



Ministry of Finance

Debt and Financial Assets
Management Department

Debt Portfolio Management Quarterly Report

1st Half of 2019



19 July 2019

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1st Half of 2019

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List of Abbreviations

APEI	Aggregate Performance Evaluation Index
bn	Billion
CCY	Currency
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
MoF	Ministry of Finance
mil.	Million
MTS	Mercato Telematico Secondario
p.a.	Per annum
p.p.	Percentage point
T-Bills	State treasury bills
T-Bonds	Medium-term and long-term government bonds
USD	United States dollar currency code
VAR	Variable-rate

Published aggregate data in the tables and in the text may not correspond in the last decimal place to the sum of respective indicators due to rounding in some cases.

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 2019 published on 20 December 2018 (hereinafter the Strategy), and further includes a regular quarterly performance evaluation of primary dealers in Czech government securities for the period from the third quarter of 2018 to the second quarter of 2019.

As a part of its issuance activity, the Ministry continued in successful first quarter of 2019 and in the second quarter sold medium-term and long-term government bonds denominated in local currency in total nominal value of CZK 66.0 billion. The total gross issue was carried out via seventeen auctions in seven auction days on the primary market and amounted to CZK 62.7 billion. Only fixed-interest rate issues of medium-term and long-term government bonds were re-opened. In the first half of 2019, the issue of medium-term and long-term government bonds denominated in local currency in a total nominal value of CZK 181.1 billion was carried out. During the whole year, the Ministry is gradually pre-financing for regular redemptions of medium-term and long-term government bonds while benefiting from favourable conditions on domestic financial market as well, consisting in a decline of government bond yields, particularly at the longer end of the yield curve, which have reached their lowest level since the end of 2017.

The issuance activity on primary market during the second quarter of 2019 was supplemented by secondary market operations, when the Ministry sold medium-term and long-term government bonds denominated in local currency in total nominal value of CZK 3.1 billion in tap sales and CZK 0.2 billion in exchange operations. For the tap sales and exchange operations of government bonds, the Ministry acceded to the management of the average time to maturity of the state debt portfolio and also on the basis of recorded demand for these bonds from primary dealers and recognized dealers and the availability of government bonds on the Ministry's asset accounts.

The Ministry continued to sell a pilot issue of government bond issued on domestic market under Czech law denominated in euro, both on primary and secondary markets. In the first half of 2019, the Ministry sold EUR-bond in total nominal value of EUR 735 million with an average yield of -0.14% p.a., of which EUR 385 million with an average yield

of -0.23% p.a. in the second quarter. This led to a gradual increase in the nominal value outstanding and thus in its liquidity on financial market. High demand from primary dealers and recognized dealers confirms that the issue of this type of government bond issued under Czech law is not an obstacle for local and foreign investors, which would significantly limit its tradability on financial market. The total nominal value of gross issue of medium-term and long-term government bonds denominated in local and foreign currencies amounted to CZK 200.6 billion in the first half of 2019.

In the second quarter of 2019, the regular redemption of Czech Republic Treasury Bond, 2009-2019, 5.00% in total nominal value of CZK 80.9 billion was carried out, as well as medium-term and long-term government bonds in total nominal value of CZK 0.2 billion were bought-back in exchange operations. The total nominal value of net issue of medium-term and long-term government bonds denominated in local currency amounted to CZK -15.1 billion in the second quarter and CZK 92.8 billion in the first half of the year. In the area of issue of medium-term and long-term government bonds on foreign markets, the Ministry did not carry out any borrowing operations during this period.

During the second quarter, no auction of state treasury bills was carried out due to lower interest from primary dealers and recognized dealers in this type of instrument compared to demand for medium-term and long-term government bonds, as well as due to relatively higher yields at the short end of the yield curve reflecting the monetary policy situation in the Czech Republic. Due to no regular redemption, the net issue of state treasury bills amounted to zero in the second quarter and CZK -1.9 billion in the first half of the year.

The Ministry continued the project of direct sale of government bonds intended for citizens, when it issued government bonds in total nominal value of CZK 0.9 billion. Due to the issue of savings government bonds of CZK 38 million in the form of reinvestment of the yields and their regular and early redemptions in total nominal value of CZK 2.7 billion, the net issue of government bonds for citizens amounted to -1.7 billion in the second quarter. In the first half of the year, the net issue amounted to CZK 1.2 billion.

In the area of received credits and loans from international financial institutions, no loan tranche from European Investment Bank was drawn, only planned repayments of loans amounting to CZK 0.2 billion were carried out in the second quarter, respectively CZK 0.5 billion in the first half of the year.

Ongoing Sale of “Dluhopis Republiky” Bonds

In the second quarter, the Ministry continued the project of direct sale of government bonds intended for citizens. On 1 April 2019, the Reinvestment Government Bond of the Czech Republic, 2019-2025 II, FIX% was issued in total nominal value of CZK 0.9 billion and the portfolio of government bonds had been expanded, when in addition to the Reinvestment Government Bond of the Czech Republic, 2019-2025 III, FIX% also the Inflation-linked Government Bond of the Czech Republic, 2019-2025, CPI% was offered to subscribe. In the subscription period from 18 March 2019 to 14 June 2019 and the issue date 1 July 2019, citizens purchased government bonds in a total nominal value of CZK 5.4 billion. In particular, the high demand was confirmed by inflation-linked government bond, although it could be subscribed only through an electronic access to asset account management. Similar to previous issues of the “Dluhopis Republiky” bonds, the government bonds yields were set at the current

market conditions and therefore their issuance did not bring any additional costs to the state budget in the form of a premium.

The successful pilot phase lasting from the end of 2018 was ended, during which government bonds were sold in total nominal value of CZK 9.2 billion. The share of government bonds intended for citizens on state debt increased by 0.4 percentage point compare to the end of 2018, from 0.3% to 0.7%. Based on the positive results and high demand, the Ministry decided to continue and develop the project with an emphasis on the gradual electronization of the government bond sale system through electronic access to asset account to reduce distribution costs. In the subscription period from 1 July to 13 September 2019, citizens can subscribe “Dluhopis Republiky” bonds, in addition to reinvestment and inflation-linked government bond, the Ministry also offers a fixed government bond with a constant yield of 1.5% p.a.

Prolonging the Average Time to Maturity of the State Debt Portfolio

During the first half of 2019, the Ministry get significantly closer to fulfilment of medium-term target for average time to maturity of state debt portfolio set in Strategy at 6.0 years, when it sold medium-term and long-term government bonds denominated in local currency with an average residual time to maturity of 11.3 years. The Ministry fully took advantage of the favourable conditions in the form of a decline in government bond yields at the long end of the yield curve and gradually compensated drop in the average time to maturity of state debt portfolio between 2015 and 2017 given the use of unprecedented conditions at the short end of the yield curve and issuance activities for negative yield.

At the end of June 2019, the average time to maturity of the state debt portfolio was 5.9 years, i.e. at the level of medium-term target, even though this value was significantly influenced by the regular redemption of Government Bond of the Czech Republic, 2016-2019, 0.00% in total nominal value of CZK 70.0 billion in July. After this redemption, the average time to maturity of state debt portfolio reached 6.1 years. Issuance of “Dluhopis Republiky” bonds is also significantly prolonging the average residual time to maturity of government bonds for citizens, which was 4.9 years on 1 July 2019.

Revenues from Investing Liquidity of State Treasury

In the first half of 2019, the Ministry achieved significant state budget revenues resulting from the effective state treasury liquidity management in the form of repo and depo operations on money market. The Ministry utilized relatively higher yields at the short end of the yield curve influenced by monetary policy decision of Czech National Bank. When investing CZK-denominated liquidity, the Ministry achieved revenues of CZK 1.8 billion, which is CZK 1.1 billion more than in the same period of the previous year.

The Ministry was also able to achieve net interest revenues resulting from the issue of medium-term and long-term government bonds and short-term borrowings in EUR for negative yields. For the first half of 2019, the total net revenues from the issuance activity for the negative yields and from state treasury liquidity management operations, including revenues from realized lending facilities of government bonds amounted to CZK 1.9 billion.

1 – Borrowing Requirement and Development of State Debt

Table 1: Structure and Balance of the Debt Portfolio

CZK bn	2017	2018	30/6/2019
Gross state debt	1,624.7	1,622.0	1,712.6
T-Bills and other money market instruments	44.0	43.6	23.3
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	1,305.4	1,377.1	1,488.6
T-Bonds issued on foreign markets	202.6	152.9	151.6
Savings government bonds	21.5	5.2	6.4
Received credits and loans ¹	51.2	43.2	42.6
Promissory notes	0.0	0.0	0.0
Share of GDP (%)²	32.2	30.4	31.3

¹ Credits and loans received from international financial institutions.

² GDP in the ESA 2010 methodology. The source of data for Q1 2017 – Q1 2019 is CZSO, for Q2 2019 the Macroeconomic Forecast of the Czech Republic – April 2019. Source: MoF, CZSO

Table 2: Financing Needs and Sources

CZK bn	2017	2018	H1 2019
Primary balance of state budget	-33.6	-43.7	3.8
Net expenditure on state debt ¹	39.8	40.7	16.9
T-Bonds redemptions ²	209.4	238.9	88.9
Redemptions and early redemptions on savings government bonds	16.9	16.4	2.7
T-Bills and other money market instruments redemptions ³	4.2	44.0	43.5
Repayments on credits and loans ⁴	5.1	8.0	0.5
Total financing needs	241.7	304.4	156.4
Gross T-Bills issue and other money market instruments ^{3,5}	44.0	43.7	23.4
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market ⁵	213.1	259.2	200.6
Gross issue of T-Bonds on domestic market up to 5 years ^{5,6}	84.2	45.0	28.1
Gross issue of T-Bonds on domestic market from 5 to 10 years ^{5,6}	70.9	94.9	49.5
Gross issue of T-Bonds on domestic market over 10 years ^{5,6}	58.0	119.3	123.0
Gross issue of T-Bonds on foreign markets ⁵	0.0	0.0	0.0
Gross issue of savings government bonds ⁷	0.6	0.1	3.9
Received credits and loans ⁴	0.0	0.0	0.0
Financial asset and liquidity management	-16.1	1.3	-71.5
Total financing sources	241.7	304.4	156.4
Gross borrowing requirement	257.7	303.1	227.9

¹ Balance of the budgetary chapter 396 – State Debt.

² Incl. the effect of buy-backs and exchanges.

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	2017	2018	H1 2019
Gross state debt as at 1 January	1,613.4	1,624.7	1,622.0
Primary state budget balance	-33.6	-43.7	3.8
Net expenditure on state debt service ¹	39.8	40.7	16.9
Financial asset and liquidity management operations	16.1	-1.3	71.5
Net borrowing requirement	22.2	-4.2	92.2
T-Bills net issue and net change in the balance of other money market instruments	39.8	-0.3	-20.1
T-Bonds net issue on domestic market	3.8	71.7	111.7
T-Bonds net issue on foreign markets	0.0	-51.4	0.0
Savings government bonds net issue	-16.3	-16.3	1.2
Net change in balance of received credits and loans ²	-5.1	-8.0	-0.5
Financing of net borrowing requirement	22.2	-4.2	92.2
Revaluation of state debt ³	-10.9	1.5	-1.7
Promissory notes net change	0.0	0.0	0.0
Gross state debt change	11.3	-2.7	90.6
Gross state debt as at the end of period	1,624.7	1,622.0	1,712.6

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

2 – Primary Market of Government Bonds

Table 4a: Medium-Term and Long-Term Government Bonds Issued in H1 2019

Issue name	Issue/ tranche no.	Auction date	Settlement date	Maturity date	CCY	Max. nominal value offered in the competitive part of auction	Total nominal value sold
ČR, 0.25 %, 27	100 13	9/1	11/1	10/2/2027	CZK	8,000,000,000	8,456,820,000
ČR, 4.20 %, 36	49 15	9/1	11/1	4/12/2036	CZK	3,000,000,000	1,247,000,000
ČR, 2.75 %, 29	105 10	23/1	25/1	23/7/2029	CZK	7,000,000,000	10,051,040,000
ČR, 2.00 %, 33	103 10	23/1	25/1	13/10/2033	CZK	5,000,000,000	5,163,810,000
ČR, 0.25 %, 27	100 14	6/2	8/2	10/2/2027	CZK	5,000,000,000	5,573,320,000
ČR, 2.75 %, 29	105 11	6/2	8/2	23/7/2029	CZK	5,000,000,000	10,478,470,000
ČR, 0.95 %, 30	94 17	6/2	8/2	15/5/2030	CZK	3,000,000,000	7,944,700,000
ČR, 2.75 %, 29	105 12	27/2	1/3	23/7/2029	CZK	5,000,000,000	5,332,270,000
ČR, 0.95 %, 30	94 18	27/2	1/3	15/5/2030	CZK	5,000,000,000	10,171,750,000
ČR, 4.20 %, 36	49 16	27/2	1/3	4/12/2036	CZK	2,000,000,000	2,344,670,000
ČR, 1.00 %, 26	95 16	6/3	8/3	26/6/2026	CZK	5,000,000,000	5,369,320,000
ČR, 2.00 %, 33	103 11	6/3	8/3	13/10/2033	CZK	5,000,000,000	6,880,900,000
ČR, 4.85 %, 57	53 3	6/3	8/3	26/11/2057	CZK	500,000,000	200,000,000
ČR, 0.25 %, 27	100 15	20/3	22/3	10/2/2027	CZK	5,000,000,000	3,927,370,000
ČR, 2.75 %, 29	105 13	20/3	22/3	23/7/2029	CZK	8,000,000,000	4,183,060,000
ČR, 0.95 %, 30	94 19	20/3	22/3	15/5/2030	CZK	3,000,000,000	4,061,340,000
ČR, 1.00 %, 26	95 17	3/4	5/4	26/6/2026	CZK	5,000,000,000	6,337,020,000
ČR, 2.00 %, 33	103 12	3/4	5/4	13/10/2033	CZK	5,000,000,000	5,872,250,000
ČR, 0.95 %, 30	94 20	10/4	12/4	15/5/2030	CZK	5,000,000,000	5,998,990,000
ČR, 4.85 %, 57	53 4	10/4	12/4	26/11/2057	CZK	500,000,000	562,080,000
ČR, 1.00 %, 26	95 18	24/4	26/4	26/6/2026	CZK	3,000,000,000	3,270,190,000
ČR, 2.00 %, 33	103 13	24/4	26/4	13/10/2033	CZK	3,000,000,000	3,741,210,000
ČR, 4.20 %, 36	49 17	24/4	26/4	4/12/2036	CZK	2,000,000,000	2,399,580,000
ČR, 0.25 %, 27	100 16	15/5	17/5	10/2/2027	CZK	3,000,000,000	3,708,030,000
ČR, 2.00 %, 33	103 14	15/5	17/5	13/10/2033	CZK	3,000,000,000	5,840,110,000
ČR, 4.85 %, 57	53 5	15/5	17/5	26/11/2057	CZK	500,000,000	644,590,000
ČR, 1.00 %, 26	95 19	29/5	31/5	26/6/2026	CZK	3,000,000,000	5,541,090,000
ČR, 2.75 %, 29	105 14	29/5	31/5	23/7/2029	CZK	3,000,000,000	3,438,110,000
ČR, 4.85 %, 57	53 6	29/5	31/5	26/11/2057	CZK	500,000,000	1,157,710,000
ČR, 1.00 %, 26	95 20	12/6	14/6	26/6/2026	CZK	3,000,000,000	3,875,970,000
ČR, 2.00 %, 33	103 15	12/6	14/6	13/10/2033	CZK	4,000,000,000	4,628,190,000
ČR, 2.00 %, 33	103 16	26/6	28/6	13/10/2033	CZK	4,000,000,000	4,238,000,000
ČR, 4.85 %, 57	53 7	26/6	28/6	26/11/2057	CZK	500,000,000	1,459,670,000
Total CZK							154,098,630,000
ČR, 0.00 %, 21	109 1	20/2	22/2	20/8/2021	EUR	100,000,000	100,000,000
ČR, 0.00 %, 21	109 2	10/4	12/4	20/8/2021	EUR	100,000,000	100,000,000
ČR, 0.00 %, 21	109 3	19/6	21/6	20/8/2021	EUR	200,000,000	200,000,000
Total EUR							400,000,000

Source: MoF, CNB

Table 4b: Medium-Term and Long-Term Government Bonds Issued in H1 2019

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, 0.25 %, 27	100	13	0.25%	88.399	1.806	1.45	100.00	5.71
ČR, 4.20 %, 36	49	15	4.20%	126.286	2.379	1.21	40.33	1.23
ČR, 2.75 %, 29	105	10	2.75%	107.211	1.980	1.49	131.63	11.96
ČR, 2.00 %, 33	103	10	2.00%	96.031	2.321	1.13	100.00	3.28
ČR, 0.25 %, 27	100	14	0.25%	88.952	1.740	1.75	100.00	11.47
ČR, 2.75 %, 29	105	11	2.75%	108.310	1.866	1.28	182.98	26.59
ČR, 0.95 %, 30	94	17	0.95%	89.428	2.008	1.60	247.70	17.12
ČR, 2.75 %, 29	105	12	2.75%	107.743	1.920	1.71	100.00	6.65
ČR, 0.95 %, 30	94	18	0.95%	88.898	2.070	1.37	175.60	27.83
ČR, 4.20 %, 36	49	16	4.20%	122.646	2.592	1.85	107.00	10.23
ČR, 1.00 %, 26	95	16	1.00%	93.988	1.889	1.75	100.00	7.39
ČR, 2.00 %, 33	103	11	2.00%	94.778	2.429	1.99	119.46	18.16
ČR, 4.85 %, 57	53	3	4.85%	145.108	2.896	1.10	40.00	0.00
ČR, 0.25 %, 27	100	15	0.25%	87.633	1.957	3.95	56.98	21.57
ČR, 2.75 %, 29	105	13	2.75%	107.248	1.967	1.07	40.13	12.16
ČR, 0.95 %, 30	94	19	0.95%	89.005	2.064	1.87	100.00	35.38
ČR, 1.00 %, 26	95	17	1.00%	94.656	1.795	2.79	107.87	18.87
ČR, 2.00 %, 33	103	12	2.00%	96.322	2.300	1.93	100.00	17.45
ČR, 0.95 %, 30	94	20	0.95%	89.454	2.021	3.81	100.00	19.98
ČR, 4.85 %, 57	53	4	4.85%	146.189	2.859	1.16	100.00	12.42
ČR, 1.00 %, 26	95	18	1.00%	94.878	1.767	2.21	100.00	9.01
ČR, 2.00 %, 33	103	13	2.00%	97.007	2.238	2.46	107.50	17.21
ČR, 4.20 %, 36	49	17	4.20%	124.376	2.474	2.08	105.61	14.37
ČR, 0.25 %, 27	100	16	0.25%	89.198	1.755	3.86	111.27	12.33
ČR, 2.00 %, 33	103	14	2.00%	97.615	2.194	4.08	170.23	24.44
ČR, 4.85 %, 57	53	5	4.85%	147.096	2.827	2.67	117.00	11.92
ČR, 1.00 %, 26	95	19	1.00%	95.416	1.693	2.85	161.13	23.57
ČR, 2.75 %, 29	105	14	2.75%	109.458	1.725	4.09	100.00	14.60
ČR, 4.85 %, 57	53	6	4.85%	148.913	2.768	1.88	218.97	12.57
ČR, 1.00 %, 26	95	20	1.00%	96.390	1.546	1.92	111.67	17.53
ČR, 2.00 %, 33	103	15	2.00%	101.435	1.884	2.72	100.00	15.70
ČR, 2.00 %, 33	103	16	2.00%	103.072	1.755	1.49	104.53	1.43
ČR, 4.85 %, 57	53	7	4.85%	155.093	2.574	2.21	275.60	16.33
Average CZK						2.14	119.19	14.44
ČR, 0.00 %, 21	109	1	0.00%	100.070	-0.030	1.92	100.00	-
ČR, 0.00 %, 21	109	2	0.00%	100.278	-0.118	5.23	100.00	-
ČR, 0.00 %, 21	109	3	0.00%	100.671	-0.309	2.21	100.00	-
Average EUR						3.12	100.00	-

Source: MoF, CNB

Table 5: State Treasury Bills Issued in H1 2019

Issue no.	Maturity (weeks)	Auction date	Issue date	Maturity date	Max. nominal value offered	Total nominal value sold	Yield to maturity (% p.a.)
805	39	3/1	4/1	4/10/2019	5,000,000,000	1,150,000,000	1.545
806	26	17/1	18/1	19/7/2019	5,000,000,000	1,120,000,000	1.565
807	39	31/1	1/2	1/11/2019	5,000,000,000	0	-
Total						2,270,000,000	1.555¹

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

Table 6: Savings Government Bonds Issued in H1 2019

Issue name	Issue no.	Settlement date	Maturity date	Original maturity (years)	Total nominal value sold
SD-R ČR, FIX %, 25	106	1/2	1/2/2025	6.0	2,923,245,940
SD-R ČR, FIX %, 25 II	107	1/4	1/4/2025	6.0	900,551,308
SSD-I ČR, CPI %, 20 ¹	83	12/6	12/6/2020	7.0	5,925,849
SSD-I ČR, CPI %, 20 II ¹	87	12/6	12/12/2020	7.0	32,192,664
SSD-V ČR, VAR %, 20 ¹	93	12/6	12/12/2020	6.5	296,591
Total					3,862,212,352

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 30/6/2019

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
ČR, 0.00 %, 19	98	CZ0001004717	17/7/2019	70,000,000,000	0
ČR, 1.50 %, 19	76	CZ0001003834	29/10/2019	79,583,200,000	0
ČR, 0.00 %, 20	101	CZ0001005011	10/2/2020	49,303,880,000	750,000,000
ČR, 3.75 %, 20	46	CZ0001001317	12/9/2020	74,625,000,000	250,000,000
ČR, VAR %, 20	91	CZ0001004113	9/12/2020	33,923,370,000	2,050,000,000
ČR, 0.75 %, 21	104	CZ0001005367	23/2/2021	25,818,110,000	800,000,000
ČR, 3.85 %, 21	61	CZ0001002851	29/9/2021	76,535,000,000	1,100,000,000
ČR, 0.00 %, 22	102	CZ0001005029	24/2/2022	4,845,780,000	1,000,000,000
ČR, 4.70 %, 22	52	CZ0001001945	12/9/2022	87,324,900,000	569,000,000
ČR, VAR %, 23	63	CZ0001003123	18/4/2023	87,197,380,000	1,900,000,000
ČR, 0.45 %, 23	97	CZ0001004600	25/10/2023	47,289,100,000	2,000,000,000
ČR, 5.70 %, 24	58	CZ0001002547	25/5/2024	87,600,000,000	2,400,000,000
ČR, 2.40 %, 25	89	CZ0001004253	17/9/2025	99,931,590,000	0
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	93,104,410,000	6,895,590,000
ČR, 0.25 %, 27	100	CZ0001005037	10/2/2027	70,935,070,000	3,800,000,000
ČR, VAR %, 27	90	CZ0001004105	19/11/2027	58,592,400,000	1,000,000,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	99,000,000,000	1,000,000,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	98,714,470,000	1,285,530,000
ČR, 0.95 %, 30	94	CZ0001004477	15/5/2030	98,630,240,000	1,369,760,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	61,610,830,000	21,531,700,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	49,035,620,000	964,380,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	16,334,050,000	1,665,950,000
Total CZK				1,469,934,400,000	52,331,910,000
ČR, 0.00 %, 21	109	CZ0001005706	20/8/2021	735,000,000	0
Total EUR				735,000,000	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 30/6/2019

ISIN	CCY	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
XS0215153296	EUR	18/3/2020	1,000,000,000	0
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			5,750,000,000	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 30/6/2019

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
806	26	CZ0001005680	19/7/2019	1,120,000,000	0
805	39	CZ0001005672	4/10/2019	1,150,000,000	0
Total				2,270,000,000	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

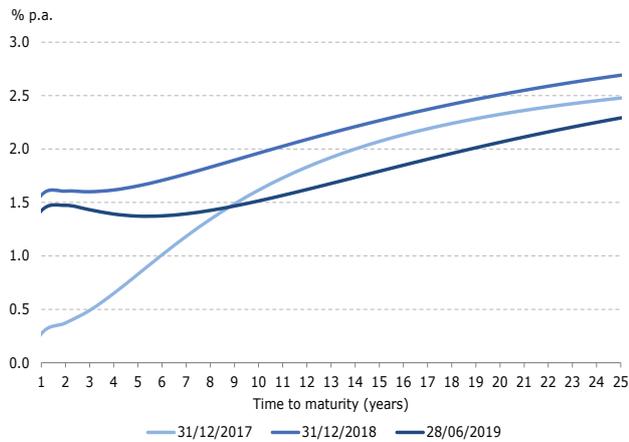
Table 10: Issued Savings Government Bonds as at 30/6/2019

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
SSD-I ČR, CPI %, 20	83	CZ0001003990	12/6/2020	398,387,832	0
SSD-I ČR, CPI %, 20 II	87	CZ0001004204	12/12/2020	2,147,221,612	0
SSD-V ČR, VAR %, 20	93	CZ0001004311	12/12/2020	31,023,463	0
SD-R ČR, FIX %, 25	106	CZ0001005623	1/2/2025	2,923,245,940	0
SD-R ČR, FIX %, 25 II	107	CZ0001005631	1/4/2025	900,551,308	0
Total				6,400,430,155	0

Source: MoF

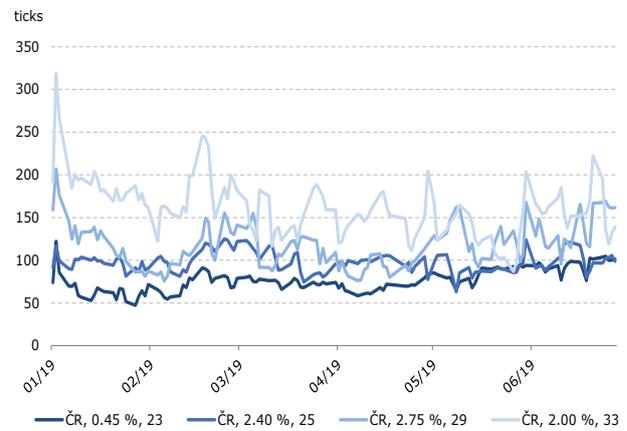
3 – Secondary Market of Government Bonds

Figure 1: Yield Curve of Government Bonds



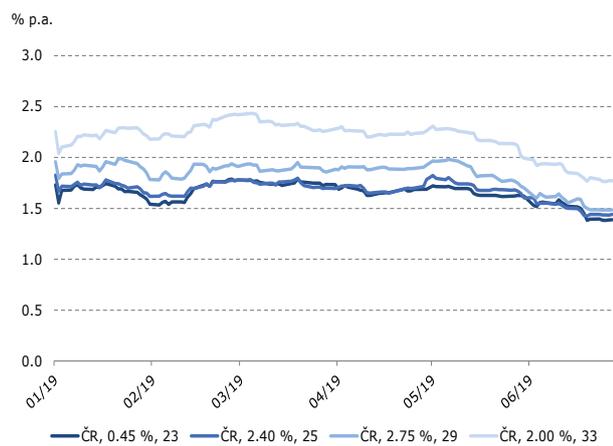
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.
Source: MoF, MTS

Figure 2: Bid-Offer Spreads of Selected Government Bonds



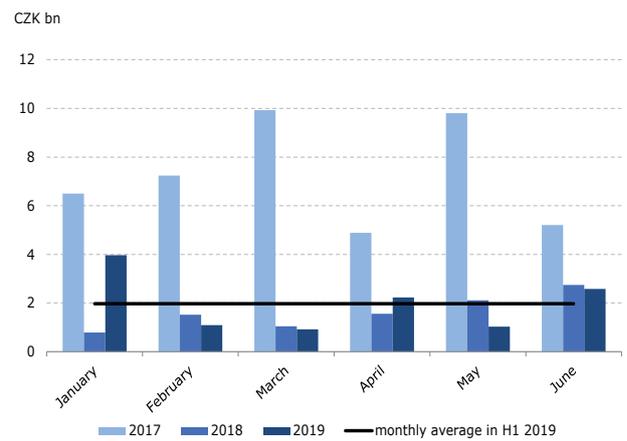
Source: MoF, MTS

Figure 3: Yields of Selected Government Bonds



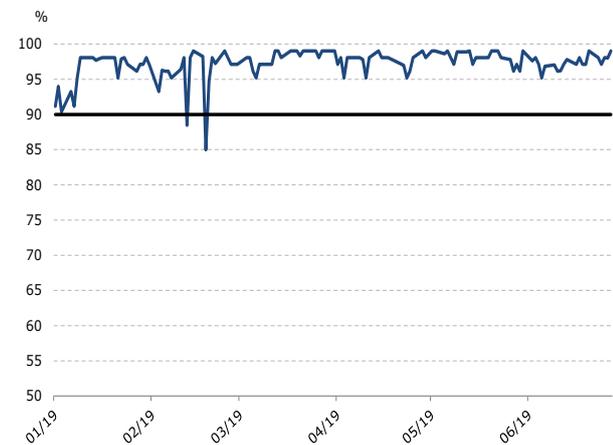
Source: MoF, MTS

Figure 4: Traded Nominal Value on MTS Czech Republic



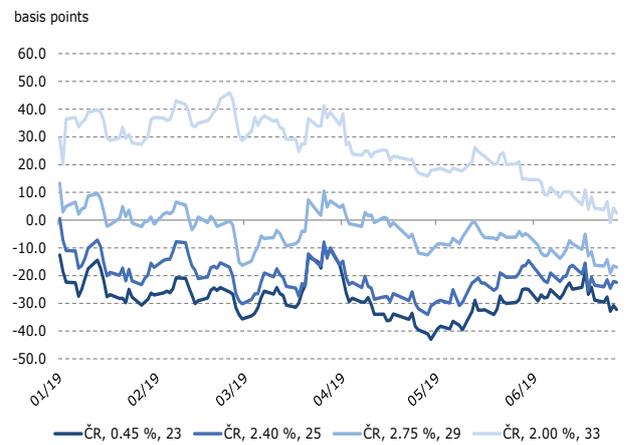
Source: MoF, MTS

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 H1 2019

Issue name	ISIN	Collateral nominal value	Financial resources received	Financial resources paid ¹
ČR, 0.00 %, 22	CZ0001005029	50,000,000	47,910,000	47,908,137
ČR, 0.45 %, 23	CZ0001004600	1,302,000,000	1,239,445,293	1,239,263,258
ČR, 5.70 %, 24	CZ0001002547	358,000,000	444,951,250	444,929,221
ČR, 1.00 %, 26	CZ0001004469	316,000,000	304,845,063	304,833,208
ČR, 0.25 %, 27	CZ0001005037	1,135,000,000	1,003,322,822	1,003,275,703
ČR, 2.50 %, 28	CZ0001003859	518,000,000	554,396,961	554,375,401
ČR, 2.75 %, 29	CZ0001005375	365,000,000	405,692,500	405,676,723
ČR, 2.00 %, 33	CZ0001005243	30,000,000	29,199,452	29,197,181
ČR, 4.20 %, 36	CZ0001001796	30,000,000	38,014,000	38,011,043
Total		4,104,000,000	4,067,777,341	4,067,469,876

¹ Incl. financial resources from this lending facilities realized in H1 2019, which has not been paid during this period.

Note: The average interest rate achieved under this lending facilities during H1 2019 amounted to -0.18% p.a.

Source: MoF

Table 11b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in H1 2019

Issue name	ISIN	Nominal value	Revenue ¹
ČR, 5.00 %, 19	CZ0001002471	200,000,000	2,671
ČR, 1.50 %, 19	CZ0001003834	550,000,000	17,611
ČR, 0.00 %, 20	CZ0001005011	4,749,000,000	404,493
ČR, 0.75 %, 21	CZ0001005367	190,000,000	23,663
ČR, 3.85 %, 21	CZ0001002851	4,414,000,000	327,376
ČR, 0.00 %, 22	CZ0001005029	540,000,000	40,110
ČR, VAR %, 23	CZ0001003123	250,000,000	20,281
ČR, 0.45 %, 23	CZ0001004600	3,190,000,000	352,040
ČR, 5.70 %, 24	CZ0001002547	1,101,000,000	209,088
ČR, 2.40 %, 25	CZ0001004253	750,000,000	25,253
ČR, 1.00 %, 26	CZ0001004469	5,481,000,000	387,345
ČR, 0.25 %, 27	CZ0001005037	6,576,000,000	522,141
ČR, VAR %, 27	CZ0001004105	1,341,000,000	41,627
ČR, 2.50 %, 28	CZ0001003859	570,000,000	24,924
ČR, 2.75 %, 29	CZ0001005375	571,000,000	45,541
ČR, 0.95 %, 30	CZ0001004477	500,000,000	33,127
ČR, 2.00 %, 33	CZ0001005243	400,000,000	25,650
ČR, 4.20 %, 36	CZ0001001796	155,000,000	15,236
ČR, 4.85 %, 57	CZ0001002059	320,000,000	25,550
Total		31,848,000,000	2,543,727

¹ Incl. financial revenue from this lending facilities realized in H1 2019, which has not been terminated during this period.

Source: MoF

Table 12: Realized Tap Sales of Government Bonds in H1 2019

Issue name	Issue no.	Settlement date	Maturity date	Average price	CCY	Nominal value
ČR, 4.85 %, 57	53	4/1/2019	26/11/2057	144.090	CZK	50,000,000
ČR, 0.00 %, 20	101	7/1/2019	10/2/2020	98.350	CZK	5,000,000
ČR, 0.00 %, 20	101	16/1/2019	10/2/2020	98.239	CZK	20,000,000
ČR, 0.00 %, 20	101	17/1/2019	10/2/2020	98.239	CZK	50,000,000
ČR, 0.00 %, 22	102	18/1/2019	24/2/2022	94.980	CZK	500,000,000
ČR, 0.00 %, 22	102	21/1/2019	24/2/2022	94.980	CZK	500,000,000
ČR, 4.20 %, 36	49	21/1/2019	4/12/2036	126.600	CZK	200,000,000
ČR, 0.00 %, 20	101	22/1/2019	10/2/2020	98.231	CZK	500,000,000
ČR, 0.00 %, 20	101	23/1/2019	10/2/2020	98.250	CZK	1,000,000,000
ČR, 4.20 %, 36	49	23/1/2019	4/12/2036	126.300	CZK	200,000,000
ČR, 0.00 %, 20	101	24/1/2019	10/2/2020	98.250	CZK	2,000,000,000
ČR, 0.00 %, 22	102	28/1/2019	24/2/2022	95.070	CZK	500,000,000
ČR, 0.95 %, 30	94	28/1/2019	15/5/2030	88.360	CZK	506,000,000
ČR, 0.00 %, 22	102	31/1/2019	24/2/2022	95.130	CZK	500,000,000
ČR, 4.20 %, 36	49	31/1/2019	4/12/2036	125.690	CZK	100,000,000
ČR, 4.20 %, 36	49	1/2/2019	4/12/2036	126.022	CZK	200,000,000
ČR, 0.00 %, 20	101	4/2/2019	10/2/2020	98.300	CZK	1,708,000,000
ČR, 4.20 %, 36	49	4/2/2019	4/12/2036	126.100	CZK	270,000,000
ČR, 0.00 %, 22	102	5/2/2019	24/2/2022	95.330	CZK	500,000,000
ČR, 4.85 %, 57	53	5/2/2019	26/11/2057	148.320	CZK	50,000,000
ČR, 0.00 %, 22	102	7/2/2019	24/2/2022	95.330	CZK	500,000,000
ČR, 0.00 %, 22	102	11/2/2019	24/2/2022	95.400	CZK	500,000,000
ČR, 4.85 %, 57	53	13/2/2019	26/11/2057	148.300	CZK	75,000,000
ČR, 4.20 %, 36	49	6/3/2019	4/12/2036	122.700	CZK	500,000,000
ČR, 2.75 %, 29	105	13/3/2019	23/7/2029	108.150	CZK	100,000,000
ČR, 4.85 %, 57	53	21/3/2019	26/11/2057	145.750	CZK	200,000,000
ČR, 2.00 %, 33	103	26/3/2019	13/10/2033	96.250	CZK	550,000,000
ČR, 4.20 %, 36	49	26/3/2019	4/12/2036	124.250	CZK	400,000,000
ČR, 2.75 %, 29	105	27/3/2019	23/7/2029	108.150	CZK	200,000,000
ČR, 0.95 %, 30	94	27/3/2019	15/5/2030	90.250	CZK	500,000,000
ČR, 2.75 %, 29	105	28/3/2019	23/7/2029	108.150	CZK	1,000,000,000
ČR, 0.95 %, 30	94	28/3/2019	15/5/2030	90.250	CZK	600,000,000
ČR, 2.75 %, 29	105	29/3/2019	23/7/2029	108.250	CZK	2,075,000,000
ČR, 2.75 %, 29	105	1/4/2019	23/7/2029	108.400	CZK	1,000,000,000
ČR, 4.20 %, 36	49	1/4/2019	4/12/2036	125.050	CZK	120,000,000
ČR, 2.00 %, 33	103	2/4/2019	13/10/2033	96.800	CZK	300,000,000
ČR, 4.85 %, 57	53	2/4/2019	26/11/2057	146.750	CZK	200,000,000
ČR, 0.95 %, 30	94	4/4/2019	15/5/2030	90.060	CZK	100,000,000
ČR, 4.85 %, 57	53	9/4/2019	26/11/2057	146.250	CZK	5,000,000
ČR, 0.25 %, 27	100	18/4/2019	10/2/2027	89.060	CZK	200,000,000
ČR, 0.00 %, 20	101	5/6/2019	10/2/2020	98.939	CZK	150,000,000
ČR, 2.50 %, 28	78	11/6/2019	25/8/2028	107.900	CZK	200,000,000
ČR, 2.50 %, 28	78	12/6/2019	25/8/2028	107.900	CZK	155,590,000
ČR, 0.75 %, 21	104	19/6/2019	23/2/2021	98.660	CZK	200,000,000
ČR, 0.95 %, 30	94	19/6/2019	15/5/2030	93.080	CZK	200,000,000
ČR, 4.20 %, 36	49	19/6/2019	4/12/2036	132.660	CZK	200,000,000
ČR, 0.00 %, 22	102	27/6/2019	24/2/2022	96.113	CZK	100,000,000
Total CZK						19,689,590,000

Issue name	Issue no.	Settlement date	Maturity date	Average price	CCY	Nominal value
ČR, 0.00 %, 21	109	12/3/2019	20/8/2021	100.122	EUR	250,000,000
ČR, 0.00 %, 21	109	17/5/2019	20/8/2021	100.363	EUR	85,000,000
Total EUR						335,000,000

Source: MoF

Table 13: Realized Exchange Operations of Government Bonds in H1 2019

Settlement date	Issue name	Tap sale		Buy-back		
		Nominal value	Average price	Issue name	Nominal value	Average price
4/1/2019	ČR, 2.40 %, 25	500,000,000	103.770	ČR, 5.00 %, 19	500,000,000	100.854
4/1/2019	ČR, 2.40 %, 25	475,000,000	103.770	ČR, 1.50 %, 19	475,000,000	99.794
7/1/2019	ČR, 2.75 %, 29	700,000,000	108.850	ČR, 1.50 %, 19	700,000,000	99.796
7/1/2019	ČR, 2.00 %, 33	215,000,000	99.150	ČR, 5.00 %, 19	215,000,000	100.828
7/1/2019	ČR, 2.00 %, 33	25,000,000	99.150	ČR, 1.50 %, 19	25,000,000	99.796
16/1/2019	ČR, 0.25 %, 27	200,000,000	88.500	ČR, 5.00 %, 19	200,000,000	100.748
16/1/2019	ČR, 0.25 %, 27	100,000,000	88.500	ČR, 1.50 %, 19	100,000,000	99.802
16/1/2019	ČR, 2.75 %, 29	80,000,000	107.881	ČR, 1.50 %, 19	80,000,000	99.802
17/1/2019	ČR, 0.25 %, 27	800,000,000	88.610	ČR, 5.00 %, 19	800,000,000	100.739
17/1/2019	ČR, 0.25 %, 27	450,000,000	88.610	ČR, 1.50 %, 19	450,000,000	99.802
17/1/2019	ČR, 2.75 %, 29	120,000,000	108.100	ČR, 5.00 %, 19	120,000,000	100.739
1/2/2019	ČR, 0.25 %, 27	200,000,000	88.781	ČR, 5.00 %, 19	200,000,000	100.616
1/2/2019	ČR, 0.25 %, 27	190,000,000	88.781	ČR, 1.50 %, 19	190,000,000	99.811
5/2/2019	ČR, 2.75 %, 29	800,000,000	109.256	ČR, 5.00 %, 19	800,000,000	100.580
5/2/2019	ČR, 2.75 %, 29	300,000,000	109.125	ČR, 1.50 %, 19	300,000,000	99.814
5/2/2019	ČR, 2.75 %, 29	125,000,000	109.125	ČR, 3.75 %, 20	125,000,000	103.126
6/2/2019	ČR, 2.00 %, 33	450,000,000	97.720	ČR, 5.00 %, 19	450,000,000	100.572
12/2/2019	ČR, 2.00 %, 33	200,000,000	97.380	ČR, 5.00 %, 19	200,000,000	100.519
11/3/2019	ČR, 4.20 %, 36	350,000,000	122.900	ČR, 5.00 %, 19	350,000,000	100.263
13/3/2019	ČR, 0.95 %, 30	100,000,000	89.525	ČR, 1.50 %, 19	100,000,000	99.839
13/3/2019	ČR, 4.20 %, 36	75,000,000	124.000	ČR, 1.50 %, 19	75,000,000	99.839
15/3/2019	ČR, 4.20 %, 36	195,000,000	124.050	ČR, 1.50 %, 19	195,000,000	99.840
19/3/2019	ČR, 2.00 %, 33	100,000,000	96.125	ČR, 1.50 %, 19	100,000,000	99.842
19/3/2019	ČR, 4.20 %, 36	100,000,000	124.210	ČR, 1.50 %, 19	100,000,000	99.842
26/3/2019	ČR, 2.00 %, 33	105,000,000	96.250	ČR, 1.50 %, 19	105,000,000	99.847
26/3/2019	ČR, 2.00 %, 33	150,000,000	96.250	ČR, 3.75 %, 20	150,000,000	102.852
26/3/2019	ČR, 4.20 %, 36	260,000,000	124.250	ČR, 1.50 %, 19	260,000,000	99.847
26/3/2019	ČR, 4.85 %, 57	200,000,000	145.750	ČR, 1.50 %, 19	200,000,000	99.847
28/3/2019	ČR, 2.75 %, 29	150,000,000	108.150	ČR, 1.50 %, 19	150,000,000	99.848
28/3/2019	ČR, 2.75 %, 29	50,000,000	108.150	ČR, 3.75 %, 20	50,000,000	102.842
29/3/2019	ČR, 2.75 %, 29	50,000,000	108.250	ČR, 3.75 %, 20	50,000,000	102.836
4/4/2019	ČR, 0.95 %, 30	170,000,000	90.060	ČR, 1.50 %, 19	170,000,000	99.852
Total		7,985,000,000			7,985,000,000	

Source: MoF

4 – Risk Management and Portfolio Strategy

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

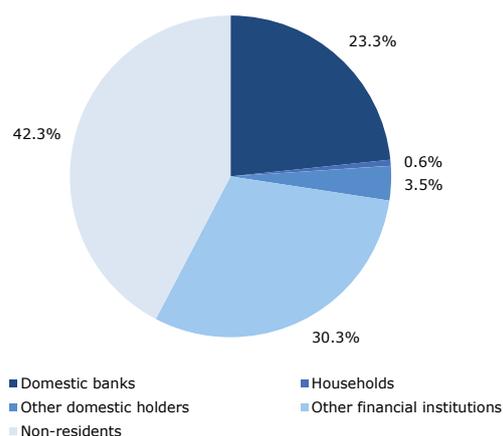
INDICATOR	Announced target for medium-term horizon	As at 30/6/2019
Short-term state debt	20.0% and less	14.9%
Medium-term state debt	70.0% and less	54.5%
Average time to maturity	6.0 years ¹	5.9 years
Interest re-fixing up to 1 year	30.0 to 40.0%	28.1%
Average time to re-fixing	5.0 years ¹	5.3 years
Net foreign-currency exposure of state debt with the impact on state debt level	15.0% and less ²	9.7%
Net foreign-currency exposure with the impact of the level of interest expenditure on state debt service	15.0% and less ²	9.7%

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

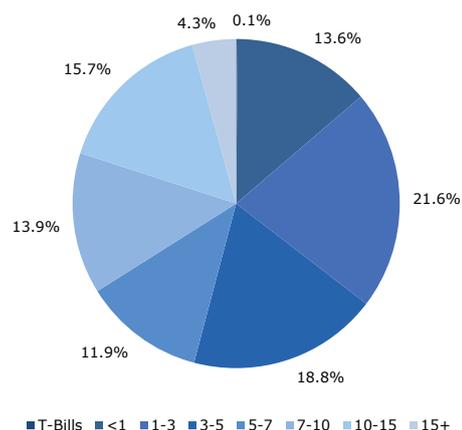
Figure 7: Structure of Government Bonds by Type of Holder



Note: Involves T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 30/6/2019.

Source: MoF, CDCP, CNB

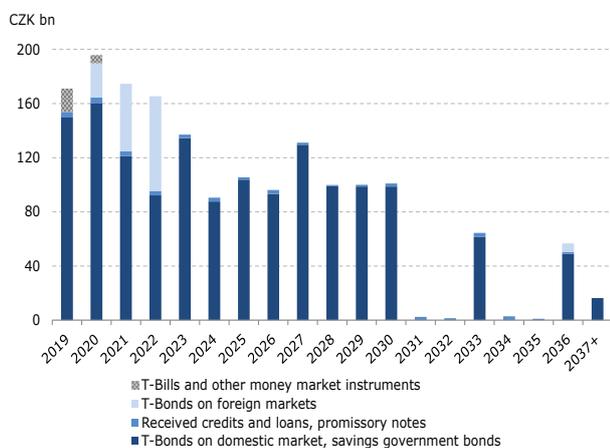
Figure 8: Structure of Government Bonds by Residual Time to Maturity



Note: Involves T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 30/6/2019.

Source: MoF

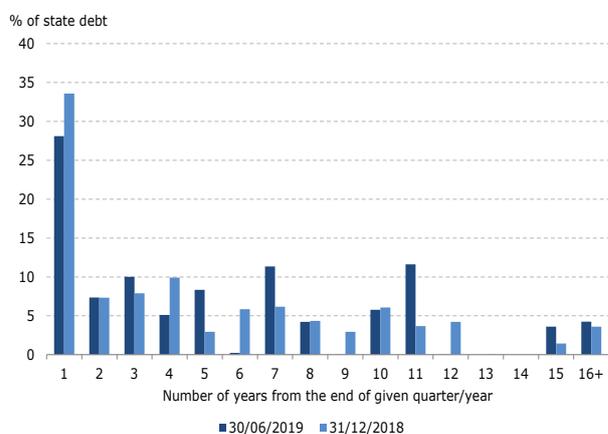
Figure 9: Maturity Profile of State Debt



Note: Received credits and loans include credits and loans received from international financial institutions. As at 30/6/2019.

Source: MoF

Figure 10: Re-fixing Profile of State Debt



Source: MoF

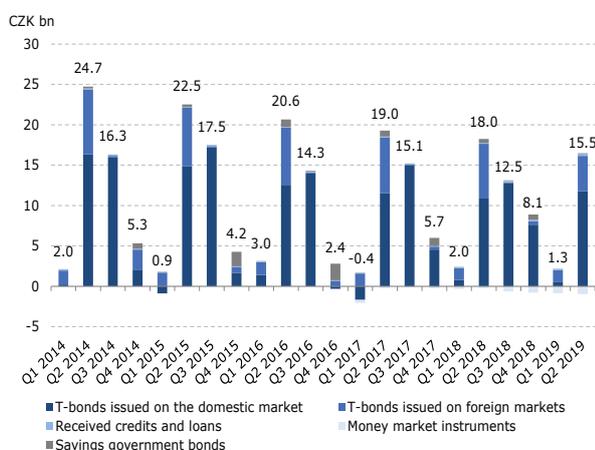
Table 15: State Debt Parameters

	30/6/ 2018	30/9/ 2018	31/12/ 2018	31/3/ 2019	30/6/ 2019
Total state debt (CZK bn)	1,713.5	1,671.4	1,622.0	1,731.6	1,712.6
Market value of state debt (CZK bn)	1,797.3	1,741.2	1,700.7	1,820.4	1,821.0
Short-term state debt (%)	17.5	15.8	17.8	20.0	14.9
Medium-term state debt (%)	60.7	56.4	57.3	53.8	54.5
T-Bills and other money market instruments (%)	7.3	5.6	2.7	1.9	1.4
Average time to maturity (years)	5.2	5.4	5.4	5.6	5.9
Interest re-fixing up to 1 year (%)	32.1	31.3	33.6	33.2	28.1
Average time to re-fixing (years)	4.5	4.7	4.7	4.9	5.3
Variable-rate state debt (%)	12.2	13.1	13.4	12.5	12.5
Modified duration (years)	4.0	4.1	4.3	4.4	4.9
State debt level net foreign currency exposure (%)	10.5	10.7	10.3	9.7	9.7
Interest expenditure on state debt net foreign currency exposure (%)	10.6	10.7	10.3	9.7	9.7
Foreign currency state debt (%)	12.1	12.2	11.9	11.2	11.2
Share of € in state debt level net foreign currency exposure (%)	90.5	90.4	96.3	96.3	96.2
Share of € in interest expenditure on state debt net foreign currency exposure (%)	93.8	93.7	100.0	100.0	100.0
Non-marketable state debt (%) ¹	5.8	5.7	5.1	4.2	3.7
Share of savings government bonds on state debt (%)	0.9	0.9	0.3	0.5	0.4
Marketable state debt (CZK bn)	1,598.9	1,560.8	1,534.1	1,650.1	1,643.2
Market value of marketable state debt (CZK bn)	1,682.9	1,631.0	1,613.2	1,739.2	1,751.8
Short-term marketable state debt (%)	14.7	12.7	15.8	18.7	13.8
Medium-term marketable state debt (%)	59.7	55.0	56.5	53.1	54.2
T-Bills and other money market instruments (%)	4.6	2.7	0.3	0.2	0.2
Average time to maturity (years)	5.3	5.6	5.5	5.6	5.9
Interest re-fixing up to 1 year (%)	27.9	27.1	30.4	30.8	26.0
Average time to re-fixing (years)	4.7	4.9	4.9	5.1	5.5
Variable-rate marketable state debt (%)	10.4	11.5	11.7	10.9	10.9
Modified duration (years)	4.2	4.3	4.5	4.6	5.0
Marketable state debt level net foreign currency exposure (%)	8.1	8.2	8.4	8.3	8.9
Interest expenditure on marketable state debt net foreign currency exposure (%)	8.1	8.2	8.4	8.3	8.9
Foreign-currency marketable state debt (%)	9.7	9.8	10.0	9.9	10.4
Share of € in marketable state debt level net foreign currency exposure (%)	95.3	95.4	95.2	95.5	95.7
Share of € 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

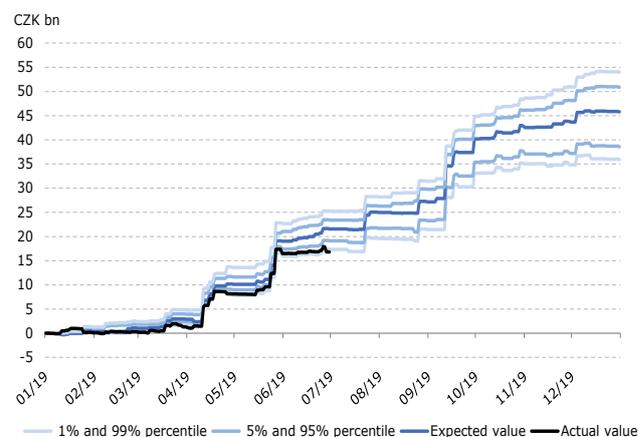
5 – State Debt Service Expenditure and Cost-at-Risk

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 in 2019

CZK mil.	Actual H1 2018	Budget 2019		Actual H1 2019	% Execution	2019/2018 (%)
		Approved	After changes			
1. Total interest expenditure and revenue	20,043	46,149	46,149	16,813	36.4	83.9
	0	-	-	-	-	-
Internal debt	11,547	37,413	37,413	10,539	28.2	91.3
	-	-	-	-	-	-
Money market instruments	(-) 573	(-) 1,820	(-) 1,820	(-) 1,830	100.5	319.4
	-	-	-	-	-	-
Savings government bonds	478	147	147	110	75.0	23.1
	-	-	-	-	-	-
T-Bonds on domestic market	11,641	39,086	39,086	12,259	31.4	105.3
	-	-	-	-	-	-
External debt	8,496	8,731	8,731	6,274	71.9	73.8
	-	-	-	-	-	-
T-Bonds on foreign markets	8,267	7,907	7,907	5,877	74.3	71.1
	-	-	-	-	-	-
Received credits and loans ¹	230	824	824	397	48.3	173.0
	-	-	-	-	-	-
Payment accounts	0	5	5	0	-2.4	493.6
	0	-	-	-	-	-
2. Fees	69	350	350	106	30.4	154.2
	0	-	-	-	-	-
Total chapter balance	20,112	46,499	46,499	16,920	-	84.1

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 H1 2019

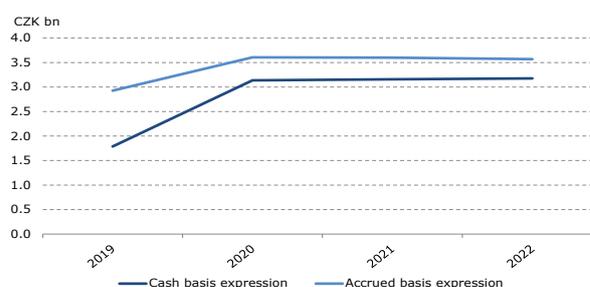
Chapter number	Chapter	Funds allocation	Amount (CZK)
-	-	-	0
Total			0

Source: MoF

Table 18: Expected vs. Actual Net Interest Expenditure

CZK bn	H1 2018	H1 2019
Actual expenditure	20.0	16.8
Expected expenditure	19.8	21.6
Cost-at-Risk 95%	21.5	23.4
Cost-at-Risk 99%	24.5	25.2
Difference between expectation and reality	-0.3	4.8

Source: MoF

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


Source: MoF

Table 19: Interest Expenditure and Accrued Costs of the Newly Issued State Debt

CZK bn	Nominal value	Net interest expenditure/accrued costs			
		2019F	2020F	2021F	2022F
Cash basis expression	206.7	1.8	3.1	3.2	3.2
Accrued basis expression	206.7	2.9	3.6	3.6	3.6
Gross issuance of T-Bonds	200.6	2.8	3.5	3.5	3.5
Gross issuance of T-Bills	2.3	0.0	0.0	-	-
Gross issuance of savings government bonds	3.8 ¹	0.1	0.1	0.1	0.1

¹ Excl. reinvestment of yields of already issued savings government bonds.
Source: MoF

Table 20: FX Operations on Spot Market in H1 2019

Counterparty	Nominal value (EUR)	Nominal value (USD)	Nominal value (CHF)	Nominal value (CZK)	Savings ¹ (CZK)	Share of savings (%)
UniCredit Bank Czech Republic and Slovakia, a.s. / UniCredit Bank AG Munich	172,982,573	0	0	4,454,056,906	19,219,538	56.7
KBC Bank NV / Československá obchodní banka, a. s.	36,644,167	0	0	938,633,873	4,325,439	12.8
J.P. Morgan Securities plc	16,549,621	14,411,410	0	754,260,176	3,498,725	10.3
Citibank Europe plc	21,628,208	1,754,116	0	594,655,544	2,969,591	8.8
Credit Agricole Corporate and Investment Bank	19,266,433	0	819,619	514,072,166	2,442,222	7.2
PPF banka a.s.	0	9,800,434	0	222,175,839	1,293,657	3.8
Goldman Sachs International	332,527	0	805,136	26,971,169	135,216	0.4
Total	267,403,528	25,965,960	1,624,755	7,504,825,672	33,884,388	100.0

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

6 – Evaluation of the Primary Dealers in Q3 2018 to Q2 2019

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 8 primary dealers were evaluated.

Table 21: Overall Evaluation of Primary Dealers in Q3 2018 to Q2 2019

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	70.0
2 nd	Erste Group Bank AG / Česká spořitelna, a.s.	65.1
3 rd	PPF banka a.s.	58.6
4 th	Société Générale / Komerční banka, a.s.	49.7
5 th	Citibank Europe plc	46.9

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

Table 22: Primary Market in Q3 2018 to Q2 2019

Ranking	Primary Dealer	Points
1 st	Erste Group Bank AG / Česká spořitelna, a.s.	46.1
2 nd	KBC Bank NV / Československá obchodní banka, a. s.	35.8
3 rd	Société Générale / Komerční banka, a.s.	30.8
4 th	PPF banka a.s.	27.4
5 th	Citibank Europe plc	19.3

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

Table 23: Secondary Market in Q3 2018 to Q2 2019

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	34.2
2 nd	PPF banka a.s.	31.2
3 rd	Citibank Europe plc	27.6
4 th	Société Générale / Komerční banka, a.s.	19.0
5 th	Erste Group Bank AG / Česká spořitelna, a.s.	18.9

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

This publication was prepared based on the information available on 19 July 2019
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www.mfcr.cz/statedebt

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