	30.0	28.5	36.9

¹ Credits and loans received from international financial institutions.

² GDP in the ESA 2010 methodology. The source of data for Q1 2018 – Q2 2020 is CZSO, for Q3 2020 the Macroeconomic Forecast of the Czech Republic – September 2020. Source: MoF, CZSO

Table 2: Financing Needs and Sources

CZK bn	2018	2019	Q1 - Q3 2020
Primary balance of state budget	-43.7	-11.0	220.5
Net expenditure on state debt ¹	40.7	39.6	32.1
T-Bonds redemptions ²	238.9	238.5	166.5
Redemptions and early redemptions on savings government bonds	16.4	2.7	0.5
T-Bills and other money market instruments redemptions ³	44.0	43.5	18.4
Repayments on credits and loans ⁴	8.0	4.7	5.6
Total financing needs	304.4	317.9	443.7
Gross T-Bills issue and other money market instruments ^{3,5}	43.7	18.0	108.1
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market ⁵	259.2	280.9	491.5
Gross issue of T-Bonds on domestic market up to 5 years ^{5,6}	45.0	48.1	263.0
Gross issue of T-Bonds on domestic market from 5 to 10 years ^{5,6}	94.9	71.7	121.0
Gross issue of T-Bonds on domestic market over 10 years ^{5,6}	119.3	161.1	107.4
Gross issue of T-Bonds on foreign markets ⁵	0.0	0.0	0.0
Gross issue of savings government bonds ⁷	0.1	10.5	6.3
Received credits and loans ⁴	0.0	0.0	5.3
Financial asset and liquidity management	1.3	8.5	-167.4
Total financing sources	304.4	317.9	443.7
Gross borrowing requirement	303.1	309.4	611.1

¹ Balance of the budgetary chapter 396 – State Debt.

² Incl. the effect of buy-backs and exchange operations.

³ Excl. T-Bills issued and redeemed within respective period and roll-over of other money market instruments.

⁴ Credits and loans received from international financial institutions.

⁵ Nominal value; premiums and discounts included in the net expenditure on state debt, i.e. they are included in the net borrowing requirement.

⁶ Residual time to maturity at the transaction settlement date.

⁷ Incl. the reinvestment of yields.

Source: MoF

Table 3: Net Borrowing Requirement and Change in State Debt

CZK bn	2018	2019	Q1 - Q3 2020
Gross state debt as at 1 January	1,624.7	1,622.0	1,640.2
Primary state budget balance	-43.7	-11.0	220.5
Net expenditure on state debt service ¹	40.7	39.6	32.1
Financial asset and liquidity management operations	-1.3	-8.5	167.4
Net borrowing requirement	-4.2	20.0	420.1
T-Bills net issue and net change in the balance of other money market instruments	-0.3	-25.5	89.7
T-Bonds net issue on domestic market	71.7	42.4	352.2
T-Bonds net issue on foreign markets	-51.4	0.0	-27.2
Savings government bonds net issue	-16.3	7.8	5.7
Net change in balance of received credits and loans ²	-8.0	-4.7	-0.4
Financing of net borrowing requirement	-4.2	20.0	420.1
Revaluation of state debt ³	1.5	-1.8	11.7
Promissory notes net change	0.0	0.0	0.0
Gross state debt change	-2.7	18.2	431.7
Gross state debt as at the end of period	1,622.0	1,640.2	2,071.9

¹ Balance of budgetary chapter 396 – State debt.

² Credits and loans received from international financial institutions.

³ Incl. the revaluation of the debt denominated in foreign currencies based on the exchange rate difference and the consolidation of state debt from the bonds, which were at the moment of issuance registered on the asset account maintained by the Ministry in the respective record, for the period they were registered on such account, as well as the bonds acquired by the state as the issuer before their maturity date, and the cash resources received or repaid within the lending facilities provided from the nuclear portfolio.

Source: MoF

The absolute value of state debt at the end of the third quarter reached CZK 2,071.9 billion, which represents a decrease of CZK 85.0 billion compared to the end of the first half of the year. Since the end of 2019, the state debt has increased by CZK 431.7 billion, which is mainly due to the issue of government bonds during the first three quarters of 2020 for the purpose of pre-financing the crisis deficit of the state budget, currently approved at the amount of CZK 500 billion compared to the originally approved CZK 40 billion, and this year's state debt repayments and strengthening the state treasury liquidity reserves. By issuing government bonds, the Ministry has already covered all CZK-denominated repayments of state debt in 2020 amounting CZK 172.3 billion

and partially pre-financed the redemptions of government bonds due in 2021 in the total nominal value of CZK 5.6 billion. The remaining issuance thus secured funds to cover the deficit of state budget in the amount of CZK 380.4 billion, i.e. approximately 76.5% of the approved crisis deficit of state budget. Repayments of state debt in the amount of CZK 66.9 billion will take place in the fourth quarter, while the actual state debt at the end of this year will reflect the Ministry's issuance activity, which will respond flexibly to the actual development of the state budget performance in the fourth quarter, the balance of available funds in the state treasury, the situation on the government bond market and demand from primary dealers and dealers.

2 – Primary Market of Government Bonds

Table 4a: Medium-Term and Long-Term Government Bonds Issued in Q1 - Q3 2020

Issue name	Issue/ tranche no.	Auction date	Settlement date	Maturity date	Currency	Max. nominal value offered in the competitive part of auction	Total nominal value sold
ČR, 0.45 %, 23	97 -	15/1	17/1	25/10/2023	CZK	3,000,000,000	0
ČR, 0.25 %, 27	100 22	15/1	17/1	10/2/2027	CZK	4,000,000,000	4,842,930,000
ČR, 0.45 %, 23	97 23	29/1	31/1	25/10/2023	CZK	4,000,000,000	4,629,650,000
ČR, 4.85 %, 57	53 9	29/1	31/1	26/11/2057	CZK	1,000,000,000	446,890,000
ČR, 1.25 %, 25	120 1	12/2	14/2	14/2/2025	CZK	5,000,000,000	5,533,930,000
ČR, 4.85 %, 57	53 10	12/2	14/2	26/11/2057	CZK	500,000,000	566,130,000
ČR, 1.25 %, 25	120 2	26/2	28/2	14/2/2025	CZK	5,000,000,000	5,457,230,000
ČR, 0.25 %, 27	100 23	26/2	28/2	10/2/2027	CZK	3,000,000,000	3,058,110,000
ČR, 0.25 %, 27	100 24	11/3	13/3	10/2/2027	CZK	2,000,000,000	2,500,000,000
ČR, 1.20 %, 31	121 1	11/3	13/3	13/3/2031	CZK	7,000,000,000	9,650,000,000
ČR, 4.85 %, 57	53 11	11/3	13/3	26/11/2057	CZK	500,000,000	500,000,000
ČR, 0.45 %, 23	97 24	25/3	27/3	25/10/2023	CZK	5,000,000,000	37,510,540,000
ČR, VAR %, 27	90 13	25/3	27/3	19/11/2027	CZK	4,000,000,000	3,032,300,000
ČR, 1.20 %, 31	121 2	25/3	27/3	13/3/2031	CZK	3,000,000,000	14,762,410,000
ČR, 3.85 %, 21	61 17	1/4	3/4	29/9/2021	CZK	5,000,000,000	41,091,530,000
ČR, VAR %, 23	63 22	1/4	3/4	18/4/2023	CZK	3,000,000,000	10,179,750,000
ČR, 1.25 %, 25	120 3	1/4	3/4	14/2/2025	CZK	4,000,000,000	38,204,680,000
ČR, 1.00 %, 26	95 23	8/4	14/4	26/6/2026	CZK	5,000,000,000	15,410,490,000
ČR, 2.50 %, 28	78 26	8/4	14/4	25/8/2028	CZK	5,000,000,000	9,983,000,000
ČR, 2.00 %, 33	103 27	8/4	14/4	13/10/2033	CZK	3,000,000,000	4,416,200,000
ČR, 0.10 %, 22	126 1	15/4	17/4	17/4/2022	CZK	5,000,000,000	32,973,730,000
ČR, 0.25 %, 27	100 25	15/4	17/4	10/2/2027	CZK	5,000,000,000	12,667,950,000
ČR, 1.20 %, 31	121 3	15/4	17/4	13/3/2031	CZK	4,000,000,000	11,785,160,000
ČR, 1.25 %, 25	120 4	22/4	24/4	14/2/2025	CZK	5,000,000,000	58,933,780,000
ČR, 1.20 %, 31	121 4	22/4	24/4	13/3/2031	CZK	5,000,000,000	14,044,420,000
ČR, 1.50 %, 40	125 1	22/4	24/4	24/4/2040	CZK	2,000,000,000	2,794,160,000
ČR, 2.50 %, 28	78 27	6/5	11/5	25/8/2028	CZK	4,000,000,000	4,591,990,000
ČR, 0.95 %, 30	94 21	6/5	11/5	15/5/2030	CZK	4,000,000,000	5,201,450,000
ČR, 2.00 %, 33	103 28	6/5	11/5	13/10/2033	CZK	4,000,000,000	5,230,030,000
ČR, 4.70 %, 22	52 17	13/5	15/5	12/9/2022	CZK	7,406,100,000	7,406,100,000
ČR, 1.00 %, 26	95 24	13/5	15/5	26/6/2026	CZK	6,000,000,000	7,008,100,000
ČR, 1.20 %, 31	121 5	13/5	15/5	13/3/2031	CZK	5,000,000,000	5,912,990,000
ČR, 2.40 %, 25	89 21	20/5	22/5	17/9/2025	CZK	4,000,000,000	4,523,930,000
ČR, VAR %, 27	90 14	20/5	22/5	19/11/2027	CZK	4,000,000,000	4,687,990,000
ČR, 1.50 %, 40	125 2	20/5	22/5	24/4/2040	CZK	2,000,000,000	1,992,210,000
ČR, 0.25 %, 27	100 26	10/6	12/6	10/2/2027	CZK	4,000,000,000	5,635,980,000
ČR, 1.20 %, 31	121 6	10/6	12/6	13/3/2031	CZK	3,000,000,000	3,438,560,000
ČR, 1.50 %, 40	125 3	10/6	12/6	24/4/2040	CZK	2,000,000,000	1,600,000,000
ČR, 3.85 %, 21	61 18	24/6	26/6	29/9/2021	CZK	1,273,470,000	1,273,470,000
ČR, 0.25 %, 27	100 27	24/6	26/6	10/2/2027	CZK	5,000,000,000	5,416,570,000
ČR, 1.50 %, 40	125 4	24/6	26/6	24/4/2040	CZK	2,000,000,000	2,114,000,000
ČR, VAR %, 27	90 15	8/7	10/7	19/11/2027	CZK	3,000,000,000	3,217,030,000
ČR, 1.20 %, 31	121 7	8/7	10/7	13/3/2031	CZK	2,000,000,000	2,242,950,000

Issue name	Issue/ tranche no.	Auction date	Settlement date	Maturity date	Currency	Max. nominal value offered in the competitive part of auction	Total nominal value sold	
ČR, 0.95 %, 30	94	22	22/7	24/7	15/5/2030	CZK	3,000,000,000	3,291,760,000
ČR, 1.50 %, 40	125	5	22/7	24/7	24/4/2040	CZK	2,000,000,000	2,113,000,000
ČR, 0.05 %, 29	130	1	26/8	28/8	29/11/2029	CZK	3,000,000,000	3,291,820,000
ČR, 1.50 %, 40	125	6	26/8	28/8	24/4/2040	CZK	2,000,000,000	2,118,660,000
ČR, 0.10 %, 22	126	2	9/9	11/9	17/4/2022	CZK	2,000,000,000	1,448,870,000
ČR, VAR %, 27	90	16	9/9	11/9	19/11/2027	CZK	2,000,000,000	2,346,520,000
ČR, 0.05 %, 29	130	2	9/9	11/9	29/11/2029	CZK	3,000,000,000	3,010,400,000
Total CZK							434,089,350,000	
ČR, 0.00 %, 27	129	1	15/7	17/7	27/7/2027	EUR	300,000,000	300,000,000
Total EUR							300,000,000	

Source: MoF, CNB

Table 4b: Medium-Term and Long-Term Government Bonds Issued in Q1 - Q3 2020

Issue name	Issue/ tranche no.	Coupon	Average price	Average yield to maturity (% p.a.)	Bid- to- cover ratio	Sold in the competitive part of the auction/Max. nominal value offered (%)	Sold in the non- competitive part of the auction/ Max. nominal value offered (%)
ČR, 0.45 %, 23	97	-	0.45%	-	-	0.00	0.00
ČR, 0.25 %, 27	100	22	0.25%	90.754	1.647	1.96	121.07
ČR, 0.45 %, 23	97	23	0.45%	96.085	1.537	3.07	100.00
ČR, 4.85 %, 57	53	9	4.85%	166.575	2.227	5.05	43.17
ČR, 1.25 %, 25	120	1	1.25%	98.730	1.517	2.55	100.00
ČR, 4.85 %, 57	53	10	4.85%	168.994	2.160	5.39	100.00
ČR, 1.25 %, 25	120	2	1.25%	98.846	1.493	1.41	100.00
ČR, 0.25 %, 27	100	23	0.25%	92.939	1.320	3.54	100.00
ČR, 0.25 %, 27	100	24	0.25%	95.371	0.945	2.02	125.00
ČR, 1.20 %, 31	121	1	1.20%	101.646	1.041	1.22	137.86
ČR, 4.85 %, 57	53	11	4.85%	180.759	1.854	1.86	100.00
ČR, 0.45 %, 23	97	24	0.45%	97.636	1.127	1.04	721.12
ČR, VAR %, 27	90	13	VAR%	97.957	19.491 ¹	1.57	75.00
ČR, 1.20 %, 31	121	2	1.20%	96.218	1.578	1.30	478.20
ČR, 3.85 %, 21	61	17	3.85%	104.346	0.896	2.14	800.00
ČR, VAR %, 23	63	22	VAR%	101.268	24.574 ¹	3.11	333.33
ČR, 1.25 %, 25	120	3	1.25%	99.957	1.259	1.20	936.15
ČR, 1.00 %, 26	95	23	1.00%	98.552	1.244	2.51	292.90
ČR, 2.50 %, 28	78	26	2.50%	109.356	1.311	1.95	190.52
ČR, 2.00 %, 33	103	27	2.00%	106.504	1.465	2.11	145.54
ČR, 0.10 %, 22	126	1	0.10%	98.635	0.791	3.27	627.40
ČR, 0.25 %, 27	100	25	0.25%	93.413	1.265	2.48	241.87
ČR, 1.20 %, 31	121	3	1.20%	98.028	1.396	2.11	281.96
ČR, 1.25 %, 25	120	4	1.25%	100.720	1.095	1.77	1 147.13
ČR, 1.20 %, 31	121	4	1.20%	98.548	1.344	1.44	276.68
ČR, 1.50 %, 40	125	1	1.50%	95.929	1.743	1.76	137.00
ČR, 2.50 %, 28	78	27	2.50%	111.507	1.043	5.92	100.00
ČR, 0.95 %, 30	94	21	0.95%	98.302	1.130	4.98	115.38

Issue name	Issue/ tranche no.	Coupon	Average price	Average yield to maturity (% p.a.)	Bid- to- cover ratio	Sold in the competitive part of the auction/Max. nominal value offered (%)	Sold in the non- competitive part of the auction/ Max. nominal value offered (%)	
ČR, 2.00 %, 33	103	28	2.00%	107.977	1.346	2.76	113.81	16.94
ČR, 4.70 %, 22	52	17	4.70%	110.568	0.143	3.71	100.00	0.00
ČR, 1.00 %, 26	95	24	1.00%	102.350	0.607	4.89	100.75	16.05
ČR, 1.20 %, 31	121	5	1.20%	102.434	0.962	6.93	100.00	18.26
ČR, 2.40 %, 25	89	21	2.40%	109.755	0.536	4.80	99.00	14.10
ČR, VAR %, 27	90	14	VAR%	99.100	2.018 ¹	8.95	100.00	17.20
ČR, 1.50 %, 40	125	2	1.50%	101.220	1.429	3.50	87.56	12.05
ČR, 0.25 %, 27	100	26	0.25%	96.351	0.815	2.60	124.88	16.02
ČR, 1.20 %, 31	121	6	1.20%	101.760	1.026	4.00	101.70	12.92
ČR, 1.50 %, 40	125	3	1.50%	99.998	1.500	2.90	77.50	2.50
ČR, 3.85 %, 21	61	18	3.85%	104.850	-0.004	12.02	100.00	0.00
ČR, 0.25 %, 27	100	27	0.25%	97.333	0.663	2.83	93.90	14.43
ČR, 1.50 %, 40	125	4	1.50%	100.787	1.454	2.46	100.00	5.70
ČR, VAR %, 27	90	15	VAR%	99.834	-7.703 ¹	5.16	96.17	11.07
ČR, 1.20 %, 31	121	7	1.20%	103.483	0.857	3.31	105.00	7.15
ČR, 0.95 %, 30	94	22	0.95%	100.783	0.866	4.55	100.00	9.73
ČR, 1.50 %, 40	125	5	1.50%	100.430	1.475	2.48	100.00	5.65
ČR, 0.05 %, 29	130	1	0.05%	91.934	0.965	4.86	100.00	9.73
ČR, 1.50 %, 40	125	6	1.50%	100.231	1.486	3.24	100.05	5.88
ČR, 0.10 %, 22	126	2	0.10%	100.033	0.079	6.36	65.00	7.44
ČR, VAR %, 27	90	16	VAR%	99.960	-9.420 ¹	7.65	100.00	17.33
ČR, 0.05 %, 29	130	2	0.05%	91.968	0.965	3.66	86.67	13.68
Average CZK						3.52	201.59	10.54
ČR, 0.00 %, 27	129	1	0.00%	100.104	-0.015	3.46	100.00	-
Average EUR						3.46	100.00	-

Source: MoF, CNB

Table 5: State Treasury Bills Issued in Q1 - Q3 2020

Issue no.	Maturity (weeks)	Auction date	Issue date	Maturity date	Max. nominal value offered	Total nominal value sold	Yield to maturity (% p.a.)
812	11	2/1	3/1	20/3/2020	5,000,000,000	40,000,000	1.000
813	52	26/3	27/3	26/3/2021	10,000,000,000	68,560,000,000	1.250
814	12	9/4	14/4	10/7/2020	20,000,000,000	12,595,000,000	0.850
815	26	16/4	17/4	16/10/2020	20,000,000,000	20,792,000,000	0.600
816	13	14/5	15/5	14/8/2020	20,000,000,000	12,414,000,000	0.190
817	26	28/5	29/5	27/11/2020	20,000,000,000	2,412,000,000	0.190
818	13	4/6	5/6	4/9/2020	10,000,000,000	10,468,000,000	0.190
819	26	18/6	19/6	18/12/2020	10,000,000,000	5,605,000,000	0.190
820	13	16/7	17/7	16/10/2020	10,000,000,000	3,420,000,000	0.190
821	13	6/8	7/8	6/11/2020	10,000,000,000	0	-
822	13	20/8	21/8	20/11/2020	10,000,000,000	237,000,000	0.150
823	13	17/9	18/9	18/12/2020	10,000,000,000	778,000,000	0.150
Total						137,321,000,000	0.842¹

¹ Average weighted yield to maturity.
Source: MoF, CNB

Table 6: Savings Government Bonds Issued in Q1 - Q3 2020

Issue name	Issue no.	Settlement date	Maturity date	Original maturity (years)	Total nominal value sold
SD-R ČR, FIX %, 26	114	2/1	2/1/2026	6.0	51,894,075
SD-I ČR, CPI %, 26	115	2/1	2/1/2026	6.0	1,604,924,634
SD-F ČR, 1.25 %, 26	116	2/1	2/1/2026	6.0	16,416,515
SD-R ČR, FIX %, 25 ¹	106	1/2	1/2/2025	6.0	12,331,472
SD-R ČR, FIX %, 26 II	117	1/4	1/4/2026	6.0	51,713,779
SD-I ČR, CPI %, 26 II	118	1/4	1/4/2026	6.0	2,027,379,368
SD-F ČR, 1.50 %, 26 II	119	1/4	1/4/2026	6.0	26,180,501
SD-R ČR, FIX %, 25 II ¹	107	1/4	1/4/2025	6.0	3,803,816
SSD-I ČR, CPI %, 20 II ¹	87	12/6	12/12/2020	7.0	40,843,748
SSD-V ČR, VAR %, 20 ¹	93	12/6	12/12/2020	6.5	330,371
SD-R ČR, FIX %, 26 III	122	1/7	1/7/2026	6.0	158,330,144
SD-I ČR, CPI %, 26 III	123	1/7	1/7/2026	6.0	2,000,424,741
SD-F ČR, 1.30 %, 26 III	124	1/7	1/7/2026	6.0	113,013,001
SD-R ČR, FIX %, 25 III ¹	108	1/7	1/7/2025	6.0	1,611,518
SD-I ČR, CPI %, 25 ¹	110	1/7	1/7/2025	6.0	152,845,842
Total					6,262,043,525

¹ Incl. tranches issued in the form of reinvestment of yields.
Source: MoF

Table 7: Medium-Term and Long-Term Government Bonds Issued on Domestic Market as at 30/9/2020

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
ČR, VAR %, 20	91	CZ0001004113	9/12/2020	24,850,370,000	0
ČR, 0.75 %, 21	104	CZ0001005367	23/2/2021	21,018,740,000	1,000,000,000
ČR, 3.85 %, 21	61	CZ0001002851	29/9/2021	120,000,000,000	0
ČR, 0.00 %, 22	102	CZ0001005029	24/2/2022	5,845,780,000	0
ČR, 0.10 %, 22	126	CZ0001005946	17/4/2022	36,432,600,000	63,567,400,000
ČR, 4.70 %, 22	52	CZ0001001945	12/9/2022	95,000,000,000	0
ČR, VAR %, 23	63	CZ0001003123	18/4/2023	99,000,000,000	1,000,000,000
ČR, 0.45 %, 23	97	CZ0001004600	25/10/2023	103,680,540,000	16,319,460,000
ČR, 5.70 %, 24	58	CZ0001002547	25/5/2024	88,600,000,000	1,400,000,000
ČR, 1.25 %, 25	120	CZ0001005870	14/2/2025	116,957,620,000	3,042,380,000
ČR, 2.40 %, 25	89	CZ0001004253	17/9/2025	104,455,520,000	5,544,480,000
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	125,671,590,000	24,328,410,000
ČR, 0.25 %, 27	100	CZ0001005037	10/2/2027	124,000,000,000	1,000,000,000
ČR, VAR %, 27	90	CZ0001004105	19/11/2027	73,526,240,000	1,473,760,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	118,074,990,000	16,925,010,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	99,000,000,000	1,000,000,000
ČR, 0.05 %, 29	130	CZ0001006076	29/11/2029	6,302,220,000	6,989,600,000
ČR, 0.95 %, 30	94	CZ0001004477	15/5/2030	108,643,210,000	11,356,790,000
ČR, 1.20 %, 31	121	CZ0001005888	13/3/2031	70,911,490,000	29,088,510,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	113,820,230,000	6,179,770,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	49,700,000,000	300,000,000
ČR, 1.50 %, 40	125	CZ0001005920	24/4/2040	13,292,030,000	6,707,970,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	19,178,120,000	821,880,000
Total CZK				1,737,961,290,000	198,045,420,000
ČR, 0.00 %, 21	109	CZ0001005706	20/8/2021	1,000,000,000	0
ČR, 0.00 %, 27	129	CZ0001006043	27/7/2027	300,000,000	0
Total EUR				1,300,000,000	0

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.
Source: MoF

Table 8: Medium-Term and Long-Term Government Bonds Issued on Foreign Markets as at 30/9/2020

ISIN	Currency	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
XS0541140793	EUR	14/4/2021	2,000,000,000	0
XS0750894577	EUR	24/5/2022	2,750,000,000	0
XS0240954361	JPY	16/1/2036	30,000,000,000	0
Total EUR			4,750,000,000	0
Total JPY			30,000,000,000	0

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.
Source: MoF

Table 9: Issued State Treasury Bills as at 30/9/2020

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
815	26	CZ0001005961	16/10/2020	20,792,000,000	0
820	13	CZ0001006050	16/10/2020	3,420,000,000	0
822	13	CZ0001006084	20/11/2020	237,000,000	0
817	26	CZ0001005987	27/11/2020	2,412,000,000	0
819	26	CZ0001006027	18/12/2020	5,605,000,000	0
823	13	CZ0001006118	18/12/2020	778,000,000	0
813	52	CZ0001005938	26/3/2021	68,560,000,000	100,000,000,000
Total				101,804,000,000	100,000,000,000

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.
Source: MoF

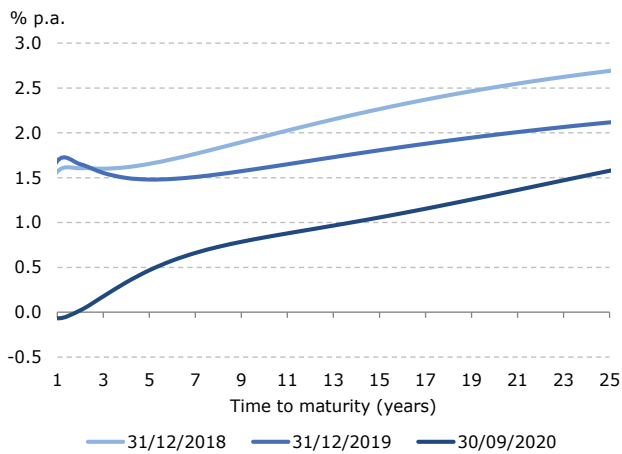
Table 10: Issued Savings Government Bonds as at 30/9/2020

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
SSD-I ČR, CPI %, 20 II	87	CZ0001004204	12/12/2020	2,207,776,211	0
SSD-V ČR, VAR %, 20	93	CZ0001004311	12/12/2020	30,912,736	0
SD-R ČR, FIX %, 25	106	CZ0001005623	1/2/2025	2,913,786,412	0
SD-R ČR, FIX %, 25 II	107	CZ0001005631	1/4/2025	898,774,124	0
SD-R ČR, FIX %, 25 III	108	CZ0001005649	1/7/2025	380,337,718	0
SD-I ČR, CPI %, 25	110	CZ0001005714	1/7/2025	5,065,927,993	0
SD-R ČR, FIX %, 25 IV	111	CZ0001005730	1/10/2025	56,389,169	0
SD-I ČR, CPI %, 25 II	112	CZ0001005722	1/10/2025	1,119,582,173	0
SD-F ČR, 1.50 %, 25	113	CZ0001005748	1/10/2025	23,201,524	0
SD-R ČR, FIX %, 26	114	CZ0001005763	2/1/2026	51,894,075	0
SD-I ČR, CPI %, 26	115	CZ0001005771	2/1/2026	1,604,924,634	0
SD-F ČR, 1.25 %, 26	116	CZ0001005789	2/1/2026	16,416,515	0
SD-R ČR, FIX %, 26 II	117	CZ0001005813	1/4/2026	51,713,779	0
SD-I ČR, CPI %, 26 II	118	CZ0001005821	1/4/2026	2,027,379,368	0
SD-F ČR, 1.50 %, 26 II	119	CZ0001005805	1/4/2026	26,180,501	0
SD-R ČR, FIX %, 26 III	122	CZ0001005896	1/7/2026	158,330,144	0
SD-I ČR, CPI %, 26 III	123	CZ0001005904	1/7/2026	2,000,424,741	0
SD-F ČR, 1.30 %, 26 III	124	CZ0001005912	1/7/2026	113,013,001	0
Celkem				18,746,964,818	0

Source: MoF

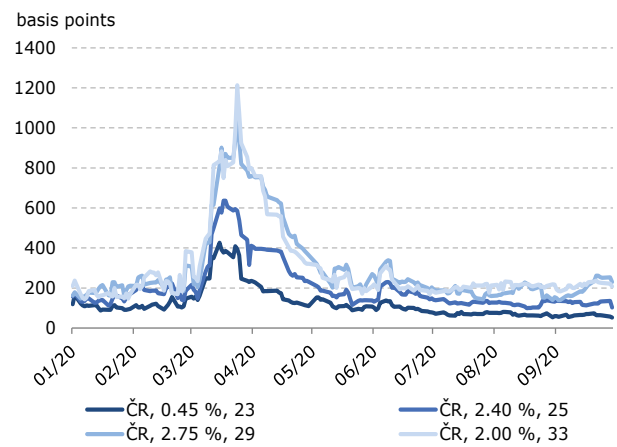
3 – Secondary Market of Government Bonds

Figure 1: Yield Curve of Government Bonds



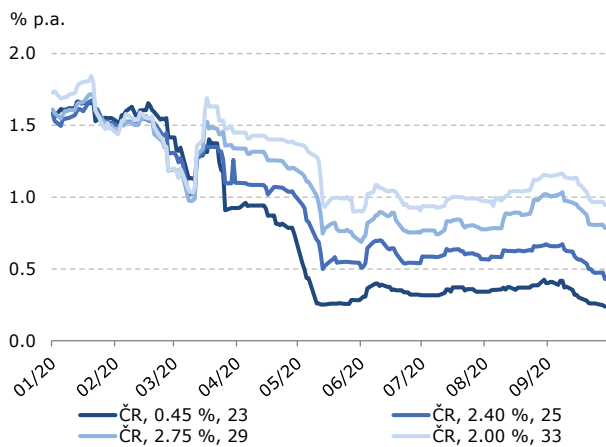
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.
Source: MoF, MTS

Figure 2: Bid-Offer Spreads of Selected Government Bonds



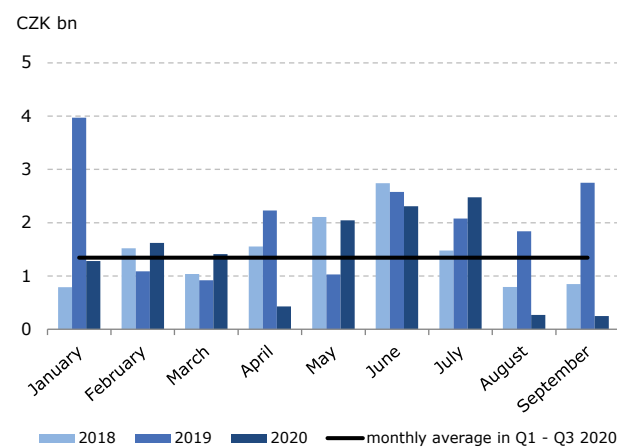
Source: MoF, MTS

Figure 3: Yields of Selected Government Bonds



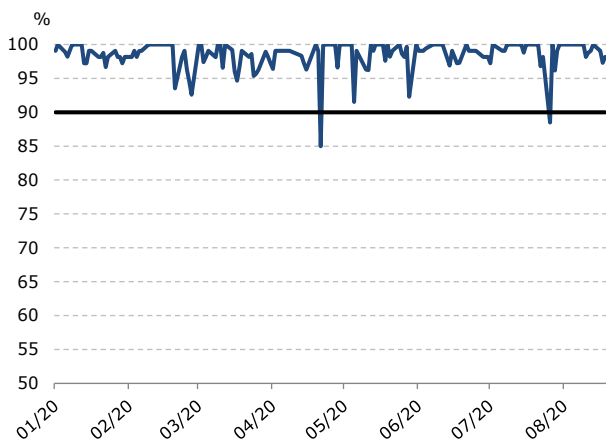
Source: MoF, MTS

Figure 4: Traded Nominal Value on MTS Czech Republic



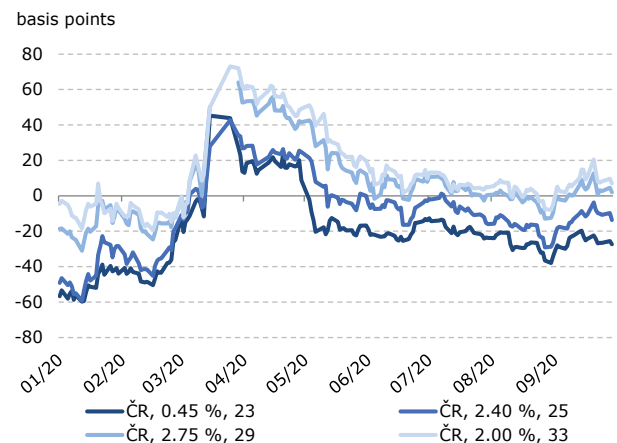
Source: MoF, MTS

Figure 5: Average Daily Compliance Ratio of Primary Dealers on MTS Czech Republic



Source: MoF, MTS

Figure 6: "Asset Swap Spread" Risk Premium of Selected Government Bonds



Source: Bloomberg

Table 11a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in Q1 - Q3 2020

Issue name	ISIN	Collateral nominal value	Financial resources received	Financial resources paid ¹
ČR, 0.75 %, 21	CZ0001005367	580,000,000	578,815,888	578,776,737
ČR, 4.20 %, 36	CZ0001001796	260,000,000	376,588,333	376,529,169
Total CZK		840,000,000	955,404,221	955,305,906
ČR, 0.10 %, 22	CZ0001005946	9,467,000,000 ²	320,000,000	319,872,153
ČR, 0.45 %, 23	CZ0001004600	4,665,000,000 ²	150,000,000	149,895,000
ČR, 5.70 %, 24	CZ0001002547	977,000,000 ²	45,000,000	44,986,744
ČR, 1.00 %, 26	CZ0001004469	1,480,000,000 ²	55,000,000	54,983,798
ČR, 2.75 %, 29	CZ0001005375	705,000,000 ²	30,000,000	29,991,250
ČR, 1.20 %, 31	CZ0001005888	3,470,000,000 ²	120,000,000	119,900,000
ČR, 2.00 %, 33	CZ0001005243	1,486,000,000 ²	60,000,000	59,982,500
Total EUR		22,250,000,000²	780,000,000	779,611,444

¹ Incl. financial resources from this lending facilities realized in Q1 - Q3 2020, which has not been paid during this period.

² Collateral nominal value is stated in local currency.

Note: The average interest rate achieved under this lending facilities during Q1 - Q3 2020 amounted to -0.47% p.a.

Source: MoF

Table 11b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in Q1 - Q3 2020

Issue name	ISIN	Nominal value	Revenue ¹
ČR, 0.75 %, 21	CZ0001005367	460,000,000	35,898
ČR, 4.70 %, 22	CZ0001001945	980,000,000	189,350
ČR, VAR %, 23	CZ0001003123	410,000,000	34,090
ČR, 0.45 %, 23	CZ0001004600	340,000,000	29,379
ČR, 1.25 %, 25	CZ0001005870	100,000,000	11,566
ČR, VAR %, 27	CZ0001004105	605,000,000	191,763
ČR, 2.75 %, 29	CZ0001005375	166,000,000	26,516
ČR, 0.05 %, 29	CZ0001006076	1,710,000,000	204,143
ČR, 0.95 %, 30	CZ0001004477	150,000,000	11,961
ČR, 1.20 %, 31	CZ0001005888	1,780,000,000	353,449
ČR, 2.00 %, 33	CZ0001005243	846,000,000	219,290
ČR, 4.20 %, 36	CZ0001001796	300,000,000	114,010
ČR, 1.50 %, 40	CZ0001005920	1,277,000,000	218,513
ČR, 4.85 %, 57	CZ0001002059	25,000,000	3,284
Total		9,149,000,000	1,643,214

¹ Incl. financial revenue from this lending facilities realized in Q1 - Q3 2020, which has not been terminated during this period.

Source: MoF

Table 12: Realized Tap Sales of Government Bonds in Q1 - Q3 2020

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
ČR, 0.95 %, 30	94	8/1/2020	15/5/2030	93.625	CZK	369,760,000
ČR, 1.00 %, 26	95	10/1/2020	26/6/2026	96.950	CZK	200,000,000
ČR, 0.45 %, 23	97	22/1/2020	25/10/2023	95.850	CZK	150,000,000
ČR, 0.45 %, 23	97	24/1/2020	25/10/2023	95.900	CZK	200,000,000
ČR, 2.00 %, 33	103	27/1/2020	13/10/2033	105.275	CZK	400,000,000
ČR, 0.25 %, 27	100	5/2/2020	10/2/2027	91.900	CZK	200,000,000
ČR, 2.00 %, 33	103	4/3/2020	13/10/2033	110.500	CZK	290,000,000
ČR, 4.20 %, 36	49	4/3/2020	4/12/2036	145.500	CZK	174,380,000
ČR, 0.45 %, 23	97	6/3/2020	25/10/2023	97.100	CZK	209,960,000
ČR, 0.25 %, 27	100	10/3/2020	10/2/2027	93.975	CZK	500,000,000
ČR, 0.00 %, 22	102	12/3/2020	24/2/2022	97.650	CZK	280,000,000
ČR, 0.75 %, 21	104	20/3/2020	23/2/2021	99.450	CZK	550,000,000
ČR, 0.45 %, 23	97	20/3/2020	25/10/2023	96.800	CZK	1,000,000,000
ČR, 3.85 %, 21	61	23/3/2020	29/9/2021	103.450	CZK	1,100,000,000
ČR, 1.25 %, 25	120	23/3/2020	14/2/2025	99.340	CZK	2,200,000,000
ČR, 1.00 %, 26	95	23/3/2020	26/6/2026	96.500	CZK	1,614,400,000
ČR, 4.70 %, 22	52	24/3/2020	12/9/2022	108.010	CZK	269,000,000
ČR, 1.25 %, 25	120	24/3/2020	14/2/2025	99.340	CZK	3,500,000,000
ČR, 0.25 %, 27	100	24/3/2020	10/2/2027	92.500	CZK	1,158,410,000
ČR, 2.50 %, 28	78	1/4/2020	25/8/2028	109.800	CZK	1,000,000,000
ČR, 1.20 %, 31	121	1/4/2020	13/3/2031	97.800	CZK	3,450,000,000
ČR, 2.00 %, 33	103	1/4/2020	13/10/2033	106.250	CZK	1,000,000,000
ČR, 0.45 %, 23	97	8/4/2020	25/10/2023	98.400	CZK	270,000,000
ČR, 1.20 %, 31	121	8/4/2020	13/3/2031	98.140	CZK	2,750,000,000
ČR, 2.00 %, 33	103	29/4/2020	13/10/2033	107.300	CZK	1,500,000,000
ČR, 1.50 %, 40	125	29/4/2020	24/4/2040	95.500	CZK	510,000,000
ČR, 2.00 %, 33	103	4/5/2020	13/10/2033	107.300	CZK	950,000,000
ČR, 1.50 %, 40	125	4/5/2020	24/4/2040	95.500	CZK	50,000,000
Total						25,845,910,000

Source: MoF

Table 13: Realized Exchange Operations of Government Bonds in Q1 - Q3 2020

Settlement date	Tap sale			Buy-back		
	Issue name	Nominal value	Average price	Issue name	Nominal value	Average price
25/3/2020	ČR, 1.25 %, 25	500,000,000	98.300	ČR, 3.75 %, 20	500,000,000	100.920
25/3/2020	ČR, 1.20 %, 31	400,000,000	94.500	ČR, 3.75 %, 20	400,000,000	100.920
25/3/2020	ČR, 2.00 %, 33	275,950,000	102.300	ČR, 3.75 %, 20	275,950,000	100.920
26/3/2020	ČR, 5.70 %, 24	1,000,000,000	117.850	ČR, 3.75 %, 20	1,000,000,000	101.065
26/3/2020	ČR, 1.25 %, 25	1,278,000,000	99.200	ČR, 3.75 %, 20	1,278,000,000	101.065
31/3/2020	ČR, 1.25 %, 25	400,000,000	99.500	ČR, 3.75 %, 20	400,000,000	101.250
31/3/2020	ČR, VAR %, 27	200,000,000	97.000	ČR, VAR %, 20	200,000,000	99.850
31/3/2020	ČR, 1.20 %, 31	250,000,000	96.890	ČR, 3.75 %, 20	250,000,000	101.250
1/4/2020	ČR, 1.25 %, 25	500,000,000	100.000	ČR, 3.75 %, 20	500,000,000	101.250
1/4/2020	ČR, 4.20 %, 36	200,000,000	137.750	ČR, 3.75 %, 20	200,000,000	101.250
2/4/2020	ČR, 0.45 %, 23	300,000,000	97.600	ČR, 3.75 %, 20	300,000,000	101.250
7/4/2020	ČR, VAR %, 23	271,000,000	101.150	ČR, VAR %, 20	271,000,000	99.820

Settlement date	Issue name	Tap sale		Issue name	Buy-back	
		Nominal value	Average price		Nominal value	Average price
7/4/2020	ČR, 1.20 %, 31	500,000,000	97.5	ČR, 3.75 %, 20	500,000,000	101.300
16/4/2020	ČR, VAR %, 23	152,000,000	101.15	ČR, VAR %, 20	152,000,000	99.850
16/4/2020	ČR, VAR %, 27	50,000,000	97	ČR, VAR %, 20	50,000,000	99.850
16/4/2020	ČR, 2.00 %, 33	480,000,000	105.8	ČR, 3.75 %, 20	480,000,000	101.300
21/4/2020	ČR, 2.50 %, 28	1,200,000,000	109	ČR, VAR %, 20	1,200,000,000	99.950
21/4/2020	ČR, 2.50 %, 28	400,000,000	109	ČR, 3.75 %, 20	400,000,000	101.300
21/4/2020	ČR, VAR %, 27	300,000,000	97	ČR, VAR %, 20	300,000,000	99.950
21/4/2020	ČR, 2.00 %, 33	764,000,000	106.02	ČR, 3.75 %, 20	764,000,000	101.300
22/4/2020	ČR, 0.10 %, 22	210,000,000	98.65	ČR, 3.75 %, 20	210,000,000	101.300
22/4/2020	ČR, 0.10 %, 22	1,000,000,000	98.65	ČR, VAR %, 20	1,000,000,000	99.800
22/4/2020	ČR, 0.45 %, 23	300,000,000	98.6	ČR, 3.75 %, 20	300,000,000	101.300
22/4/2020	ČR, 1.00 %, 26	700,000,000	98.7	ČR, 3.75 %, 20	700,000,000	101.300
22/4/2020	ČR, 1.00 %, 26	1,000,000,000	98.7	ČR, VAR %, 20	1,000,000,000	99.800
23/4/2020	ČR, 0.10 %, 22	100,000,000	98.7	ČR, 3.75 %, 20	100,000,000	101.210
23/4/2020	ČR, 0.10 %, 22	700,000,000	98.7	ČR, VAR %, 20	700,000,000	100.000
23/4/2020	ČR, 1.00 %, 26	148,000,000	98.7	ČR, 3.75 %, 20	148,000,000	101.210
23/4/2020	ČR, 1.00 %, 26	1,000,000,000	98.7	ČR, VAR %, 20	1,000,000,000	100.000
29/4/2020	ČR, 2.50 %, 28	900,000,000	109.8	ČR, VAR %, 20	900,000,000	100.000
29/4/2020	ČR, 1.20 %, 31	200,000,000	98.15	ČR, VAR %, 20	200,000,000	100.000
29/4/2020	ČR, 1.20 %, 31	40,000,000	98.15	ČR, 3.75 %, 20	40,000,000	101.210
4/5/2020	ČR, 1.20 %, 31	350,000,000	98.2	ČR, VAR %, 20	350,000,000	100.000
6/5/2020	ČR, 2.50 %, 28	1,000,000,000	110.75	ČR, VAR %, 20	1,000,000,000	100.000
6/5/2020	ČR, 1.20 %, 31	750,000,000	98.533	ČR, VAR %, 20	750,000,000	100.000
6/5/2020	ČR, 1.20 %, 31	250,000,000	98.2	ČR, 3.75 %, 20	250,000,000	101.262
9/6/2020	ČR, VAR %, 27	100,000,000	99.2	ČR, 0.75 %, 21	100,000,000	100.460
16/6/2020	ČR, VAR %, 23	750,000,000	102.55	ČR, 0.75 %, 21	750,000,000	100.450
16/6/2020	ČR, VAR %, 27	500,000,000	99.2	ČR, 0.75 %, 21	500,000,000	100.450
17/6/2020	ČR, VAR %, 27	200,000,000	99.34	ČR, 0.75 %, 21	200,000,000	100.470
18/6/2020	ČR, VAR %, 27	100,000,000	99.35	ČR, 0.75 %, 21	100,000,000	100.460
19/6/2020	ČR, VAR %, 23	449,870,000	102.61	ČR, 0.75 %, 21	449,870,000	100.460
22/6/2020	ČR, VAR %, 27	200,000,000	99.35	ČR, 0.75 %, 21	200,000,000	100.460
22/6/2020	ČR, 1.25 %, 25	200,000,000	102.8	ČR, 0.75 %, 21	200,000,000	100.460
22/6/2020	ČR, 0.45 %, 23	300,000,000	100.2	ČR, 0.75 %, 21	300,000,000	100.460
23/6/2020	ČR, 0.95 %, 30	650,000,000	100.4	ČR, 0.75 %, 21	650,000,000	100.460
7/8/2020	ČR, 2.00 %, 33	100,000,000	112.678	ČR, 0.75 %, 21	100,000,000	100.350
11/8/2020	ČR, 2.00 %, 33	100,000,000	112.350	ČR, 0.75 %, 21	200,000,000	100.350
7/9/2020	ČR, 1.25 %, 25	250,000,000	102.680	ČR, 0.75 %, 21	250,000,000	100.250
7/9/2020	ČR, 0.25 %, 27	279,500,000	95.820	ČR, 0.75 %, 21	279,500,000	100.250
7/9/2020	ČR, 2.00 %, 33	280,000,000	109.950	ČR, 0.75 %, 21	280,000,000	100.250
9/9/2020	ČR, 0.95 %, 30	200,000,000	98.700	ČR, 0.75 %, 21	200,000,000	100.290
15/9/2020	ČR, 0.95 %, 30	200,000,000	99.200	ČR, 0.75 %, 21	200,000,000	100.270
21/9/2020	ČR, 1.00 %, 26	125,000,000	101.750	ČR, 0.75 %, 21	125,000,000	100.300
21/9/2020	ČR, 1.20 %, 31	135,000,000	102.200	ČR, 0.75 %, 21	135,000,000	100.300
24/9/2020	ČR, 1.00 %, 26	280,000,000	102.390	ČR, 0.75 %, 21	280,000,000	100.290
24/9/2020	ČR, 0.95 %, 30	100,000,000	101.200	ČR, 0.75 %, 21	100,000,000	100.290
Total		23,568,320,000			23,668,320,000	

Source: MoF

4 – Risk Management and Portfolio Strategy

Table 14: Targets, Limits and Risk Parameters of the Debt Portfolio

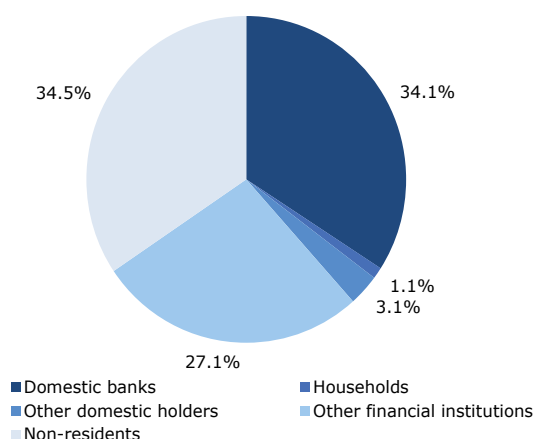
INDICATOR	Announced target for medium-term horizon	As at 30/9/2020
Short-term state debt	20.0% and less	17.3%
Medium-term state debt	70.0% and less	53.2%
Average time to maturity	6.0 years ¹	5.8 years
Interest re-fixing up to 1 year	40.0% and less	26.8%
Average time to re-fixing	5.0 years ¹	5.3 years
Net foreign-currency exposure with the impact on the state debt level	15.0% and less ²	7.8%
Net foreign-currency exposure with the impact on the level of interest expenditure on state debt service	15.0% and less ²	7.8%

¹ With a possibility of deviation of 0.25 years.

² Possible short-term excess by 2 p.p. in case of an unexpected depreciation of domestic currency. The limit stipulated by the Ministry is valid for each year of medium-term horizon without the possibility to exceed it. However, its value is subjected to the condition that there will be no more pronounced depreciation of Czech koruna exchange rate.

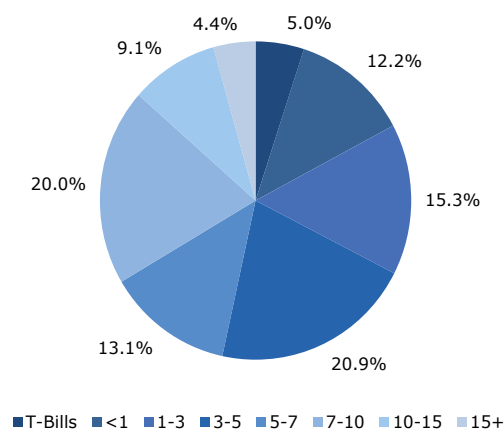
Source: MoF

Figure 7: Structure of Government Bonds by Type of Holder



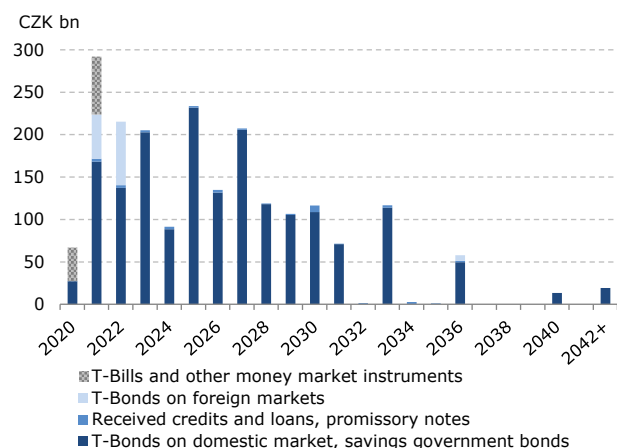
Note: Involves T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 30/9/2020.
Source: MoF, CDCP, CNB

Figure 8: Structure of Government Bonds by Residual Time to Maturity



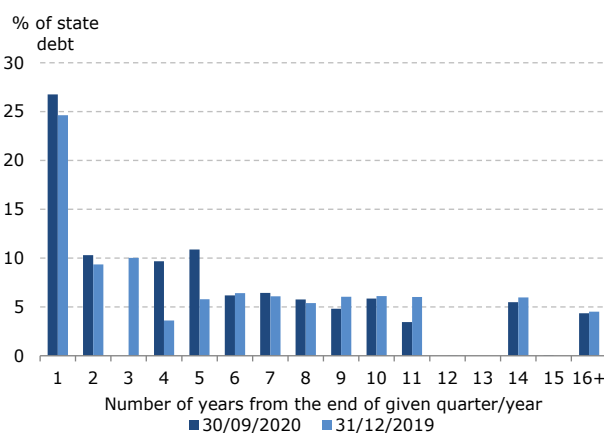
Note: Involves T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 30/9/2020.
Source: MoF

Figure 9: Maturity Profile of State Debt



Note: Received credits and loans include credits and loans received from international financial institutions. As at 30/9/2020.
Source: MoF

Figure 10: Re-fixing Profile of State Debt



Source: MoF

Table 15: State Debt Parameters

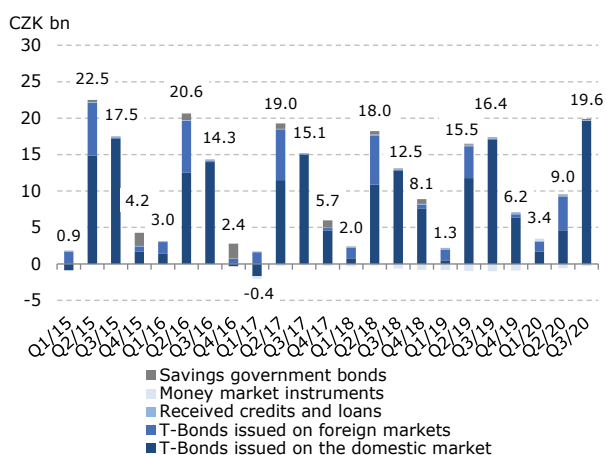
	30/9/ 2019	31/12/ 2019	31/3/ 2020	30/6/ 2020	30/9/ 2020
Total state debt (CZK bn)	1,685.2	1,640.2	1,772.8	2,156.9	2,071.9
Market value of state debt (CZK bn)	1,804.2	1,731.4	1,897.3	2,332.7	2,235.1
Short-term state debt (%)	15.1	12.7	13.8	15.6	17.3
Medium-term state debt (%)	51.8	48.5	49.8	51.7	53.2
T-Bills and other money market instruments (%)	1.0	1.1	6.1	7.7	5.2
Average time to maturity (years)	6.0	6.2	5.9	5.6	5.8
Interest re-fixing up to 1 year (%)	28.7	24.6	25.0	24.5	26.8
Average time to re-fixing (years)	5.4	5.6	5.4	5.2	5.3
Variable-rate state debt (%)	13.0	13.2	12.3	10.5	11.2
Modified duration (years)	5.0	5.1	5.2	5.1	5.2
Net foreign-currency exposure with the impact on the state debt level (%)	10.0	10.1	10.1	7.9	7.8
Net foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)	10.0	10.1	10.1	7.9	7.8
Foreign currency state debt (%)	11.6	11.6	11.6	9.1	8.9
Share of EUR in state debt level net foreign currency exposure (%)	96.1	96.2	96.1	96.1	95.9
Share of EUR in interest expenditure on state debt net foreign currency exposure (%)	100.0	100.0	100.0	100.0	100.0
Non-marketable state debt (%) ¹	3.3	3.1	4.4	3.2	2.2
Share of savings government bonds on state debt (%)	0.7	0.8	0.8	0.8	0.9
Marketable state debt (CZK bn)	1,617.3	1,575.9	1,680.6	2,071.7	2,008.3
Market value of marketable state debt (CZK bn)	1,736.4	1,667.5	1,804.5	2,246.7	2,171.0
Short-term marketable state debt (%)	14.3	12.0	11.9	14.4	17.3
Medium-term marketable state debt (%)	51.8	48.4	48.9	51.3	53.4
T-Bills and other money market instruments (%)	0.1	0.3	4.1	6.4	5.1
Average time to maturity (years)	6.0	6.2	6.1	5.7	5.8
Interest re-fixing up to 1 year (%)	26.7	22.5	21.9	22.2	25.6
Average time to re-fixing (years)	5.5	5.7	5.6	5.4	5.4
Variable-rate marketable state debt (%)	11.1	11.4	10.9	9.3	9.8
Modified duration (years)	5.2	5.2	5.4	5.2	5.3
Net foreign-currency exposure with the impact on the marketable state debt level (%)	9.6	9.7	8.2	6.5	7.3
Net foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%)	9.6	9.7	8.1	6.5	7.3
Foreign-currency marketable state debt (%)	11.2	11.3	9.8	7.7	8.5
Share of EUR in marketable state debt level net foreign currency exposure (%)	95.7	95.9	95.0	95.1	95.5
Share of EUR in interest expenditure on marketable state debt net foreign currency exposure (%)	100.0	100.0	100.0	100.0	100.0

¹ Excl. savings government bonds.

Source: MoF

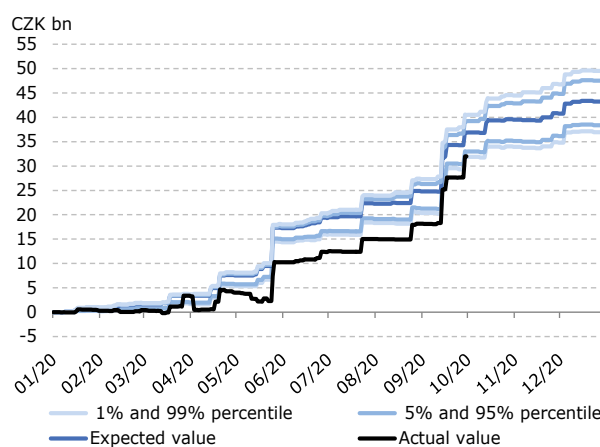
5 – State Debt Service Expenditure and Cost-at-Risk

Figure 11: Net Interest Expenditure on State Debt



Note: Received credits and loans include credits and loans received from international financial institutions.
Source: MoF

Figure 12: Actual vs. Simulated Net Interest Expenditure on State Debt



Note: Interest expenditure are calculated using the cash principle according to the current state budget methodology.
Source: MoF

Table 16: Budget Expenditure and Revenue of the Chapter State Debt

CZK mil	Actual Q1 - Q3 2019	Budget 2020 Approved	Budget 2020 After changes	Actual Q1 - Q3 2020	% Execution	2020/2019 (%)
1. Total interest expenditure and revenue	33,214	51,461	51,461	31,978	62.1	96.3
Internal debt	26,627	43,912	43,912	25,446	57.9	95.6
Money market instruments	(-) 2,842	3,415	3,415	(-) 692	-20.3	24.3
Savings government bonds	127	349	349	262	75.1	205.8
T-Bonds on domestic market	29,342	40,148	40,148	25,876	64.5	88.2
External debt	6,587	7,544	7,544	6,534	86.6	99.2
T-Bonds on foreign markets	5,989	6,713	6,713	6,076	90.5	101.5
Received credits and loans ¹	598	832	832	458	55.1	76.5
Payment accounts	0	5	5	(-) 3	-53.5	581.5
2. Fees	137	350	296	159	53.8	115.9
Total chapter balance	33,351	51,811	51,757	32,137	-	96.4

¹ Credits and loans received from international financial institutions.
Note: (-) means revenue (gains).
Source: MoF

Table 17: Overview of Budgetary Transfers from the Chapter State Debt Realized in Q1 - Q3 2020

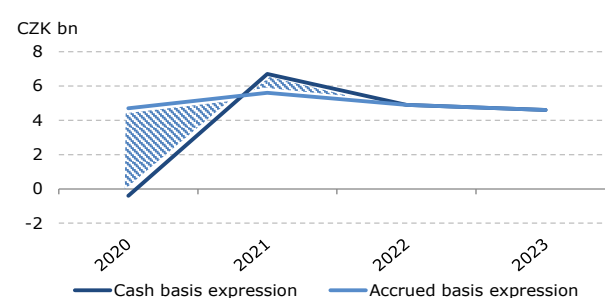
Chapter number	Chapter	Funds allocation	Amount (CZK)
312	Ministry of Finance	IT system State Debt Management	54,000,000
Total			54,000,000

Source: MoF

Table 18: Expected vs. Actual Net Interest Expenditure

CZK bn	Q1 - Q3 2019	Q1 - Q3 2020
Actual expenditure	33.2	32.0
Expected expenditure	40.2	36.8
Cost-at-Risk 95%	43.0	39.2
Cost-at-Risk 99%	44.9	40.5
Difference between expectation and reality	7.0	4.7

Source: MoF

Figure 13: Net Cash Interest Expenditure and Accrued Interest Costs of Newly Issued Debt

Note: Involves T-Bonds issued on domestic market, savings government bonds and T-Bills.
Source: MoF

Table 19: Interest Expenditure and Accrued Costs of the Newly Issued Government Bonds

CZK bn	Nominal value	Net interest expenditure/accrued costs			
		2020F	2021F	2022F	2023F
Cash basis expression	634.9	-0.4	6.7	4.9	4.6
Accrued basis expression	634.9	4.7	5.6	4.9	4.6
Gross issuance of T-Bonds	491.5	3.9	5.2	4.7	4.5
Gross issuance of T-Bills	137.3	0.8	0.2	-	-
Gross issuance of savings government bonds	6.1	0.1	0.2	0.2	0.2

Note: Gross issuance of savings government bonds exclude reinvestment of yields of already issued savings government bonds.
Source: MoF

Table 20: FX Market Operations in Q1 - Q3 2020

Counterparty	Nominal value (EUR thous)	Nominal value (USD thous)	Nominal value (CHF thous)	Nominal value (SEK thous)	Nominal value (CZK mil)	Savings ¹ (CZK mil)	Share of savings (%)
Citibank Europe plc	31,837.2	31,106.2	0.0	0.0	1,538.5	7.6	20.1
PPF banka a.s.	53,460.8	676.9	0.0	0.0	1,384.3	6.8	18.0
Société Générale / Komerční banka, a.s.	36,263.4	16,115.5	940.3	0.0	1,352.1	6.5	17.3
KBC Bank NV / Československá obchodní banka, a. s.	84,426.5	156.7	0.0	0.0	2,277.2	5.6	14.8
J.P. Morgan Securities plc	92,678.9	1,790.7	2,166.0	0.0	2,619.5	5.0	13.3
Erste Group Bank AG / Česká spořitelna, a.s.	36,250.0	0.0	0.0	0.0	986.4	4.6	12.2
UniCredit Bank Czech Republic and Slovakia, a.s.	1,389.0	644.7	11,525.3	1,200.0	324.4	1.6	4.2
Credit Agricole Corporate and Investment Bank	4.4	0.0	0.0	0.0	0.1	0.0	0.0
Total	336,310.2	50,490.7	14,631.5	1,200.0	10,482.5	37.6	100.0

¹ State budget savings made through the intermediation of foreign currency payments from and to the state budget given by the exchange rate announced by the CNB and the exchange rate on FX market.
Source: MoF

6 – Evaluation of the Primary Dealers in Q4 2019 to Q3 2020

The methodology for primary dealer evaluation is based only on quantitative criteria for performance on primary and secondary market of government bonds.

The maximum evaluation that can be achieved by any primary dealer is 100 points, whereas this score is counted on a relative basis. The activity of primary dealers is thus evaluated every quarter

based on the Aggregate Performance Evaluation Index (APEI) defined in Annex I to the Primary Dealer Agreement for Czech Government Securities, always for four consecutive evaluation periods. According to Article 1, every calendar quarter is the evaluation period.

All 9 primary dealers were evaluated.

Table 21: Overall Evaluation in Q4 2019 to Q3 2020

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	81.5
2 nd	PPF banka a.s.	53.6
3 rd	Erste Group Bank AG / Česká spořitelna, a.s.	44.1
4 th	Société Générale / Komerční banka, a.s.	41.8
5 th	J.P. Morgan Securities plc	32.9

*Note: Maximum possible number of points in overall evaluation is 100.
Source: MoF*

Table 22: Evaluation on Primary Market in Q4 2019 to Q3 2020

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	44.3
2 nd	Erste Group Bank AG / Česká spořitelna, a.s.	25.2
3 rd	Société Générale / Komerční banka, a.s.	23.9
4 th	PPF banka a.s.	23.9
5 th	Citibank Europe plc	14.2

*Note: Maximum possible number of points in this criterion is 55.
Source: MoF*

Table 23: Evaluation on Secondary Market in Q4 2019 to Q3 2020

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	37.2
2 nd	PPF banka a.s.	29.7
3 rd	J.P. Morgan Securities plc	19.6
4 th	Erste Group Bank AG / Česká spořitelna, a.s.	19.0
5 th	Société Générale / Komerční banka, a.s.	17.9

*Note: Maximum possible number of points in this criterion is 45.
Source: MoF*

This publication was prepared based on the information available on 16 October 2020
and is also available online at:

www.mfcr.cz/statedebt

The issue of The Czech Republic Government Debt Management Annual Report for 2020
is expected on 12 February 2021.

Debt and Financial Assets Management Department

Ministry of Finance
Letenská 15, 118 10 Prague 1 – Malá Strana
Czech Republic
E-mail: pd@mfcr.cz, Refinitiv <MFCR>