

**Official information
of the Ministry of Finance
dated 8 April 2021**
defining issuance terms and conditions of
“Government Bond of the Czech Republic, 2021–2032, 1.75%”

The following is a translation of the issuance terms and conditions. The issuance terms and conditions are in the Czech language, and in the case of any inconsistency between the English translation and the Czech language version the Czech language version shall prevail.

The Czech Republic acting through the Ministry of Finance (hereinafter referred to as “the Ministry”) issues book-entered government bonds and determines their issuance terms and conditions in accordance with Section 26 of the Act No. 190/2004 Coll., on Bonds, as amended (hereinafter referred to as “the Bonds Act”). These issuance terms and conditions set out the rights and obligations of the issuer and bondholders, as well as the information about the bond issue and the essentials of the Government Bond of the Czech Republic, 2021–2032, 1.75% (hereinafter referred to as “the Bond” or “the Bonds”):

1. Basic description of the Bonds:

Issuer: The Czech Republic – the Ministry of Finance

Name: Government Bond of the Czech Republic, 2021–2032, 1.75%

Short name: ČR, 1.75%, 32

Serial number of issue: 138

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

Form of Bond: book-entry bearer security

Category of Bond: government bond

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

Beginning of the subscription period: 21 April 2021

Termination of the subscription period: 24 May 2032

Issue date: 23 April 2021

Maturity date: 23 June 2032

Interest: defined by fixed interest rate of 1.75% p.a.

Day count convention: ACT/ACT (ICMA)

ISIN: CZ0001006233

Separated principal – ISIN: CZ0000704473

Coupon No. 1 – ISIN: CZ0000704481

Coupon No. 2 – ISIN: CZ0000704515

Coupon No. 3 – ISIN: CZ0000704523

Coupon No. 4 – ISIN: CZ0000704531

Coupon No. 5 – ISIN: CZ0000704549

Coupon No. 6 – ISIN: CZ0000704556

Coupon No. 7 – ISIN: CZ0000704564

Coupon No. 8 – ISIN: CZ0000704572
Coupon No. 9 – ISIN: CZ0000704580
Coupon No. 10 – ISIN: CZ0000704598
Coupon No. 11 – ISIN: CZ0000704606

2. The Bonds are issued based on other Acts in accordance with Section 25 (2) of the Bonds Act.
3. The Bonds are issued in book-entry securities form. They are registered in the central record of book-entry securities maintained by the Central Depository of Securities Prague, a.s. (Centrální depozitář cenných papírů, a.s.), having its registered office at Rybná 14, 110 05 Prague 1, Czech Republic, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 4308, ID No. 25081489, (hereinafter referred to as the “the Central Depository”) in accordance with the Czech law and with Section 92 (1) of the Capital Market Act, Act No. 256/2004 Coll., as amended. A person other than the Central Depository, which is authorized to maintain a record of book-entry securities, maintains the record of the Bonds based on the Issuer’s decision.
4. The Bonds may be subscribed and acquired by legal or natural persons having their seat or residence in the territory of the Czech Republic as well as abroad (hereinafter referred to as the “Investor” or “Investors”).
5. The right to interest payment has the person who is entitled to exercise the rights related to the Bond on 24 May starting as of 2022. The right to interest payment from the issue date (inclusive of this date) to 23 June 2022 (exclusive of this date) has the person who is entitled to exercise the rights related to the Bond on 24 May 2022. Transferability of the Bonds and granting a lien on the Bonds after 24 May 2032 are excluded.
6. The interest is defined by fixed interest rate of 1.75% p.a. The interest is paid once a year, always on 23 June starting as of 2022. If the payment date falls on a date which is not a business day, the payment will be made on the next business day without the entitlement to the proceeds for the deferred payment.
7. The first interest period for the interest payment begins on 23 April 2021 (inclusive of this date) and ends on 23 June 2022 (exclusive of this date). Interest period is one year, from 23 June (inclusive of this date) of the respective year to 23 June (exclusive of this date) of the following year starting as of 2022. For the purpose of any calculation related to the Bonds issued on the basis of these issuance terms and conditions, day count convention is based on actual number of calendar days in the respective period and actual number of days in the respective year [standard ACT/ACT (ICMA)]. Accrued interest is included in the Bond price starting from the issue date, or from the beginning of the respective interest period to the date of the calculation of the accrued interest.
8. The issue of Bonds may be issued in tranches within the subscription period.

9. The issue price of the respective tranche of Bond is determined by the price achieved at auction. In case of the issue by means of booking on the Issuer's asset account in accordance with Section 35 (7) of the Act No. 218/2000 Coll., on Budgetary Rules and on Amendment to Some Related Acts (Budgetary Rules), the issue price is determined as 100% of the principal.
10. The Bonds shall be offered for subscription in the Czech Republic. The Bonds shall be sold on primary market through the Czech National Bank pursuant to Section 26 (4) of the Bonds Act. Primary sale of the Bonds, method and place of the Bond subscription, method and time of delivery to individual Investors and manner and place of payment of the issue price of the subscribed Bonds is governed by the Rules for the Primary Sale of Government Securities Organized by the Czech National Bank (hereinafter referred to as "the Auction Rules") published on the website of the Czech National Bank and the Ministry. Primary sale of the Bonds is carried out via auctions. The auction place is the Czech National Bank. Only the person specified by the Issuer or the Issuer may participate in the auction. Other Investors may participate in the auction indirectly through the person specified by the Issuer or the Issuer. The Issuer is authorized to book securities on the issue date firstly on its asset account in accordance with Section 15 (4) of the Bonds Act, and to acquire the Bonds before the maturity date, including buy-backs of the Bonds at any time and any price, and under other conditions defined by the Ministry. The Bonds acquired by the Issuer before the maturity date, including the Bonds bought back by the Issuer, do not expire. It is at the Issuer's discretion to keep the Bonds on its asset account, sell them or decide otherwise.
11. Primary sale of the first tranche shall be carried out through the auction organized on 21 April 2021 by the Czech National Bank in accordance with the Auction Rules. The issuance and primary sale of further tranches shall be decided by the Issuer, as well as the respective auctions dates and methods. The announcement of the Bond auction and the auction method is published on the website of the Ministry well in advance.
12. In accordance with Section 7 of the Bonds Act, the Bonds may be issued in smaller or larger total nominal value than the estimated total nominal value of the issue. The possible increase in the total nominal value of the issue is 50,000,000,000 CZK (in words: fifty billion Czech koruna).
13. The Bonds principal shall be redeemed on 23 June 2032. The interest of the Bonds ends on this date. The principal of the Bond will be repaid together with the last interest payment to the person, who will be the owner of the Bonds on 24 May 2032. If the repayment date of principal and payment date of last interest of the Bonds falls on a day which is not a business day, the repayment will be made on the next business day without the entitlement to the proceeds for the deferred payment.

14. The Issuer undertakes to ensure the interest payments and the repayment of the principal of the Bonds according to these issuance terms and conditions to persons who are entitled to exercise the relevant rights related to the Bond on the date set by these issuance terms and conditions exclusively in CZK or other currency, that will be the official currency of the Czech Republic on the respective payment date. The principal repayment and interest payment are ensured by the Czech National Bank and the Ministry. The principal of the Bonds will be repaid and the interest of the Bonds will be paid by cashless transfer according to the instructions of persons who are entitled to exercise the relevant rights related to the Bond on the date set by these issuance terms and conditions. The payment place is the Czech National Bank, which shall publish the method of repayment of the principal and the interest payment.
15. Valid rating of long-term obligations denominated in CZK on the date of defining these issuance terms and conditions is at AA level by S&P Global Ratings, at Aa3 level by Moody's, at AA- level by Fitch Ratings, at AA level by Japan Credit Rating Agency, at AA- level by R&I, at AA level by Scope Ratings, at A+ level by Dagong Global Credit Rating, at AA level by ACRA Europe and at AA level by ACRA.
16. The Bonds are direct, unconditional and unsubordinated debts of the Czech Republic, which are at the same level as all other existing and future direct, unconditional and unsubordinated debts of the Czech Republic.
17. The right related to the Bond shall become statute-barred on the date on which it could be exercised for the first time pursuant to applicable law regulation.
18. The Ministry announces these issuance terms and conditions in the Collection of Laws. The estimated total nominal value of the issue of Bonds is published in the Czech language together with these issuance terms and conditions on the website of the Ministry, in the section where information on issued government Bonds is published. All other announcements to the bondholders and to the public regarding the Bonds are published in the same manner.
19. The Czech National Bank does not supervise the issue of bonds and their issuer.
20. If the prospectus is approved by the Czech National Bank, the prospectus is assessed by the Czech National Bank only in terms of completeness of data contained therein. The Czech National Bank does not assess the issuer's financial results or financial situation and does not guarantee the future profitability of the issuer and its ability to repay the interest and the principal by the approval of the prospectus.
21. These issuance terms and conditions may be translated into foreign languages. In case of any discrepancy between various language versions of issuance terms and conditions, the Czech version shall prevail.

22. The Bonds are issued in accordance with the Czech law and the interest taxation in the Czech Republic is governed by the laws of the Czech Republic. The rights and the obligations following from these issuance terms and conditions and the rights and the obligations related to the Bond issued on the basis of these issuance terms and conditions are governed and interpreted by the laws of the Czech Republic, without regard to conflicts of laws provisions thereof.

Deputy Prime Minister and Minister of Finance

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