

**Official information
of the Ministry of Finance
dated 8 April 2015
defining issuance terms and conditions of
“Government Bond of the Czech Republic, 2015–2030, 0,95 %”**

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 Czech Republic through the Ministry of Finance (hereinafter referred to as “the Ministry”) issues book-entered government bonds within the scope defined by special law and determines their issuance terms and conditions in accordance with s. 26 of the Bonds Act, Act No. 190/2004 Coll. as amended (hereinafter referred to as “the Bonds Act”). These issuance terms set out the rights and obligations of the issuer and bondholders, as well as the information about the bond issue and the elements of the Government Bond of the Czech Republic, 2015–2030, 0,95 % (hereinafter “the Bond” or “the Bonds”):

1. Basic description of the Bonds:

Issuer: The Czech Republic – the Ministry of Finance

Name: Government Bond of the Czech Republic, 2015–2030, 0,95 %

Short name: ČR, 0,95 %, 30

Serial number of issue: 94.

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

Issue price: determined at auction

Form of Bond: book-entered security on bearer

Category of Bond: government Bond

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

Beginning of the subscription period: 13 May 2015

Termination of the subscription period: 15 April 2030

Issue date: 15 May 2015

Maturity date: 15 May 2030

Interest: defined by fixed interest rate of 0,95 % p. a.

Taxation of interest: according to the laws of the Czech Republic

ISIN: CZ0001004477

Separated principal – ISIN CZ0000703251

Coupon No. 1 – ISIN: CZ0000703269

Coupon No. 2 – ISIN: CZ0000703277

Coupon No. 3 – ISIN: CZ0000703285

Coupon No. 4 – ISIN: CZ0000703293

Coupon No. 5 – ISIN: CZ0000703301

Coupon No. 6 – ISIN: CZ0000703319

Coupon No. 7 – ISIN: CZ0000703327
Coupon No. 8 – ISIN: CZ0000703335
Coupon No. 9 – ISIN: CZ0000703343
Coupon No. 10 – ISIN: CZ0000703350
Coupon No. 11 – ISIN: CZ0000703368
Coupon No. 12 – ISIN: CZ0000703376
Coupon No. 13 – ISIN: CZ0000703384
Coupon No. 14 – ISIN: CZ0000703392
Coupon No. 15 – ISIN: CZ0000703400

2. The Bonds are issued based on special laws in accordance with s. 25 (2) of the Bonds Act.
3. The Bonds are book-entered securities. They are registered in the central record of book-entered securities maintained by the Central Depository of Securities (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 „Central Depository“) and persons authorized to maintain follow-up records in accordance with s. 92 (2) 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-entered securities, maintains the record of the Bonds based on the Issuer's decision.
4. The Bonds may be 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 15 April starting as of 2016. The right to interest payment from the issue date (inclusive of this date) to 15 May 2016 (exclusive of this date) has the person who is entitled to exercise the rights related to the Bond on 15 April 2016. Transferability of the Bonds and granting a lien over the Bonds after 15 April 2030 are excluded.
6. The interest is defined by fixed interest rate of 0,95 % p. a. The interest is paid once a year, always on 15 May starting as of 2016. If the payment date falls on a date which is not a working day, the payment will be made on the next working day without the entitlement to the proceeds for the deferred payment.
7. Interest period is one year, from 15 May (inclusive of this date) of the respective year to 15 May (exclusive of this date) of the following year. The first interest period for the interest payment begins on 15 May 2015 (inclusive of this date) and ends on 15 May 2016 (exclusive of this date). The calculation of interest and accrued interest is carried out on the basis actual number of calendar days in the year and actual number of days in the respective interest period (standard ACT/ACT ICMA). Accrued interest is included in the Bond price

from the issue date, or from the beginning of the respective interest period to the date of the calculation of accrued interest.

8. The issue of Bonds will be issued within the subscription period gradually (in tranches).
9. The issue price of the respective tranche of Bond is determined by the price achieved at auction.
10. The Bonds will be offered for subscription in the Czech Republic. The Bonds will be offered for sale via the Czech National Bank pursuant to s. 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 subscribers and manner and place of payment of the issue price of the subscribed Bonds is governed by the Rules for the Primary Sale of Government Securities organized by the Czech National Bank published on the website of the Czech National Bank and the Ministry. 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 (hereinafter referred to as the “Primary Dealer” or “Primary Dealers”) or the Issuer may participate in the auction. Other investors may participate in the auction indirectly through Primary Dealers or the Issuer. The Issuer is authorized to book securities on the issue date firstly on its asset account in accordance with s. 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 account, sell them or decide otherwise.
11. Primary sale of the first tranche will be carried out by the method of American auction organized on 13 May 2015 by the Czech National Bank. The issuance and primary sale of further tranches will be decided by the Issuer, as well as the respective auctions dates and methods. The announcement of the Bond auction is published on the website of the Ministry well in advance.
12. In accordance with § 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).
13. The Bonds will be redeemed at their nominal value on 15 May 2030. The interest of Bonds ends on this date. The nominal value of the Bond will be repaid together with the last interest payment to the person, who will be the owner of the Bonds on 15 April 2030. If the repayment date of the nominal value of the Bonds falls on a day which is not a working day, the repayment will be made on the next working day without the entitlement to the proceeds for the deferred payment.

14. The Issuer undertakes to ensure the interest payments and the repayment of the nominal value of the Bonds according to these issuance terms and conditions to persons who are by these issuance terms and conditions entitled to exercise the relevant rights related to the Bond exclusively in CZK or other currency, that will be the official currency of the Czech Republic on the respective payment date. The redemption and interest payment are ensured by the Czech National Bank and the Ministry. The nominal value of the Bonds will be repaid and the interest of the Bonds will be paid by cashless transfer or in cash, 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 that will publish the method of repayment of the nominal value and the interest payment.
15. Valid rating of long-term obligations denominated in CZK on the date of defining these issuance terms and conditions is at AA level by Standard & Poor's, at A1 level by Moody's and at AA- by Fitch Ratings.
16. The Bonds are direct, unconditional and unsubordinated obligations of the Czech Republic, which are at the same level with all other existing and future direct, unconditional and unsubordinated obligations of the Czech Republic.
17. All rights related to the Bond and Coupons are subject to limitation of ten years from the date on which they could be exercised first pursuant to s. 42 of the Bonds Act.
18. 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 way.
19. 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.

Minister of Finance

Ing. Andrej Babiš