



Ministry of Finance

Debt and Financial Assets
Management Department

Debt Portfolio Management Quarterly Report

1st Half of 2021



16 July 2021

Ministry of Finance

Debt Portfolio Management Quarterly Report

1st Half of 2021

Debt Portfolio Management Quarterly Report

1st Half of 2021

16 July 2021

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

ISSN 2336-2669 (On-line)

Issued three times a year

Electronic archive:
www.mfcz.cz/statedebt

Table of Contents

Summary and Main Events	7
1 – Borrowing Requirement and Development of State Debt.....	9
2 – Primary Market of Government Bonds	11
3 – Secondary Market of Government Bonds	16
4 – Risk Management and Portfolio Strategy.....	20
5 – State Debt Service Expenditure and Cost-at-Risk	22
6 – Evaluation of the Primary Dealers in Q3 2020 to Q2 2021	24

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.

List of Tables

Table 1: Structure and Balance of the Debt Portfolio	9
Table 2: Financing Needs and Sources	9
Table 3: Net Borrowing Requirement and Change in State Debt	10
Table 4a: Medium-Term and Long-Term Government Bonds Issued in H1 2021	11
Table 4b: Medium-Term and Long-Term Government Bonds Issued in H1 2021	12
Table 5: State Treasury Bills Issued in H1 2021	13
Table 6: Savings Government Bonds Issued in H1 2021	13
Table 7: Medium-Term and Long-Term Government Bonds Issued on Domestic Market as at 30/6/2021	14
Table 8: Medium-Term and Long-Term Government Bonds Issued on Foreign Markets as at 30/6/2021	14
Table 9: Issued State Treasury Bills as at 30/6/2021	15
Table 10: Issued Savings Government Bonds as at 30/6/2021	15
Table 11: Realized Tap Sales of Government Bonds in H1 2021	17
Table 12: Realized Exchange Operations of Government Bonds in H1 2021	18
Table 13a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in H1 2021	19
Table 13b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in H1 2021	19
Table 14: Targets, Limits and Risk Parameters of the Debt Portfolio	20
Table 15: State Debt Parameters	21
Table 16: Budget Expenditure and Revenue of the Chapter State Debt	22
Table 17: Overview of Budgetary Transfers from the Chapter State Debt Realized in H1 2021	23
Table 18: Expected vs. Actual Net Interest Expenditure	23
Table 19: Interest Expenditure and Accrued Costs of the Newly Issued Government Bonds	23
Table 20: FX Market Operations in H1 2021	23
Table 21: Overall Evaluation in Q3 2020 to Q2 2021	24
Table 22: Evaluation on Primary Market in Q3 2020 to Q2 2021	24
Table 23: Evaluation on Secondary Market in Q3 2020 to Q2 2021	24

List of Figures

Figure 1: Yield Curve of Government Bonds	16
Figure 2: Bid-Offer Spreads of Selected Government Bonds	16
Figure 3: Yields of Selected Government Bonds	16
Figure 4: Traded Nominal Value on MTS Czech Republic	16
Figure 5: Average Daily Compliance Ratio of Primary Dealers on MTS Czech Republic	16
Figure 6: "Asset Swap Spread" Risk Premium of Selected Government Bonds	16
Figure 7: Structure of Government Bonds by Type of Holder	20
Figure 8: Structure of Government Bonds by Residual Time to Maturity	20
Figure 9: Maturity Profile of State Debt	20
Figure 10: Re-fixing Profile of State Debt	20
Figure 11: Net Interest Expenditure on State Debt	22
Figure 12: Actual vs. Simulated Net Interest Expenditure on State Debt	22
Figure 13: Net Cash Interest Expenditure and Accrued Interest Costs of Newly Issued Debt	23

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 2021 published on 23 December 2020 and its update published in the Debt Portfolio Management Quarterly Report - 1st Quarter published on 16 April 2021, which was updated based on of increasing financing needs in 2021, especially in connection with the increasing of budgeted state budget deficit from CZK 320 billion to CZK 500 billion. It also includes regular quarterly evaluations of primary dealers for the period from the third quarter of 2020 to the second quarter of 2021, with Československá obchodní banka, a. s., PPF banka, a.s. and Česká spořitelna, a.s. being the best-rated primary dealers in overall evaluation for this period.

During the first half of 2021, the Ministry successfully placed government bonds on the domestic financial market in a total nominal value of CZK 390.8 billion and continuing to successfully cover this year's financing needs, when CZK-denominated redemptions of state debt are already fully covered and government bonds are currently issued for the purpose of pre-financing the state budget deficit. Particularly in the second quarter of 2021, the Ministry was also active on the money market, with the aim of preventively strengthening the liquidity reserves of the state treasury, when it successfully tested a new financing channel in the form of stabilization repo operations.

In the second quarter of 2021, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 128.6 billion were placed on the primary market through twenty auctions in seven auction days. In addition to re-opening of issues, the Ministry issued a new issue of fixed-rate government bonds with maturity in 2032 and a variable-rate issue with maturity in 2031. The issuance on the primary market was supplemented by operations on the secondary market when the Ministry sold government bonds in total nominal value of CZK 11.9 billion in tap sales and exchanged government bonds in a total nominal value of CZK 15.2 billion as part of exchange operations. In the second quarter of 2021, the Ministry sold medium-term and long-term government bonds in a total nominal value of

CZK 155.7 billion, and CZK 387.4 billion in the first half of the year.

In the second quarter, no regular redemptions of CZK-denominated medium-term and long-term government bonds took place, only the Ministry bought back the government bonds in a total nominal value of CZK 15.2 billion maturing in 2021 and 2022 as part of exchange operations. The net issue of CZK-denominated medium-term and long-term government bonds after taking into account the part of the euro redemptions of the foreign issue in the total nominal value of EUR 1.0 billion, which was hedged at CZK 24.55 per euro, amounted to CZK 116.0 billion, and CZK 316.6 billion in the first half of the year. In connection with appropriate currency hedging of a part of the EUR-denominated foreign issue redemptions, this redemption was thus by CZK 1.4 billion lower in koruna terms compared to its settlement through the obtaining of euro funds at the current market exchange rate.

During the second quarter of 2021, the Ministry sold state treasury bills in a total nominal value of CZK 12.9 billion in three auctions, and at the same time, state treasury bills in a total nominal value of CZK 16.6 billion were redeemed. The total nominal value of the net issue amounted to CZK -3.8 billion, and CZK -4.1 billion in the first half of the year, when the Ministry focused on stabilization repo operations as a more flexible form of short-term financing.

The project of direct sale of government bonds intended for citizens continued in the second quarter of 2021, in which the eleventh subscription period of the "Dluhopis Republiky" government bonds with the issue date of 1 July took place and the twelfth subscription period with the issue date of 1 October began. In April, government bonds with a total nominal value of CZK 3.3 billion, including reinvestments of yields, were issued. No regular redemptions were carried out, only early redemptions based on the exercise of the right of holders in the total nominal value of CZK 39 million were carried out. The total nominal value of the net issue of government bonds intended for citizens reached CZK 3.2 billion in the second quarter, and CZK 3.3 billion in the first half of the year.

In the area of loans and credits, no new tranche was received from international financial institutions in the second quarter, only regular repayments were carried out and also repayments before the maturity date of loans from the European Investment Bank in the total amount of CZK 1.9 billion.

Continuation of Successful Coverage of Financing Needs in 2021

During the first quarter, the Ministry successfully covered all this year's CZK-denominated redemptions of the state debt, and in the second quarter it continued to issue and sell government bonds in order to cover the budgeted state budget deficit. In the first half of the year, it issued government bonds with a maturity of over one year in total nominal value of CZK 390.8 billion with average yield of 1.3% p.a. and average time to maturity reaching 8.0 years, which is still above the medium-term target set for the state debt at the level of 6.0 years. After taking into account the issuance activity at the beginning of July this year, the Ministry thus covered almost 60% of the planned CZK-

denominated financing needs. The high interest in government bonds from domestic and foreign investors is underlined by the ratio of accepted bids to total bids of medium-term and long-term government bonds in primary auctions, the so-called bid-to-cover ratio reaching 2.5.

Through significant issuance activities, the Ministry thus created sufficient space in the first half of 2021 to smoothly cover the remaining financing needs of this year, which, however, will depend on the actual state budget performance and exchange operations carried out during the second half of 2021.

Persistent High Interest in "Dluhopis Republiky" Government Bonds

On 1 July, the Ministry issued two new issues of the "Dluhopis Republiky" government bonds in total nominal value of CZK 4.4 billion, namely the Reinvestment Government Bond of the Czech Republic, 2021–2027 II, FIX% and the Inflation-linked Government Bond of the Czech Republic, 2021–2027 II, CPI%, with high interest traditionally in inflation-linked government bonds. The eleventh subscription period of the "Dluhopis Republiky" government bonds taking place from 22 March to 18 June was thus the third most successful, despite the economic impact of the SARS-CoV-2 coronavirus pandemic and the persisting uncertainty about future developments. Gradually, the investor base is being expanded by retail investors, when on 1 July the total nominal value of government bonds

intended for citizens reached CZK 33.2 billion and their share in the total state debt is stable, resp. is growing slightly, despite the Ministry's significant issuance activity in other debt instruments.

From June 21 to September 17, the twelfth subscription period is taking place, when two types of six-year government bonds are offered - reinvestment and inflation-linked. The issue date of both "Dluhopis Republiky" government bonds is set on 1 October 2021. Citizens with interest in government bonds may apply for subscription of the "Dluhopis Republiky" government bonds through electronic access to asset account management or at selected branches of contractual distributors.

Affirmation of the Czech Republic's Rating

Despite the negative effects of the SARS-CoV-2 coronavirus pandemic, including their impact on public budgets, the Czech Republic still maintains high rating from all major credit rating agencies with international scope of activity, including stable outlook confirming that credit rating agencies are not planning to change the rating assigned to the Czech Republic in near future.

Fitch Ratings last confirmed its rating at the end of June at AA- with a stable outlook. According to the agency, the granting of a stable outlook reflects expectations of a return to the Czech Republic's debt

reduction in the medium term and, at the same time, stable economic growth. Traditionally, the strong institutional arrangements and stable macroeconomic policies were highlighted.

During the second quarter, the rating was also affirmed by S&P Global Ratings and ACRA, at the level of AA-, resp. AA. Maintaining the Czech Republic's rating and the associated high credit worthiness is thus a positive signal, which also has an impact on the Czech Republic's position on domestic and foreign financial markets and ultimately leads to cheaper financing of the Czech Republic.

1 – Borrowing Requirement and Development of State Debt

Table 1: Structure and Balance of the Debt Portfolio

CZK bn	2019	2020	30/6/2021
Gross state debt	1,640.2	2,049.7	2,416.3
T-Bills and other money market instruments	18.0	25.4	55.5
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	1,419.2	1,831.6	2,171.8
T-Bonds issued on foreign markets	151.5	129.2	75.9
Savings government bonds	13.0	25.6	28.8
Received credits and loans ¹	38.5	38.0	84.2
Promissory notes	0.0	0.0	0.0
Share of GDP (%)²	28.3	36.0	41.4

¹ Credits and loans received from international financial institutions and European Commission.

² GDP in the ESA 2010 methodology. The source of data for Q1 2019 – Q1 2021 is CZSO, for Q2 2021 the Macroeconomic Forecast of the Czech Republic – April 2021. Source: MoF, CZSO

Table 2: Financing Needs and Sources

CZK bn	2019	2020	H1 2021
Primary balance of state budget	-11.0	327.3	246.4
Net expenditure on state debt ¹	39.6	40.1	18.6
T-Bonds redemptions ²	238.5	215.8	96.7
Redemptions and early redemptions on savings government bonds	2.7	2.8	0.1
T-Bills and other money market instruments redemptions ³	43.5	18.4	25.4
Repayments on credits and loans ⁴	4.7	5.8	4.5
Total financing needs	317.9	610.2	391.8
Gross T-Bills issue and other money market instruments ^{3, 5}	18.0	25.4	55.6
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market ⁵	280.9	600.3	387.4
Gross issue of T-Bonds on domestic market up to 5 years ^{5, 6}	48.1	268.2	106.9
Gross issue of T-Bonds on domestic market from 5 to 10 years ^{5, 6}	71.7	178.9	158.9
Gross issue of T-Bonds on domestic market over 10 years ^{5, 6}	161.1	153.1	121.6
Gross issue of T-Bonds on foreign markets ⁵	0.0	0.0	0.0
Gross issue of savings government bonds ⁷	10.5	15.3	3.4
Received credits and loans ⁴	0.0	5.3	52.3
Financial asset and liquidity management	8.5	-36.1	-106.9
Total financing sources	317.9	610.2	391.8
Gross borrowing requirement	309.4	646.3	498.6

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 and European Commission.

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	2019	2020	H1 2021
Gross state debt as at 1 January	1,622.0	1,640.2	2,049.7
Primary state budget balance	-11.0	327.3	246.4
Net expenditure on state debt service ¹	39.6	40.1	18.6
Financial asset and liquidity management operations	-8.5	36.1	106.9
Net borrowing requirement	20.0	403.5	371.9
T-Bills net issue and net change in the balance of other money market instruments	-25.5	7.1	30.1
T-Bonds net issue on domestic market	42.4	411.7	341.2
T-Bonds net issue on foreign markets	0.0	-27.2	-50.5
Savings government bonds net issue	7.8	12.6	3.3
Net change in balance of received credits and loans ²	-4.7	-0.6	47.8
Financing of net borrowing requirement	20.0	403.5	371.9
Revaluation of state debt ³	-1.8	6.0	-5.4
Promissory notes net change	0.0	0.0	0.0
Gross state debt change	18.2	409.5	366.6
Gross state debt as at the end of period	1,640.2	2,049.7	2,416.3

¹ Balance of budgetary chapter 396 – State debt.

² Credits and loans received from international financial institutions and European Commission.

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 reached CZK 2,416.3 billion at the end of the first half of the year, which represents a decrease by CZK 3.6 billion compared to the end of the first quarter. Already during the first quarter, the Ministry pre-financed to cover all this year's CZK-denominated redemptions of the state debt, with

regular redemptions of CZK-denominated state debt issued in previous years in the total nominal value of CZK 87.2 billion remaining to be redeemed by the end of 2021, and continued to issue and sell government bonds for covering the budgeted state budget deficit, which reached CZK 265.1 billion at the end of June.

2 – Primary Market of Government Bonds

Table 4a: Medium-Term and Long-Term Government Bonds Issued in H1 2021

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, 1.00 %, 26	95 25	13/1	15/1	26/6/2026	CZK	5,000,000,000	6,628,720,000
ČR, 0.05 %, 29	130 8	13/1	15/1	29/11/2029	CZK	6,000,000,000	7,048,910,000
ČR, 1.50 %, 40	125 12	13/1	15/1	24/4/2040	CZK	5,000,000,000	1,436,000,000
ČR, 2.50 %, 28	78 28	27/1	29/1	25/8/2028	CZK	6,000,000,000	3,375,000,000
ČR, 0.05 %, 29	130 9	27/1	29/1	29/11/2029	CZK	6,000,000,000	9,731,240,000
ČR, 1.50 %, 40	125 13	27/1	29/1	24/4/2040	CZK	2,000,000,000	1,939,000,000
ČR, 0.00 %, 24	135 1	10/2	12/2	12/12/2024	CZK	4,000,000,000	4,456,620,000
ČR, 1.20 %, 31	121 9	10/2	12/2	13/3/2031	CZK	5,000,000,000	5,992,720,000
ČR, 4.20 %, 36	49 18	10/2	12/2	4/12/2036	CZK	2,000,000,000	3,541,650,000
ČR, 1.00 %, 26	95 26	17/2	19/2	26/6/2026	CZK	5,000,000,000	4,655,000,000
ČR, VAR %, 27	90 20	17/2	19/2	19/11/2027	CZK	4,000,000,000	6,860,500,000
ČR, 0.05 %, 29	130 10	17/2	19/2	29/11/2029	CZK	6,000,000,000	7,059,530,000
ČR, 0.00 %, 24	135 2	24/2	26/2	12/12/2024	CZK	6,000,000,000	3,795,000,000
ČR, 0.95 %, 30	94 24	24/2	26/2	15/5/2030	CZK	5,000,000,000	8,497,480,000
ČR, 1.50 %, 40	125 14	24/2	26/2	24/4/2040	CZK	2,000,000,000	1,327,000,000
ČR, VAR %, 27	90 21	3/3	5/3	19/11/2027	CZK	6,000,000,000	7,346,260,000
ČR, 1.20 %, 31	121 10	3/3	5/3	13/3/2031	CZK	6,000,000,000	14,997,000,000
ČR, 4.20 %, 36	49 19	3/3	5/3	4/12/2036	CZK	2,000,000,000	3,160,000,000
ČR, 0.00 %, 24	135 3	17/3	19/3	12/12/2024	CZK	6,000,000,000	6,070,000,000
ČR, 0.95 %, 30	94 25	17/3	19/3	15/5/2030	CZK	5,000,000,000	10,353,760,000
ČR, 1.50 %, 40	125 15	17/3	19/3	24/4/2040	CZK	2,000,000,000	935,000,000
ČR, VAR %, 27	90 22	24/3	26/3	19/11/2027	CZK	6,000,000,000	6,038,430,000
ČR, 2.75 %, 29	105 15	24/3	26/3	23/7/2029	CZK	6,000,000,000	12,219,880,000
ČR, 2.00 %, 33	103 29	24/3	26/3	13/10/2033	CZK	2,000,000,000	5,489,670,000
ČR, 2.40 %, 25	89 22	31/3	6/4	17/9/2025	CZK	5,000,000,000	11,042,520,000
ČR, 1.20 %, 31	121 11	31/3	6/4	13/3/2031	CZK	6,000,000,000	11,043,340,000
ČR, 4.20 %, 36	49 20	31/3	6/4	4/12/2036	CZK	2,000,000,000	3,444,640,000
ČR, VAR %, 27	90 23	14/4	16/4	19/11/2027	CZK	6,000,000,000	6,701,850,000
ČR, 1.20 %, 31	121 12	14/4	16/4	13/3/2031	CZK	6,000,000,000	11,326,770,000
ČR, 4.20 %, 36	49 21	14/4	16/4	4/12/2036	CZK	2,000,000,000	5,668,460,000
ČR, 0.00 %, 24	135 4	21/4	23/4	12/12/2024	CZK	6,000,000,000	11,022,080,000
ČR, 1.75 %, 32	138 1	21/4	23/4	23/6/2032	CZK	6,000,000,000	11,232,340,000
ČR, 2.50 %, 28	78 29	28/4	30/4	25/8/2028	CZK	5,000,000,000	6,105,010,000
ČR, VAR %, 31	139 1	28/4	30/4	31/10/2031	CZK	5,000,000,000	6,026,290,000
ČR, 2.00 %, 33	103 30	28/4	30/4	13/10/2033	CZK	3,000,000,000	3,592,200,000
ČR, VAR %, 31	139 2	12/5	14/5	31/10/2031	CZK	4,000,000,000	4,390,420,000
ČR, 1.75 %, 32	138 2	12/5	14/5	23/6/2032	CZK	6,000,000,000	6,177,240,000
ČR, 1.50 %, 40	125 16	12/5	14/5	24/4/2040	CZK	2,000,000,000	2,288,500,000
ČR, 0.00 %, 24	135 5	26/5	28/5	12/12/2024	CZK	4,000,000,000	4,222,250,000
ČR, VAR %, 31	139 3	26/5	28/5	31/10/2031	CZK	4,000,000,000	4,145,970,000
ČR, 1.75 %, 32	138 3	26/5	28/5	23/6/2032	CZK	6,000,000,000	6,444,310,000
ČR, VAR %, 31	139 4	9/6	11/6	31/10/2031	CZK	4,000,000,000	4,000,000,000
ČR, 1.75 %, 32	138 4	9/6	11/6	23/6/2032	CZK	6,000,000,000	7,417,930,000
ČR, 1.50 %, 40	125 17	9/6	11/6	24/4/2040	CZK	2,000,000,000	2,289,750,000
Total							271,536,240,000

Source: MoF, CNB

Table 4b: Medium-Term and Long-Term Government Bonds Issued in H1 2021

Issue name	Issue/ tranche no.	Coupon	Average price	Average yield to maturity (% p.a.) ¹	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, 1.00 %, 26	95	25	1.00%	100.627	0.881	2.82	111.28	21.29
ČR, 0.05 %, 29	130	8	0.05%	90.387	1.199	2.50	102.25	15.23
ČR, 1.50 %, 40	125	12	1.50%	97.739	1.638	2.07	27.60	1.12
ČR, 2.50 %, 28	78	28	2.50%	110.324	1.073	1.12	56.25	0.00
ČR, 0.05 %, 29	130	9	0.05%	90.378	1.205	1.56	148.63	13.55
ČR, 1.50 %, 40	125	13	1.50%	97.038	1.681	1.23	94.50	2.45
ČR, 0.00 %, 24	135	1	0.00%	96.764	0.863	3.10	100.00	11.42
ČR, 1.20 %, 31	121	9	1.20%	97.546	1.464	2.37	103.30	16.55
ČR, 4.20 %, 36	49	18	4.20%	135.560	1.630	2.39	150.00	27.08
ČR, 1.00 %, 26	95	26	1.00%	98.829	1.227	1.61	93.10	0.00
ČR, VAR %, 27	90	20	VAR %	99.844	-7.911	2.35	158.13	13.39
ČR, 0.05 %, 29	130	10	0.05%	88.343	1.476	1.78	112.75	4.91
ČR, 0.00 %, 24	135	2	0.00%	96.317	0.995	3.22	62.92	0.33
ČR, 0.95 %, 30	94	24	0.95%	94.701	1.572	2.69	169.95	0.00
ČR, 1.50 %, 40	125	14	1.50%	92.699	1.961	2.47	64.50	1.85
ČR, VAR %, 27	90	21	VAR %	99.672	-5.299	1.83	117.50	4.94
ČR, 1.20 %, 31	121	10	1.20%	95.000	1.748	1.43	249.95	0.00
ČR, 4.20 %, 36	49	19	4.20%	131.747	1.856	1.56	158.00	0.00
ČR, 0.00 %, 24	135	3	0.00%	95.641	1.201	2.11	100.00	1.17
ČR, 0.95 %, 30	94	25	0.95%	92.126	1.895	3.01	200.00	7.08
ČR, 1.50 %, 40	125	15	1.50%	87.746	2.300	1.94	46.75	0.00
ČR, VAR %, 27	90	22	VAR %	99.452	-1.890	2.22	100.00	0.64
ČR, 2.75 %, 29	105	15	2.75%	107.078	1.825	2.37	187.29	16.37
ČR, 2.00 %, 33	103	29	2.00%	99.491	2.046	2.12	245.25	29.23
ČR, 2.40 %, 25	89	22	2.40%	104.092	1.442	2.10	200.00	20.85
ČR, 1.20 %, 31	121	11	1.20%	93.345	1.943	1.87	166.67	17.39
ČR, 4.20 %, 36	49	20	4.20%	127.021	2.149	1.68	159.55	12.68
ČR, VAR %, 27	90	23	VAR %	99.383	-0.716	2.53	100.00	11.70
ČR, 1.20 %, 31	121	12	1.20%	93.792	1.893	3.93	166.67	22.11
ČR, 4.20 %, 36	49	21	4.20%	127.264	2.130	1.81	250.00	33.42
ČR, 0.00 %, 24	135	4	0.00%	95.827	1.178	2.28	166.67	17.03
ČR, 1.75 %, 32	138	1	1.75%	99.171	1.832	3.85	168.42	18.79
ČR, 2.50 %, 28	78	29	2.50%	106.045	1.617	3.20	100.00	22.10
ČR, VAR %, 31	139	1	VAR %	100.513	-4.917	4.77	100.00	20.53
ČR, 2.00 %, 33	103	30	2.00%	101.270	1.884	3.78	106.77	12.97
ČR, VAR %, 31	139	2	VAR %	100.878	-8.728	3.98	101.25	8.51
ČR, 1.75 %, 32	138	2	1.75%	99.940	1.756	4.30	100.00	2.95
ČR, 1.50 %, 40	125	16	1.50%	88.847	2.228	2.69	100.00	14.43
ČR, 0.00 %, 24	135	5	0.00%	95.630	1.269	2.66	100.00	5.56
ČR, VAR %, 31	139	3	VAR %	101.250	-12.453	3.01	100.00	3.65
ČR, 1.75 %, 32	138	3	1.75%	100.771	1.673	3.60	100.00	7.41
ČR, VAR %, 31	139	4	VAR %	101.079	-10.948	1.56	100.00	0.00
ČR, 1.75 %, 32	138	4	1.75%	101.115	1.638	2.45	103.33	20.30
ČR, 1.50 %, 40	125	17	1.50%	90.443	2.120	2.21	100.00	14.49
Average					2.50	126.12	10.81	

¹ In case of variable-rate T-Bonds, average spread to PRIBOR in basis points (discount margin) is stated.

Source: MoF, CNB

Table 5: State Treasury Bills Issued in H1 2021

Issue no.	Maturity (weeks)	Auction date	Issue date	Maturity date	Max. nominal value offered	Total nominal value sold	Yield to maturity (% p.a.)
825	13	21/1	22/1	23/4/2021	10,000,000,000	3,188,000,000	0.190
826	26	11/2	12/2	13/8/2021	5,000,000,000	3,444,000,000	0.230
827	13	25/2	26/2	28/5/2021	5,000,000,000	3,607,000,000	0.230
828	39	11/3	12/3	10/12/2021	5,000,000,000	5,000,000,000	0.370
829	13	25/3	26/3	25/6/2021	5,000,000,000	9,850,000,000	0.250
830	26	8/4	9/4	8/10/2021	5,000,000,000	10,540,000,000	0.310
831	13	22/4	23/4	23/7/2021	5,000,000,000	2,344,000,000	0.250
832	26	20/5	21/5	19/11/2021	5,000,000,000	0	-
Total						37,973,000,000	0.274¹

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

Table 6: Savings Government Bonds Issued in H1 2021

Issue name	Issue no.	Settlement date	Maturity date	Original maturity (years)	Total nominal value sold
SD-R ČR, FIX %, 26 ¹	114	2/1	2/1/2026	6.0	330,932
SD-I ČR, CPI %, 26 ¹	115	2/1	2/1/2026	6.0	46,392,436
SD-F ČR, 1.25 %, 26 ¹	116	2/1	2/1/2026	6.0	174,440
SD-R ČR, FIX %, 25 ¹	106	1/2	1/2/2025	6.0	24,529,968
SD-R ČR, FIX %, 27	133	1/4	1/4/2027	6.0	43,248,751
SD-I ČR, CPI %, 27	134	1/4	1/4/2027	6.0	3,184,944,987
SD-R ČR, FIX %, 25 II ¹	107	1/4	1/4/2025	6.0	7,557,685
SD-R ČR, FIX %, 26 II ¹	117	1/4	1/4/2026	6.0	325,950
SD-I ČR, CPI %, 26 II ¹	118	1/4	1/4/2026	6.0	45,221,896
SD-F ČR, 1.50 %, 26 II ¹	119	1/4	1/4/2026	6.0	332,540
Total					3,353,059,585

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 30/6/2021

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
ČR, 3.85 %, 21	61	CZ0001002851	29/9/2021	85,397,500,000	5,150,000,000
ČR, 0.00 %, 22	102	CZ0001005029	24/2/2022	5,845,780,000	0
ČR, 0.10 %, 22	126	CZ0001005946	17/4/2022	80,000,000,000	20,000,000,000
ČR, 4.70 %, 22	52	CZ0001001945	12/9/2022	79,990,440,000	15,009,560,000
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	120,000,000,000	0
ČR, 5.70 %, 24	58	CZ0001002547	25/5/2024	88,600,000,000	1,400,000,000
ČR, 0.00 %, 24	135	CZ0001006167	12/12/2024	34,565,950,000	5,777,750,000
ČR, 1.25 %, 25	120	CZ0001005870	14/2/2025	119,000,000,000	1,000,000,000
ČR, 2.40 %, 25	89	CZ0001004253	17/9/2025	120,042,520,000	1,957,480,000
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	147,683,310,000	2,316,690,000
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	109,072,960,000	927,040,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	134,000,000,000	1,000,000,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	117,519,880,000	7,480,120,000
ČR, 0.05 %, 29	130	CZ0001006076	29/11/2029	65,545,450,000	9,669,450,000
ČR, 0.95 %, 30	94	CZ0001004477	15/5/2030	148,385,240,000	1,614,760,000
ČR, 1.20 %, 31	121	CZ0001005888	13/3/2031	148,209,830,000	1,790,170,000
ČR, VAR %, 31	139	CZ0001006241	31/10/2031	19,062,680,000	9,500,000,000
ČR, 1.75 %, 32	138	CZ0001006233	23/6/2032	31,760,820,000	9,471,520,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	130,000,000,000	1,000,000,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	70,154,750,000	5,845,250,000
ČR, 1.50 %, 40	125	CZ0001005920	24/4/2040	41,311,840,000	3,500,000,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	19,500,000,000	500,000,000
Total CZK				2,138,648,950,000	106,909,790,000
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 30/6/2021

ISIN	Currency	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
XS0750894577	EUR	24/5/2022	2,750,000,000	0
Total EUR			2,750,000,000	0
XS0240954361	JPY	16/1/2036	30,000,000,000	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 30/6/2021

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
831	13	CZ0001006266	23/7/2021	2,344,000,000	0
826	26	CZ0001006175	13/8/2021	3,444,000,000	0
830	26	CZ0001006258	8/10/2021	10,540,000,000	100,000,000,000
832	26	CZ0001006274	19/11/2021	0	50,000,000,000
828	39	CZ0001006191	10/12/2021	5,000,000,000	150,000,000,000
Total				21,328,000,000	300,000,000,000

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

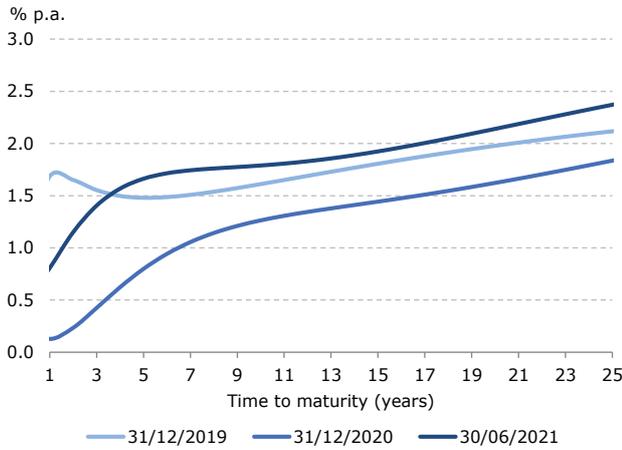
Table 10: Issued Savings Government Bonds as at 30/6/2021

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
SD-R ČR, FIX %, 25	106	CZ0001005623	1/2/2025	2,910,075,543	0
SD-R ČR, FIX %, 25 II	107	CZ0001005631	1/4/2025	896,786,309	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	56,679,381	0
SD-I ČR, CPI %, 25 II	112	CZ0001005722	1/10/2025	1,144,079,004	0
SD-F ČR, 1.50 %, 25	113	CZ0001005748	1/10/2025	23,294,812	0
SD-R ČR, FIX %, 26	114	CZ0001005763	2/1/2026	52,211,007	0
SD-I ČR, CPI %, 26	115	CZ0001005771	2/1/2026	1,633,265,070	0
SD-F ČR, 1.25 %, 26	116	CZ0001005789	2/1/2026	16,590,955	0
SD-R ČR, FIX %, 26 II	117	CZ0001005813	1/4/2026	51,433,729	0
SD-I ČR, CPI %, 26 II	118	CZ0001005821	1/4/2026	2,043,629,264	0
SD-F ČR, 1.50 %, 26 II	119	CZ0001005805	1/4/2026	26,413,041	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
SD-R ČR, FIX %, 26 IV	127	CZ0001006019	1/10/2026	60,603,502	0
SD-I ČR, CPI %, 26 IV	128	CZ0001006001	1/10/2026	3,962,210,980	0
SD-R ČR, FIX %, 26 V	131	CZ0001006092	31/12/2026	54,917,508	0
SD-I ČR, CPI %, 26 V	132	CZ0001006100	31/12/2026	4,952,287,495	0
SD-R ČR, FIX %, 27	133	CZ0001006134	1/4/2027	43,248,751	0
SD-I ČR, CPI %, 27	134	CZ0001006142	1/4/2027	3,184,944,987	0
Total				28,830,704,935	0

Source: MoF

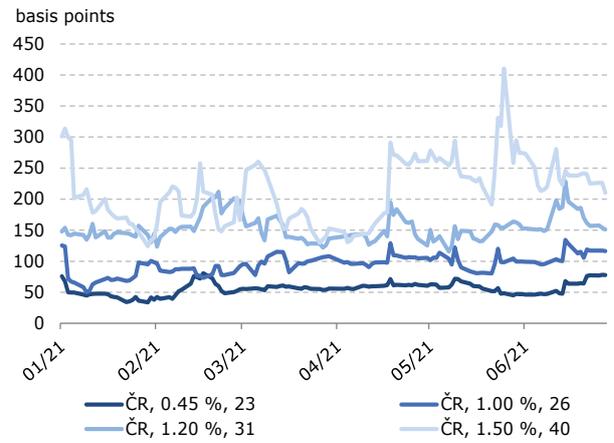
3 – Secondary Market of Government Bonds

Figure 1: Yield Curve of Government Bonds



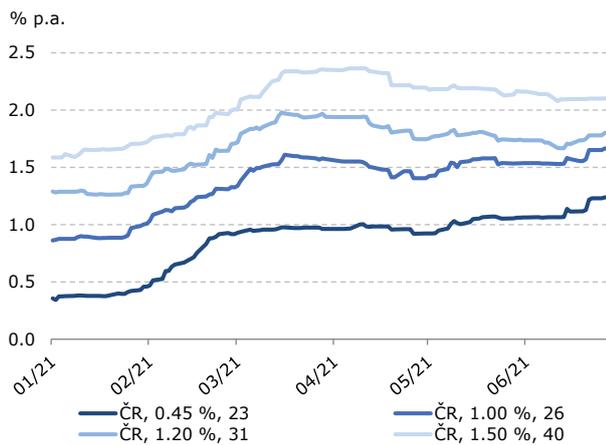
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.
Source: MoF, MTS

Figure 2: Bid-Offer Spreads of Selected Government Bonds



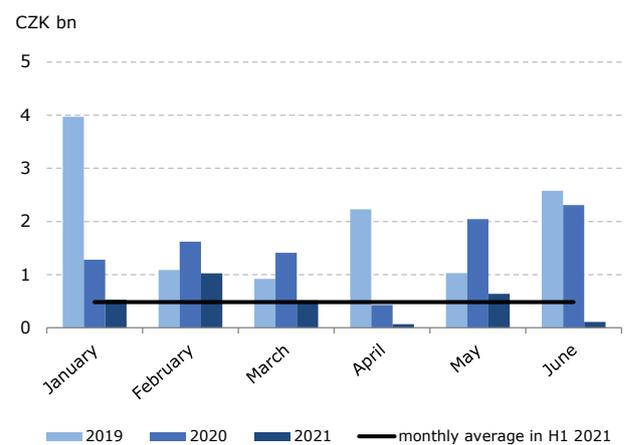
Source: MoF, MTS

Figure 3: Yields of Selected Government Bonds



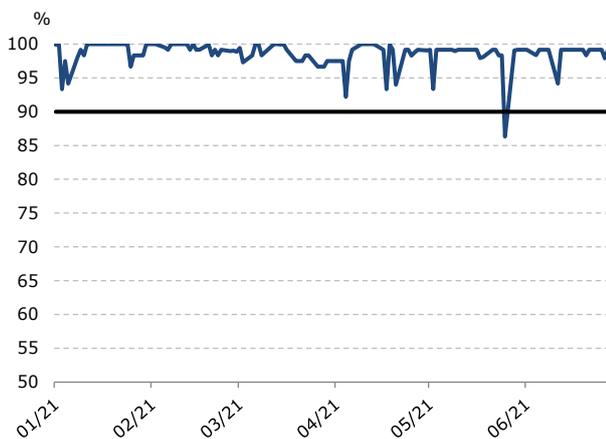
Source: MoF, MTS

Figure 4: Traded Nominal Value on MTS Czech Republic



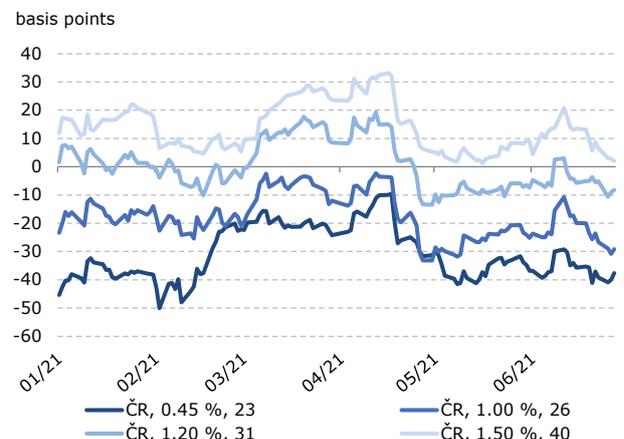
Source: MoF, MTS

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 11: Realized Tap Sales of Government Bonds in H1 2021

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
ČR, 0.45 %, 23	97	26/1/2021	25/10/2023	100.185	CZK	250,000,000
ČR, VAR %, 27	90	26/1/2021	19/11/2027	100.025	CZK	500,000,000
ČR, 2.00 %, 33	103	26/1/2021	13/10/2033	107.105	CZK	729,770,000
ČR, 0.45 %, 23	97	2/2/2021	25/10/2023	100.075	CZK	300,000,000
ČR, VAR %, 27	90	2/2/2021	19/11/2027	99.970	CZK	650,000,000
ČR, VAR %, 27	90	3/2/2021	19/11/2027	99.900	CZK	500,000,000
ČR, 0.45 %, 23	97	5/2/2021	25/10/2023	99.980	CZK	300,000,000
ČR, 1.00 %, 26	95	5/2/2021	26/6/2026	99.965	CZK	300,000,000
ČR, 1.00 %, 26	95	9/2/2021	26/6/2026	99.550	CZK	1,000,000,000
ČR, 2.00 %, 33	103	9/2/2021	13/10/2033	105.300	CZK	500,000,000
ČR, 0.05 %, 29	130	16/2/2021	29/11/2029	88.500	CZK	1,950,000,000
ČR, 0.45 %, 23	97	23/2/2021	25/10/2023	98.860	CZK	1,200,000,000
ČR, 1.20 %, 31	121	23/2/2021	13/3/2031	96.700	CZK	400,000,000
ČR, 4.20 %, 36	49	23/2/2021	4/12/2036	135.505	CZK	250,000,000
ČR, 0.45 %, 23	97	24/2/2021	25/10/2023	98.810	CZK	3,800,000,000
ČR, 0.45 %, 23	97	2/3/2021	25/10/2023	98.660	CZK	10,400,000,000
ČR, 1.00 %, 26	95	2/3/2021	26/6/2026	98.260	CZK	250,000,000
ČR, 2.50 %, 28	78	2/3/2021	25/8/2028	107.100	CZK	450,000,000
ČR, 4.85 %, 57	53	2/3/2021	26/11/2057	152.260	CZK	50,000,000
ČR, 0.10 %, 22	126	10/3/2021	17/4/2022	99.400	CZK	7,500,000,000
ČR, 1.00 %, 26	95	10/3/2021	26/6/2026	97.320	CZK	1,583,000,000
ČR, 2.50 %, 28	78	10/3/2021	25/8/2028	105.800	CZK	1,200,000,000
ČR, 0.10 %, 22	126	12/3/2021	17/4/2022	99.400	CZK	16,900,000,000
ČR, 2.50 %, 28	78	12/3/2021	25/8/2028	105.850	CZK	2,150,000,000
ČR, 0.10 %, 22	126	16/3/2021	17/4/2022	99.400	CZK	18,335,000,000
ČR, 2.50 %, 28	78	16/3/2021	25/8/2028	105.845	CZK	500,000,000
ČR, 0.10 %, 22	126	23/3/2021	17/4/2022	99.470	CZK	832,400,000
ČR, 0.45 %, 23	97	23/3/2021	25/10/2023	98.650	CZK	69,460,000
ČR, 1.00 %, 26	95	23/3/2021	26/6/2026	96.880	CZK	3,020,000,000
ČR, 4.20 %, 36	49	23/3/2021	4/12/2036	127.170	CZK	1,430,000,000
ČR, 4.85 %, 57	53	23/3/2021	26/11/2057	146.250	CZK	100,000,000
ČR, 0.00 %, 24	135	9/4/2021	12/12/2024	95.620	CZK	3,455,000,000
ČR, 2.75 %, 29	105	9/4/2021	23/7/2029	107.260	CZK	3,300,000,000
ČR, 4.20 %, 36	49	9/4/2021	4/12/2036	127.260	CZK	1,150,000,000
ČR, 1.50 %, 40	125	9/4/2021	24/4/2040	86.710	CZK	980,000,000
ČR, 0.00 %, 24	135	13/4/2021	12/12/2024	95.650	CZK	1,045,000,000
ČR, 0.05 %, 29	130	13/4/2021	29/11/2029	86.020	CZK	1,500,000,000
ČR, 2.00 %, 33	103	13/4/2021	13/10/2033	99.700	CZK	500,000,000
Total						89,329,630,000

Source: MoF

Table 12: Realized Exchange Operations of Government Bonds in H1 2021

Settlement date	Issue name	Tap sale		Buy-back		
		Nominal value	Average price	Issue name	Nominal value	Average price
11/1/2021	ČR, 1.25 %, 25	1,405,420,000	102.125	ČR, 3.85 %, 21	1,405,420,000	102.720
11/1/2021	ČR, 2.00 %, 33	100,000,000	107.301	ČR, 3.85 %, 21	100,000,000	102.720
12/1/2021	ČR, 1.50 %, 40	200,000,000	98.115	ČR, 3.85 %, 21	200,000,000	102.710
22/1/2021	ČR, 1.00 %, 26	700,000,000	100.615	ČR, 3.85 %, 21	700,000,000	102.605
22/1/2021	ČR, 2.00 %, 33	50,000,000	107.065	ČR, 3.85 %, 21	50,000,000	102.605
22/1/2021	ČR, 1.50 %, 40	150,000,000	97.380	ČR, 3.85 %, 21	150,000,000	102.605
26/1/2021	ČR, 0.05 %, 29	800,000,000	90.390	ČR, 3.85 %, 21	800,000,000	102.563
2/2/2021	ČR, 1.00 %, 26	300,000,000	100.250	ČR, 3.85 %, 21	300,000,000	102.500
3/2/2021	ČR, 1.00 %, 26	300,000,000	100.065	ČR, 3.85 %, 21	300,000,000	102.489
3/2/2021	ČR, 0.05 %, 29	500,000,000	89.565	ČR, 3.85 %, 21	500,000,000	102.489
5/2/2021	ČR, 1.50 %, 40	300,000,000	96.300	ČR, 3.85 %, 21	300,000,000	102.468
9/2/2021	ČR, 0.05 %, 29	500,000,000	88.945	ČR, 3.85 %, 21	500,000,000	102.426
16/2/2021	ČR, 0.00 %, 24	500,000,000	96.655	ČR, 3.85 %, 21	500,000,000	102.352
16/2/2021	ČR, 1.20 %, 31	1,050,000,000	97.260	ČR, 3.85 %, 21	1,050,000,000	102.352
23/2/2021	ČR, 1.00 %, 26	150,000,000	98.658	ČR, 3.85 %, 21	150,000,000	102.278
23/2/2021	ČR, 0.05 %, 29	150,000,000	88.008	ČR, 3.85 %, 21	150,000,000	102.278
23/2/2021	ČR, 4.20 %, 36	500,000,000	135.408	ČR, 3.85 %, 21	500,000,000	102.278
23/2/2021	ČR, 1.50 %, 40	100,000,000	93.905	ČR, 3.85 %, 21	100,000,000	102.278
12/3/2021	ČR, 1.20 %, 31	900,000,000	93.750	ČR, 3.85 %, 21	900,000,000	102.050
12/3/2021	ČR, 4.20 %, 36	750,000,000	129.850	ČR, 3.85 %, 21	750,000,000	102.050
31/3/2021	ČR, 2.50 %, 28	585,000,000	105.050	ČR, 3.85 %, 21	585,000,000	101.830
31/3/2021	ČR, 0.95 %, 30	534,000,000	92.250	ČR, 3.85 %, 21	534,000,000	101.830
31/3/2021	ČR, 4.20 %, 36	560,000,000	127.250	ČR, 3.85 %, 21	560,000,000	101.830
31/3/2021	ČR, 1.50 %, 40	300,000,000	86.920	ČR, 3.85 %, 21	300,000,000	101.830
3/6/2021	ČR, 2.75 %, 29	1,000,000,000	108.000	ČR, 4.70 %, 22	1,000,000,000	105.656
3/6/2021	ČR, 1.50 %, 40	500,000,000	89.300	ČR, 4.70 %, 22	500,000,000	105.656
3/6/2021	ČR, 4.85 %, 57	171,880,000	147.500	ČR, 4.70 %, 22	171,880,000	105.656
4/6/2021	ČR, 2.50 %, 28	560,000,000	105.880	ČR, 4.70 %, 22	560,000,000	105.644
4/6/2021	ČR, 0.05 %, 29	1,000,000,000	87.050	ČR, 4.70 %, 22	1,000,000,000	105.644
8/6/2021	ČR, 1.20 %, 31	1,000,000,000	95.210	ČR, 4.70 %, 22	1,000,000,000	105.594
8/6/2021	ČR, 1.50 %, 40	500,000,000	89.900	ČR, 4.70 %, 22	500,000,000	105.594
15/6/2021	ČR, 1.00 %, 26	500,000,000	97.610	ČR, 4.70 %, 22	500,000,000	105.508
15/6/2021	ČR, 1.20 %, 31	1,000,000,000	95.610	ČR, 4.70 %, 22	1,000,000,000	105.508
16/6/2021	ČR, 0.05 %, 29	1,000,000,000	87.520	ČR, 4.70 %, 22	1,000,000,000	105.496
16/6/2021	ČR, 2.00 %, 33	918,130,000	102.840	ČR, 4.70 %, 22	918,130,000	105.496
17/6/2021	ČR, 2.75 %, 29	1,000,000,000	108.160	ČR, 4.70 %, 22	1,000,000,000	105.484
17/6/2021	ČR, 1.50 %, 40	500,000,000	90.920	ČR, 4.70 %, 22	500,000,000	105.484
18/6/2021	ČR, VAR %, 31	500,000,000	101.175	ČR, 4.70 %, 22	500,000,000	105.472
18/6/2021	ČR, 1.75 %, 32	489,000,000	101.250	ČR, 4.70 %, 22	489,000,000	105.472
22/6/2021	ČR, 2.50 %, 28	1,000,000,000	105.500	ČR, 4.70 %, 22	1,000,000,000	105.422
22/6/2021	ČR, 1.20 %, 31	1,000,000,000	95.550	ČR, 4.70 %, 22	1,000,000,000	105.422
23/6/2021	ČR, 2.75 %, 29	400,000,000	107.950	ČR, 4.70 %, 22	400,000,000	105.410
23/6/2021	ČR, 1.50 %, 40	500,000,000	90.920	ČR, 4.70 %, 22	500,000,000	105.410
24/6/2021	ČR, 0.05 %, 29	20,550,000	87.180	ČR, 4.70 %, 22	20,550,000	105.398
24/6/2021	ČR, 1.20 %, 31	500,000,000	95.420	ČR, 4.70 %, 22	500,000,000	105.398

Settlement date	Issue name	Tap sale		Issue name	Buy-back	
		Nominal value	Average price		Nominal value	Average price
29/6/2021	ČR, 2.75 %, 29	600,000,000	107.350	ČR, 4.70 %, 22	600,000,000	105.022
29/6/2021	ČR, 1.50 %, 40	150,000,000	90.755	ČR, 3.85 %, 21	150,000,000	100.832
29/6/2021	ČR, 1.50 %, 40	350,000,000	90.755	ČR, 4.70 %, 22	350,000,000	105.022
Total		26,543,980,000		26,543,980,000		

Source: MoF

Table 13a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in H1 2021

Issue name	ISIN	Collateral nominal value	Financial resources received	Financial resources paid ¹
-	-	-	-	-
Total		-	-	-

¹ Incl. financial resources from this lending facilities realized in H1 2021, which has not been paid during this period.

Source: MoF

Table 13b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in H1 2021

Issue name	ISIN	Nominal value	Revenue ¹
ČR, 0.75 %, 21	CZ0001005367	180,000,000	7,067
ČR, 3.85 %, 21	CZ0001002851	29,200,000,000	4,834,702
ČR, 0.05 %, 29	CZ0001006076	4,250,000,000	638,722
ČR, 2.00 %, 33	CZ0001005243	500,000,000	86,469
ČR, 4.20 %, 36	CZ0001001796	1,550,000,000	480,271
ČR, 1.50 %, 40	CZ0001005920	4,505,000,000	689,554
Total		40,185,000,000	6,736,784

¹ Incl. financial revenue from this lending facilities realized in H1 2021, which has not been terminated during this period.

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 30/6/2021
Short-term state debt	20.0% and less	13.5%
Medium-term state debt	70.0% and less	48.9%
Average time to maturity	6.0 years ¹	6.3 / 6.4 ² / 7.5 ³ years
Interest re-fixing up to 1 year	40.0% and less	24.3%
Average time to re-fixing	5.0 years ¹	5.8 years
Net foreign-currency exposure with the impact on the state debt level	15.0% and less ⁴	7.3%
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service	15.0% and less ⁴	5.9%

¹ With a possibility of deviation of 0.25 years.

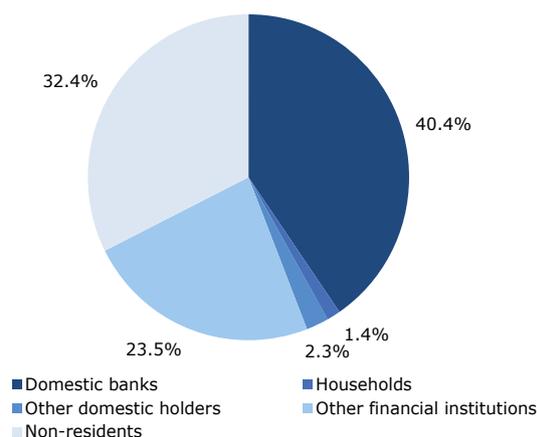
² After offsetting nearest state debt redemptions against cash resources from short-term reserve operations on money market.

³ After offsetting nearest state debt redemptions against total available state treasury liquidity.

⁴ 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.

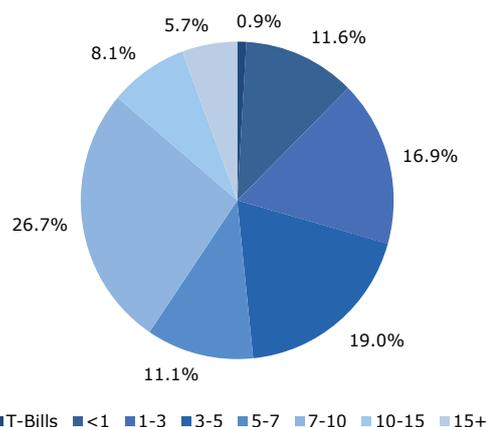
Source: MoF

Figure 7: Structure of Government Bonds by Type of Holder



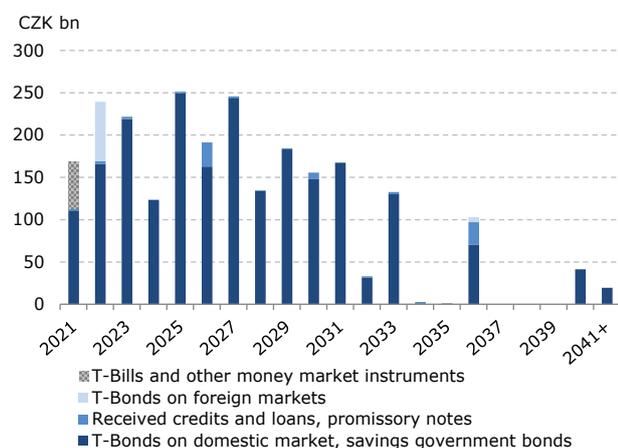
Note: Incl. T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 30/6/2021.
Source: MoF, CDCP, CNB

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



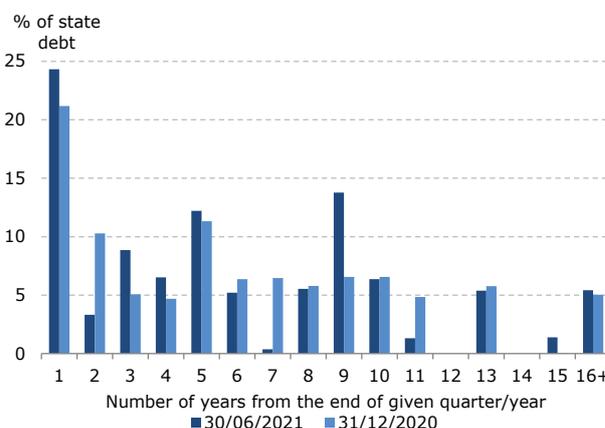
Note: Incl. T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 30/6/2021.
Source: MoF

Figure 9: Maturity Profile of State Debt



Note: Received credits and loans include credits and loans received from international financial institutions and European Commission. As at 30/6/2021.
Source: MoF

Figure 10: Re-fixing Profile of State Debt



Source: MoF

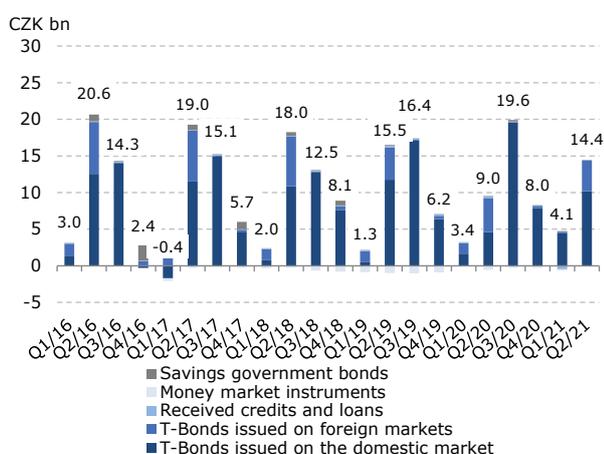
Table 15: State Debt Parameters

	30/6/ 2020	30/9/ 2020	31/12/ 2020	31/3/ 2021	30/6/ 2021
Total state debt (CZK bn)	2,156.9	2,071.9	2,049.7	2,419.9	2,416.3
Market value of state debt (CZK bn)	2,332.7	2,235.1	2,169.1	2,467.2	2,461.9
Short-term state debt (%)	15.6	17.3	10.9	13.2	13.5
Medium-term state debt (%)	51.7	53.2	47.4	48.0	48.9
T-Bills and other money market instruments (%)	7.7	5.2	1.2	6.0	2.3
Average time to maturity (years)	5.6	5.8	6.2	5.9	6.3
Interest re-fixing up to 1 year (%)	24.5	26.8	21.2	22.8	24.3
Average time to re-fixing (years)	5.2	5.3	5.7	5.4	5.8
Variable-rate state debt (%)	10.5	11.2	10.7	10.0	11.1
Modified duration (years)	5.1	5.2	5.3	4.9	5.2
Net foreign-currency exposure with the impact on the state debt level (%)	8.6	9.1	8.9	7.5	7.3
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)	7.5	8.6	8.4	6.0	5.9
Foreign currency state debt (%)	9.1	8.9	8.4	9.3	7.1
Share of EUR in state debt level net foreign currency exposure (%)	90.0	90.2	90.3	90.5	90.5
Share of EUR in interest expenditure on state debt net short-term foreign currency exposure (%)	92.6	93.3	93.3	92.3	92.2
Non-marketable state debt (%) ¹	3.2	2.2	1.9	8.6	4.9
Share of savings government bonds on state debt (%)	0.8	0.9	1.2	1.1	1.2
Marketable state debt (CZK bn)	2,071.7	2,008.3	1,986.2	2,185.8	2,269.0
Market value of marketable state debt (CZK bn)	2,246.7	2,171.0	2,105.4	2,233.6	2,315.3
Short-term marketable state debt (%)	14.4	17.3	11.0	8.8	12.7
Medium-term marketable state debt (%)	51.3	53.4	47.6	45.3	48.3
T-Bills and other money market instruments (%)	6.4	5.1	1.3	1.1	0.9
Average time to maturity (years)	5.7	5.8	6.1	6.1	6.3
Interest re-fixing up to 1 year (%)	22.2	25.6	19.8	17.8	22.5
Average time to re-fixing (years)	5.4	5.4	5.8	5.7	5.9
Variable-rate marketable state debt (%)	9.3	9.8	9.0	9.2	10.0
Modified duration (years)	5.2	5.3	5.4	5.1	5.3
Net foreign-currency exposure with the impact on the marketable state debt level (%)	6.5	7.3	7.2	5.2	5.0
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%)	5.5	7.2	7.1	5.1	4.9
Foreign-currency marketable state debt (%)	7.7	8.5	8.3	7.5	4.8
Share of EUR in marketable state debt level net foreign currency exposure (%)	95.1	95.5	95.7	94.7	94.9
Share of EUR in interest expenditure on marketable state debt net short-term foreign currency exposure (%)	100.0	100.0	100.0	100.0	100.0

¹ Excl. savings government bonds.
Source: MoF

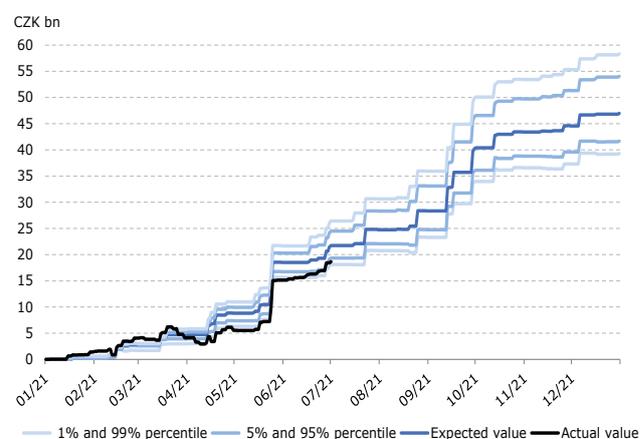
5 – State Debt Service Expenditure and Cost-at-Risk

Figure 11: Net Interest Expenditure on State Debt



Note: Received credits and loans include credits and loans received from international financial institutions and European Commission.
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 H1 2020	Budget 2021		Actual H1 2021	% Execution	2021/2020 (%)
		Approved	After changes			
1. Total interest expenditure and revenue	12,372	52,504	52,504	18,450	35.1	149.1
<i>Internal debt</i>	5,929	47,082	47,082	14,392	30.6	242.7
Money market instruments	(-) 398	921	921	(-) 365	-39.6	91.8
Savings government bonds	68	725	725	149	20.5	217.7
T-Bonds on domestic market	6,258	45,435	45,435	14,608	32.2	233.4
<i>External debt</i>	6,446	5,172	5,172	3,954	76.4	61.3
T-Bonds on foreign markets	6,076	4,715	4,715	4,395	93.2	72.3
Received credits and loans ¹	370	457	457	(-) 442	-96.7	-119.5
<i>Payment accounts</i>	(-) 3	250	250	104	41.7	-3 692.9
2. Fees	147	350	350	167	47.6	113.5
Total chapter balance	12,519	52,854	52,854	18,616	-	148.7

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

Table 17: Overview of Budgetary Transfers from the Chapter State Debt Realized in H1 2021

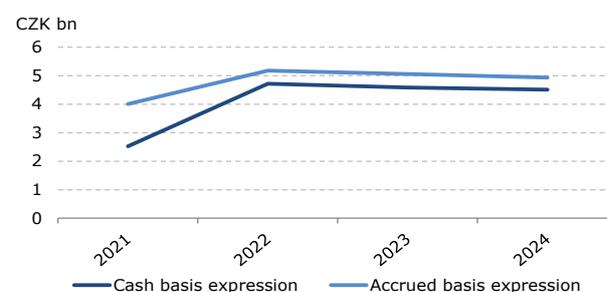
Chapter number	Chapter	Funds allocation	Amount (CZK)
-	-	-	-
Total			-

Source: MoF

Table 18: Expected vs. Actual Net Interest Expenditure

CZK bn	H1 2020	H1 2021
Actual expenditure	12.4	18.5
Expected expenditure	19.3	21.5
Cost-at-Risk 95%	19.7	24.2
Cost-at-Risk 99%	20.2	26.1
Difference between expectation and reality	6.9	3.0

Source: MoF

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


Note: Incl. 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			
		2021F	2022F	2023F	2024F
Cash basis expression	428.6	2.5	4.7	4.6	4.5
Accrued basis expression	428.6	4.0	5.2	5.1	4.9
Gross issuance of T-Bonds	387.4	3.9	5.1	5.0	4.9
Gross issuance of T-Bills	38.0	0.0	0.0	0.0	0.0
Gross issuance of savings government bonds	3.2	0.1	0.1	0.1	0.1

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 H1 2021

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 (%)
Société Générale / Komerční banka, a.s.	73,633.1	41,039.6	13,199.9	20,567.0	3,167.2	13.9	32.3
UniCredit Bank Czech Republic and Slovakia, a.s.	120,641.8	0.0	0.0	0.0	3,077.3	12.1	28.0
PPF banka a.s.	73,812.5	5,559.0	0.0	0.0	2,041.1	9.3	21.5
KBC Bank NV / Československá obchodní banka, a. s.	26,972.8	5,609.2	0.0	0.0	810.2	3.9	9.0
Citibank Europe plc	0.0	0.0	0.0	447,900.0	1,157.4	3.1	7.3
J.P. Morgan Securities plc	2,994.8	0.0	2,191.7	0.0	128.4	0.6	1.5
ING Bank N.V.	1,293.6	0.0	0.0	0.0	32.9	0.2	0.4
HSBC Bank plc	410.4	0.0	0.0	0.0	10.5	0.1	0.1
Total	299,759.0	52,207.8	15,391.6	468,467.0	10,424.9	43.1	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 Q3 2020 to Q2 2021

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 Q3 2020 to Q2 2021

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	67.4
2 nd	PPF banka a.s.	62.3
3 rd	Erste Group Bank AG / Česká spořitelna, a.s.	52.6
4 th	Société Générale / Komerční banka, a.s.	46.2
5 th	UniCredit Bank Czech Republic and Slovakia, a.s.	36.8

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

Table 22: Evaluation on Primary Market in Q3 2020 to Q2 2021

Ranking	Primary Dealer	Points
1 st	Erste Group Bank AG / Česká spořitelna, a.s.	33.9
2 nd	PPF banka a.s.	32.9
3 rd	KBC Bank NV / Československá obchodní banka, a. s.	32.3
4 th	Société Générale / Komerční banka, a.s.	26.3
5 th	UniCredit Bank Czech Republic and Slovakia, a.s.	15.2

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

Table 23: Evaluation on Secondary Market in Q3 2020 to Q2 2021

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	35.1
2 nd	PPF banka a.s.	29.4
3 rd	UniCredit Bank Czech Republic and Slovakia, a.s.	21.6
4 th	Société Générale / Komerční banka, a.s.	20.0
5 th	Erste Group Bank AG / Česká spořitelna, a.s.	18.7

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

This publication was prepared based on the information available on 16 July 2021
and is also available online at:

www.mfcr.cz/statedebt

The next issue of Debt Portfolio Management Quarterly Report
is expected on 15 October 2021.

Debt and Financial Assets Management Department

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