



Ministry of Finance

Debt and Financial Assets
Management Department

Debt Portfolio Management Quarterly Report

1st Quarter of 2022



22 April 2022

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ISSN 2336-2669 (On-line)

Issued three times a year

Electronic archive:
www.mfcz.cz/statedebt

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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.

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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, which were specified in The Czech Republic Funding and Debt Management Strategy for 2022 published on 6 January 2022 and updated on 1 April 2022. It also includes regular quarterly evaluations of primary dealers for the period from the second quarter of 2021 to the first quarter of 2022.

During the first quarter of 2022, the regular issuance activity of the state was carried out in the standard mode, regardless of the state organizational unit's performance according to the indicators of the provisional budget, especially for the purpose of pre-financing the CZK-denominated redemptions of the state debt, when the Ministry sold government bonds with a maturity of over one year in the total nominal value of CZK 134.2 billion, thus ensuring the coverage of more than 92% of the total redemptions of CZK-denominated medium-term and long-term government bonds for this year.

In the first quarter of 2022, the medium-term and long-term government bonds were sold on the primary market in the total nominal value of CZK 81.2 billion through eighteen auctions on six auction days. In addition to the re-opening of fixed-rate and variable-rate CZK-denominated issues, the Ministry issued a new government bond maturing in 2035. Issuance activity on the primary market was further complemented by secondary market operations, and the medium-term and long-term government bonds were sold in the total nominal value of CZK 11.8 billion in tap sales.

On 24 February 2022, the regular redemption of the Government Bond of the Czech Republic, 2017–2022, 0.00% in the total nominal value of CZK 5.8 billion was carried out. In the first quarter of 2022, no buy-backs or exchange operations of government bonds were carried out on the secondary market. The total nominal value of net issue of CZK-denominated medium-term and long-term government bonds amounted to CZK 87.1 billion.

During the first quarter of 2022, the Ministry sold state treasury bills in total nominal value of CZK 75.8 billion in seven auctions and, at the same time, state treasury bills in a total nominal value of CZK 71.0 billion were redeemed. The total nominal value of net issue of state treasury bills amounted to CZK 4.8 billion.

As part of the project of direct sale of government bonds intended for citizens, two issues of the "Dluhopis Republiky" government bonds in the total amount of CZK 41.1 billion were issued on 3 January 2022, which made it possible to cover more than 28% of the total redemptions of CZK-denominated medium-term and long-term government bonds in 2022. In January and February, the Ministry issued new tranches of already issued government bonds in the form of reinvested yields in total nominal value of CZK 123 million. 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 93 million were carried out. The total nominal value of net issue of government bonds intended for citizens reached CZK 41.2 billion.

In the area of received credits and loans from international financial institutions, in the first quarter of 2022 regular repayments of loans from the European Investment Bank amounting to CZK 1.7 billion were carried out, while no new loan tranche was drawn.

Successful Issuance at the Beginning of the Year

During the first quarter, the regular issuance activity of the state was carried out in the standard mode, regardless of the state organizational unit's performance according to the indicators of the provisional budget, especially for the purpose of pre-financing the CZK-denominated redemptions of the state debt, when the Ministry sold medium-term and long-term government bonds denominated in local currency on the primary and secondary market in the total nominal value of CZK 93.0 billion. In addition, two new issues of the "Dluhopis Republiky" government bonds were issued in the total nominal value of CZK 41.1 billion, as well as new tranches of already issued government bonds in the form of

reinvested yields in the total nominal value of CZK 0.1 billion. In total, the Ministry sold government bonds in the total nominal value of CZK 134.2 billion, thus covering all CZK-denominated redemptions of state debt in the first quarter and preparing to cover a regular redemption of the Government Bond of the Czech Republic, 2020–2022, 0.10% on 19 April 2022 in total nominal value of CZK 69.0 billion. The Ministry took advantage of the higher interest in government bonds by both domestic and foreign investors and ensured coverage of more than 92% of the total redemptions of CZK-denominated medium-term and long-term government bonds for this year during the first quarter.

Affirmation of the Czech Republic's Rating

The Czech Republic is assigned the highest overall rating of all Central and Eastern European countries and has higher rating than the Euro Area member countries average for several years. It belongs among the exceptionally reliable issuers, as confirmed by its high credit rating with a stable outlook from all the major credit rating agencies with international scope of activity.

During the first quarter of 2022, rating agencies Moody's, Scope Ratings and ACRA affirmed their current ratings on the Czech Republic while

maintaining a stable outlook. The stable outlook reflects the agencies' expectation that the negative effects of the SARS-CoV-2 coronavirus pandemic on the domestic economy and public budgets will be only temporary. According to the agencies, the resilience of the Czech economy remains strong despite the shocks caused by the pandemic. In addition to low initial debt levels and a resilient economy, they note a healthy and stable banking sector, sufficient liquidity reserves and robust institutional framework.

Record Interest in "Dluhopis Republiky" Government Bonds

On 3 January 2022, two issues of the "Dluhopis Republiky" government bonds were issued within the last 13th subscription period in the total amount of CZK 41.1 billion, which cover more than 28% of the total redemptions of CZK-denominated medium-term and long-term government bonds for this year. During the 13th subscription period, a record interest of citizens in the subscription of these government bonds was recorded, with the highest interest traditionally in inflation-linked government bond, whose yield copies the year-on-year development of inflation. This record demand not only exceeded the total nominal value of the "Dluhopis Republiky"

government bonds sold so far, but also represented the highest demand in the history of all government bond subscriptions intended primarily for citizens that took place since 2011. The highest subscription was achieved in December 2012, when bonds in the total nominal value of almost CZK 30 billion were subscribed.

At the end of March, the total nominal value of the "Dluhopis Republiky" government bonds outstanding amounted to more than CZK 80.0 billion, which represents 3.1% of the total state debt.

1 – Borrowing Requirement and Development of State Debt

Table 1: Structure and Balance of the Debt Portfolio

CZK bn	2020	2021	31/3/2022
Gross state debt	2,049.7	2,465.7	2,593.9
T-Bills and other money market instruments	25.4	49.2	53.8
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	1,831.6	2,219.8	2,306.7
T-Bonds issued on foreign markets	129.2	74.1	72.5
Savings government bonds	25.6	38.9	80.0
Received credits and loans ¹	38.0	83.7	80.9
Promissory notes and unpaid principals of government securities	0.0	0.0	0.1
Share of GDP (%)²	36.0	40.3	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 2020 – Q4 2021 is CZSO, for Q1 2022 the Macroeconomic Forecast of the Czech Republic – April 2022. Source: MoF, CZSO

Table 2: Financing Needs and Sources

CZK bn	2020	2021	Q1 2022
Primary balance of state budget	327.3	377.5	51.2
Net expenditure on state debt ¹	40.1	42.2	7.9
T-Bonds redemptions ²	215.8	238.8	5.8
Redemptions and early redemptions on savings government bonds	2.8	0.5	0.1
T-Bills and other money market instruments redemptions ³	18.4	25.4	49.0
Repayments on credits and loans ⁴	5.8	6.0	1.7
Total financing needs	610.2	690.4	115.8
Gross T-Bills issue and other money market instruments ^{3, 5}	25.4	49.6	54.0
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market ⁵	600.3	577.8	93.0
Gross issue of T-Bonds on domestic market up to 5 years ^{5, 6}	268.2	113.6	5.1
Gross issue of T-Bonds on domestic market from 5 to 10 years ^{5, 6}	178.9	239.8	22.3
Gross issue of T-Bonds on domestic market over 10 years ^{5, 6}	153.1	224.4	65.6
Gross issue of T-Bonds on foreign markets ⁵	0.0	0.0	0.0
Gross issue of savings government bonds ⁷	15.3	13.8	41.3
Received credits and loans ⁴	5.3	54.9	0.0
Financial asset and liquidity management	-36.1	-5.6	-72.4
Total financing sources	610.2	690.4	115.8
Gross borrowing requirement	646.3	696.0	188.2

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	2020	2021	Q1 2022
Gross state debt as at 1 January	1,640.2	2,049.7	2,465.8
Primary state budget balance	327.3	377.5	51.2
Net expenditure on state debt service ¹	40.1	42.2	7.9
Financial asset and liquidity management operations	36.1	5.6	72.4
Net borrowing requirement	403.5	425.3	131.6
T-Bills net issue and net change in the balance of other money market instruments	7.1	24.2	5.0
T-Bonds net issue on domestic market	411.7	389.5	87.1
T-Bonds net issue on foreign markets	-27.2	-50.5	0.0
Savings government bonds net issue	12.6	13.3	41.2
Net change in balance of received credits and loans ²	-0.6	48.8	-1.7
Financing of net borrowing requirement	403.5	425.3	131.6
Revaluation of state debt ³	6.0	-9.3	-3.5
Promissory notes and unpaid principals of government securities net change	0.0	0.0	0.0
Gross state debt change	409.5	416.0	128.1
Gross state debt as at the end of period	2,049.7	2,465.7	2,593.9

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 2,593.9 billion at the end of the first quarter of 2022, which represents an increase of CZK 128.2 billion compared to the end of 2021. This is mainly due to the sale of government bonds with a maturity of more than one year during the first quarter of 2022 to pre-finance the April redemption of the Government Bond of the Czech Republic, 2020–2022, 0.10% in the total nominal value of CZK 69.0 billion, and the ongoing coverage of the state

budget deficit, which reached to CZK 59.1 billion at the end of March.

In connection with the entry into force of the amendment to Act No. 218/2000 Coll., on Budgetary Rules and on Amendments of Some Related Acts (Budgetary Rules), from 1 January 2022 unpaid principals of government securities are reported in the state debt and its value amounted to CZK 56 million at the end of March.

2 – Primary Market of Government Bonds

Table 4a: Medium-Term and Long-Term Government Bonds Issued in Q1 2022

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, VAR %, 31	139 10	12/1	14/1	31/10/2031	CZK	4,000,000,000	4,141,720,000
ČR, 1.75 %, 32	138 12	12/1	14/1	23/6/2032	CZK	4,000,000,000	6,971,370,000
ČR, 1.50 %, 40	125 20	12/1	14/1	24/4/2040	CZK	2,000,000,000	2,305,190,000
ČR, 2.75 %, 29	105 20	26/1	28/1	23/7/2029	CZK	4,000,000,000	4,000,000,000
ČR, 1.75 %, 32	138 13	26/1	28/1	23/6/2032	CZK	4,000,000,000	4,063,390,000
ČR, 1.95 %, 37	142 3	26/1	28/1	30/7/2037	CZK	2,000,000,000	2,410,000,000
ČR, 0.05 %, 29	130 13	9/2	11/2	29/11/2029	CZK	4,000,000,000	4,475,000,000
ČR, 1.75 %, 32	138 14	9/2	11/2	23/6/2032	CZK	6,000,000,000	9,720,000,000
ČR, 1.50 %, 40	125 21	9/2	11/2	24/4/2040	CZK	2,000,000,000	2,000,000,000
ČR, 2.75 %, 29	105 21	23/2	25/2	23/7/2029	CZK	4,000,000,000	4,201,000,000
ČR, 3.50 %, 35	145 1	23/2	25/2	30/5/2035	CZK	6,000,000,000	6,105,000,000
ČR, 4.85 %, 57	53 13	23/2	25/2	26/11/2057	CZK	500,000,000	335,000,000
ČR, VAR %, 31	139 11	9/3	11/3	31/10/2031	CZK	4,000,000,000	5,028,280,000
ČR, 3.50 %, 35	145 2	9/3	11/3	30/5/2035	CZK	8,000,000,000	9,260,050,000
ČR, 1.50 %, 40	125 22	9/3	11/3	24/4/2040	CZK	2,000,000,000	1,274,420,000
ČR, 2.40 %, 25	89 23	23/3	25/3	17/9/2025	CZK	4,000,000,000	5,080,000,000
ČR, 1.75 %, 32	138 15	23/3	25/3	23/6/2032	CZK	6,000,000,000	6,175,300,000
ČR, 3.50 %, 35	145 3	23/3	25/3	30/5/2035	CZK	3,000,000,000	3,652,300,000
Total							81,198,020,000

Source: MoF, CNB

Table 4b: Medium-Term and Long-Term Government Bonds Issued in Q1 2022

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, VAR %, 31	139	10	VAR%	101.721	-28.517	1.16	97.25	6.29
ČR, 1.75 %, 32	138	12	1.75%	87.591	3.163	2.28	148.73	25.55
ČR, 1.50 %, 40	125	20	1.50%	75.395	3.317	2.17	101.50	13.76
ČR, 2.75 %, 29	105	20	2.75%	96.705	3.252	1.76	100.00	0.00
ČR, 1.75 %, 32	138	13	1.75%	87.900	3.130	2.61	100.00	1.58
ČR, 1.95 %, 37	142	3	1.95%	85.292	3.165	1.87	120.50	0.00
ČR, 0.05 %, 29	130	13	0.05%	80.356	2.901	2.92	111.88	0.00
ČR, 1.75 %, 32	138	14	1.75%	89.838	2.899	1.28	162.00	0.00
ČR, 1.50 %, 40	125	21	1.50%	77.630	3.131	2.25	100.00	0.00
ČR, 2.75 %, 29	105	21	2.75%	98.301	3.008	1.39	101.85	3.18
ČR, 3.50 %, 35	145	1	3.50%	105.555	2.985	1.63	101.75	0.00
ČR, 4.85 %, 57	53	13	4.85%	124.696	3.609	1.76	67.00	0.00
ČR, VAR %, 31	139	11	VAR%	100.576	-12.169	1.22	109.63	16.08
ČR, 3.50 %, 35	145	2	3.50%	99.462	3.550	1.17	100.00	15.75
ČR, 1.50 %, 40	125	22	1.50%	70.160	3.810	2.32	55.00	8.72
ČR, 2.40 %, 25	89	23	2.40%	93.808	4.351	2.10	127.00	0.00
ČR, 1.75 %, 32	138	15	1.75%	82.660	3.826	1.47	102.92	0.00
ČR, 3.50 %, 35	145	3	3.50%	95.811	3.910	2.53	121.74	0.00
Average					1.88	107.15	5.05	

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 Q1 2022

Issue no.	Maturity (weeks)	Auction date	Issue date	Maturity date	Max. nominal value offered	Total nominal value sold	Yield to maturity (% p.a.)
839	4	13/1	14/1	11/2/2022	10,000,000,000	6,810,000,000	3.600
840	26	20/1	21/1	22/7/2022	10,000,000,000	0	-
841	4	27/1	28/1	25/2/2022	10,000,000,000	3,125,000,000	4.000
842	4	10/2	11/2	11/3/2022	10,000,000,000	9,826,000,000	4.240
843	4	24/2	25/2	25/3/2022	10,000,000,000	17,923,000,000	4.240
844	4	10/3	11/3	8/4/2022	10,000,000,000	18,151,000,000	4.470
845	4	24/3	25/3	22/4/2022	10,000,000,000	19,965,000,000	4.680
Total					75,800,000,000	4.344¹	

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

Table 6: Savings Government Bonds Issued in Q1 2022

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	429,750
SD-I ČR, CPI %, 26 ¹	115	2/1	2/1/2026	6.0	85,838,964
SD-F ČR, 1.25 %, 26 ¹	116	2/1	2/1/2026	6.0	168,764
SD-R ČR, FIX %, 28	143	3/1	3/1/2028	6.0	112,546,379
SD-I ČR, CPI %, 28	144	3/1	3/1/2028	6.0	41,018,523,912
SD-R ČR, FIX %, 25 ¹	106	1/2	1/2/2025	6.0	36,336,344
Total					41,253,844,113

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 31/3/2022

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
ČR, 0.10 %, 22	126	CZ0001005946	17/4/2022	69,036,800,000	0
ČR, 4.70 %, 22	52	CZ0001001945	12/9/2022	70,516,270,000	1,000,000,000
ČR, VAR %, 23	63	CZ0001003123	18/4/2023	88,309,000,000	900,000,000
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	38,965,380,000	12,034,620,000
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	126,080,000,000	9,920,000,000
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	149,000,000,000	1,000,000,000
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	119,000,000,000	1,000,000,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	149,000,000,000	1,000,000,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	147,604,430,000	2,395,570,000
ČR, 0.05 %, 29	130	CZ0001006076	29/11/2029	80,471,600,000	4,528,400,000
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	57,628,560,000	7,371,440,000
ČR, 1.75 %, 32	138	CZ0001006233	23/6/2032	114,987,340,000	35,012,660,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	145,816,240,000	4,183,760,000
ČR, 3.50 %, 35	145	CZ0001006431	30/5/2035	19,017,350,000	30,982,650,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	79,000,000,000	1,000,000,000
ČR, 1.95 %, 37	142	CZ0001006316	30/7/2037	14,515,500,000	484,500,000
ČR, 1.50 %, 40	125	CZ0001005920	24/4/2040	55,939,200,000	4,060,800,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	21,420,000,000	580,000,000
Total CZK				2,294,502,740,000	124,259,330,000
ČR, 0.00 %, 27	129	CZ0001006043	27/7/2027	500,000,000	0
Total EUR				500,000,000	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 31/3/2022

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
XS0240954361	JPY	16/1/2036	30,000,000,000	0
Total EUR			2,750,000,000	0
Total JPY			30,000,000,000	0

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

Table 9: Issued State Treasury Bills as at 31/3/2022

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
844	4	CZ0001006464	8/4/2022	18,151,000,000	0
845	4	CZ0001006472	22/4/2022	19,965,000,000	0
835	52	CZ0001006365	18/11/2022	0	100,000,000,000
Total				38,116,000,000	100,000,000,000

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

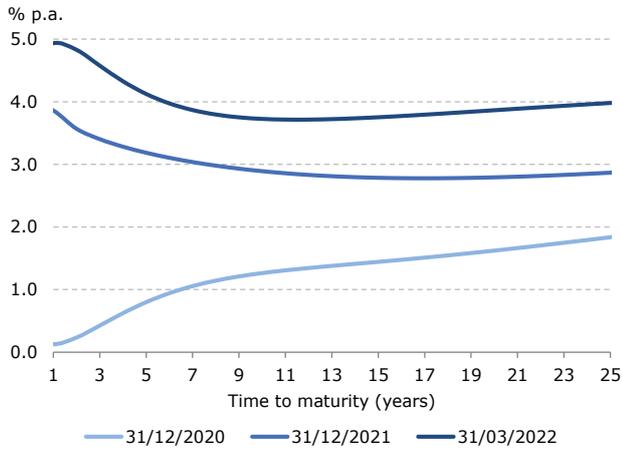
Table 10: Issued Savings Government Bonds as at 31/3/2022

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	2,885,901,830	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	378,772,270	0
SD-I ČR, CPI %, 25	110	CZ0001005714	1/7/2025	5,083,972,821	0
SD-R ČR, FIX %, 25 IV	111	CZ0001005730	1/10/2025	56,663,116	0
SD-I ČR, CPI %, 25 II	112	CZ0001005722	1/10/2025	1,155,284,774	0
SD-F ČR, 1.50 %, 25	113	CZ0001005748	1/10/2025	21,540,622	0
SD-R ČR, FIX %, 26	114	CZ0001005763	2/1/2026	50,966,758	0
SD-I ČR, CPI %, 26	115	CZ0001005771	2/1/2026	1,688,779,893	0
SD-F ČR, 1.25 %, 26	116	CZ0001005789	2/1/2026	16,050,938	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	140,058,430	0
SD-I ČR, CPI %, 26 III	123	CZ0001005904	1/7/2026	2,016,963,132	0
SD-F ČR, 1.30 %, 26 III	124	CZ0001005912	1/7/2026	88,793,466	0
SD-R ČR, FIX %, 26 IV	127	CZ0001006019	1/10/2026	51,117,874	0
SD-I ČR, CPI %, 26 IV	128	CZ0001006001	1/10/2026	4,007,986,832	0
SD-R ČR, FIX %, 26 V	131	CZ0001006092	31/12/2026	46,391,887	0
SD-I ČR, CPI %, 26 V	132	CZ0001006100	31/12/2026	5,153,651,333	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
SD-R ČR, FIX %, 27 II	136	CZ0001006209	1/7/2027	83,255,348	0
SD-I ČR, CPI %, 27 II	137	CZ0001006217	1/7/2027	4,267,624,629	0
SD-R ČR, FIX %, 27 III	140	CZ0001006282	1/10/2027	66,126,847	0
SD-I ČR, CPI %, 27 III	141	CZ0001006290	1/10/2027	5,391,281,048	0
SD-R ČR, FIX %, 28	143	CZ0001006324	3/1/2028	112,546,379	0
SD-I ČR, CPI %, 28	144	CZ0001006332	3/1/2028	41,018,523,912	0
Total				80,028,710,220	0

Source: MoF

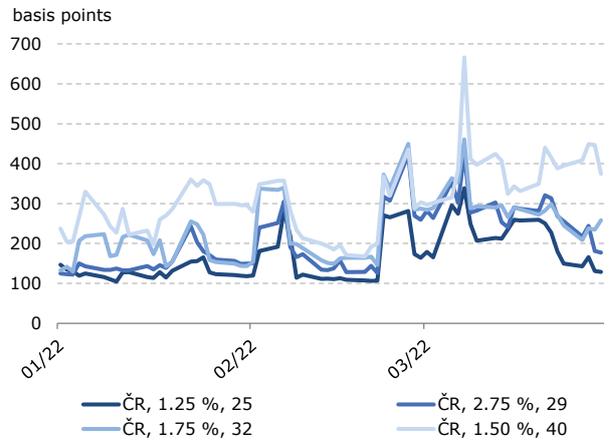
3 – Secondary Market of Government Bonds

Figure 1: Yield Curve of Government Bonds



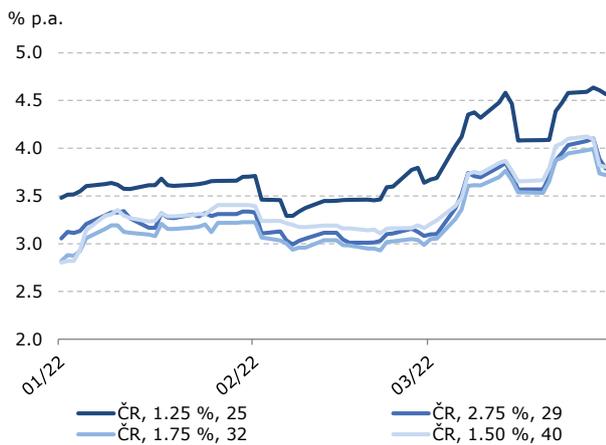
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.
Source: MoF, MTS

Figure 2: Bid-Offer Spreads of Selected Government Bonds



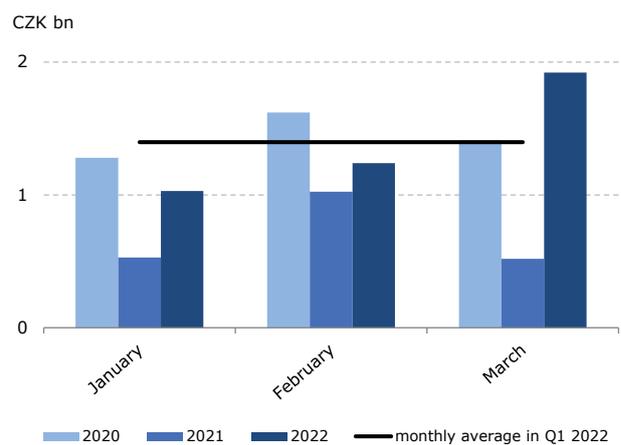
Source: MoF, MTS

Figure 3: Yields of Selected Government Bonds



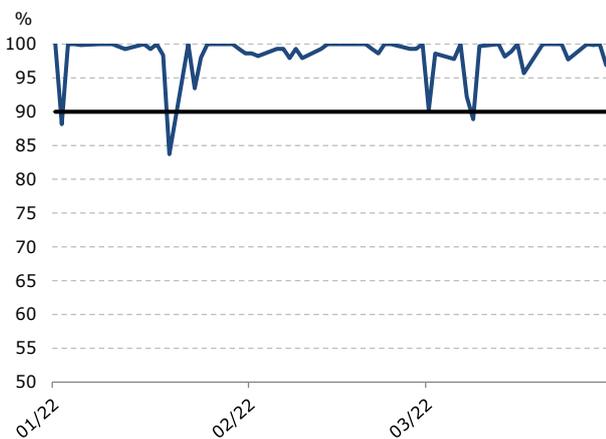
Source: MoF, MTS

Figure 4: Traded Nominal Value on MTS Czech Republic



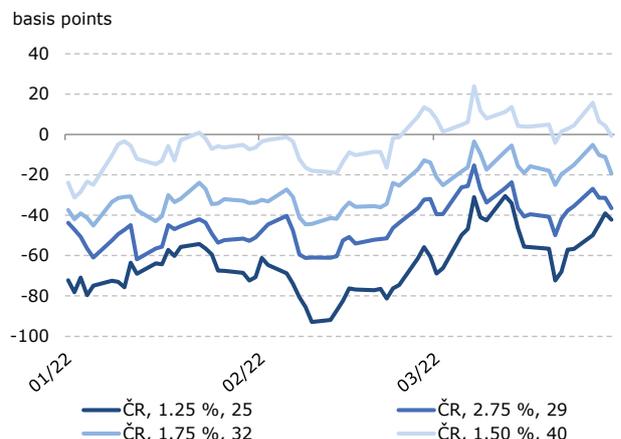
Source: MoF, MTS

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



Source: MoF, MTS

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



Source: Bloomberg

Table 11a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in Q1 2022

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

¹ Incl. financial resources from this lending facilities realized in Q1 2022, 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 2022

Issue name	ISIN	Nominal value	Revenue ¹
ČR, 0.00 %, 24	CZ0001006167	300,000,000	29,383
ČR, 4.20 %, 36	CZ0001001796	1,000,000,000	178,129
ČR, 1.50 %, 40	CZ0001005920	1,947,000,000	233,034
Total		3,247,000,000	440,546

¹ Incl. financial revenue from this lending facilities realized in Q1 2022, which has not been terminated during this period.
Source: MoF

Table 12: Realized Exchange Operations of Government Bonds in Q1 2022

Settlement date	Tap sale			Buy-back		
	Issue name	Nominal value	Average price	Issue name	Nominal value	Average price
-	-	-	-	-	-	-
Total		-	-	-		

Source: MoF

Table 13: Buy-Backs of Government Bonds in Q1 2022

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
-	-	-	-	-	-	-
Total						-

Source: MoF

Table 14: Tap Sales of Government Bonds in Q1 2022

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
ČR, 1.75 %, 32	138	19/1/2022	23/6/2032	88.500	CZK	1,450,000,000
ČR, 1.50 %, 40	125	19/1/2022	24/4/2040	76.650	CZK	500,000,000
ČR, 1.50 %, 40	125	2/2/2022	24/4/2040	75.200	CZK	250,000,000
ČR, 1.50 %, 40	125	18/2/2022	24/4/2040	77.400	CZK	300,000,000
ČR, 1.95 %, 37	142	21/2/2022	30/7/2037	86.320	CZK	1,450,000,000
ČR, 1.50 %, 40	125	22/2/2022	24/4/2040	77.700	CZK	1,100,000,000
ČR, 1.75 %, 32	138	3/3/2022	23/6/2032	89.891	CZK	1,500,000,000
ČR, 1.95 %, 37	142	4/3/2022	30/7/2037	86.000	CZK	1,600,000,000
ČR, 2.75 %, 29	105	7/3/2022	23/7/2029	97.700	CZK	480,000,000
ČR, 1.75 %, 32	138	8/3/2022	23/6/2032	89.000	CZK	3,150,000,000
Total						11,780,000,000

Source: MoF

4 – Risk Management and Portfolio Strategy

Table 15: Targets, Limits and Risk Parameters of the Debt Portfolio

INDICATOR	Announced target for medium-term horizon	As at 31/3/2022
Short-term state debt	20.0% and less	10.2%
Medium-term state debt	70.0% and less	45.3%
Average time to maturity	6.5 years	6.4 / 6.5 ¹ / 7.5 ² years
Interest re-fixing up to 1 year	40.0% and less	23.6%
Average time to re-fixing	5.0 to 6.0 years	5.7 years
Net foreign-currency exposure with the impact on the state debt level	15.0% and less ³	6.5%
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service	15.0% and less ³	4.9%

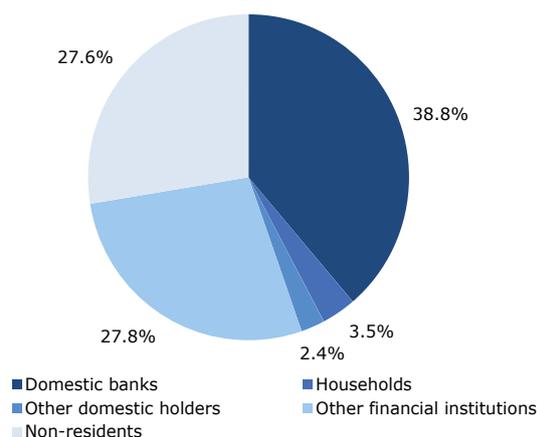
¹ After offsetting nearest state debt redemptions against cash resources from short-term reserve operations on money market.

² After offsetting nearest state debt redemptions against total available state treasury liquidity.

³ 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.

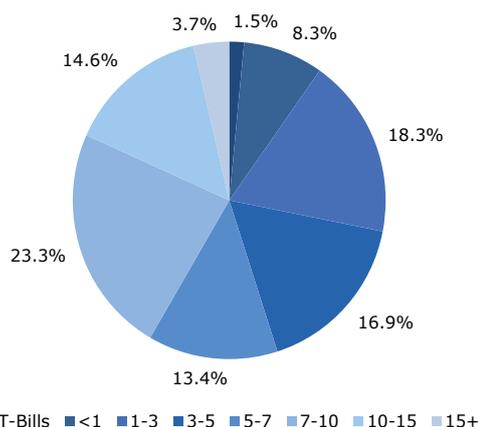
Source: MoF

Figure 7: Structure of Government Bonds by Type of Holder



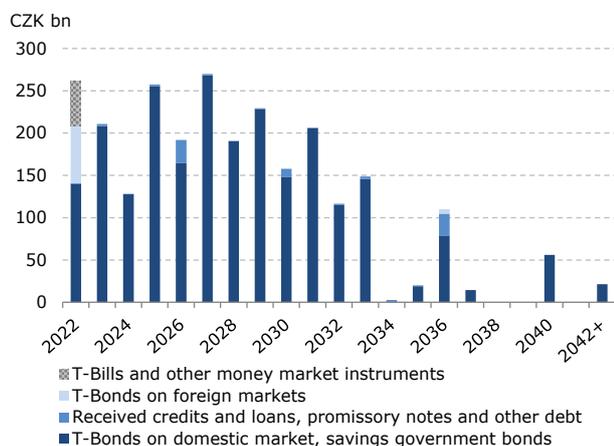
Note: Incl. T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 31/3/2022.
Source: MoF, CDCP, CNB

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



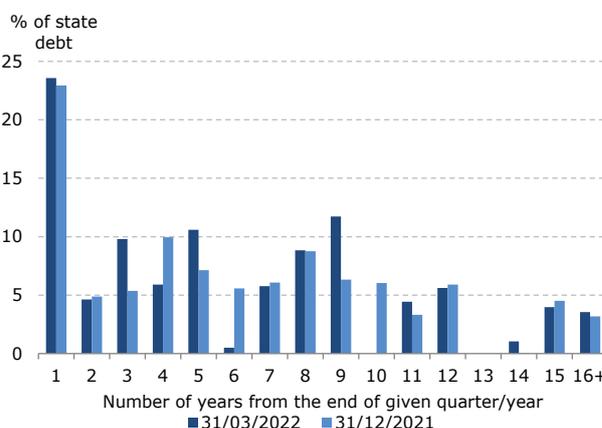
Note: Incl. T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 31/3/2022.
Source: MoF

Figure 9: Maturity Profile of State Debt



Note: Received credits and loans include credits and loans received from international financial institutions and European Commission. Other debt includes unpaid principals of government securities. As at 31/3/2022.
Source: MoF

Figure 10: Re-fixing Profile of State Debt



Source: MoF

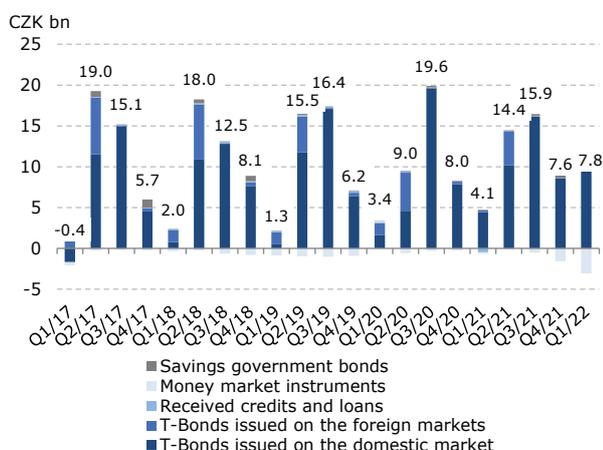
Table 16: State Debt Parameters

	31/3/ 2021	30/6/ 2021	30/9/ 2021	31/12/ 2021	31/3/ 2022
Total state debt (CZK bn)	2,419.9	2,416.3	2,333.9	2,465.7	2,593.9
Market value of state debt (CZK bn)	2,467.2	2,461.9	2,340.7	2,364.2	2,399.7
Short-term state debt (%)	13.2	13.5	10.1	10.8	10.2
Medium-term state debt (%)	48.0	48.9	43.3	42.6	45.3
T-Bills and other money market instruments (%)	6.0	2.3	0.7	2.0	2.1
Average time to maturity (years)	5.9	6.3	6.6	6.4	6.4
Interest re-fixing up to 1 year (%)	22.8	24.3	21.7	22.9	23.6
Average time to re-fixing (years)	5.4	5.8	6.1	5.9	5.7
Variable-rate state debt (%)	10.0	11.1	11.9	12.4	13.7
Modified duration (years)	4.9	5.2	5.4	5.0	4.7
Net foreign-currency exposure with the impact on the state debt level (%)	7.5	7.3	7.6	7.0	6.5
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)	6.0	5.9	5.7	5.3	4.9
Foreign currency state debt (%)	9.3	7.1	6.5	6.6	6.1
Share of EUR in state debt level net foreign currency exposure (%)	90.5	90.5	90.3	90.1	90.2
Share of EUR in interest expenditure on state debt net short-term foreign currency exposure (%)	92.3	92.2	91.6	91.2	91.2
Non-marketable state debt (%) ¹	8.6	4.9	3.7	4.0	3.7
Share of savings government bonds on state debt (%)	1.1	1.2	1.4	1.6	3.1
Marketable state debt (CZK bn)	2,185.8	2,269.0	2,213.7	2,327.2	2,417.3
Market value of marketable state debt (CZK bn)	2,233.6	2,315.3	2,221.5	2,227.8	2,229.7
Short-term marketable state debt (%)	8.8	12.7	10.4	10.6	10.1
Medium-term marketable state debt (%)	45.3	48.3	43.3	41.8	45.5
T-Bills and other money market instruments (%)	1.1	0.9	0.7	1.4	1.6
Average time to maturity (years)	6.1	6.3	6.6	6.4	6.4
Interest re-fixing up to 1 year (%)	17.8	22.5	20.7	21.4	20.9
Average time to re-fixing (years)	5.7	5.9	6.1	5.9	5.9
Variable-rate marketable state debt (%)	9.2	10.0	10.5	11.0	11.0
Modified duration (years)	5.1	5.3	5.4	5.1	4.8
Net foreign-currency exposure with the impact on the marketable state debt level (%)	5.2	5.0	4.3	4.1	3.9
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%)	5.1	4.9	4.0	3.8	3.6
Foreign-currency marketable state debt (%)	7.5	4.8	4.0	3.7	3.5
Share of EUR in marketable state debt level net foreign currency exposure (%)	94.7	94.9	93.8	94.1	94.3
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

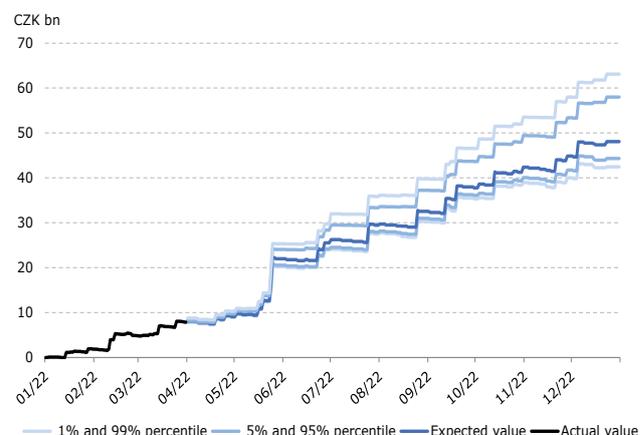
5 – State Debt Service Expenditure and Cost-at-Risk

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 17: Budget Expenditure and Revenue of the Chapter State Debt

CZK mil	Budget 2022				% Execution	2022/2021 (%)
	Actual Q1 2021	Approved	After changes	Actual Q1 2022		
1. Total interest expenditure and revenue	4,083	49,367	49,367	7,848	15.9	192.2
Internal debt	4,354	44,817	44,817	7,540	16.8	173.2
Money market instruments	(-) 168	1,000	1,000	(-) 3,064	-306.4	1,826.8
Savings government bonds	85	2,250	2,250	147	6.6	173.0
T-Bonds on domestic market	4,437	41,567	41,567	10,457	25.2	235.7
External debt	(-) 271	4,300	4,300	301	7.0	-110.8
T-Bonds on foreign markets	207	3,500	3,500	193	5.5	93.0
Received credits and loans ¹	(-) 479	800	800	108	13.5	-22.6
Payment accounts	0	250	250	7	2.8	3,267.2
2. Fees	121	600	600	78	12.9	64.2
Total chapter balance	4,204	49,967	49,967	7,925	-	188.5

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

Table 18: Overview of Budgetary Transfers from the Chapter State Debt Realized in Q1 2022

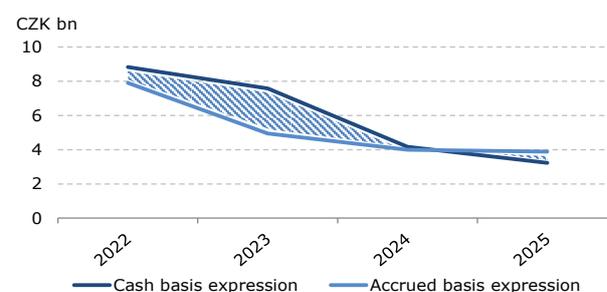
Chapter number	Chapter	Funds allocation	Amount (CZK)
-	-	-	-
Total			-

Source: MoF

Table 19: Expected vs. Actual Net Interest Expenditure

CZK bn	Q1 2021	Q1 2022
Actual expenditure	4.1	7.8
Expected expenditure	4.7	-
Cost-at-Risk 95%	5.1	-
Cost-at-Risk 99%	5.7	-
Difference between expectation and reality	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 20: Interest Expenditure and Accrued Costs of the Newly Issued Government Bonds

CZK bn	Nominal value	Net interest expenditure/accrued costs			
		2022F	2023F	2024F	2025F
Cash basis expression	209.9	8.8	7.6	4.2	3.2
Accrued basis expression	209.9	7.9	4.9	4.0	3.9
Gross issuance of T-Bonds	93.0	2.6	3.1	3.1	3.1
Gross issuance of T-Bills	75.8	0.3	-	-	-
Gross issuance of savings government bonds	41.1	5.0	1.8	0.9	0.8

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

Table 21: FX Market Operations in Q1 2022

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 (%)
Komerční banka, a.s.	54,271.3	55,275.3	8,798.4	0.0	2,839.5	11.9	45.9
PPF banka a.s.	39,950.3	5,559.0	0.0	0.0	1,104.7	5.0	19.4
Deutsche Bank AG, Prague Branch	0.0	0.0	0.0	447,900.0	1,060.2	4.5	17.3
Československá obchodní banka, a. s.	33,984.4	0.0	0.0	0.0	842.2	3.3	12.8
Citibank Europe plc	0.0	10,773.2	0.0	0.0	237.2	0.8	3.2
Česká spořitelna, a.s.	0.0	2,393.8	0.0	0.0	51.3	0.3	1.1
HSBC Continental Europe	645.2	0.0	0.0	0.0	15.7	0.1	0.4
Total	128,851.1	74,001.3	8,798.4	447,900.0	6,150.8	25.9	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 Q2 2021 to Q1 2022

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 22: Overall Evaluation in Q2 2021 to Q1 2022

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	83.9
2 nd	PPF banka a.s.	66.1
3 rd	Erste Group Bank AG / Česká spořitelna, a.s.	56.2
4 th	Société Générale / Komerční banka, a.s.	52.0
5 th	UniCredit Bank Czech Republic and Slovakia, a.s.	35.3

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

Table 23: Evaluation on Primary Market in Q2 2021 to Q1 2022

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	43.3
2 nd	PPF banka a.s.	38.2
3 rd	Erste Group Bank AG / Česká spořitelna, a.s.	36.6
4 th	Société Générale / Komerční banka, a.s.	30.4
5 th	Citibank Europe plc	16.4

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

Table 24: Evaluation on Secondary Market in Q2 2021 to Q1 2022

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	40.6
2 nd	PPF banka a.s.	27.9
3 rd	Société Générale / Komerční banka, a.s.	21.7
4 th	Erste Group Bank AG / Česká spořitelna, a.s.	19.6
5 th	UniCredit Bank Czech Republic and Slovakia, a.s.	19.0

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

This publication was prepared based on the information available on 22 April 2022
and is also available online at:

www.mfcr.cz/statedebt

The next issue of Debt Portfolio Management Quarterly Report
is expected on 15 July 2022.

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