



Ministry of Finance

Debt and Financial Assets  
Management Department

# Debt Portfolio Management Quarterly Report

## 1<sup>st</sup> Quarter of 2021



16 April 2021



# **Ministry of Finance**

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## List of Abbreviations

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

## Summary and Main Events

The Ministry of Finance (hereinafter the Ministry or MoF) presents, in accordance with the calendar of published information, the Debt Portfolio Management Quarterly Report, which contains in particular the evaluation of the announced strategic targets and limits, the operational fulfilment of the funding programme and issuance activity plans specified in The Czech Republic Funding and Debt Management Strategy for 2021 published on 23 December 2020. It also includes regular quarterly evaluations of primary dealers for the period from the second quarter of 2020 to the first quarter of 2021.

During the first quarter of 2021, the Ministry successfully placed government bonds on domestic financial market in a total nominal value of CZK 231.8 billion, and fully covered the CZK-denominated redemptions of the state debt in 2021 and, at the same time, partially pre-financed this year's state budget deficit. The unprecedented issuance of government bonds reflects the increased financing needs for this year due to the crisis state budget deficit, which was increased from CZK 320 billion to CZK 500 billion in February as part of amendments to the Act on the State Budget in response to the ongoing SARS-CoV-2 coronavirus pandemic and also taking into account the effects of the amendment to the Income Tax Act effective from 1 January 2021. The Ministry also focused on preventive strengthening of the liquidity reserves of the state treasury through short-term money market operations.

In the first quarter of 2021, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 143.0 billion were placed on the primary market through twenty-four auctions in eight auction days. In addition to re-opening of fixed-rate and variable-rate CZK-denominated issues, the Ministry issued a new issue of zero-coupon government bond with maturity in 2024. The issuance on the primary market was supplemented by operations on secondary market, when the Ministry sold government bonds in a total nominal value of CZK 77.4 billion in tap sales and exchanged government bonds in a total nominal value of CZK 11.4 billion.

On 23 February, the regular redemption of the Government Bond of the Czech Republic, 2018–2021, 0.75% in total nominal value of CZK 19.7 billion was carried out. Together with exchange operations, where government bonds maturing in 2021 were bought-back, the Ministry redeemed medium-term and long-term government bonds in a total nominal value of CZK 31.1 billion in the first quarter of 2021. The total nominal value of net issue of CZK-denominated medium-term and long-term government bonds amounted to CZK 200.7 billion.

During the first quarter of 2021, the Ministry sold state treasury bills in total nominal value of CZK 25.1 billion in five auctions and, at the same time, state treasury bills in a total nominal value of CZK 25.4 billion were redeemed. The total nominal value of net issue of state treasury bills amounted to CZK -0.3 billion.

The project of direct sale of government bonds intended for citizens continued in the first quarter of 2021, in which the tenth subscription period of the "Dluhopis Republiky" bond with the issue date of 1 April took place and the eleventh subscription period with the issue date of 1 July began. In January and February, the Ministry issued new tranches of already issued government bonds in the form of reinvested of yields in total nominal value of CZK 71 million. No regular redemptions were carried out, only early redemptions based on the exercise of the right of the holders in the total nominal value of CZK 46 million were carried out. The total nominal value of net issue of government bonds intended for citizens reached CZK 25 million.

In the area of received credits and loans, two loan tranches were drawn from the European Commission in the first quarter under instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) due to the spread of COVID-19 in total nominal amount of EUR 2.0 billion with maturity in 2026 and 2036. In addition, regular repayments of loans from the European Investment Bank, as well as repayments before the maturity date totalling CZK 2.6 billion were carried out, while no new loan tranche was drawn.

## Successful Pre-financing of All State Debt Redemptions in 2021

During the first quarter, the Ministry successfully covered all CZK-denominated redemptions of state debt for this year amounting CZK 172.4 billion, when it issued medium-term and long-term government bonds, including government bonds intended for citizens, in the total nominal value of CZK 231.8 billion with an average yield to maturity of 1.3% p.a. Through long-term financing, the Ministry has already obtained funds to cover more than one third of planned CZK-denominated financing needs in this year. The Ministry thus took full advantage of the high demand for government bonds from domestic and foreign investors and issued government bonds along the entire length of the yield curve reaching an average maturity of 6.9 years, which is still above the strategic medium-term target of 6.0 years. With regard to covering

all CZK-denominated redemptions of the state debt, the subsequent issuance activity of the Ministry will be carried out in order to cover the state budget deficit.

EUR-denominated financing needs amounts to EUR 2.0 billion and consists of the already carried out April redemption of unhedged nominal value of the 5<sup>th</sup> issue of government eurobond of EUR 1.0 billion issued in 2010 and the August redemption of the pilot government EUR-bonds issued on the domestic market in 2019 in a total nominal value of EUR 1.0 billion. These redemptions are already covered or pre-financed by euro liquidity in the form of cash received on favourable terms at the end of March through two tranches of loans under the European Commission's SURE programme.

## Preventive Strengthening of the State Treasury Liquidity

Taking into account the development of the state budget, which showed a deficit of 125.2 billion CZK at the end of the first quarter, the Ministry proceeded with an operational preventive strengthening of the available liquidity of the state treasury through short-term money market operations. Thus, at the end of the first quarter, in addition to the sales of medium-term and long-term government bonds, the Ministry acquired an additional CZK liquidity of the state treasury totalling CZK 145.9 billion to cover the fluctuations of the government budget until it is fully covered by long-term instruments.

The aim of these operations will be, in accordance with international practice in financial institutions, maintaining the level of the liquidity ratio, which represents the ratio of available state treasury funds to short-term financing needs including redemptions of state debt and the need to cover the aliquot of

the state budget deficit within a year, in a target band of 1.0 to 1.2.

These operations have a temporary impact on refinancing risk indicators in addition to the level of state debt, given their short-term nature, and in order to monitor their trend development, the impacts on state debt parameters need to be adjusted for these operations as they do not serve to finance state debt. The average time to maturity of state debt net of state treasury liquidity management operations reached 6.3 years at the end of the first quarter, increasing by 0.1 years compared to the end of 2020. When the individual components of the state debt are gradually, from the shortest maturities to longer ones, offset against the state treasury's total available liquidity, the average maturity of the state debt thus adjusted is 7.4 years and remains stable compared to the similarly constructed indicator at the end of 2020.

## Affirmation of the Czech Republic's Rating

The Czech Republic's rating from agencies with international scope of activity including the maintaining of stable outlooks has been affirmed in the first quarter, despite the worsened economic developments due to the coronavirus pandemic. In January, the rating agency Fitch Ratings affirmed an AA- level rating with a stable outlook, reflecting the agency's expectation that the current condition of the domestic economy, including institutional arrangements, will help absorb the shock from the negative effects of the coronavirus pandemic. In February, Moody's confirmed the Czech Republic's rating for long-term liabilities at Aa3 level with a stable outlook. It positively assesses in particular

the low indebtedness, the dynamics of economic growth and at the same time the resilience of the economy, including a sound banking sector. This assessment is regularly followed up by other agencies, including both ACRA Europe (in January) and ACRA (in April), which affirmed an AA rating, also with a stable outlook.

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 – Update of Funding and Debt Management Strategy for 2021

## Introduction

In connection with the approval of Act No. 92/2021 Coll., amending Act No. 600/2020 Coll., On the State Budget of the Czech Republic for 2021, which came into force on 1 March 2021, the Ministry proceeds to the quarterly update The Czech Republic Funding and Debt Management Strategy for 2021 (hereinafter the Strategy), issued on 23 December 2020, in which the Ministry retained the possibility of performing such a quarterly update in submitted Debt Portfolio Management Quarterly Report – 1<sup>st</sup> Quarter of 2021. The Ministry approached to such update for the very first time in last year based on extraordinary

situation related to the pandemic spread of SARS-CoV-2 coronavirus. The newly modified definition of the operational framework responds to the increase in financing needs in 2021, mainly due to an increase in the planned state budget deficit from CZK 320 billion to CZK 500 billion in response to current developments in pandemics, adjustments in government direct assistance programs, reducing the tax burden on employees and current challenges related to the burden on the healthcare system, massive vaccination and population testing.

## Key Changes

### Financing Needs in 2021

As a result of the amendment to the Act on the State Budget of the Czech Republic for 2021, which led to increase in the budgeted state budget deficit from CZK 320 billion to CZK 500 billion, pre-payments of two tranches of loans received from the European Investment Bank totaling CZK 2.3 billion on 15 March 2021, redemptions of government bonds intended for citizens based on the exercise

of the right of their holders in the total nominal value of CZK 46 million during the first quarter and pre-financing of government bond redemptions due in 2021 at the very end of 2020, there was an overall increase in the financing needs in 2021 to CZK 728.4 billion, i.e. by CZK 182.1 billion compared to the original plan in the Strategy.

### CZK-Denominated Medium-Term and Long-Term Government Bonds

In order to cover the increased state budget deficit and state debt redemptions denominated in local currency, the Ministry increases the total minimum nominal value of gross issue from CZK 400 billion to CZK 580 billion, i.e. by the amount corresponding to the increase in the planned state budget deficit in 2021.

Medium-term and long-term government bonds with a maturity along the whole yield curve will

be included in the issuance calendars, depending on the demand from investors. With regard to the demand of those investors who prefer issues with a higher total nominal value outstanding rather than a higher number of issues, the total nominal value at benchmark issues will be increased above CZK 100 billion outstanding. Based on demand from primary and recognized dealers, a new issue of a variable-rate government bond due in 2031 is also included in auctions.

### Medium-Term and Long-Term Government Bonds Denominated in Foreign Currency

With regard to Government Resolution No. 616 of 8 June 2020 and Council Implementing Decision (EU) 2020/1345 of 25 September 2020, on the basis of which two tranches of SURE loans were received from the European Commission in March this year in the total amount of EUR 2.0 billion, the Ministry covered all the financing needs denominated in euros. It still applies that, in the case of other foreign currency operations, the Ministry prefers the sale of government bonds on the domestic

market under Czech law in the case of cost-effective conditions, however, with regard to already covered foreign currency redemptions, to a limited extent. In the case of deteriorating conditions on the domestic financial market and high volatility, it also retains the possibility of a flexible response in the form of issue on foreign markets under foreign law, or in the form of a private placement to selected investors.

## 2 – Borrowing Requirement and Development of State Debt

**Table 1: Structure and Balance of the Debt Portfolio**

CZK bn	2019	2020	31/3/2021
<b>Gross state debt</b>	<b>1,640.2</b>	<b>2,049.7</b>	<b>2,419.9</b>
T-Bills and other money market instruments	18.0	25.4	145.9
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	1,419.2	1,831.6	2,032.1
T-Bonds issued on foreign markets	151.5	129.2	128.6
Savings government bonds	13.0	25.6	25.6
Received credits and loans <sup>1</sup>	38.5	38.0	87.6
Promissory notes	0.0	0.0	0.0
<b>Share of GDP (%)<sup>2</sup></b>	<b>28.5</b>	<b>36.3</b>	<b>42.8</b>

<sup>1</sup> Credits and loans received from international financial institutions and European Commission.

<sup>2</sup> GDP in the ESA 2010 methodology. The source of data for Q1 2019 – Q4 2020 is CZSO, for Q1 2021 the Macroeconomic Forecast of the Czech Republic – April 2021. Source: MoF, CZSO

**Table 2: Financing Needs and Sources**

CZK bn	2019	2020	Q1 2021
Primary balance of state budget	-11.0	327.3	121.0
Net expenditure on state debt <sup>1</sup>	39.6	40.1	4.2
T-Bonds redemptions <sup>2</sup>	238.5	215.8	31.1
Redemptions and early redemptions on savings government bonds	2.7	2.8	0.0
T-Bills and other money market instruments redemptions <sup>3</sup>	43.5	18.4	25.4
Repayments on credits and loans <sup>4</sup>	4.7	5.8	2.6
<b>Total financing needs</b>	<b>317.9</b>	<b>610.2</b>	<b>184.3</b>
Gross T-Bills issue and other money market instruments <sup>3, 5</sup>	18.0	25.4	145.9
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market <sup>5</sup>	280.9	600.3	231.7
Gross issue of T-Bonds on domestic market up to 5 years <sup>5, 6</sup>	48.1	268.2	76.1
Gross issue of T-Bonds on domestic market from 5 to 10 years <sup>5, 6</sup>	71.7	178.9	108.4
Gross issue of T-Bonds on domestic market over 10 years <sup>5, 6</sup>	161.1	153.1	47.2
Gross issue of T-Bonds on foreign markets <sup>5</sup>	0.0	0.0	0.0
Gross issue of savings government bonds <sup>7</sup>	10.5	15.3	0.1
Received credits and loans <sup>4</sup>	0.0	5.3	52.3
Financial asset and liquidity management	8.5	-36.1	-245.7
<b>Total financing sources</b>	<b>317.9</b>	<b>610.2</b>	<b>184.3</b>
<b>Gross borrowing requirement</b>	<b>309.4</b>	<b>646.3</b>	<b>430.0</b>

<sup>1</sup> Balance of the budgetary chapter 396 – State Debt.

<sup>2</sup> Incl. the effect of buy-backs and exchange operations.

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

<sup>4</sup> Credits and loans received from international financial institutions and European Commission.

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

<sup>6</sup> Residual time to maturity at the transaction settlement date.

<sup>7</sup> Incl. the reinvestment of yields.

Source: MoF

**Table 3: Net Borrowing Requirement and Change in State Debt**

CZK bn	2019	2020	Q1 2021
<b>Gross state debt as at 1 January</b>	<b>1,622.0</b>	<b>1,640.2</b>	<b>2,049.7</b>
Primary state budget balance	-11.0	327.3	121.0
Net expenditure on state debt service <sup>1</sup>	39.6	40.1	4.2
Financial asset and liquidity management operations	-8.5	36.1	245.7
<b>Net borrowing requirement</b>	<b>20.0</b>	<b>403.5</b>	<b>370.9</b>
T-Bills net issue and net change in the balance of other money market instruments	-25.5	7.1	120.5
T-Bonds net issue on domestic market	42.4	411.7	200.7
T-Bonds net issue on foreign markets	0.0	-27.2	0.0
Savings government bonds net issue	7.8	12.6	0.0
Net change in balance of received credits and loans <sup>2</sup>	-4.7	-0.6	49.7
<b>Financing of net borrowing requirement</b>	<b>20.0</b>	<b>403.5</b>	<b>370.9</b>
Revaluation of state debt <sup>3</sup>	-1.8	6.0	-0.8
Promissory notes net change	0.0	0.0	0.0
<b>Gross state debt change</b>	<b>18.2</b>	<b>409.5</b>	<b>370.1</b>
<b>Gross state debt as at the end of period</b>	<b>1,640.2</b>	<b>2,049.7</b>	<b>2,419.9</b>

<sup>1</sup> Balance of budgetary chapter 396 – State debt.

<sup>2</sup> Credits and loans received from international financial institutions and European Commission.

<sup>3</sup> 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 2,419.9 billion at the end of the first quarter, which represents an increase of CZK 370.1 billion compared to the end of 2020. This is mainly due to the sale of government bonds during the first quarter of 2021, which led to the successful pre-financing of all CZK-denominated state debt redemptions in this year and to the pre-financing of this year's euro financing needs through euro liquidity from two tranches of European Commission SURE loans. The impact of this pre-financing on the state

debt amounts to more than CZK 165.6 billion. The further increase in state debt is due to the ongoing coverage of the state budget deficit, when a part of approximately CZK 59.4 billion has already been covered by the sale of medium-term and long-term government bonds and approximately CZK 145.9 billion is covered through short-term money market reserve operations. Due to the strengthening of the koruna exchange rate, the koruna equivalent of state debt decreased by CZK 0.8 billion.

### 3 – Primary Market of Government Bonds

**Table 4a: Medium-Term and Long-Term Government Bonds Issued in Q1 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
<b>Total</b>							<b>142,954,370,000</b>

Source: MoF, CNB

**Table 4b: Medium-Term and Long-Term Government Bonds Issued in Q1 2021**

Issue name	Issue/ tranche no.	Coupon	Average price	Average yield to maturity (% p.a.) <sup>1</sup>	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
<b>Average</b>						<b>2.16</b>	<b>123.33</b>	<b>7.86</b>

<sup>1</sup> 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 Q1 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
<b>Total</b>						<b>25,089,000,000</b>	<b>0.261<sup>1</sup></b>

<sup>1</sup> Average weighted yield to maturity.  
Source: MoF, CNB

**Table 6: Savings Government Bonds Issued in Q1 2021**

Issue name	Issue no.	Settlement date	Maturity date	Original maturity (years)	Total nominal value sold
SD-R ČR, FIX %, 26 <sup>1</sup>	114	2/1	2/1/2026	6.0	330,932
SD-I ČR, CPI %, 26 <sup>1</sup>	115	2/1	2/1/2026	6.0	46,392,436
SD-F ČR, 1.25 %, 26 <sup>1</sup>	116	2/1	2/1/2026	6.0	174,440
SD-R ČR, FIX %, 25 <sup>1</sup>	106	1/2	1/2/2025	6.0	24,529,968
<b>Total</b>					<b>71,427,776</b>

<sup>1</sup> 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 31/3/2021**

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	85,547,500,000	11,979,000,000
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	95,000,000,000	0
ČR, VAR %, 23	63	CZ0001003123	18/4/2023	99,000,000,000	1,000,000,000
ČR, 0.45 %, 23	97	CZ0001004600	25/10/2023	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	14,821,620,000	4,500,000,000
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	109,000,000,000	1,000,000,000
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	147,183,310,000	2,816,690,000
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	102,371,110,000	7,628,890,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	126,334,990,000	8,665,010,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	111,219,880,000	13,780,120,000
ČR, 0.05 %, 29	130	CZ0001006076	29/11/2029	62,024,900,000	13,190,000,000
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	122,339,720,000	27,660,280,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	124,989,670,000	1,000,000,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	59,891,650,000	5,108,350,000
ČR, 1.50 %, 40	125	CZ0001005920	24/4/2040	33,253,590,000	2,169,410,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	19,328,120,000	671,880,000
<b>Total CZK</b>				<b>1,998,137,080,000</b>	<b>126,184,390,000</b>
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
<b>Total EUR</b>				<b>1,300,000,000</b>	<b>0</b>

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 31/3/2021**

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

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 31/3/2021**

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
825	13	CZ0001006159	23/4/2021	3,188,000,000	0
827	13	CZ0001006183	28/5/2021	3,607,000,000	0
829	13	CZ0001006225	25/6/2021	9,850,000,000	0
826	26	CZ0001006175	13/8/2021	3,444,000,000	0
828	39	CZ0001006191	10/12/2021	5,000,000,000	150,000,000,000
<b>Total</b>				<b>25,089,000,000</b>	<b>150,000,000,000</b>

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

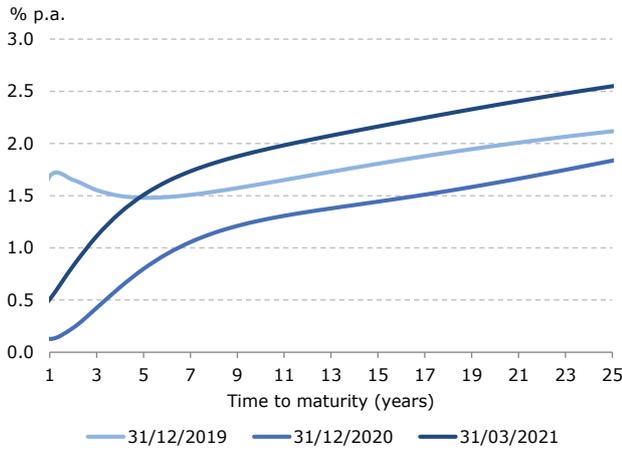
**Table 10: Issued Savings Government Bonds as at 31/3/2021**

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	898,774,124	0
SD-R ČR, FIX %, 25 III	108	CZ0001005649	1/7/2025	380,337,718	0
SD-I ČR, CPI %, 25	110	CZ0001005714	1/7/2025	5,065,927,993	0
SD-R ČR, FIX %, 25 IV	111	CZ0001005730	1/10/2025	56,679,381	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	51,713,779	0
SD-I ČR, CPI %, 26 II	118	CZ0001005821	1/4/2026	2,027,279,368	0
SD-F ČR, 1.50 %, 26 II	119	CZ0001005805	1/4/2026	26,180,501	0
SD-R ČR, FIX %, 26 III	122	CZ0001005896	1/7/2026	158,330,144	0
SD-I ČR, CPI %, 26 III	123	CZ0001005904	1/7/2026	2,000,424,741	0
SD-F ČR, 1.30 %, 26 III	124	CZ0001005912	1/7/2026	113,013,001	0
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
<b>Total</b>				<b>25,588,196,626</b>	<b>0</b>

Source: MoF

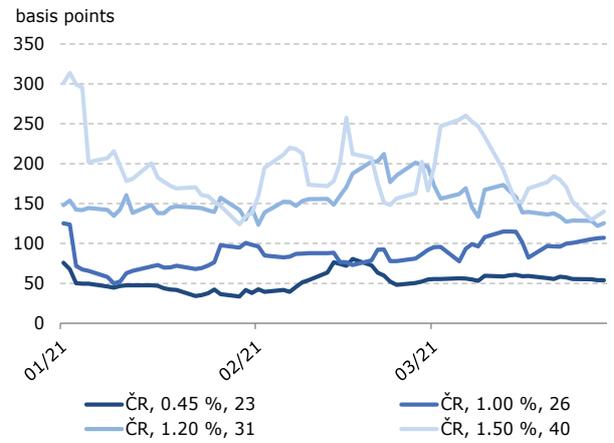
## 4 – Secondary Market of Government Bonds

**Figure 1: Yield Curve of Government Bonds**



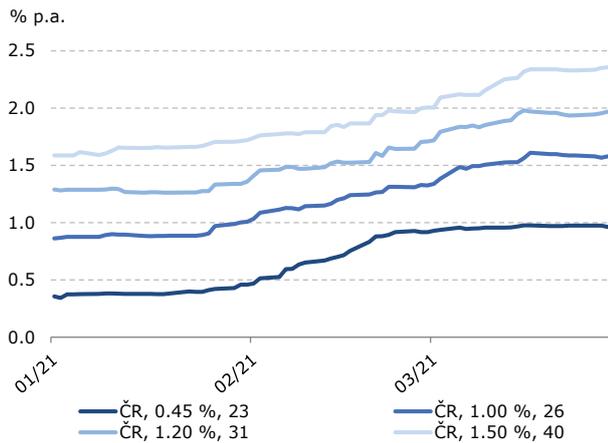
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.  
Source: MoF, MTS

**Figure 2: Bid-Offer Spreads of Selected Government Bonds**



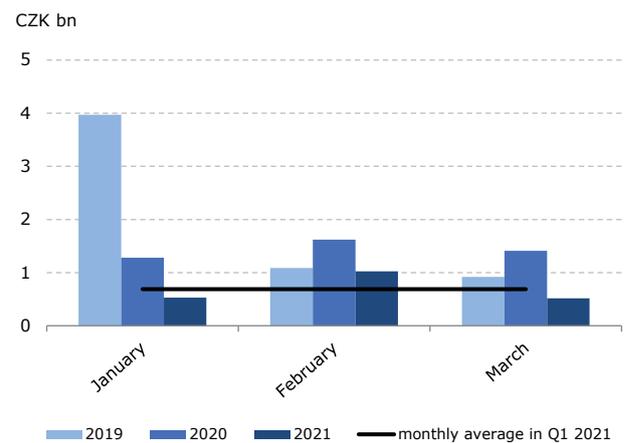
Source: MoF, MTS

**Figure 3: Yields of Selected Government Bonds**



Source: MoF, MTS

**Figure 4: Traded Nominal Value on MTS Czech Republic**



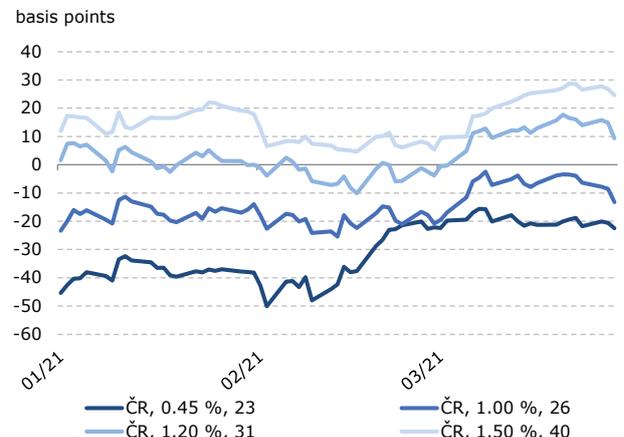
Source: MoF, MTS

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



Source: MoF, MTS

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



Source: Bloomberg

**Table 11a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in Q1 2021**

Issue name	ISIN	Collateral nominal value	Financial resources received	Financial resources paid <sup>1</sup>
-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Incl. financial resources from this lending facilities realized in Q1 2021, which has not been paid during this period.  
Source: MoF

**Table 11b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in Q1 2021**

Issue name	ISIN	Nominal value	Revenue <sup>1</sup>
ČR, 0.75 %, 21	CZ0001005367	180,000,000	7,067
ČR, 3.85 %, 21	CZ0001002851	17,000,000,000	2,972,006
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	700,000,000	292,140
ČR, 1.50 %, 40	CZ0001005920	3,105,000,000	486,220
<b>Total</b>		<b>25,735,000,000</b>	<b>4,482,623</b>

<sup>1</sup> Incl. financial revenue from this lending facilities realized in Q1 2021, which has not been terminated during this period.  
Source: MoF

**Table 12: Realized Exchange Operations of Government Bonds in Q1 2021**

Settlement date	Tap sale			Buy-back		
	Issue name	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
<b>Total</b>		<b>11,384,420,000</b>		<b>11,384,420,000</b>		

Source: MoF

**Table 13: Realized Tap Sales of Government Bonds in Q1 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
<b>Total</b>						<b>77,399,630,000</b>

Source: MoF

## 5 – 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 31/3/2021
Short-term state debt	20.0% and less	13.2%
Medium-term state debt	70.0% and less	48.0%
Average time to maturity	6.0 years <sup>1</sup>	5.9 / 6.3 <sup>2</sup> / 7.4 <sup>3</sup> years
Interest re-fixing up to 1 year	40.0% and less	22.8%
Average time to re-fixing	5.0 years <sup>1</sup>	5.4 years
Net foreign-currency exposure with the impact on the state debt level	15.0% and less <sup>4</sup>	7.5%
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service	15.0% and less <sup>4</sup>	6.0%

<sup>1</sup> With a possibility of deviation of 0.25 years.

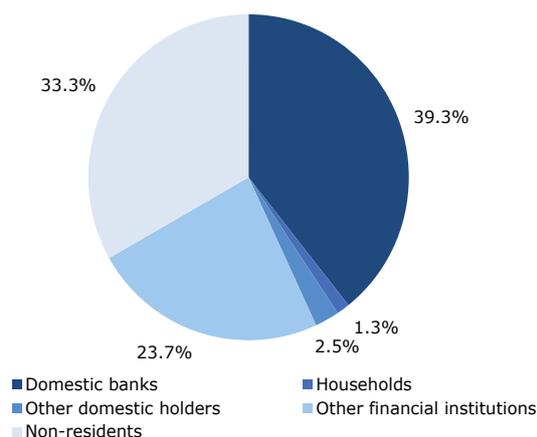
<sup>2</sup> After offsetting nearest state debt redemptions against cash resources from short-term reserve operations on money market.

<sup>3</sup> After offsetting nearest state debt redemptions against total available state treasury liquidity.

<sup>4</sup> 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.

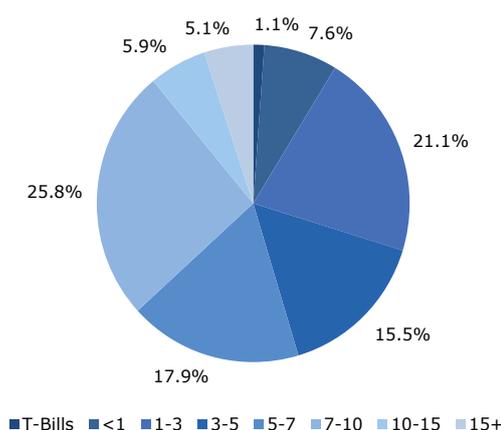
Source: MoF

**Figure 7: Structure of Government Bonds by Type of Holder**



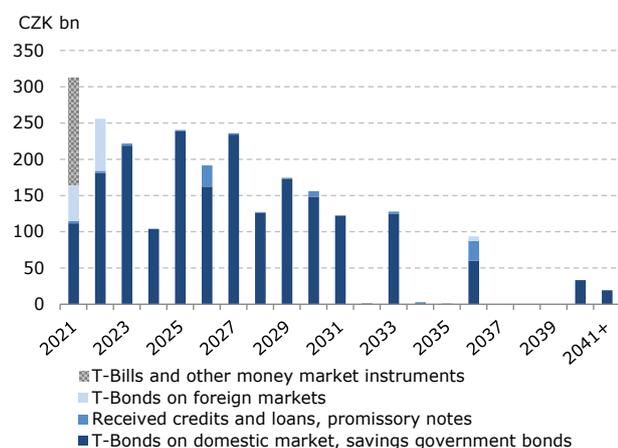
Note: Incl. T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 31/3/2021.  
Source: MoF, CDCP, CNB

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



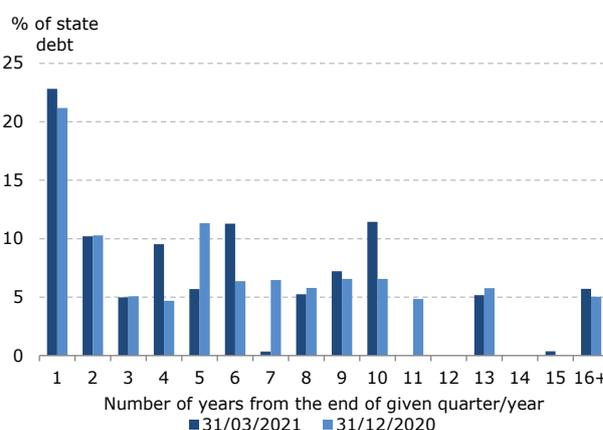
Note: Incl. T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 31/3/2021.  
Source: MoF

**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 31/3/2021.  
Source: MoF

**Figure 10: Re-fixing Profile of State Debt**



Source: MoF

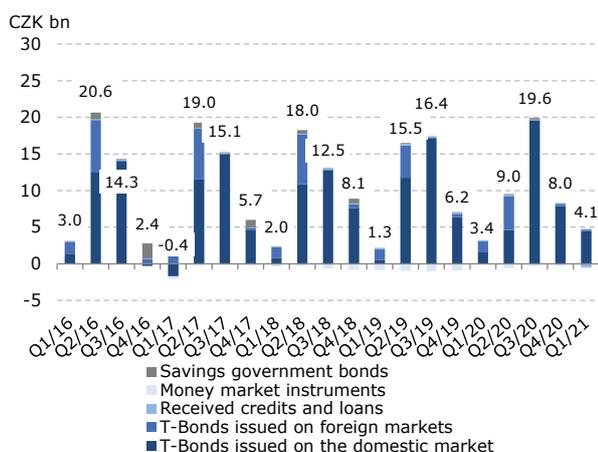
**Table 15: State Debt Parameters**

	31/3/ 2020	30/6/ 2020	30/9/ 2020	31/12/ 2020	31/3/ 2021
<b>Total state debt (CZK bn)</b>	<b>1,772.8</b>	<b>2,156.9</b>	<b>2,071.9</b>	<b>2,049.7</b>	<b>2,419.9</b>
Market value of state debt (CZK bn)	1,897.3	2,332.7	2,235.1	2,169.1	2,467.2
Short-term state debt (%)	13.8	15.6	17.3	10.9	13.2
Medium-term state debt (%)	49.8	51.7	53.2	47.4	48.0
T-Bills and other money market instruments (%)	6.1	7.7	5.2	1.2	6.0
Average time to maturity (years)	5.9	5.6	5.8	6.2	5.9
Interest re-fixing up to 1 year (%)	25.0	24.5	26.8	21.2	22.8
Average time to re-fixing (years)	5.4	5.2	5.3	5.7	5.4
Variable-rate state debt (%)	12.3	10.5	11.2	10.7	10.0
Modified duration (years)	5.2	5.1	5.2	5.3	4.9
Net foreign-currency exposure with the impact on the state debt level (%)	10.8	8.6	9.1	8.9	7.5
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)	9.4	7.5	8.6	8.4	6.0
Foreign currency state debt (%)	11.6	9.1	8.9	8.4	9.3
Share of EUR in state debt level net foreign currency exposure (%)	89.9	90.0	90.2	90.3	90.5
Share of EUR in interest expenditure on state debt net short-term foreign currency exposure (%)	92.6	92.6	93.3	93.3	92.3
Non-marketable state debt (%) <sup>1</sup>	4.4	3.2	2.2	1.9	8.6
Share of savings government bonds on state debt (%)	0.8	0.8	0.9	1.2	1.1
<b>Marketable state debt (CZK bn)</b>	<b>1,680.6</b>	<b>2,071.7</b>	<b>2,008.3</b>	<b>1,986.2</b>	<b>2,185.8</b>
Market value of marketable state debt (CZK bn)	1,804.5	2,246.7	2,171.0	2,105.4	2,233.6
Short-term marketable state debt (%)	11.9	14.4	17.3	11.0	8.8
Medium-term marketable state debt (%)	48.9	51.3	53.4	47.6	45.3
T-Bills and other money market instruments (%)	4.1	6.4	5.1	1.3	1.1
Average time to maturity (years)	6.1	5.7	5.8	6.1	6.1
Interest re-fixing up to 1 year (%)	21.9	22.2	25.6	19.8	17.8
Average time to re-fixing (years)	5.6	5.4	5.4	5.8	5.7
Variable-rate marketable state debt (%)	10.9	9.3	9.8	9.0	9.2
Modified duration (years)	5.4	5.2	5.3	5.4	5.1
Net foreign-currency exposure with the impact on the marketable state debt level (%)	8.2	6.5	7.3	7.2	5.2
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%)	6.8	5.5	7.2	7.1	5.1
Foreign-currency marketable state debt (%)	9.8	7.7	8.5	8.3	7.5
Share of EUR in marketable state debt level net foreign currency exposure (%)	95.0	95.1	95.5	95.7	94.7
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

<sup>1</sup> Excl. savings government bonds.  
Source: MoF

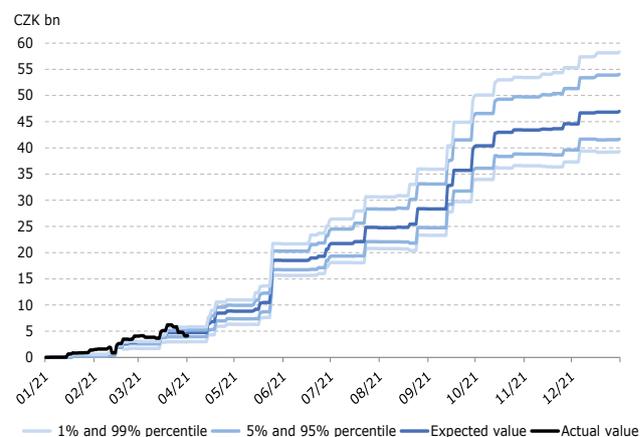
## 6 – State Debt Service Expenditure and Cost-at-Risk

**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 Q1 2020	Budget 2021		Actual Q1 2021	% Execution	2021/2020 (%)
		Approved	After changes			
<b>1. Total interest expenditure and revenue</b>	<b>3,406</b>	<b>52,504</b>	<b>52,504</b>	<b>4,083</b>	<b>7.8</b>	<b>119.9</b>
<b>Internal debt</b>	1,841	47,082	47,082	4,354	9.2	236.5
Money market instruments	174	921	921	(-) 168	-18.2	-96.4
Savings government bonds	15	725	725	85	11.7	556.2
T-Bonds on domestic market	1,652	45,435	45,435	4,437	9.8	268.6
<b>External debt</b>	1,567	5,172	5,172	(-) 271	-5.2	-17.3
T-Bonds on foreign markets	1,413	4,715	4,715	207	4.4	14.7
Received credits and loans <sup>1</sup>	154	457	457	(-) 479	-104.7	-310.9
<b>Payment accounts</b>	(-) 2	250	250	0	0.1	-11.9
<b>2. Fees</b>	<b>25</b>	<b>350</b>	<b>350</b>	<b>121</b>	<b>34.5</b>	<b>484.3</b>
<b>Total chapter balance</b>	<b>3,431</b>	<b>52,854</b>	<b>52,854</b>	<b>4,204</b>	<b>-</b>	<b>122.5</b>

<sup>1</sup> 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 Q1 2021**

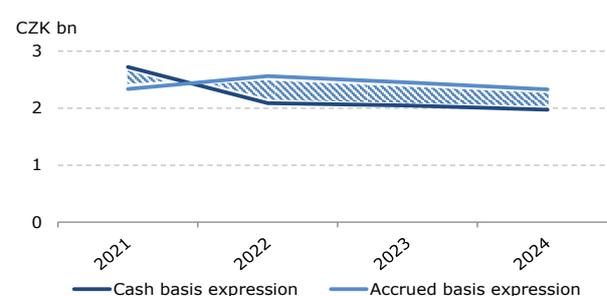
Chapter number	Chapter	Funds allocation	Amount (CZK)
-	-	-	-
<b>Total</b>			<b>-</b>

Source: MoF

**Table 18: Expected vs. Actual Net Interest Expenditure**

CZK bn	Q1 2020	Q1 2021
<b>Actual expenditure</b>	3.4	4.1
<b>Expected expenditure</b>	3.4	4.7
<b>Cost-at-Risk 95%</b>	3.5	5.1
<b>Cost-at-Risk 99%</b>	3.7	5.7
<b>Difference between expectation and reality</b>	0.0	0.6

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
<b>Cash basis expression</b>	256.8	2.7	2.1	2.0	2.0
<b>Accrued basis expression</b>	256.8	2.3	2.6	2.5	2.3
<b>Gross issuance of T-Bonds</b>	231.7	2.3	2.6	2.5	2.3
<b>Gross issuance of T-Bills</b>	25.1	0.0	0.0	0.0	0.0
<b>Gross issuance of savings government bonds</b>	0.0	0.0	0.0	0.0	0.0

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

**Table 20: FX Market Operations in Q1 2021**

Counterparty	Nominal value (EUR thous)	Nominal value (USD thous)	Nominal value (CHF thous)	Nominal value (SEK thous)	Nominal value (CZK mil)	Savings <sup>1</sup> (CZK mil)	Share of savings (%)
Société Générale / Komerční banka, a.s.	41,527.6	40,005.4	13,199.9	0.0	2,270.0	9.9	51.9
PPF banka a.s.	21,490.8	5,559.0	0.0	0.0	685.7	3.4	17.7
Citibank Europe plc	0.0	0.0	0.0	447,900.0	1,157.4	3.1	16.5
UniCredit Bank Czech Republic and Slovakia, a.s.	11,777.5	0.0	0.0	0.0	304.0	1.5	7.7
KBC Bank NV / Československá obchodní banka, a. s.	2,402.7	5,609.2	0.0	0.0	183.8	0.9	4.9
J.P. Morgan Securities plc	2,000.0	0.0	0.0	0.0	51.5	0.2	1.3
<b>Total</b>	<b>79,198.7</b>	<b>51,173.6</b>	<b>13,199.9</b>	<b>447,900.0</b>	<b>4,652.4</b>	<b>19.0</b>	<b>100.0</b>

<sup>1</sup> 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

## 7 – Evaluation of the Primary Dealers in Q2 2020 to Q1 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 Q2 2020 to Q1 2021**

Ranking	Primary Dealer	Points
1 <sup>st</sup>	KBC Bank NV / Československá obchodní banka, a. s.	70.1
2 <sup>nd</sup>	PPF banka a.s.	62.1
3 <sup>rd</sup>	Erste Group Bank AG / Česká spořitelna, a.s.	49.4
4 <sup>th</sup>	Société Générale / Komerční banka, a.s.	43.1
5 <sup>th</sup>	UniCredit Bank Czech Republic and Slovakia, a.s.	33.4

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

**Table 22: Evaluation on Primary Market in Q2 2020 to Q1 2021**

Ranking	Primary Dealer	Points
1 <sup>st</sup>	KBC Bank NV / Československá obchodní banka, a. s.	36.1
2 <sup>nd</sup>	PPF banka a.s.	31.1
3 <sup>rd</sup>	Erste Group Bank AG / Česká spořitelna, a.s.	30.9
4 <sup>th</sup>	Société Générale / Komerční banka, a.s.	24.0
5 <sup>th</sup>	UniCredit Bank Czech Republic and Slovakia, a.s.	14.1

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

**Table 23: Evaluation on Secondary Market in Q2 2020 to Q1 2021**

Ranking	Primary Dealer	Points
1 <sup>st</sup>	KBC Bank NV / Československá obchodní banka, a. s.	34.0
2 <sup>nd</sup>	PPF banka a.s.	31.1
3 <sup>rd</sup>	UniCredit Bank Czech Republic and Slovakia, a.s.	19.3
4 <sup>th</sup>	Société Générale / Komerční banka, a.s.	19.1
5 <sup>th</sup>	Erste Group Bank AG / Česká spořitelna, a.s.	18.5

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

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This publication was prepared based on the information available on 16 April 2021  
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**[www.mfcr.cz/statedebt](http://www.mfcr.cz/statedebt)**

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