



Ministry of Finance

**Debt and Financial Assets
Management Department**

The Czech Republic Funding and Debt Management Strategy

2023



3 January 2023

Ministry of Finance

The Czech Republic Funding and Debt Management Strategy for 2023

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Management Strategy for 2023**

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On 15 December 2022 Minister of Finance decided about the structure and methods of covering the financing needs in 2023 and the basic absolute and relative limits for issuance activity on the domestic and foreign markets and for active management of the state debt portfolio, financial assets and liquidity of the treasury single account in the individual currencies were approved (Ref. No. MF-34546/2022/2002-1).

This defined operational framework in the form of the submitted the Czech Republic Funding and Debt Management Strategy for 2023 enables the Ministry of Finance to act flexibly on the domestic and foreign financial markets while actively securing cash resources for covering the financing needs and ensuring the daily solvent position of the state, meaning the creation of initial conditions for smooth implementation of budget and fiscal policy of the government.

The Czech Republic Funding and Debt Management Strategy for 2023 is based on and in accordance with Act No. 449/2022 Coll., on the State Budget of the Czech Republic for 2023, including the medium-term outlook to 2025 and the Macroeconomic Forecast of the Czech Republic from November 2022.

The Czech Republic Funding and Debt Management Strategy for 2023 is submitted via Debt and Financial Assets Management Department, which is responsible for operations related to the funding of the state, active management of the state debt portfolio and financial assets, management of the liquidity of the treasury single accounts, and short-term and long-term investment of available cash resources of state financial assets and the treasury single accounts on financial markets.

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List of Abbreviations

bn	billion
Budgetary rules	Act No. 218/2000 Coll. on Budget Rules and Amendments of Some Relating Acts (Budgetary Rules)
CaR	Cost-at-Risk
CNB	Czech National Bank
CZK	Czech Koruna currency code
CZSO	Czech Statistical Office
ESA 2010	European System of Account 2010
EUR	Euro currency code
GDP	gross domestic product
MoF	Ministry of Finance
MTS	Mercato Telematico Secondario
p.a.	Per annum
p.p.	Percentage point
T-Bills	state treasury bills
T-Bonds	medium-term and long-term government bonds

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.

Introduction

The Ministry of Finance (hereinafter the Ministry or MoF) presents to the public The Czech Republic Funding and Debt Management Strategy for 2023 (hereinafter the Strategy), the purpose of which is to present the basic framework for the state funding in 2023 and set monitored limits and targets of state debt risk indicators valid for medium-term horizon of the outlook.

Based on the actual development of financing needs, especially state treasury liquidity management, the development of the available funds of the state treasury and the development of the situation on the domestic and foreign financial markets in the first half of next year, the update of this Strategy will be published in

June 2023. Ministry keeps the option to introduce quarterly updates of the Strategy within the Czech Republic Debt Management Quarterly Report - 1st Quarter of 2023 and the Czech Republic Debt Management Quarterly Report - 1st - 3rd Quarter of 2023 or in other terms

The detailed evaluation in the area of development of the state debt, the issuance activity, the secondary market of government bonds, the development of interest expenditure of the state budget, the risk monitoring of debt portfolio, and annual performance evaluation of primary dealers will be contained in the Czech Republic Debt Management Annual Report for 2022, which will be published on 28 February 2023.

Key Events in 2023

Financing Needs of CZK 649.0 billion

- budgeted state deficit of **CZK 295.0 billion**
- redemptions of two CZK-denominated issues of medium-term and long-term government bonds in total nominal value of **CZK 200.2 billion**
- regular repayments of tranches of loans from the European Investment Bank in total nominal value of **CZK 2.6 billion**
- possible use of available credit frameworks from the European Investment Bank and the Council of Europe Development Bank to cover EUR- or CZK-denominated financing needs

Primary Market of Government Bonds

- gross issue of CZK-denominated medium-term and long-term government bonds on the domestic market in a minimum total nominal value of **CZK 400.0 billion to CZK 500.0 billion** depending on the actual amount of the financing needs in 2023 and the final amount of its coverage through the state treasury bills and other available debt instruments
- issuance of at least three new benchmark issues of fixed-rate government bonds on the domestic market, or also the new variable-rate government bonds
- possibility of a new issue of government EUR-bond issued under Czech law through

an auction organised by the Czech National Bank or using a syndicated form of sale in cooperation with primary dealers and the Czech National Bank in order to cover the EUR-denominated financing needs

- re-opening of already issued government bonds and government EUR-bonds with maturity from 2025
- issuance of state treasury bills denominated in the euro and registered in the Central Securities Depository Prague, which will also ensure their eligibility for Eurosystem credit operations

Secondary Market of Government Bonds

- fulfilment of quotation obligations through the MTS Czech Republic platform
- continuation in tap sales, exchange operations and buy-backs of government bonds and active support of the secondary market through medium-term and long-term government bonds lending facilities
- extension the types of transactions carried out on the regulated multilateral trading platform operated by Bloomberg Trading Facility B. V.
- gradual development of the electronic trading platform MTS Czech Republic through the extension of trading options for government bonds issued under Czech law and denominated in the euro

Rating of the Czech Republic

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

In 2022, S&P Global Ratings and JCR confirmed the Czech Republic's current rating, while maintaining a stable outlook at AA for long-term liabilities denominated in domestic currency and AA- for long-term liabilities denominated in foreign currencies. In 2022, Moody's, Fitch Ratings, R&I and Scope Ratings also confirmed the current ratings, changing the outlook from stable to negative, mainly due to the increased risk of gas supply disruptions from Russia.

Table 1: The Czech Republic's Credit Rating

Rating agency	Local currency long-term liabilities	Outlook	Foreign currency long-term liabilities	Outlook	Affirmed
Moody's	Aa3	Negative	Aa3	Negative	5/8/2022
S&P Global Ratings	AA	Stable	AA-	Stable	14/10/2022
Fitch Ratings	AA-	Negative	AA-	Negative	21/10/2022
JCR	AA	Stable	AA-	Stable	14/4/2022
R&I	AA-	Negative	AA-	Negative	19/12/2022
Scope Ratings	AA	Negative	AA	Negative	8/7/2022
ACRA	AA	Stable	AA	Stable	10/8/2022

Source: Moody's, S&P Global Rating, Fitch Ratings, JCR, R&I, Scope Ratings, ACRA

Financing Needs and State Debt Development

The financing needs are determined by the standard components that must be covered by cash resources in a given year, i.e. the state budget cash deficit and regular redemptions, redemptions before the maturity date, buy-backs and exchanges of nominal values of state debt, including the related derivatives. Financing operations on the

side of state financial assets and within the treasury single accounts then take place on the side of cash resources that can be involved into the covering of the financing needs simultaneously with the state's realized borrowing operations on the financial markets.

Table 2: Financing Needs and the Czech Republic's State Debt Redemptions

CZK bn	2021	2022	2023F	2024F	2025F
State budget deficit ¹	377.5	310.7	295.0	280.0	260.0
Net expenditure on the state debt ^{1,2}	42.2	49.7			
Other operations of state financial assets	-	-	1.4	1.6	1.8
T-Bonds denominated in local currency redemptions ³	187.3	153.5	200.2	156.7	248.2
T-Bonds denominated in foreign currency redemptions ⁴	51.5	67.8	0.0	24.5	0.0
Redemptions and early redemptions on savings government bonds	0.5	0.4	0.4	0.0	11.2
Money market instruments redemptions ⁴	25.4	49.0	149.5	0.0	0.0
Repayments on credits and loans ⁵	6.0	4.4	2.6	0.6	0.6
Total redemptions of the state debt	270.7	275.2	352.5	181.8	260.0
Total redemptions of the state debt (% of GDP)⁶	4.4%	4.1%	5.0%	2.4%	3.3%
Total net redemptions of the state debt⁷	270.7	275.2	303.5	157.3	260.0
Total net redemptions of the state debt (% of GDP)^{6,7}	4.4%	4.1%	4.3%	2.1%	3.3%
Total financing needs	690.4	635.6	649.0	463.4	521.8
Total financing needs (% of GDP)⁶	11.3%	9.5%	9.2%	6.1%	6.5%

¹ For 2023, the budgeted deficit according to the approved State budget Act for 2023, and for 2024 and 2025 the approved medium-term outlook of the state budget.

² Balance of the budgetary chapter 396 – State Debt.

³ Including the effect of already executed buy-backs and exchange operations in previous years. Excluding future buy-backs and exchange operations of T-Bonds.

⁴ State debt redemptions denominated in foreign currency are stated in CZK equivalent.

⁵ Credits and loans received from international financial institutions and the European Commission.

⁶ Source for GDP in ESA 2010 methodology 2021 is CZSO, for 2022 to 2025 Macroeconomic Forecast of the Czech Republic – November 2022.

⁷ After offsetting the repayments of loans granted according paragraph 35, point 5 of the Budgetary rules.

Note: Excluding future issuance activity with an impact on state debt redemptions in 2024 and 2025.

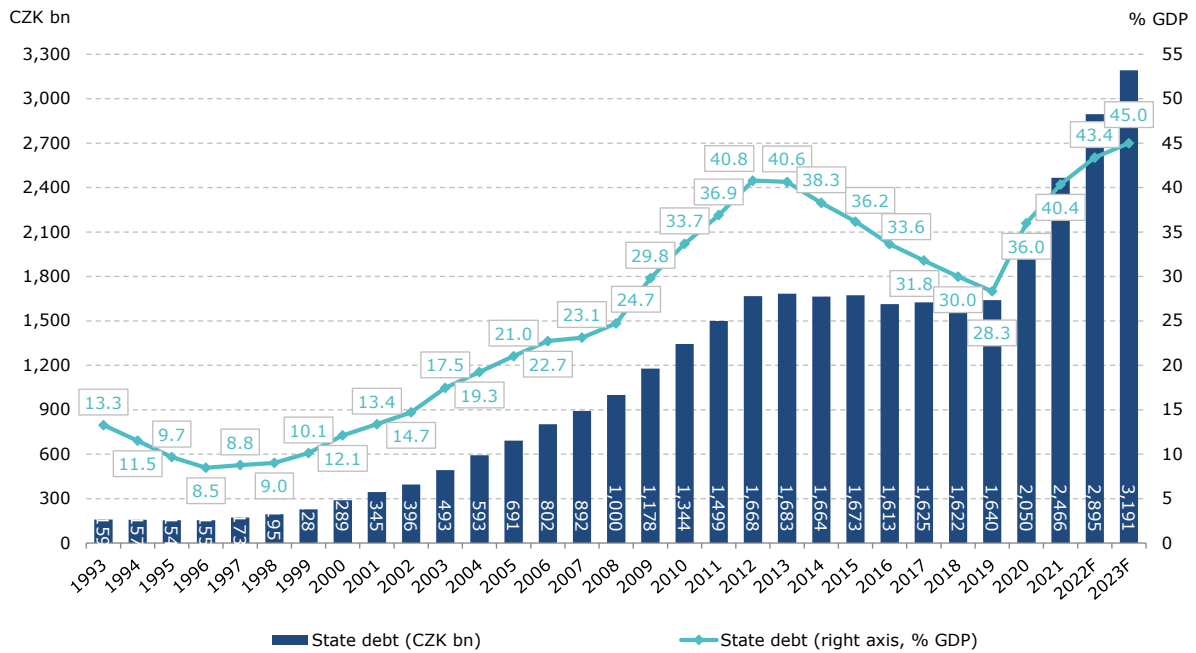
Source: MoF, CZSO

For 2023, the planned financing needs amount to CZK 649.0 billion, i.e. approximately 9.2% of GDP. The part of the planned financing needs in the amount of repayments of loans granted to producers operating on the energy market in accordance with the Czech Government Resolution No. 586 dated 29 June 2022 on the scheme for providing loans to avert damage to the national economy will reduce the gross borrowing requirement of the Czech Republic in 2023. The actual amount of the financing needs will primarily depend on the actual performance of the state budget and also on the actual amount of exchange operations and buy-backs of government bonds carried out in 2023, in particular for the purpose of refinancing risk management. The planning of the future amount of financing needs, including their coverage, is burdened by persistent uncertainty in domestic

and foreign financial markets, especially with regard to risks associated with the development of the global economy, the energy crisis and geopolitical risks.

The resulting gross borrowing requirement, which is derived from the financing needs and represents the part of financing needs, which must be covered through borrowing operations, is dependent on the involvement of financial assets into covering the financial needs, i.e. in particular the available state treasury resources. In case of involvement of these liquid assets into covering the financing needs, the resulting gross borrowing requirement is lower than the total financing needs in the respective period. In the opposite case, when there is an accumulation of financial assets, the gross borrowing requirement is higher than the financing needs.

Figure 1: Czech Republic's State Debt Development



Note: Source for GDP in ESA 2010 methodology for 1993 to 2021 is CZSO, for 2022 and 2023 Macroeconomic Forecast of the Czech Republic – November 2022. Source: MoF, CZSO

The amount of the state debt depends entirely on issuance activity that will be flexibly adjusted to the state budget performance, the situation on domestic and foreign financial markets and the involvement of the funds on state treasury

single accounts in order to smoothly cover the financing needs while maintaining a prudent approach to financial and credit risk management and minimizing costs in the long term.

Funding Programme and Issuance Activity

Medium-Term and Long-Term Government Bonds

In 2023, the Ministry plans to carry out gross issue of CZK-denominated medium-term and long-term government bonds on the domestic market in total minimum nominal value of CZK 400.0 to 500.0 billion. The Ministry will issue medium-term and long-term government bonds maturing along the whole yield curve in order to achieve the objectives and limits set in the Strategy for the medium-term horizon. In dependence on the development on financial markets and the monetary policy situation, the Ministry plans to issue new issues of CZK-denominated medium-term and long-term government bonds with maturity from 2026,

with an emphasis on longer-term maturities given the shape of the government bond yield curve.

When choosing particular maturities and type of instrument, the Ministry will flexibly react on development of market conditions and the demand from the primary dealers and recognized dealers. The issuance activity including the inclusion of variable-rate medium-term and long-term government bonds will be carried out with the respect to the riskiness of the debt portfolio and maintaining strategic targets and limits for risk parameters in medium-term horizon.

Table 3: Framework Issuance Plan of CZK-denominated T-Bonds on the Domestic Market in 2023

CZK bn	Framework scope of sale
Fixed-rate and variable-rate T-Bonds	Min. 400 to 500
Maturity segment of up to 10 years	Max. 400
Maturity segment of over to 10 years	Max. 250

Source: MoF

If there is an unexpected change of the government bond market conditions or unplanned economic development, the Ministry reserves the option of not issuing new bonds. The Ministry also supplements the issuance of medium-term and long-term government bonds on the primary market with tap sales of government bonds from its own asset account on the secondary market in case that the primary dealers' and recognized dealers' interest especially when the usage of these government bonds within medium-term and long-term government bonds lending facilities drops or as a more flexible alternative to the sale of government bonds, which are included in primary auctions to a lesser extent. Furthermore, tap sales of government bonds with a long time to maturity may be used to manage the average time to maturity of the debt portfolio. Tap sales will continue to be available through MTS Czech Republic.

The competitive part of the primary auction of medium-term and long-term government bonds on domestic market will be held on the traditional auction day of Wednesday, while the non-competitive part of primary auctions will be held traditionally on Thursday. The settlement will take place within two business days after the auction date, i.e. according to the international standard on the primary market, usually on Friday. The possibility to bid within

the competitive part of the auction is made possible for primary dealers and recognized dealers, but access to the non-competitive part of the auction remains exclusively to a group of primary dealers.

The issuance calendars of medium-term and long-term government bonds together with indicative maximum total nominal value sold in auctions for respective quarter of the year will be published monthly, usually the fourth Monday of the month preceding the respective month, unless otherwise announced. The Ministry reserves the right to specify one or more alternative medium-term and long-term government bonds to be included in the relevant auction or change the offered government bond for another one with the similar time to maturity. When choosing particular maturities and instrument type, the Ministry will flexibly react to the development of market conditions and the demand from primary dealers and recognized dealers.

The choice of particular medium-term and long-term government bonds for the relevant auction will be announced at least one business day before the date of the competitive part of the auction. The nominal value of medium-term and long-term government bonds offered in the competitive part of the auction will be published in indicative maximum amount or in indicative range within the issuance calendars.

Foreign Currency Medium-Term and Long-Term Government Bonds

The Ministry still prefers the refinancing of foreign currency debt by issuing the new issue of government bonds denominated in a foreign currency on the domestic market under Czech law in the case of cost-effective conditions. In case of deteriorating conditions on the domestic financial market and high volatility, the Ministry retains the possibility of a flexible reaction in the form of issuance on the foreign markets under Czech or foreign law, or in the form of a private placement to selected investors. The implementation of the syndicated issue of medium-term and long-term government bonds under Czech or foreign law will

depend primarily on the current market situation. The condition is lower interest costs associated with the issue of government bonds on the foreign market compared to a similar issue of government bonds on the domestic market after taking into account all other additional costs in the form of fees for lead managers of the issue, creation of necessary documentation and other related activities. The specific method will be decided in such a way as to minimize the costs and financial risks associated with borrowing operations in accordance with the set targets, limits and risk parameters of the debt portfolio.

Money Market Instruments and Other Debt Instruments

State treasury bills could be issued and sold in the form of single-price or multiple-price auctions organized by the Czech National Bank in all available maturities, traditionally in Czech koruna, but also in the euro, both for the purpose of short-term coverage of CZK- or EUR-denominated financing needs or preventively strengthen available liquidity of the Czech koruna and euro state treasury single accounts, as well as to utilize the current market situation regarding the effective liquidity management of the treasury single accounts.

State treasury bills denominated in Czech koruna will be issued on the traditional auction day Thursday with a settlement on the following business day, usually on Friday. The central records of state treasury bills denominated in Czech koruna will continue to be kept in the Short-Term Bond System operated by the Czech National Bank. State treasury bills denominated in the euro will be issued on the auction day Wednesday with a settlement within two business days, usually on Friday. The central records of state treasury bills denominated in the euro will be kept in the central register by the Central Securities Depository Prague, which will also ensure their eligibility for the Eurosystem credit operations.

The issuance calendars of state treasury bills with particular maturities offered in individual auctions will be published monthly usually on the fourth Monday of the month preceding the respective month unless announced otherwise by the Ministry. The nominal value of the state treasury bills offered in auction will be published in predetermined indicative range or an indicative maximum value will be announced. However, the Ministry reserves the right to change the range or maximum value according to the actual development of market conditions or the demand from primary dealers and recognized dealers. Together with the issuance calendars, the Ministry will publish also the indicative maximum total nominal value of state treasury bills issues for respective quarter.

If necessary and with regard to the situation on the domestic financial market, the Ministry may carry out so-called **stabilization repo operations**, in which it obtains funds against government bonds provided as a collateral, when the time to maturity of these operations ranging from two weeks up to three months. The Ministry may carry out these operations in order to strengthen the liquidity reserves of the state treasury or for the purpose of short-term financing and stabilization of fluctuations on the domestic bond market caused by unexpected factors, especially of foreign origin.

During 2023, the Ministry will also use the medium-term and long-term government bonds **lending facilities** in the form of repo operations and also in the form of collateralized loans, under which the Ministry provides for fee government bonds of Czech Republic from own asset account against another government bond or CNB bill for a short period of time. These facilities may be used for the period up to 90 days. The aim of these operations is to increase the liquidity of government bonds on the secondary market particularly in case of short-term excess of demand over supply regarding the particular government bond. The scope of realized medium-term and long-term government bonds lending facilities will primarily depend on the demand for particular government bonds from the investors with the fact, that the Ministry will be ready to flexibly satisfy this demand accordingly to the availability of government bonds on its asset account.

If necessary, the Ministry plans to continue to benefit from favourable conditions on the money market for short-term refinancing of foreign currency debt in the form of **deposit operations** or **foreign exchange swaps**, provided that a prudent approach is taken to manage financial risks and minimize interest costs.

The Ministry will continue to allow holders of accounts subordinate to the state treasury pursuant to paragraph 3 letter h) points 11 to 13 and 15 to 17 of Budgetary rules to use so-called **term deposits**.

Funds may also be obtained from the **international institutions** through the new or already signed loan contracts, if the Ministry achieves cost-favourable conditions than in case of the issuance of government bonds on domestic market with a similar residual time to maturity.

Programme for Buy-Backs and Exchange Operations on Secondary Market

The Ministry plans the inclusion of government bonds into buy-backs and exchange operations in dependence on market condition in particular segment of the yield curve and their execution will primarily depend on the demand from primary dealers and recognized dealers. The exchange operations and buy-backs of medium-term and

long-term government bonds will be available through the MTS Czech Republic. The impacts of these operations will affect the financing needs and borrowing requirement accordingly and will have positive effect on refinancing risk of the state debt portfolio.

Strategic Targets, Limits and Risk Parameters of the Debt Portfolio

In connection with the sufficient liquidity of treasury single accounts and relatively stable balances of the accounts owners mandatorily included into treasury single accounts, improvement of the efficiency and modernization of the state treasury liquidity management, the Ministry announces strategic targets and limits of refinancing and interest risk in the medium-term horizon. This concept allows the Ministry to flexibly react on short-term market conditions and interest of investors for instruments in particular segment of time to maturity or re-fixing.

in the medium-term horizon, the Ministry adjusted the target for the average time to maturity and for the average time to re-fixing. In addition, the Ministry monitors the risk parameters of the average time to maturity and the average time to re-fixing after offsetting the nearest state debt redemptions against cash resources from short-term reserve operations on money market and the total available state treasury liquidity.

Short-term deviation from established strategic medium-term targets and limits for risk parameters of debt portfolio for refinancing and interest risk is possible. However, the issuance in medium-term horizon will be planned so that the targets and limits defined in this Strategy will be fulfilled in medium-term horizon.

The currency risk is specified by the net foreign-currency exposure of state debt indicator taking into account also the foreign-currency exposure of the state financial assets. In this context, the net foreign-currency exposure of the state debt with the impact on state debt level and the net short-term foreign-currency exposure with the impact of the level of interest expenditure on the state debt service are distinguished. The limit is stipulated for both indicators and 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 sharp depreciation of the Czech Koruna exchange rate. Compared to the refinancing and the interest risk, the currency risk is relatively small, which is also regularly noted by the rating agencies in the evaluation of the Czech Republic.

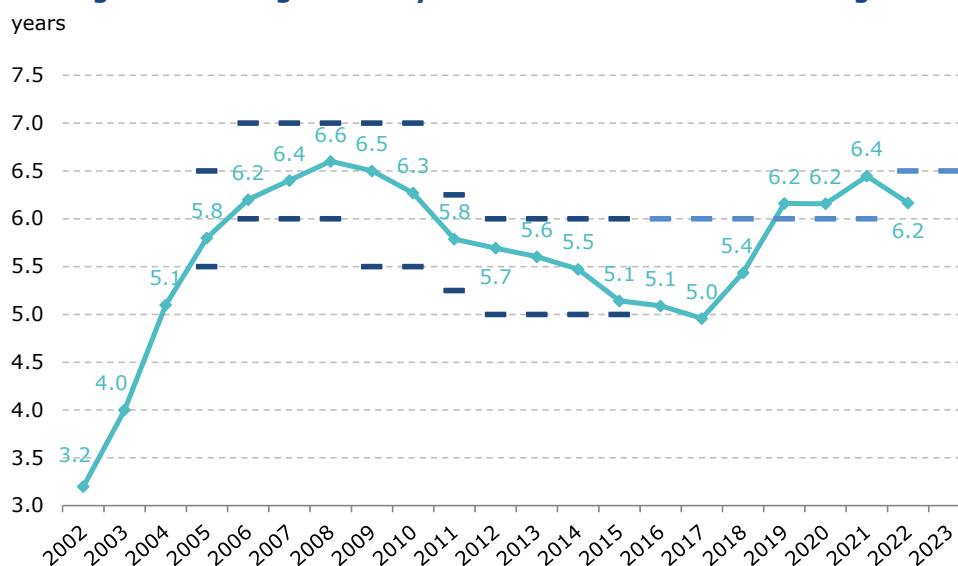
For 2023, the Ministry maintains the concept of refinancing risk management through the average time to maturity of state debt indicator and interest risk management through the average time to re-fixing of the state debt indicators using medium-term target values of these indicators. Despite the high uncertainty about the economic development in the following year and ultimately

Refinancing Risk

The limit for the share of the short-term debt (debt due within 1 year) is stipulated at 20.0% of the total state debt for the medium-term horizon. The limit for the share of the medium-term debt (debt due within 5 year) is stipulated at 70.0% of the

total state debt for the medium-term horizon. For the average time to maturity of the state debt, the target value of 6.5 years remains for the medium-term horizon.

Figure 2: Average Maturity of State Debt and Declared Targets



Note: At the end of each year.
Source: MoF

As a part of refinancing risk management, the indicator of the average time to maturity after offsetting reserve funds obtained from short-term operations on the money market and after taking into account the total available liquidity of the treasury single accounts is also important. There are not

set medium-term target values for these indicators of the average time to maturity. However, by the end of 2022, the levels of these indicators amounted to 6.5 years, respectively 7.4 years, which confirms stable refinancing and liquidity position of the Czech Republic.

Interest Risk

For the interest re-fixing of the debt portfolio within 1 year, the limit is retained at 40.0% of the total state debt for the medium-term horizon. For the average

time to re-fixing of the state debt, the target band of 5.0 years to 6.0 years remains for the medium-term horizon.

Currency Risk

For 2023, the Ministry retains the limit for both net foreign-currency exposure of the state debt indicators, i.e. the net foreign-currency exposure of state debt with the impact on the state debt level and the net short-term foreign-currency exposure

with the impact of the level of interest expenditure on the state debt service, at the level of 15.0% (up to 17.0% in the short-term) of total state debt, while foreign exchange swaps are also included in the net foreign-currency exposure.

State Debt Service Expenditure and Cost-at-Risk

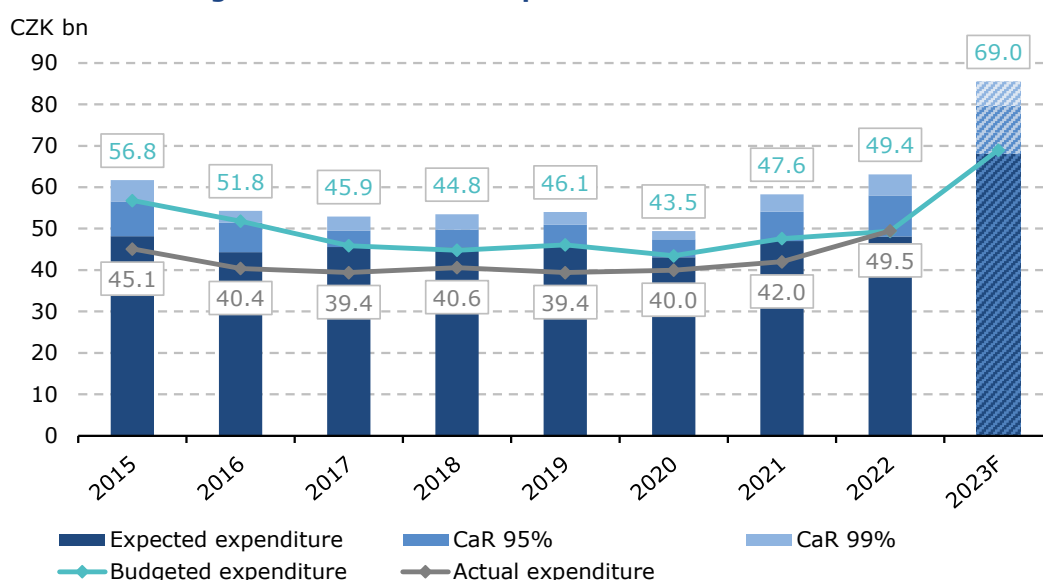
The Ministry applies a model framework known as Cost-at-Risk (furthermore CaR) for measuring and managing interest rate risk since 2005. This framework is based on the Value-at-Risk methodology and simulates future expected and maximum interest expenditure for a particular degree of risk, which is derived from the volatility of the time structure of interest rates. The stochastic element of the CaR model is the yield curve, and the deterministic element is the dynamic structure of the portfolio of state debt, which is based on the base case scenario of the funding programme while respecting the set strategic goals for managing financial risks.

The primary goal of the model is to determine the maximum interest expenditure on state debt, which

with 95% or 99% probability will not be exceeded (furthermore CaR 95% and CaR 99%). The secondary goal of the model is to estimate the actual interest expenditure on state debt. The simulation framework operates separately with the interest expenditure and interest revenue. The outcome of aggregation of interest expenditure and interest revenue is the net interest expenditure on state debt. Interest expenditure on state debt service in the model framework does not include fees related to state debt service, which are of a deterministic nature.

Over all the years the CaR methodology has been applied, the model has fulfilled the primary goal, since the simulated maximum interest expenditures were not exceeded in any of those years.

Figure 3: Net Interest Expenditure and Cost-at-Risk



Note: In 2015 to 2023, the figures represent the originally approved budget.
Source: MoF

Table 4: Net Interest Expenditure and Cost-at-Risk

CZK bn	2015	2016	2017	2018	2019	2020	2021	2022	2023
Budgeted expenditure¹	56.8	51.8	45.9	44.8	46.1	43.5	47.6	49.4	69.0
Actual expenditure	45.1	40.4	39.4	40.6	39.4	40.0	42.0	49.5	-
Expected expenditure	48.2	44.3	45.6	45.5	45.8	43.1	47.0	48.1	68.1
CaR 95%	56.6	51.4	49.6	49.7	50.9	47.4	54.1	58.0	79.8
CaR 99%	61.7	54.3	52.9	53.5	54.0	49.4	58.3	63.1	85.5

¹ From 2015 to 2023 the figures represent the originally approved budget.
Source: MoF

Net interest expenditure expected by the model in 2023 amounts to CZK 68.1 billion. Net interest expenditure at risk, i.e. CaR 99% amounts to CZK 85.5 billion (CaR 95% amounts to CZK 79.8 billion). Thus, the actual net interest expenditure in 2023 will not be higher by about CZK 17.4 billion compared to the expected expenditure with 99% probability. The budgeted interest expenditure on state debt service in 2023 amounts to

CZK 69.0 billion, i.e. by CZK 0.9 billion above expected net interest expenditure and by CZK 10.8 billion below the 95% percentile of the CaR indicator.

A more detailed quantification of interest expenditure on state debt service in 2023 through application of CaR methodology will be a part of the Czech Republic Government Debt Management Annual Report for 2022.

Primary Dealers and Recognized Dealers in Czech Republic Government Securities

For the year 2023, the number of primary dealers with whom the Primary Dealer Agreement for Czech Government Securities was concluded on the basis of the evaluation of the fulfillment of their obligations in 2022 remains 9. Their list is the content of the following table. Since 2022, in justified cases, these agreements are concluded as tripartite, thus ensuring a wider formalized coverage of all business relationships and activities,

implemented through multiple entities within the respective financial groups. This setting applies to 6 primary dealers for the year 2023. Goldman Sachs Bank Europe SE was also granted the status of recognized dealer of Czech government securities for 2023. Since the beginning of the year 2023, the contractual status of a so-called recognized dealer of Czech government securities denominated in the euro may also be newly granted.

Table 5: List of Primary Dealers and Recognized Dealers in Czech Republic Government Securities for 2023

Primary Dealers and Recognized Dealers	
Citibank Europe plc	Société Générale / Komerční banka, a.s.
Erste Group Bank AG / Česká spořitelna, a.s.	PPF banka a.s.
KBC Bank NV / Československá obchodní banka, a. s.	Raiffeisen Bank International AG / Raiffeisenbank a.s.
ING Bank Śląski S.A. / ING Bank N.V.	UniCredit Bank AG / UniCredit Bank Czech Republic and Slovakia, a.s.
J.P. Morgan SE	<i>Goldman Sachs Bank Europe SE (Recognized Dealer)</i>

Source: MoF

Calendar of Information Published in the First Half of 2023

January

Mo	Tu	We	Th	Fr	Sa	Su
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February

Mo	Tu	We	Th	Fr	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

March

Mo	Tu	We	Th	Fr	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April

Mo	Tu	We	Th	Fr	Sa	Su
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May

Mo	Tu	We	Th	Fr	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June

Mo	Tu	We	Th	Fr	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

- Publication of The Czech Republic Debt Management Annual Report for 2022
- on the last business day in February
- Publication of The Czech Republic Funding and Debt Management Strategy for 2023
- on 3 January 2023
- Expected publication of The Czech Republic Funding and Debt Management Strategy for 2023 - Second Half Update
- on the last business day of the first half of 2023
- Publication of The Czech Republic Debt Management Quarterly Report
- on the third Friday in April
- Publication of statistics of the Central Government Debt and Fiscal Data for the Czech Republic (SDDS Plus standard)
- on the last business day in February and on the third Friday in April
- Publication of the annual statistics on Development and Structure of the State Debt, Financing Needs and Sources of the Central Government and Interest Expenditure on the State Debt
- on the last business day in February
- Publication of the Statistics on Government Bonds by Type of Instrument, Statistics on Government Bonds by Type of Holder and Statistics on Government Bonds by Maturity
- on the last business day of the month
- Publication of the issuance calendars of T-Bills and T-Bonds for following month
- usually the fourth Monday in the month prior to the month of the respective auctions, except June, when issuance calendar will be published together with The Czech Republic Funding and Debt Management Strategy for 2023 - Second Half Update

Ministry reserves the right to change the date of publication due to flexible response to financial markets situation. Any change will be communicated to the public in time through Ministry's website.

The publication was prepared based on the information and data available on 3 January 2023. The Ministry reserves the right to promptly respond to the actual development of financing needs using its tools in the course of 2023. The fulfilment of the funding programme and announced strategic goals will depend of the development of the situation on domestic and foreign financial markets in terms of the minimization of expenditure on state debt service and financial risk management.

This publication is also available on the following website:

www.mfcr.cz/statedebt

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