



Ministry of Finance

Debt and Financial Assets  
Management Department

# **THE CZECH REPUBLIC**

## **GOVERNMENT DEBT MANAGEMENT**

### **ANNUAL REPORT**

# **2023**



29 February 2024



# **Ministry of Finance**

**The Czech Republic Government Debt Management  
Annual Report for 2023**

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ISSN 2336-5862 (Print)  
ISSN 2336-5870 (On-line)

Issued once a year, free distribution

Electronic archive  
[www.mfcz.cz/statedebt](http://www.mfcz.cz/statedebt)

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## List of Abbreviations

|                 |   |
|-----------------|---|
| APEI            | Aggregate Performance Evaluation Index  |
| bn              | Billion   |
| Budgetary Rules | Act No. 218/2000 Coll. on Budget Rules and Amendments of Some Relating Acts (Budgetary Rules) |
| CaR             | Cost-at-Risk  |
| CCY             | Currency  |
| CSD             | 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  |
| DETS            | Designated Electronic Trading System  |
| EA19            | Euro area (19 countries)  |
| EA20            | Euro area (20 countries including Croatia)  |
| ESA 2010        | European System of Accounts 2010  |
| EU              | European Union  |
| EUR             | Euro currency code  |
| EURIBOR         | Euro Interbank Offered Rate   |
| FIX             | Fixed-rate  |
| FX              | Foreign-exchange  |
| GDP             | Gross domestic product  |
| ISIN            | International Securities Identification Number  |
| JPY             | Japanese yen currency code  |
| mil             | Million   |
| MoF             | Ministry of Finance   |
| MTS             | Mercato Telematico Secondario   |
| OECD            | Organization for Economic Co-operation and Development  |
| p.a.            | Per annum   |
| p.p.            | Percentage point  |
| PRIBOR          | Prague Interbank Offered Rate   |
| 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   |

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.



## Summary

Ministry of Finance (hereinafter Ministry or MoF) presents to the public, in accordance with the calendar of published information for the first half of 2024 planned within the Czech Republic Funding and Debt Management Strategy for 2024 published on 4 January 2024, the Czech Republic Government Debt Management Annual Report for 2023 (hereinafter the Report). It contains a detailed evaluation of the dynamics and structure of state debt, issuance activity of state on the primary government bond market and operations of the Ministry on the secondary government bond market, the development of expenditure on state debt service, the evaluation of financial risks and debt portfolio risk management. The Report, which deals primarily with events in 2023, also includes more detailed quantification of the prediction of interest expenditure on state debt service in 2024 through the application of the Cost-at-Risk methodology.

The total financing needs in 2023, or the net borrowing requirement, was significantly affected by the development of the state budget performance, which had a direct impact on the increase in the state debt. Due to increased issuance activity during 2023, state debt increased by CZK 216.1 billion year-on-year from CZK 2,894.8 billion to CZK 3,110.9 billion. However, in relative terms to GDP, there was a year-on-year decrease from 42.7% to 42.3%, i.e. by approximately 0.3 percentage point.

Despite an increase in a state debt in previous years and developments in the conflict in Ukraine and geopolitical tensions in the Near and Middle East, the Czech Republic continues to maintain the highest credit rating among the Visegrad Four countries. The Czech Republic has also higher rating than many Euro Area member countries for several years. During 2023, S&P Global Ratings as well as Fitch confirmed their current ratings. In the latest Moody's assessment from the end of 2023, the rating of the Czech Republic was affirmed and the agency upgraded the outlook for the Czech Republic. According to Moody's, the decision to change the outlook from negative to stable is the result of a significant reduction in risks related to gas supplies from Russia, mainly due to imports from Norway and the acquisition of LNG terminal in the Netherlands.

The financing of gross borrowing requirement, which amounted to CZK 585.5 billion in 2023, was carried out mainly through the sale of CZK-denominated medium-term and long-term government bonds on the domestic bond market, which currently represents the primary instrument to cover the financing needs of the Czech Republic and accounts

for more than 90% of the total state debt. The gross issue of CZK-denominated medium-term and long-term government bonds on the primary and secondary markets amounted to CZK 518.0 billion, of which CZK 59.5 billion was in the form of variable-rate government bonds. The average time to maturity of newly sold government bonds was 9.1 years and the average yield to maturity of newly sold fixed-rate government bonds was 4.51% p.a. The higher average time to maturity of newly issued government bonds also affected the average time to maturity of the total state debt which reached the level of 6.4 years at the end of 2023 and was thus slightly below the medium-term target, which was maintained at 6.5 years in the Czech Republic Funding and Debt Management Strategy for 2023 published on 3 January 2023. As part of the refinancing risk, the indicator of the average time to maturity after taking into account cash resources from short-term reserve operations on the money market, respectively taking into the total available state treasury liquidity against the nearest state debt redemptions is also monitored. There are not set medium-term target values for these adjusted indicators of the average time to maturity. However, by the end of 2023, the levels of these adjusted indicators amounted to 6.5 years and 7.5 years, respectively, which confirms that the refinancing and liquidity position of the Czech Republic remains stable.

The sales of CZK-denominated medium-term and long-term government bonds on the primary market in a total nominal value of CZK 408.6 billion were supplemented by operations on the secondary market in the form of tap sales and exchange operations. The aim of these operations, among other things, is to manage refinancing risk, support the liquidity of Czech government bond issues and the efficient functioning of the secondary market. Through the MTS Czech Republic electronic trading platform, government bonds in a total nominal value of CZK 44.4 billion were sold as part of tap sales from its own asset account and government bonds in a total nominal value of CZK 65.0 billion were sold in exchange operations.

The net issue of CZK-denominated medium-term and long-term government bonds amounted to CZK 299.0 billion, when in 2023 two regular redemptions of CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 151.1 billion have been carried out and government bonds in a total nominal value of CZK 67.9 billion have been bought-back.

In 2023, no borrowing operations were carried out

on foreign bond markets and there were also no regular redemptions. In 2023, the euro funding needs was also covered in the short term by money market instruments, namely deposit operations and in particular state treasury bills denominated in the euro. In 2023, six issues of treasury bills denominated in euro in a total nominal value of EUR 4.5 billion were sold on the domestic market under Czech law, all of which were conducted in the form of multiple-price auction. The net issue of state treasury bills denominated in euro including revolving amounted to EUR 1.5 billion.

In the area of received loans and credits from international financial institutions, the first tranche of a loan from the European Investment Bank for railway infrastructure modernisation in a total nominal value of CZK 1.0 billion was received, as well as the first five tranches of a loan from the European Investment Bank for the development of the transport infrastructure in the Czech Republic in a total nominal value of CZK 10.0 billion were received. Subsequently, the first two tranches of a loan from the European Investment Bank for financing urgent expenses from the state budget and the public health insurance system related to Ukrainian refugees in the country in a total nominal value of CZK 1.5 billion were also received. In total, new loans from the European Investment Bank amounting CZK 12.5 billion were received in 2023, while regular repayments and also repayments before the maturity date of loans from the European Investment Bank amounting to CZK 6.0 billion were carried out.

During 2023, the available liquidity of the Czech koruna treasury single account was operationally and preventively strengthened through the short-term money market operations in the form of

increased sales of state treasury bills. During 2023, state treasury bills in a total nominal value of CZK 231.1 billion were sold in twenty-seven auctions and state treasury bills in a total nominal value of CZK 223.3 billion were redeemed. The net issue of state treasury bills including revolving was CZK 7.8 billion.

As part of the project of direct sale government bonds to citizens, no new issues of the “Dluhopis Republiky” government bonds were sold. In the form of reinvestment of the yield, government bonds in a total nominal value of CZK 10.5 billion were issued. In 2023, no regular redemptions of government bonds were made, but only redemptions before the set maturity date based on the exercise of holders’ rights in a total nominal value of CZK 1.3 billion were made. The net issuance of government bonds for citizens reached a total nominal value of CZK 9.2 billion.

Net expenditure on state debt service reached CZK 68.3 billion in 2023, which represents a year-on-year increase of CZK 18.8 billion. The nominal value of state debt, which has increased significantly in the last three years, and the higher level of key interest rates of Czech National Bank and government bond yields have been reflected in higher expenditure on state debt service.

Net revenue from state treasury liquidity management operations amounted to CZK 21.4 billion in 2023. The sum of state budget revenue from operations within the Czech koruna, euro and US dollar liquidity management of the state treasury and also from government bonds lending reached CZK 23.6 billion in 2023, while these revenues are netted against realised interest expenditure on state debt service.

# 1 – Macroeconomic Framework and Financial Markets

## Economic Development

Last year, the Czech economy teetered on the edge of recession. For the full year 2023, GDP is likely to have fallen by 0.6%. Households have been struggling with high inflation, so their real consumption has decreased further. Weaker year-on-year inventory accumulation

weighed substantially on the economy. Investment activity was affected by economic problems in euro area countries and restrictive monetary conditions, but was positively influenced by government spending and projects co-financed by EU funds.

**Table 1: Main Macroeconomic Indicators of the Czech Republic**

|   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023F             |
|---|------|------|------|------|------|------|-------------------|
| <b>Real GDP growth (%)</b>                                | 5.3  | 3.2  | 3.0  | -5.5 | 3.6  | 2.4  | -0.6              |
| <b>Household consumption growth (%)<sup>1</sup></b>       | 4.0  | 3.5  | 2.7  | -7.2 | 4.1  | -0.6 | -3.2              |
| <b>Government consumption growth (%)</b>                  | 1.8  | 3.9  | 2.5  | 4.2  | 1.4  | 0.3  | 3.1               |
| <b>Growth of gross fixed capital formation (%)</b>        | 4.9  | 10.0 | 5.9  | -6.0 | 0.8  | 3.0  | 2.0               |
| <b>Contribution of foreign trade to GDP growth (p.p.)</b> | 1.2  | -1.2 | 0.0  | -0.4 | -3.6 | 0.9  | 1.7               |
| <b>Average inflation rate (%)</b>                         | 2.5  | 2.1  | 2.8  | 3.2  | 3.8  | 15.1 | 10.7 <sup>2</sup> |
| <b>Unemployment rate (%)<sup>3</sup></b>                  | 2.9  | 2.2  | 2.0  | 2.6  | 2.8  | 2.2  | 2.6               |
| <b>Nominal wage and salary growth (%)</b>                 | 9.2  | 9.6  | 7.8  | 0.1  | 5.9  | 9.3  | 8.4               |
| <b>Current account balance on GDP (%)</b>                 | 1.5  | 0.4  | 0.3  | 2.0  | -2.8 | -6.1 | -0.2              |
| <b>CZK/EUR exchange rate<sup>4</sup></b>                  | 26.3 | 25.6 | 25.7 | 26.4 | 25.6 | 24.6 | 24.0 <sup>2</sup> |
| <b>Real Eurozone GDP growth (%)<sup>5</sup></b>           | 2.8  | 1.8  | 1.6  | -6.2 | 5.9  | 3.4  | 0.5               |

<sup>1</sup> Incl. non-profit institutions serving households.

<sup>2</sup> Officially published figure, not forecasted.

<sup>3</sup> Average unemployment rate based on the method of Labour Force Survey.

<sup>4</sup> Average annual exchange rate.

<sup>5</sup> EA19.

Source: MoF, CZSO

High inflation last year further slowed economic growth and lowered living standards. The average inflation rate reached 10.7% in 2023. Although annual inflation declined rapidly over the course of last year, it was boosted in Q4 by the base effect of the energy tariff. For most of 2023, annual inflation was well above the upper boundary of the Czech National Bank's inflation target tolerance band, which is set at one percentage point in either directions around 2%. Energy prices continued to be the dominant driver of inflation last year. Oil prices dampened year-on-year inflation last year, as did the exchange rate of the Czech koruna against the major world currencies, although both of these factors moved in an unfavourable direction towards the end of the year. There were no major inflationary pressures last year due to supply-side frictions, as the supply chain was already functioning without major problems. Private consumption was counter-inflationary due to a sharp decline in real incomes and a reduced willingness of households to spend. High monetary policy rates dampened inflation significantly last year.

The average exchange rate of the koruna against the euro in the last quarter of 2023 was 24.5 CZK/EUR, representing a year-on-year depreciation of 0.5%. However, on average for the whole of 2023, the Czech koruna appreciated by 2.3% against the euro to 24.0 CZK/EUR due to a stronger Czech koruna in the first half of the year, which was helped by the calming of

the situation on world markets, among other things in connection with positive developments in natural gas reserves. In 2023, the average exchange rate of the Czech koruna against the dollar was 22.2 CZK/USD, representing a year-on-year appreciation of around 5.2%. The average three-month PRIBOR rate was 7.1% p.a. in 2023. It was at similar levels for most of the year, which was related to the stability of the Czech National Bank's key interest rates.

The unemployment rate remained very low in 2023. Job vacancies continued to outnumber job seekers for most of last year, although the labour market mismatch eased due to weak economic activity and an influx of refugees from Ukraine. The tense situation on the labour market continued to exert pressure on nominal income growth, which, however, lagged behind the rate of inflation. The average unemployment rate in 2023 reached 2.6%.

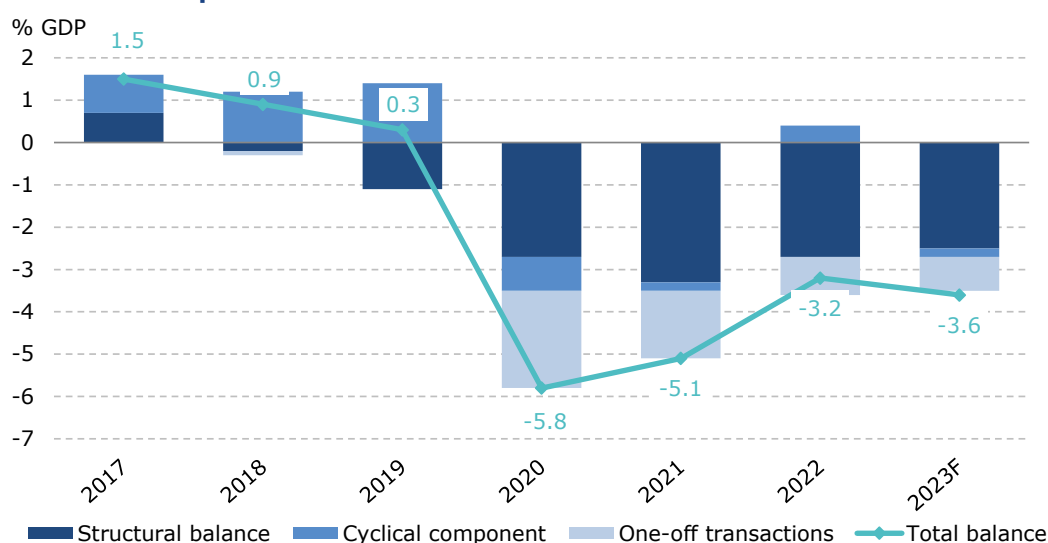
The balance of payments deficit stood at 1.0% of GDP in the third quarter of 2023. The significant quarter-on-quarter narrowing of the deficit was mainly due to a reduction in investment income outflows, mainly in the form of primary income dividends. The easing of price pressures in the industrial and energy sectors led to a more positive trade balance, driven by a stronger decline in imports. For the full year 2023, a slight current account deficit of 0.2% of GDP is estimated.

## General Government Sector Finances

The performance of the general government sector in 2023 reflected extraordinary revenues and expenditures related to the energy crisis, rising mandatory social spending and continued assistance to Ukrainian refugees. The expected value of the general government balance last year was 3.6% of GDP. Adjusted for the effect of the business cycle and one-off operations, the expected value of the general government structural balance last year was 2.5% of GDP. The effect of one-off operations, which is mainly

related to increases in energy prices, was 0.8% of GDP last year. The cyclical component was 0.2% of GDP. Given the expected increase in general government debt in 2023 and the expected high growth rate of nominal GDP, the debt ratio is expected to be 43.7% of GDP. As a result, government debt decreased by 0.5 pp year-on-year. The rising level of indebtedness and the development of interest rates led to an increase in interest costs, which probably reached 1.3% of GDP.

**Figure 1: The Czech Republic Government Sector Balance**



Note: The source of data is Macroeconomic Forecast of the Czech Republic – January 2024.  
Source: MoF

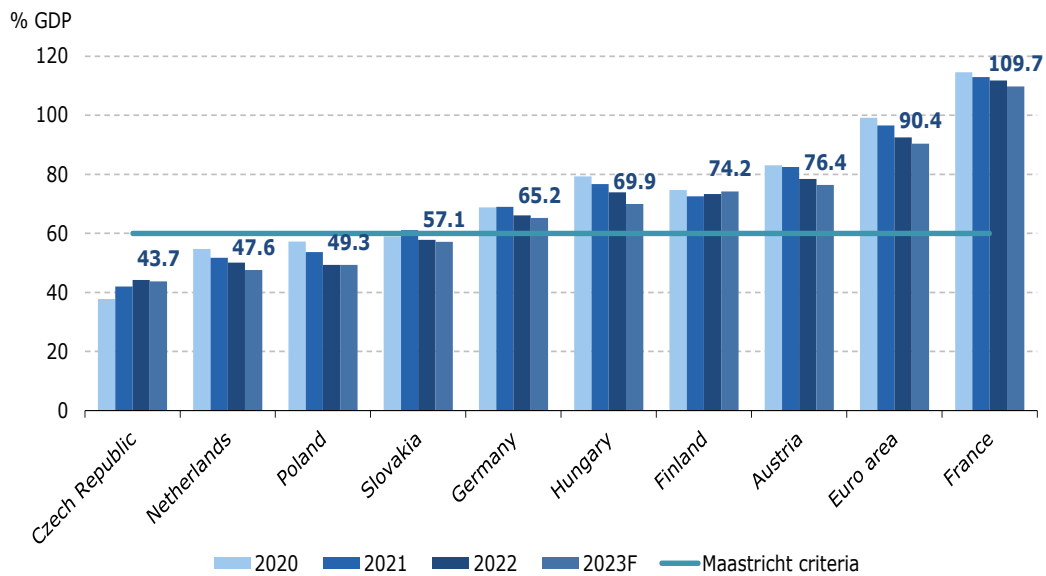
In 2023, the state budget in the national cash methodology resulted in a deficit of CZK 288.5 billion. The state budget deficit decreased by CZK 71.9 billion year-on-year and was lower by CZK 6.5 billion compared to the planned amount of CZK 295 billion. The state budget was affected by extraordinary revenues and expenditures related to the energy sector. On the expenditure side, the state budget was mainly affected by support to enterprises in energy-intensive industries, compensation for the loss of electricity and gas supplies and subsidies to transmission system operators. On the revenue side, windfall profits tax and levies on excess revenues had an impact.

Total revenue of the state budget in 2023 amounted to CZK 1,914.1 billion, which represented a year-on-year increase of CZK 289.7 billion, i.e. 17.8% more than in the previous year. The main contributors to this result were social security contributions and tax revenue, which increased by CZK 147.7 billion and CZK 51.6 billion, respectively. The significant increase in non-tax revenue of CZK 90.4 billion was due to funds from the European Union and financial mechanisms, increased by a payment from the Recovery and Resilience Facility (National Recovery Plan) and dividend income of ČEZ, a. s. in the amount of CZK 54.0 billion.

The total expenditure of the state budget in 2023 was CZK 2,202.6 billion, which was a year-on-year increase of CZK 217.8 billion, i.e. 11.0% more than in the previous year. The growth rate of total expenditure was mainly determined by the development of current expenditure, which increased by CZK 192.4 billion, i.e. by 10.7%. The payment of social benefits, in particular pensions, the implementation of emergency measures to address high energy prices and the impact of the war in Ukraine, and salaries for primary and secondary school staff had the largest impact on the year-on-year increase in current expenditure. Capital expenditure increased by CZK 25.4 billion, i.e. by 13.6% year-on-year. Growth was mainly driven by expenditure in transport, defence and housing.

According to the October notification, the general government consolidated gross debt in relation to GDP increased by 2.2 percentage points to 44.2% of GDP in 2022. In 2023, the debt ratio is projected to fall by 0.5 percentage points to 43.7% of GDP. In terms of meeting the Maastricht convergence criteria and the Stability and Growth Pact rules for debt, the indicator is thus below the 60% of GDP threshold, as well as below the national debt rule 55% of GDP threshold, which entered into force in February 2017 (Act No. 23/2017 Coll., on Budgetary Responsibility Rules).

**Figure 2: Government Sector Debt in Selected European Union Countries**

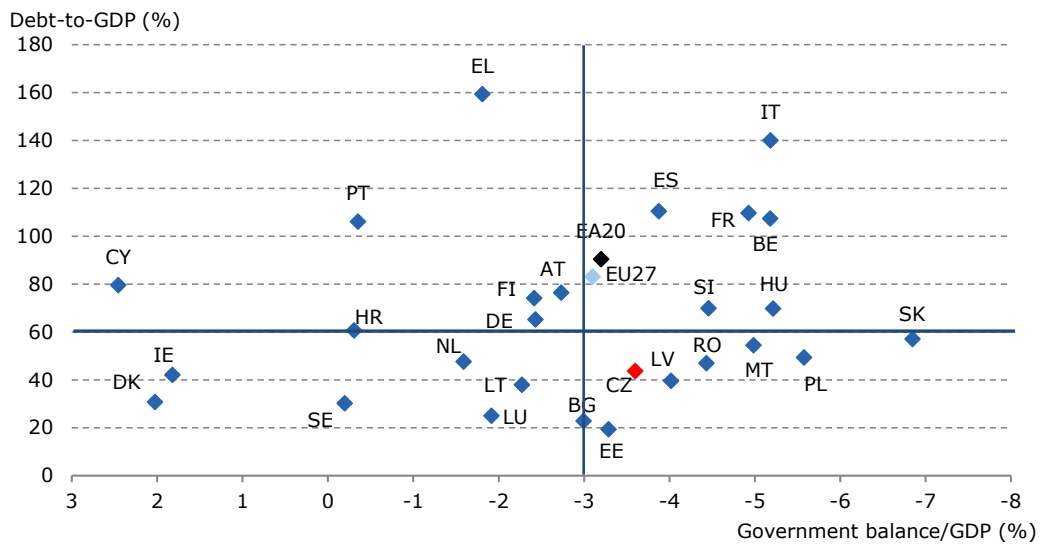


Note: The Maastricht criterion is a part of the condition for EU members to join the single currency union. The value of the share of government sector debt to GDP should not exceed 60%. Eurozone is stated in conception comprising 20 countries (including Croatia). Data sources are Fiscal Outlook of the Czech Republic – November 2023, European Economic Forecast – Autumn 2023 and Macroeconomic Forecast of the Czech Republic - January 2024. Source: MoF, Eurostat, European Commission

The Czech Republic is expected to have a debt-to-GDP ratio of 43.7% in 2023. Within the European Union, the Czech Republic belongs to the top third of countries

with the lowest relative debt. For 2023, a total of 14 countries are expected to meet the debt-fiscal criterion of 60% of GDP.

**Figure 3: Government Sector Deficit and Debt in European Union Countries in 2023**



Note: Eurozone is stated in conception comprising 20 countries (including Croatia). Data sources are Fiscal Outlook of the Czech Republic – November 2023, European Economic Forecast – Autumn 2023 and Macroeconomic Forecast of the Czech Republic - January 2024. Source: MoF, European Commission

## Financial Markets

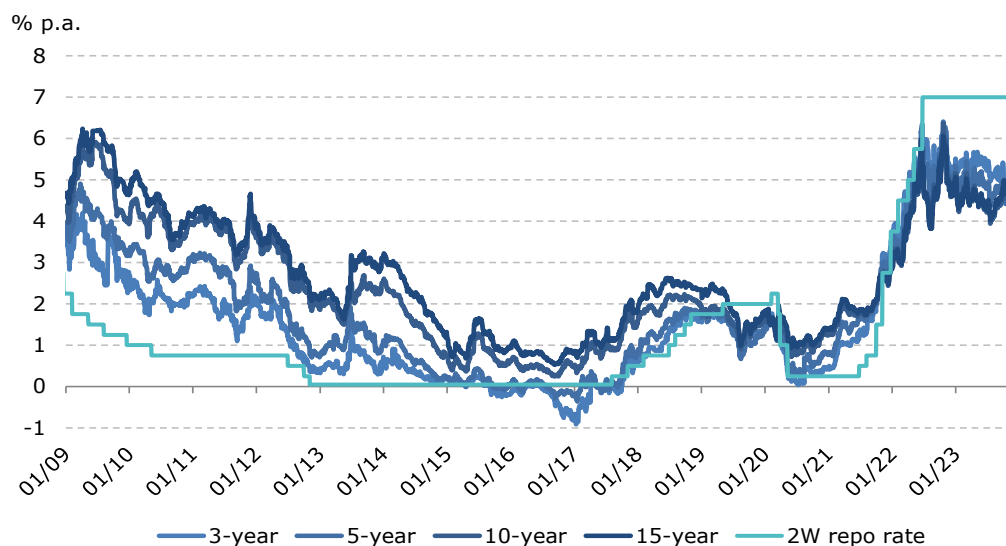
The development of Czech government bond yields in 2023 reflected the situation on the global government bond market and the Czech National Bank's monetary policy settings. The central bank kept key interest rates unchanged for almost the whole of 2023. The change took place at the monetary policy meeting in December 2023, when the 2T repo rate was reduced by 0.25 p.p. to 6.75% p.a. The decision was also influenced by the fact that cost-push inflationary pressures in the Czech economy, which originated in the external environment, and demand pressures stemming from the domestic economy were fading during the year. The reason for the high level of key interest rates in 2023 was the persistently high inflation rate and the central bank's related efforts to dampen inflation expectations.

The Czech National Bank's high level of key interest rates had a negative effect on government bond prices during 2023. As a result, the Czech government bond yield curve continued to have an inverted shape, which gradually eased during the year in line with the expected easing of the Czech National Bank's restrictive monetary policy. The decline in the yields of government bonds with longer maturities was limited by relatively high interest rates abroad.

At the beginning of 2023, the yield on 3-year, 5-year and 10-year government bond was 5.3% p.a., 5.2% p.a. and 5.0% p.a. In addition to the restrictive monetary policy of the Czech National Bank, these government bond yields were also affected during the year by the uncertainty arising from the situation in Ukraine and, at the end of the year, due to increased geopolitical risks associated with the conflict in Israel and their impact on the domestic economy.

Conditions on the Czech bond market were also strongly influenced by financial market expectations of the start of the central bank's key interest rate reduction cycle, which happened at the end of 2023. The yield on 3-year, 5-year and 10-year government bond was 4.0% p.a., 3.6% p.a. and 3.7% p.a., respectively. At the same time, the yield on the 5-year bond was lower than the yield on the 10-year bond since the beginning of the fourth quarter of 2023. Demand in government bond auctions remained strong in 2023. The continued interest in government bonds from domestic and foreign investors is reflected in the ratio of accepted orders to total orders for medium-term and long-term government bonds in primary auctions, the bid-to-cover ratio, which reached an average value of 2.0 in 2023.

**Figure 4: Development of Czech Government Bonds Yields and CNB 2W Repo Rate**



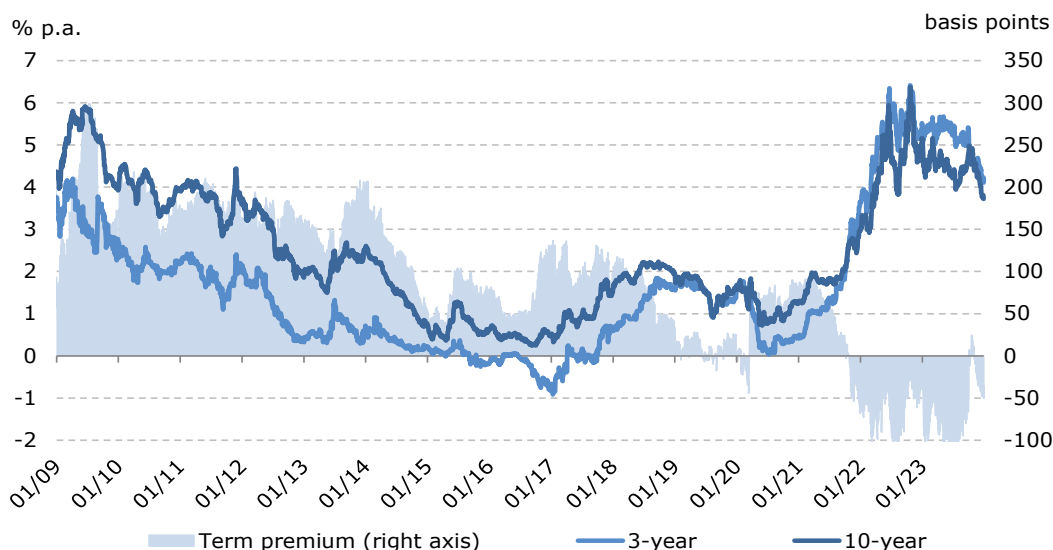
Source: CNB, Refinitiv

The development of the term premium was mainly influenced by domestic factors. For most of 2023, the term premium was negative, with yields at the shorter end of the yield curve higher than those at the longer end. The Czech government bond yield curve shifted to a lower level compared

to 2022, but the slope of the shorter end of the yield curve remained downward. Changes in the term premium in 2023 were mainly influenced by the central bank's monetary policy settings, the situation in Ukraine and geopolitical tensions in the Near and Middle East.



**Figure 5: Development of Czech Government Bonds Yields and Term Premium**

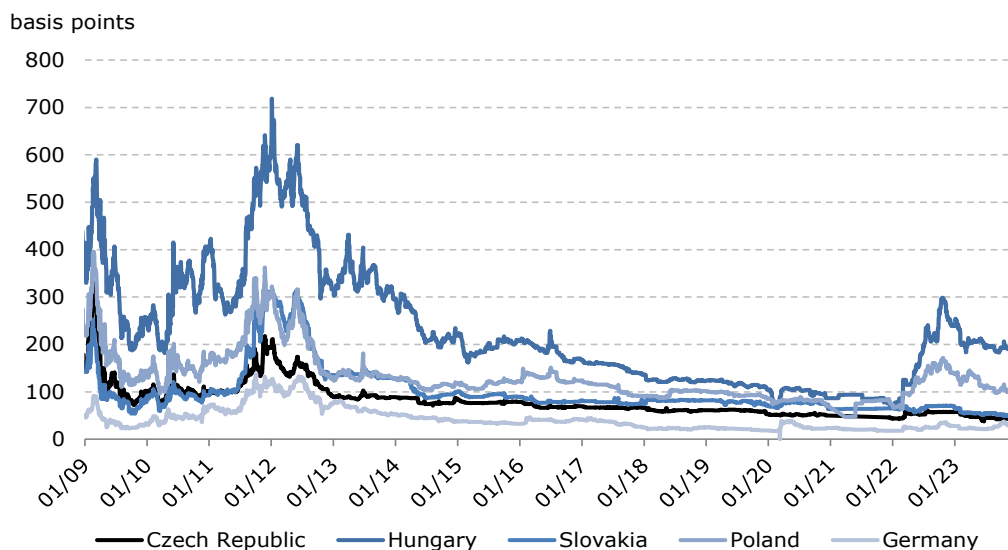


Source: Refinitiv

Czech 10-year government bond yields in 2023 reacted to the development of the Czech economy, which teetered on the edge of recession last year, and to the development of conflicts in Ukraine and the Near and Middle East. In 2023, the Czech Republic's risk premium was the lowest among countries of the Visegrad Group. The Czech credit default swap premium was 47 basis points, the premiums for Slovakia, Poland and Hungary were 54, 115 and 199 basis points, respectively. The government's conservative approach to fiscal policy and state debt

management remains an important factor in the long-term dynamics of government bond yields and has a positive impact on investor confidence. The Czech Republic continues to maintain an excellent reputation in financial markets, which is reflected in the high demand for medium-term and long-term government bonds at auctions. Thanks to the wide range of debt instruments in the different segments of the risk-free yield curve, investors have sufficient scope for diversification of their debt portfolio.

**Figure 6: Premiums on Credit Default Swaps in Selected Countries (10-year)**

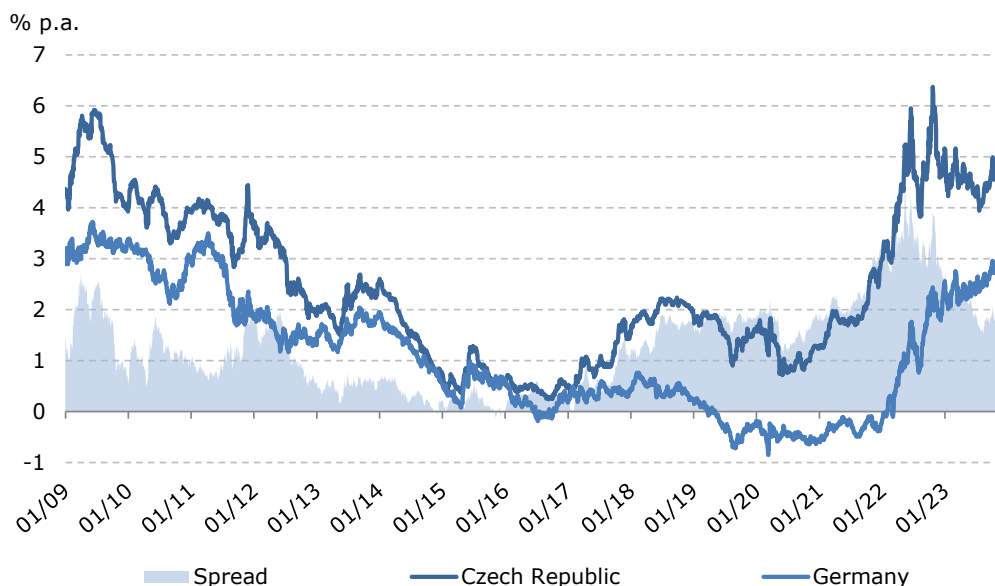


Source: Refinitiv

The gradual convergence of the 10-year Czech government bond yields and German “bunds”, which has begun in 2012 and peaked in January 2017, when the Czech government bond yield fell below the German “bund” for a short period of time, was replaced by a widening of their spread. In 2023, the spread between the 10-year Czech government bond and the German „bund” was at an average level of 2.0 p.b. Compared to 2022, there was a decrease, as the spread of these bonds was at an average level of 3.2 p.b. However, the widening of the spread is not the result of the rising risk premium of Czech government bonds, but of the different settings of the monetary policy settings of the Czech National Bank and the European Central Bank. The Czech National Bank kept the 2W repo

rate at 7.00% p.a. for almost the whole of 2023, with a slight reduction at the end of the year. In contrast, the European Central Bank raised the interest rate for its main refinancing operations in February from 2.50% p.a. to 3.00% p.a. In March, the rate was increased by 0.50 percentage point to 3.50% p.a., then in May by 0,25 percentage point to 3.75%. In June, the European Central Bank increased the main rate by 0,25 p.p. to 4,00% p.a., and in August by 0,25 p.p. to 4,25% p.a. In September, the main rate was increased again by 0,25 p.p. to 4,50% p.a. The main rate remained unchanged until the end of the year. On the bond markets, there is a wider interest rate differential between the German and Czech 10-year bond yields than in previous years.

**Figure 7: Comparison of Yields of the Czech and German 10-year Government Bonds**



Source: Refinitiv

The world economy in 2023 was significantly influenced by the ongoing military conflict in Ukraine, geopolitical tensions in the Near and Middle East, global inflation and the end of the cycle of interest rate increases by central banks. Inflation remained high in many countries in 2023 and major central banks, included the Federal Reserve and the European Central Bank, continued to tighten monetary policy by raising key interest rates, but this peaked during 2023. At the end of the year, the Federal Reserve’s key interest rate was in the target range of 5.25%-5.50% p.a., while

the European Central Bank’s key rate was at 4.50% p.a. Czech government bonds continued to provide an investment alternative compared to interbank interest rates in foreign markets. In the context of expected economic growth, high credit ratings and persistent interest rate differentials, foreign investors have no incentive to close positions quickly. On the contrary, they have maintained their positions even after the redemptions of the government bonds they hold, which should continue to have a positive impact on the demand for Czech government bonds.



## Czech Republic's Sovereign Credit Rating

The Czech Republic is assigned the highest overall rating of all Central and Eastern European countries and has been above the average rating of 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 2023, S&P Global Ratings confirmed the current rating at AA for long-term liabilities denominated in local currency and AA- for long-term liabilities denominated in foreign currencies. In addition, the Fitch Ratings

agency confirmed the AA- level rating for long-term liabilities denominated in local and foreign currencies. In the latest rating agency Moody's rating report from November 2023, the rating of the Czech Republic was confirmed at the Aa3 level for long-term liabilities in local and foreign currencies, while the agency improved the outlook for the Czech Republic. The decision to change the outlook from negative to stable is the result of a significant reduction in risks related to gas supplies from Russia, mainly due to imports from Norway and the acquisition of LNG terminal in the Netherlands.

**Table 2: Czech Republic's Credit Rating**

| Rating Agency      | Local currency long-term liabilities | Outlook  | Foreign currency long-term liabilities | Outlook  | Affirmed   |
|--------------------|--------------------------------------|----------|--|----------|------------|
| Moody's            | Aa3                                  | Stable   | Aa3                                    | Stable   | 24/11/2023 |
| S&P Global Ratings | AA                                   | Stable   | AA-                                    | Stable   | 13/10/2023 |
| Fitch Ratings      | AA-                                  | Negative | AA-                                    | Negative | 25/8/2023  |
| JCR                | AA                                   | Stable   | AA-                                    | Stable   | 30/6/2023  |
| R&I                | AA-                                  | Negative | AA-                                    | Negative | 19/12/2022 |
| Scope Ratings      | AA-                                  | Stable   | AA-                                    | Stable   | 26/5/2023  |
| ACRA               | AA                                   | Stable   | AA                                     | Stable   | 19/12/2023 |

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

## 2 - Borrowing Requirement and Development of State Debt

The borrowing requirement represents a key quantity in the system of public finances of a national economy, which determines the amount of financial resources that the government needed to obtain over the course of the respective calendar year through borrowing operations primarily on financial markets, in order to ensure that the planned annual financing needs are covered as a necessary condition for a smooth realization of expenditure of the state budget and government economic policy.

In addition to these borrowing operations which are the main determinant of the changes in the value of the state debt, the financing needs may also be covered by the operations with state financial assets or by the management of other state assets in extra-budgetary balance sheet operations, or through the involvement of available state treasury cash resources through refinancing mechanisms.

### Financing Needs and Sources

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 and through borrowings and loans, in particular from international institutions.

**Table 3: Financing Needs and Sources**

| CZK bn  | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Primary balance of state budget                                       | -33.6        | -43.7        | -11.0        | 327.3        | 377.5        | 310.7        | 220.2        |
| Net expenditure on state debt <sup>1</sup>                            | 39.8         | 40.7         | 39.6         | 40.1         | 42.2         | 49.7         | 68.3         |
| T-Bonds redemptions <sup>2</sup>                                      | 209.4        | 238.9        | 238.5        | 215.8        | 238.8        | 221.4        | 218.9        |
| Redemptions and early redemptions on savings government bonds         | 16.9         | 16.4         | 2.7          | 2.8          | 0.5          | 0.4          | 1.3          |
| T-Bills and other money market instruments redemptions <sup>3</sup>   | 4.2          | 44.0         | 43.5         | 18.4         | 25.4         | 49.0         | 145.2        |
| Repayments on credits and loans <sup>4</sup>                          | 5.1          | 8.0          | 4.7          | 5.8          | 6.0          | 4.4          | 6.0          |
| <b>Total financing needs</b>  | <b>241.7</b> | <b>304.4</b> | <b>317.9</b> | <b>610.2</b> | <b>690.4</b> | <b>635.6</b> | <b>660.0</b> |
| Gross T-Bills issue and other money market instruments <sup>3,5</sup> | 44.0         | 43.7         | 18.0         | 25.4         | 49.6         | 150.5        | 44.5         |
| Received collateral in cash   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Gross issue of T-Bonds on domestic market <sup>5</sup>                | 213.1        | 259.2        | 280.9        | 600.3        | 577.8        | 455.9        | 518.0        |
| Gross issue of T-Bonds on foreign markets <sup>5</sup>                | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Gross issue of savings government bonds <sup>6</sup>                  | 0.6          | 0.1          | 10.5         | 15.3         | 13.8         | 45.0         | 10.5         |
| Received credits and loans <sup>4</sup>                               | 0.0          | 0.0          | 0.0          | 5.3          | 54.9         | 60.7         | 12.5         |
| Financial asset and liquidity management                              | -16.1        | 1.3          | 8.5          | -36.1        | -5.6         | -76.5        | 74.5         |
| <b>Total financing sources</b>  | <b>241.7</b> | <b>304.4</b> | <b>317.9</b> | <b>610.2</b> | <b>690.4</b> | <b>635.6</b> | <b>660.0</b> |
| <b>Gross borrowing requirement</b>                                    | <b>257.7</b> | <b>303.1</b> | <b>309.4</b> | <b>646.3</b> | <b>696.0</b> | <b>712.0</b> | <b>585.5</b> |

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

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

<sup>3</sup> Excl. T-Bills issued and redeemed within respective year, 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> Incl. the reinvestment of yields.

Source: MoF

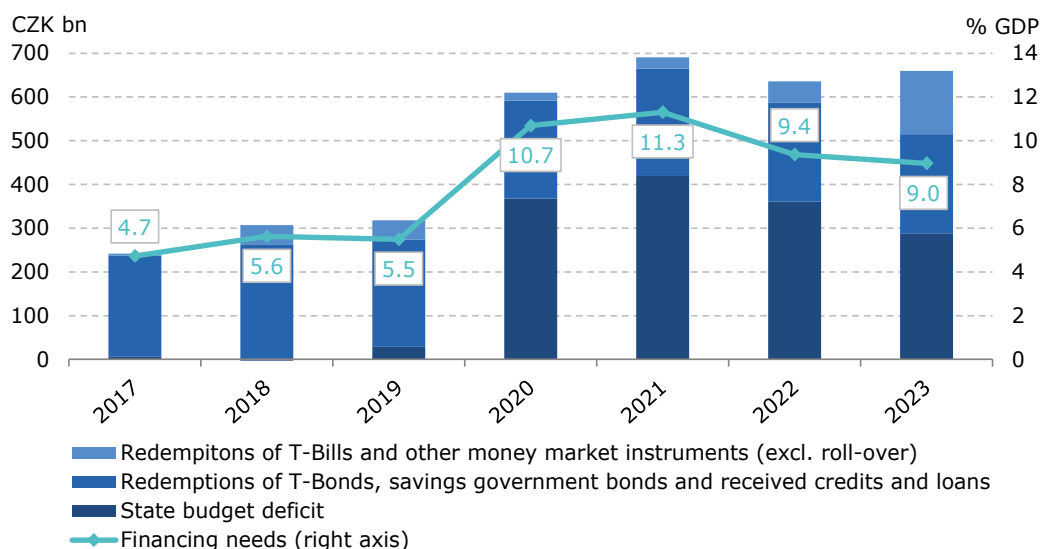
The financing needs in 2023 reached the level of CZK 660.0 billion and its amount was very significantly affected by the state budget deficit of CZK 288.5 billion. The total financing need is adjusted in accordance with the recommended

OECD international methodology for roll-over operations with treasury bills and for refinancing operations with other money market instruments, which take place within a calendar year and do not affect the net year-on-year change of these

components relative to the end of individual years. Thus, only the stocks of these short-term instruments at the end of the previous year enter into the total annual financing needs in a given year.

The following figure shows the components of financing needs, including the state treasury bills and other money market instruments outstanding at the end of the previous period, which also need to be refinanced in the current year, and the share of financing needs and gross borrowing requirement in GDP.

**Figure 8: Financing Needs**



Note: GDP in the ESA 2010 methodology. The source of data for 2017 to 2022 is CZSO, for 2023 the Macroeconomic Forecast of the Czech Republic – January 2024. T-Bonds redemptions including effect of buy-backs and exchange operations. Credits and loans received from international financial institutions and European Commission. Source: MoF, CZSO

## Financing of the Gross Borrowing Requirement

The gross borrowing requirement determines that part of the sources covering financing needs, which are ensured by the borrowing operations of the state, i.e. determines the total amount of financial resources the government must obtain mainly through the issuance and sale of government bonds and the through received loans and credits. The

resulting gross borrowing requirement may be lower than the annual financing needs if financial assets or liquidity management operations are actively involved as a source of funding and, conversely, may be higher if financial assets are accumulated through government borrowing operations.

**Table 4: Financing of the Gross Borrowing Requirement**

| CZK bn  | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Gross borrowing requirement</b>  | <b>257.7</b> | <b>303.1</b> | <b>309.4</b> | <b>646.3</b> | <b>696.0</b> | <b>712.0</b> | <b>585.5</b> |
| Gross T-Bills issue and other money market instruments <sup>1,2</sup>       | 44.0         | 43.7         | 18.0         | 25.4         | 49.6         | 150.5        | 44.5         |
| Received collateral in cash   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Gross issue of T-Bonds on domestic market <sup>2</sup>                      | 213.1        | 259.2        | 280.9        | 600.3        | 577.8        | 455.9        | 518.0        |
| Gross issue of T-Bonds on domestic market up to 5 years <sup>2,3</sup>      | 84.2         | 45.0         | 48.1         | 268.2        | 113.6        | 168.5        | 23.2         |
| Gross issue of T-Bonds on domestic market from 5 to 10 years <sup>2,3</sup> | 70.9         | 94.9         | 71.7         | 178.9        | 239.8        | 185.5        | 330.3        |
| Gross issue of T-Bonds on domestic market over 10 years <sup>2,3</sup>      | 58.0         | 119.3        | 161.1        | 153.1        | 224.4        | 101.8        | 164.4        |
| Gross issue of T-Bonds on foreign markets <sup>2</sup>                      | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Gross issue of savings government bonds <sup>4</sup>                        | 0.6          | 0.1          | 10.5         | 15.3         | 13.8         | 45.0         | 10.5         |
| Received credits and loans <sup>5</sup>                                     | 0.0          | 0.0          | 0.0          | 5.3          | 54.9         | 60.7         | 12.5         |
| <b>Total financing of gross borrowing requirement</b>                       | <b>257.7</b> | <b>303.1</b> | <b>309.4</b> | <b>646.3</b> | <b>696.0</b> | <b>712.0</b> | <b>585.5</b> |

<sup>1</sup> Excl. T-Bills issued and redeemed within respective year, and roll-over of other money market instruments.

<sup>2</sup> Nominal value; premiums and discounts are included in net expenditure on state debt service, i.e. they are included in the net borrowing requirement.

<sup>3</sup> Remaining time to maturity at the transaction settlement date.

<sup>4</sup> Incl. reinvestment of yields.

<sup>5</sup> Credits and loans received from international financial institutions and European Commission.

Source: MoF

## Net Borrowing Requirement, Change and Structure of State Debt

The net borrowing requirement is the major factor in the change in the nominal value of state debt and is determined by the difference between gross borrowing requirement and the total redemptions of state debt, including related derivatives. In the case of zero net change in state financial assets, the net borrowing

requirement corresponds to the sum of state budget deficit and any potential extra-budgetary financing needs. The net borrowing requirement thus shows the amount of financial resources the government will have to borrow in addition to the already borrowed financial resources in previous years due in the current year.

**Table 5: Net Borrowing Requirement**

| CZK bn   | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Gross borrowing requirement</b>                                 | <b>257.7</b> | <b>303.1</b> | <b>309.4</b> | <b>646.3</b> | <b>696.0</b> | <b>712.0</b> | <b>585.5</b> |
| T-Bonds redemptions <sup>1</sup>                                   | 209.4        | 238.9        | 238.5        | 215.8        | 238.8        | 221.4        | 218.9        |
| Redemptions and early redemptions on savings government bonds      | 16.9         | 16.4         | 2.7          | 2.8          | 0.5          | 0.4          | 1.3          |
| T-Bills and other money market instrument redemptions <sup>2</sup> | 4.2          | 44.0         | 43.5         | 18.4         | 25.4         | 49.0         | 145.2        |
| Repayments on credits and loans <sup>3</sup>                       | 5.1          | 8.0          | 4.7          | 5.8          | 6.0          | 4.4          | 6.0          |
| <b>Net borrowing requirement</b>                                   | <b>22.2</b>  | <b>-4.2</b>  | <b>20.0</b>  | <b>403.5</b> | <b>425.3</b> | <b>436.9</b> | <b>214.0</b> |

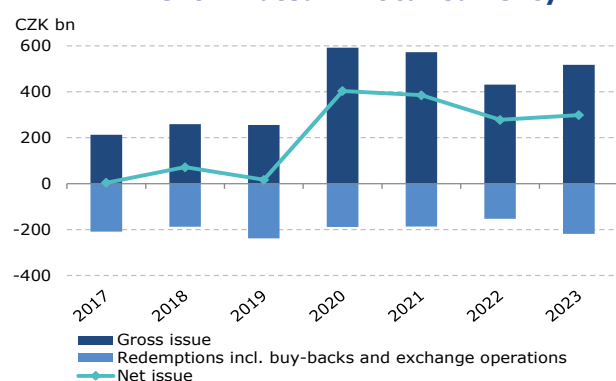
<sup>1</sup> Incl. effect of buy-backs and exchange operations.

<sup>2</sup> Excl. T-Bills issued and redeemed within respective year, and roll-over of other money market instruments.

<sup>3</sup> Credits and loans received from international financial institutions and European Commission.

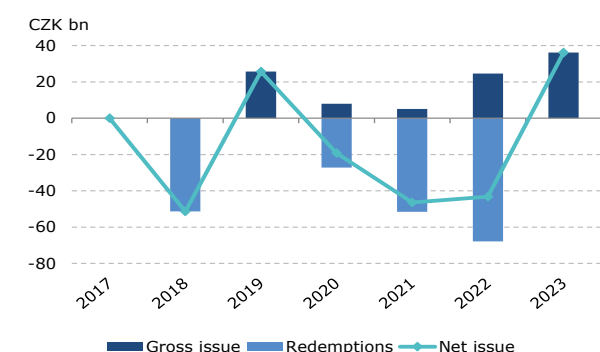
Source: MoF

**Figure 9: Net Issue of Government Bonds Denominated in Local Currency**



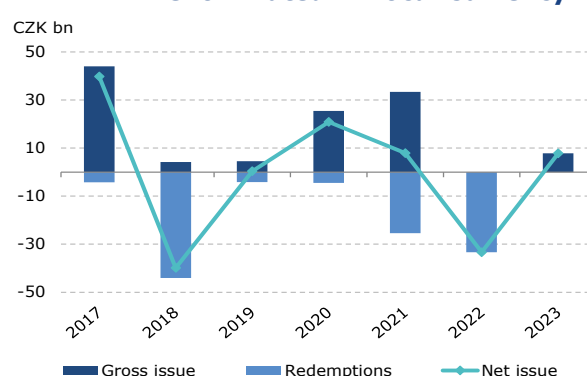
Note: Including CZK-denominated T-Bonds.  
Source: MoF

**Figure 10: Net Issue of Government Bonds Denominated in Foreign Currency**



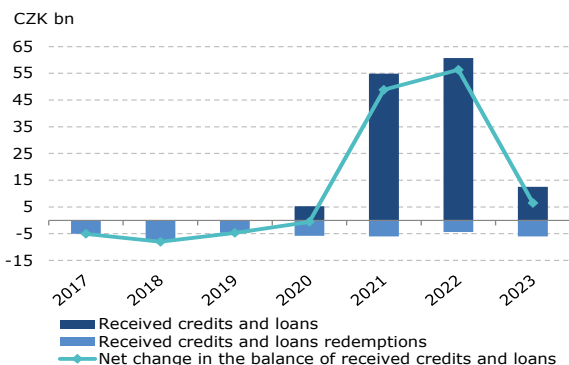
Note: Including foreign currency T-Bonds and T-Bills.  
Source: MoF

**Figure 11: Net Issue State Treasury Bills Denominated in Local Currency**



Source: MoF

**Figure 12: Net Change in the Balance of Received Credits and Loans**



Note: Credits and loans received from international financial institutions and European Commission.  
Source: MoF

**Table 6: Net Borrowing Requirement and Change in State Debt**

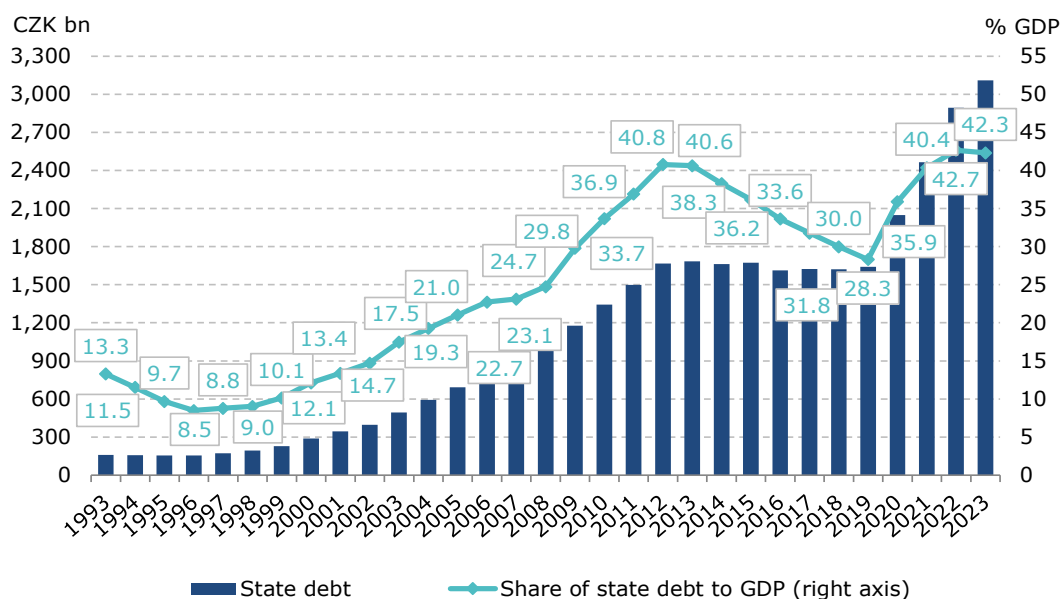
| CZK bn  | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Gross state debt as at 1 January</b>   | <b>1,613.4</b> | <b>1,624.7</b> | <b>1,622.0</b> | <b>1,640.2</b> | <b>2,049.7</b> | <b>2,465.8</b> | <b>2,894.8</b> |
| Primary state budget balance  | -33.6          | -43.7          | -11.0          | 327.3          | 377.5          | 310.7          | 220.2          |
| Net expenditure on state debt service <sup>1</sup>                                | 39.8           | 40.7           | 39.6           | 40.1           | 42.2           | 49.7           | 68.3           |
| Financial asset and liquidity management operations                               | 16.1           | -1.3           | -8.5           | 36.1           | 5.6            | 76.5           | -74.5          |
| <b>Net borrowing requirement</b>  | <b>22.2</b>    | <b>-4.2</b>    | <b>20.0</b>    | <b>403.5</b>   | <b>425.3</b>   | <b>436.9</b>   | <b>214.0</b>   |
| T-Bills net issue and net change in the balance of other money market instruments | 39.8           | -0.3           | -25.5          | 7.1            | 24.2           | 101.5          | -100.7         |
| T-Bonds net issue on domestic market  | 3.8            | 71.7           | 42.4           | 411.7          | 389.5          | 302.4          | 299.0          |
| T-Bonds net issue on foreign markets  | 0.0            | -51.4          | 0.0            | -27.2          | -50.5          | -67.8          | 0.0            |
| Savings government bonds net issue  | -16.3          | -16.3          | 7.8            | 12.6           | 13.3           | 44.5           | 9.2            |
| Net change in balance of received credits and loans <sup>2</sup>                  | -5.1           | -8.0           | -4.7           | -0.6           | 48.8           | 56.3           | 6.5            |
| <b>Financing of net borrowing requirement</b>                                     | <b>22.2</b>    | <b>-4.2</b>    | <b>20.0</b>    | <b>403.5</b>   | <b>425.3</b>   | <b>436.9</b>   | <b>214.0</b>   |
| Revaluation of state debt <sup>3</sup>  | -10.9          | 1.5            | -1.8           | 6.0            | -9.3           | -7.8           | 2.0            |
| Promissory notes and unpaid principals of government securities net change        | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.1            | 0.0            |
| <b>Gross state debt change</b>  | <b>11.3</b>    | <b>-2.7</b>    | <b>18.2</b>    | <b>409.5</b>   | <b>416.0</b>   | <b>429.1</b>   | <b>216.1</b>   |
| <b>Gross state debt as at 31 December</b>   | <b>1,624.7</b> | <b>1,622.0</b> | <b>1,640.2</b> | <b>2,049.7</b> | <b>2,465.7</b> | <b>2,894.8</b> | <b>3,110.9</b> |
| <b>Share of GDP (%)<sup>4</sup></b>   | <b>31.8</b>    | <b>30.0</b>    | <b>28.3</b>    | <b>35.9</b>    | <b>40.4</b>    | <b>42.7</b>    | <b>42.3</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 foreign currency denominated debt due to exchange rate differences and the consolidation of state debt from bonds that were initially recorded on the asset account maintained by the Ministry in the relevant records for as long as they are registered in the account as well own bonds acquired by the state as their issuer prior to their maturity date, and financial resources received or repaid under the lending facilities provided from the nuclear portfolio.

<sup>4</sup> GDP in the ESA 2010 methodology. The source of data for 2017 to 2022 is CZSO, for 2023 the Macroeconomic Forecast of the Czech Republic – January 2024. Source: MoF, CZSO

**Figure 13: Czech Republic's State Debt Development**

Note: GDP in the ESA 2010 methodology. The source of data for 1993 to 2022 is CZSO, for 2023 the Macroeconomic Forecast of the Czech Republic – January 2024. Source: MoF, CZSO

**Table 7: Balance and Structure of the Debt Portfolio**

| CZK bn  | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Gross state debt</b>   | <b>1,624.7</b> | <b>1,622.0</b> | <b>1,640.2</b> | <b>2,049.7</b> | <b>2,465.7</b> | <b>2,894.8</b> | <b>3,110.9</b> |
| T-Bills and other money market instruments                      | 44.0           | 43.6           | 18.0           | 25.4           | 49.2           | 147.1          | 44.9           |
| Received collateral in cash                                     | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| T-Bonds issued on domestic market                               | 1,305.4        | 1,377.1        | 1,419.2        | 1,831.6        | 2,219.8        | 2,521.3        | 2,821.2        |
| T-Bonds issued on foreign markets                               | 202.6          | 152.9          | 151.5          | 129.2          | 74.1           | 5.1            | 4.7            |
| Savings government bonds  | 21.5           | 5.2            | 13.0           | 25.6           | 38.9           | 83.4           | 92.6           |
| Received credits and loans <sup>1</sup>                         | 51.2           | 43.2           | 38.5           | 38.0           | 83.7           | 137.8          | 147.4          |
| Promissory notes and unpaid principals of government securities | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.1            | 0.1            |
| <b>Liquid state financial assets</b>                            | <b>60.5</b>    | <b>61.9</b>    | <b>83.6</b>    | <b>81.7</b>    | <b>63.1</b>    | <b>47.7</b>    | <b>76.3</b>    |
| Nuclear portfolio   | 27.2           | 28.7           | 30.5           | 32.1           | 33.6           | 36.7           | 40.5           |
| Pension portfolio   | 23.1           | 23.2           | 41.9           | 38.5           | 18.6           | 0.3            | 0.6            |
| Special-purpose state financial assets accounts                 | 10.1           | 9.8            | 11.1           | 11.1           | 10.9           | 10.7           | 10.4           |
| On-lending over 1 year <sup>2</sup>                             | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 24.7           |
| Cash reserve <sup>3</sup>                                       | 0.2            | 0.2            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>State financial assets</b>                                   | <b>60.5</b>    | <b>61.9</b>    | <b>83.6</b>    | <b>81.7</b>    | <b>63.1</b>    | <b>71.8</b>    | <b>94.3</b>    |
| Liquid state financial assets                                   | 60.5           | 61.9           | 83.6           | 81.7           | 63.1           | 47.7           | 76.3           |
| On-lending <sup>4</sup>   | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 24.1           | 18.0           |
| <b>Net debt portfolio</b>                                       | <b>1,564.2</b> | <b>1,560.1</b> | <b>1,556.6</b> | <b>1,968.1</b> | <b>2,402.6</b> | <b>2,823.0</b> | <b>3,016.6</b> |

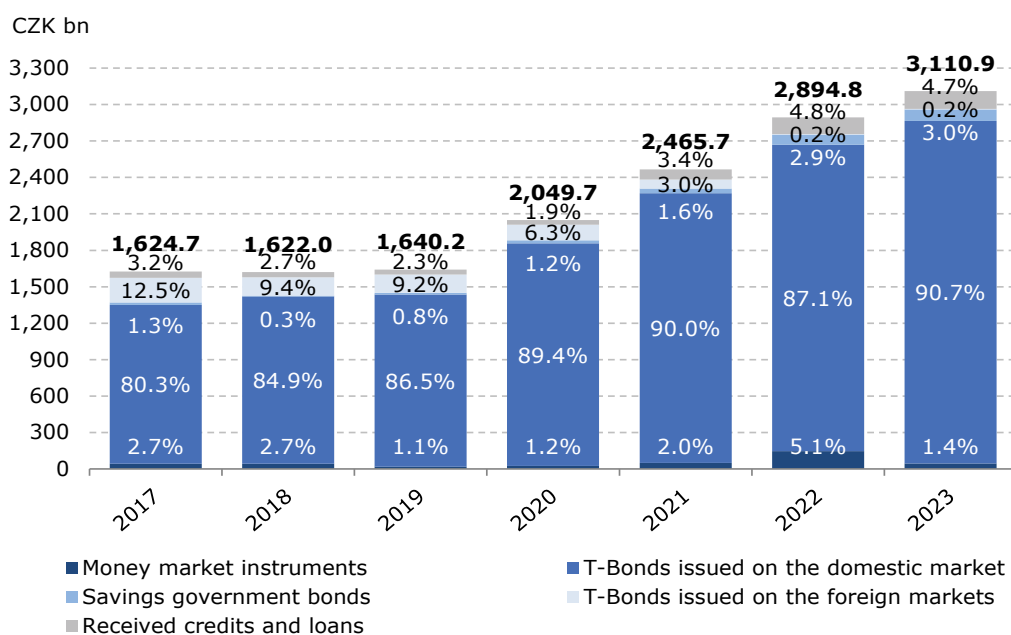
<sup>1</sup> Credits and loans received from international financial institutions and European Commission.

<sup>2</sup> Extra-budgetary loans with original maturity of over 1 year and the estimated remaining time to maturity shorter than 12 months granted to other countries and domestic legal entities.

<sup>3</sup> Available cash resources created according to Section 35(4) of Act No. 218/2000 Coll. incl. the impact of exchange rate difference of the CZK value of the part of the cash reserve in foreign currencies.

<sup>4</sup> Extra-budgetary loans with original maturity of over 1 year and the estimated remaining time to maturity longer than 12 months granted to other countries and domestic legal entities.

Source: MoF

**Figure 14: Structure of the Debt Portfolio by Instrument**

Note: Credits and loans received from international financial institutions and European Commission.

Source: MoF

## State Treasury Liquidity Management

During the third quarter of 2023, in cooperation with the Czech National Bank, a treasury single account in the US dollar was established, and related operations on the money market in the form of reverse repo operations were initiated. This resulted in a further significant expansion of the history of successful operation of the treasury single accounts, which have been maintained by the Czech National Bank in the Czech koruna since 2001 and in the euro since 2013.

In connection with the amendment to the Budgetary Rules, the accounts of state-owned companies will be included in the State Treasury with a nine-month transition period, effective from 1 July 2023.

In cooperation with the Czech National Bank, the project of term deposits continued in Czech koruna, in euro and now also in the US dollar. Term deposits are intended for clients of the state treasury in accordance with Section 33(11) of Budgetary Rules, who are allowed to keep funds in

an account subordinated to the state treasury in an agreed amount and for a predetermined period, for which they will receive an interest-replacing cash payment. This instrument supports the stabilization of the state treasury funds, which can thus be used for state debt and available state treasury liquidity management over a period of more than one year, or in the case of euro and the US dollar for the purpose of state debt and available state treasury liquidity management for up to one year.

These steps lead to a further increase in the state treasury available funds, which are more effectively managed according to the current needs of the state and at the same time are also better valued by investing within the framework of state treasury liquidity management. At the same time, the position of the Czech Republic on the financial market is further strengthened, enabling further efficiency in the management of state borrowing operations and a reduction in interest expenditure of the state budget.

**Table 8: State and Structure of Resources and Investment Position of the State Treasury**

| CZK bn, EUR bn  | 2021         |            | 2022         |            | 2023         |            |            |
|---|--------------|------------|--------------|------------|--------------|------------|------------|
|   | CZK          | EUR        | CZK          | EUR        | CZK          | EUR        | USD        |
| <b>Liquid state financial assets</b>                                | <b>63.1</b>  | <b>0.0</b> | <b>47.7</b>  | <b>0.0</b> | <b>51.6</b>  | <b>0.0</b> | <b>0.0</b> |
| Mandatory clients of state treasury <sup>1</sup>                    | 291.4        | 0.4        | 331.9        | 0.6        | 397.8        | 0.3        | 0.1        |
| Optional clients of state treasury                                  | 168.8        | 0.0        | 191.0        | 0.0        | 174.6        | 0.0        | 0.0        |
| Liabilities to the state treasury (-)                               | -33.7        | -0.4       | -93.8        | 2.8        | -82.2        | 0.2        | 0.0        |
| <b>Total liquidity position of the state treasury<sup>2</sup></b>   | <b>489.6</b> | <b>0.0</b> | <b>476.9</b> | <b>3.3</b> | <b>541.8</b> | <b>0.5</b> | <b>0.1</b> |
| Reverse repo operations (T-Bills collateral)                        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0        |
| Reverse repo operations (T-Bonds collateral)                        | 0.0          | 0.0        | 0.0          | 0.3        | 0.0          | 0.2        | 0.0        |
| Reverse repo operations (CNB bills collateral)                      | 0.0          | 0.0        | 35.0         | 1.1        | 235.1        | 0.3        | 0.0        |
| Reverse repo operations (foreign securities collateral)             | 0.0          | 0.0        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0        |
| Provided deposits and short-term borrowings and loans               | 6.0          | 0.0        | 15.0         | 0.0        | 24.0         | 0.0        | 0.0        |
| On-lending <sup>3</sup>   | 0.0          | 0.0        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0        |
| Investment in securities  | 2.6          | 0.0        | 2.6          | 0.0        | 1.7          | 0.0        | 0.0        |
| Provided collateral in cash   | 0.0          | 0.0        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0        |
| Cash resources in treasury single account                           | 481.0        | 0.0        | 424.2        | 1.9        | 281.0        | 0.0        | 0.0        |
| Ministry's cash resources in commercial banks accounts <sup>4</sup> | 0.0          | 0.0        | 0.0          | 0.0        | 0.0          | 0.0        | 0.0        |
| <b>Total investment position of the state treasury</b>              | <b>489.6</b> | <b>0.0</b> | <b>476.9</b> | <b>3.3</b> | <b>541.8</b> | <b>0.5</b> | <b>0.1</b> |

<sup>1</sup> Excl. quasi-clients of the state treasury (state debt and state financial assets).

<sup>2</sup> Available liquidity of the state treasury incl. investments outside state treasury liquidity management accounts.

<sup>3</sup> Extra-budgetary loans with maturity of over 1 year and the estimated remaining time to maturity shorter than 12 months granted to other countries and domestic legal entities.

<sup>4</sup> Incl. cash resources in transit.

Source: MoF

In 2023, income from state treasury liquidity management amounted to CZK 23,576.5 million. The year-on-year increase was mainly due to an increase in the state treasury available cash in the euro combined with a growth in euro interest rates and the Czech

National Bank's stable key interest rates, which were reduced only in December 2023. This was reflected in the increase in income from investment operations in the framework of the liquidity management of the Czech koruna and the euro state treasury.



As part of the Czech koruna state treasury liquidity management and investment operations for the nuclear portfolio financial assets management, short-term investments using Czech National Bank bills or government bonds as collateral were made in 2023, in a total nominal value of CZK 12,943.9 billion. The average interest rate achieved in these operations increased compared to the previous year, rising to 6.7% p.a. The total income from loans in accordance with Article 35(5) of the Budgetary Rules amounted to CZK 89.7 million. The interest-replacing cash payments amounted to CZK 783.0 million. At the same time, interest on current bank account balances generated an income of CZK 3.4 million. A total of CZK 21,395.8 million was transferred to the state budget in 2023 from the proceeds of the koruna state treasury liquidity management.

As part of the euro state treasury liquidity management, short-term investments were made in 2023 using collateral of Czech National Bank bills or government bonds in a total nominal value of EUR 30,127 million. These operations achieved an average interest rate of 3.0% p.a. Total income from granted loans and credits amounted to CZK 2,598.9 million. Interest on current bank account balances generated an income of CZK 10.9 million. A total of CZK 2,157.4 million was transferred to the state budget in 2023 from the proceeds of the

euro state treasury liquidity management.

As part of the US dollar state treasury liquidity management, short-term investments were made in 2023 using collateral of Czech National Bank bills or government bonds in a total nominal value of USD 570,0 million. These operations achieved an average interest rate of 5.2% p.a. Interest on current bank account balances generated an income of CZK 1.7 million. A total of CZK 18.2 million was transferred to the state budget in 2023 from the proceeds of the US dollar state treasury liquidity management.

Further savings of the state budget are achieved by conducting operations on the foreign exchange market, which are intended for mediation of foreign currency payments from and to the state budget (e.g. the chapter of the Ministry of Transport, the Ministry of Defence, the Ministry of Education, Youth and Sports, the Ministry of Environment, the Ministry of Foreign Affairs and the General Treasury Management) and also mediation of foreign currency revenue to the state budget for the General Financial Directorate. The Ministry is able to achieve a more advantageous exchange rate than that offered by the Czech National Bank, which would mediate the operation based on current exchange rate ticket. In 2023, savings of approximately CZK 120.1 million were realized when trades worth CZK 26.5 billion were settled.

**Table 9: Net Revenue from Operations within State Treasury Liquidity Management and Operations with Negative Yields**

| CZK mil  | 2017           | 2018           | 2019           | 2020           | 2021           | 2022            | 2023            |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| CZK operations   | 293.5          | 2,069.6        | 3,674.4        | 1,775.8        | 2,381.9        | 22,054.3        | 21,395.8        |
| EUR operations   | 0.0            | 0.1            | 0.1            | 0.2            | 0.0            | 855.1           | 2,157.4         |
| USD operations   | -              | -              | -              | -              | -              | -               | 18.2            |
| Lending facilities   | 24.4           | 10.1           | 8.7            | 4.9            | 10.9           | 3.3             | 5.0             |
| FX swaps   | 17.7           | 157.9          | 0.7            | 32.0           | 75.1           | -360.1          | 0.0             |
| Issuance with negative yield <sup>1</sup>                      | 1,204.7        | 1.6            | 113.6          | 8.4            | 54.3           | 0.0             | 0.0             |
| Borrowing operations in foreign currency with a negative yield | 1.0            | 49.9           | 82.9           | 86.3           | 653.0          | 58.5            | 0.0             |
| <b>Total</b>   | <b>1,541.3</b> | <b>2,289.2</b> | <b>3,880.3</b> | <b>1,907.7</b> | <b>3,175.3</b> | <b>22,611.0</b> | <b>23,576.5</b> |

<sup>1</sup> Adjusted for future expenditure on coupon payments related to the bonds until their maturity, unless they were zero-coupon bonds.  
Source: MoF



### 3 - Funding Program and Issuance Activity

The funding program for the given year defines the scope for the execution of borrowing operations and quantifies the value of cash resources acquired from borrowing operations on the financial markets or from the international financial institutions. The structure of funding program consists of debt sources, which are used for financing of the gross borrowing requirement, i.e. the issuance and sale of government bonds on domestic and foreign markets and receiving of loans and credits from international financial institutions.

Regular quarterly evaluation of the actual debt portfolio structure in relation to the declared strategic

targets and limits that constitute the key parameters of the publicly defined strategic benchmark portfolio communicated in particular through the Czech Republic Funding and Debt Management Strategy and its possible revisions, and the quarterly update of gross borrowing requirement and funding program contained in the Debt Portfolio Management Quarterly Reports are the Ministry's main tools to support the credibility and transparency of the entire process of state debt and the related state financial assets management and the execution of borrowing operations on financial markets in accordance with best international practice and recommended standards.

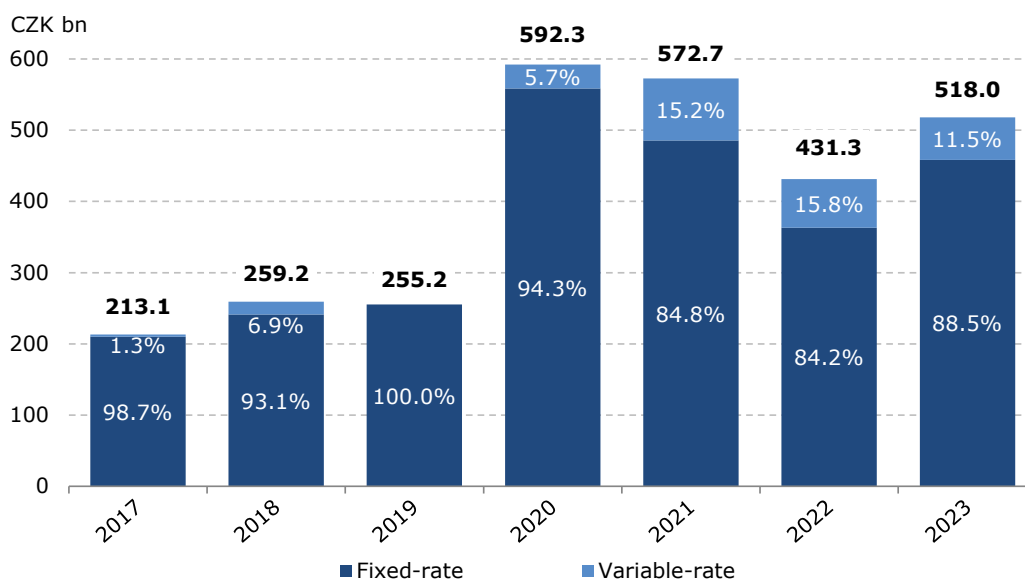
#### CZK-denominated Medium-Term and Long-Term Government Bonds

For 2023, The Czech Republic Funding and Debt Management Strategy for 2023 set out an issuance plan for medium-term and long-term government bonds denominated in the local currency in the amount of at least CZK 400 to 500 billion to cover the koruna financing needs and this issuance plan was confirmed in The Czech Republic Funding and Debt Management Strategy for 2023 - Second Half Update.

Actual gross issue on the primary and secondary

markets amounted to CZK 518.0 billion. The framework issuance plan, including exchange operations, was successfully covered, when the Czech Republic Treasury Bond, 2009-2024, 5.70% was bought-back in a total nominal value of CZK 18.8 billion. In 2023, a total of 70 primary auctions were held in 30 auction days, which were further supplemented by secondary market operations. Up to three different fixed-rate or variable-rate government bonds were offered per auction day.

**Figure 15: Interest Structure of Sold CZK-denominated Government Bonds**

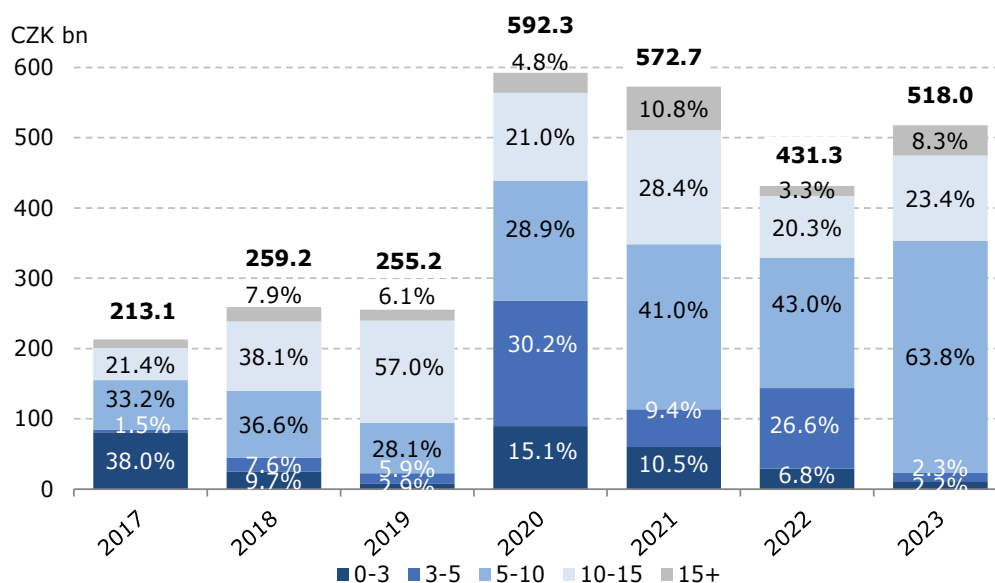


Note: Including CZK-denominated T-Bonds.  
Source: MoF

In 2023, fixed-rate and variable-rate issues were reopened, especially in the segments with a residual time to maturity of 5 to 15 years, where more than 87% of the total nominal value was sold. The shape of the yield curve also contributed to the issuance of government bonds with interest rates mainly at the middle and longer end of the yield curve, when government bonds with shorter maturities had a higher interest yield than government bonds with

longer maturities for most of the year. In the segment with a residual time to maturity of up to 5 years, government bonds in a total nominal value of CZK 23.2 billion were sold, in the segment with a residual time to maturity of 5 to 10 years, government bonds in a total nominal value of CZK 330.3 billion were sold and in the segment with a residual time to maturity of over 10 years, government bonds in a total nominal value of CZK 164.4 billion were sold.

**Figure 16: Maturity Structure of Sold CZK-denominated Government Bonds**

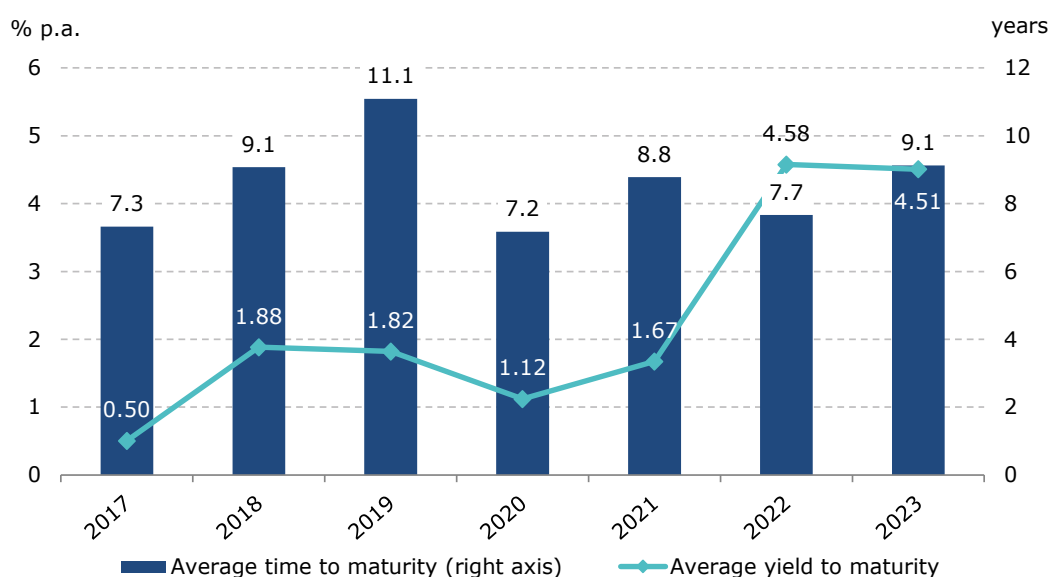


Note: Residual time to maturity related to the issue date. Including CZK-denominated T-Bonds.  
Source: MoF

The average yield on fixed-rate CZK-denominated medium-term and long-term government bonds sold on the primary and secondary markets in 2023 was 4.51% p.a. A total of four new fixed-rate government bonds with original maturities ranging from five to eleven years and one variable-rate government bond with an original maturity of twenty years were issued during 2023.

The average time to maturity of the sold CZK-denominated government bonds increased to 9.1 years, i.e. by 1.4 years more than in the previous year. The average time to maturity of newly sold government bonds was above the medium-term strategic target set for the average maturity of state debt at 6.5 years, which has a positive impact on the refinancing risk of the state debt portfolio.

**Figure 17: Average Yield and Time to Maturity of Sold CZK-denominated Government Bonds**



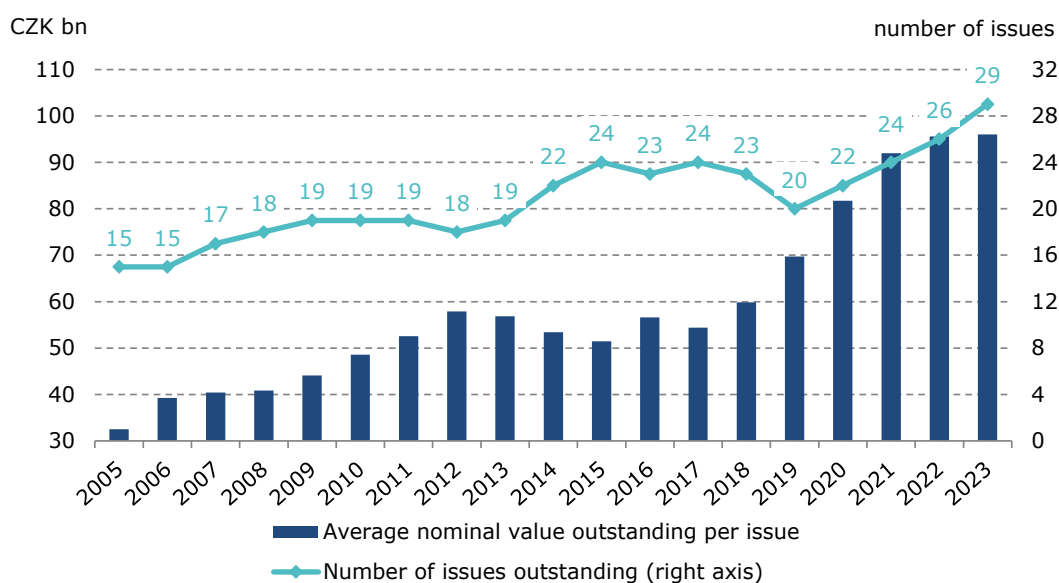
Note: Including CZK-denominated T-Bonds. Average yield of fixed-rate T-Bonds. Average residual time to maturity is related to the issue date.  
Source: MoF

In 2023, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 408.6 billion were issued on the primary market. On the secondary market, CZK-denominated medium-term and long-term government bonds were sold or exchanged in a total nominal value of CZK 109.4 billion. The total nominal value of the gross issue of CZK-denominated medium-term and long-term government bonds amounted to CZK 518.0 billion. In the area of tap sales, government bonds in a total nominal value of CZK 44.4 billion were sold with maturities along the entire length of the yield curve, especially in 2030, 2034 and 2035. In exchange operations, medium-term and long-term government bonds with a relatively short residual time to maturity or a relatively high coupon rate are usually bought-back, and government bonds with a longer remaining time to maturity or a relatively lower coupon rate are sold, thereby reducing future redemptions and thus also refinancing risk. These operations have the effect of extending the average maturity of the debt portfolio and may also have a positive effect on the government budget due to savings from not making higher future coupon payments. In 2023, government bonds maturing in 2023 and 2024 were bought-back and mainly

government bonds maturing from 2028 were sold. As part of the exchange operations, medium-term and long-term government bonds in a total nominal value of CZK 65.0 billion were sold and medium-term and long-term government bonds in a total nominal value of CZK 67.9 billion were bought-back.

In 2023, there were two regular redemptions of medium-term and long-term government bonds. The Czech Republic Treasury Bond, 2011-2023, VAR% was redeemed in April in a total nominal value of CZK 88.3 billion. The Government Bond of the Czech Republic, 2015-2023, 0.45% was redeemed in October in a total nominal value of CZK 62.8 billion. In addition, as part of the buy-backs, government bonds maturing in 2023 and 2024 in a total nominal value of CZK 67.9 billion were bought-back. Thus, CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 218.9 billion were redeemed in 2023. The total nominal value of the net issue of CZK-denominated medium-term and long-term government bonds was therefore CZK 299.0 billion.

**Figure 18: Average Nominal Value of CZK-denominated Government Bonds per Issue**



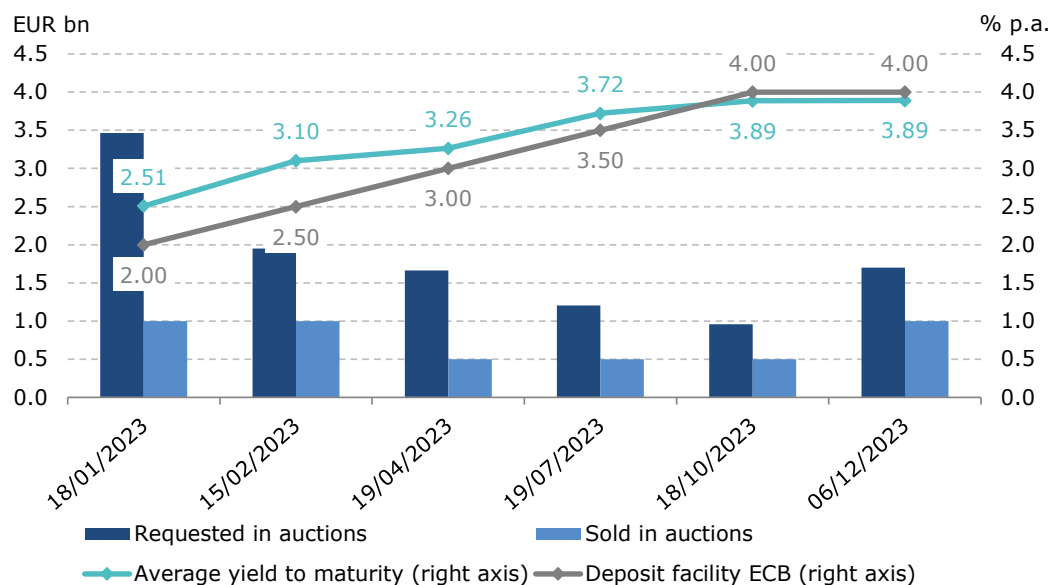
Note: Including CZK-denominated T-Bonds.  
Source: MoF

## Refinancing of Foreign Currency State Debt

A broad portfolio of short-term and long-term debt instruments is available to cover foreign currency financing needs, with the aim of making the most of the current situation on the euro money or the government bond market, with regard to the effective management of the state treasury’s liquidity. In order to cover the euro financing needs in the short term or to preventively strengthen the available liquidity of the euro state treasury single account, the issue of state treasury bills denominated in the euro was successfully tested on the domestic market. These state treasury bills are registered in the Central Securities Depository Prague and are also eligible for Eurosystem credit operations. On 18 January 2023, a pilot multiple-price auction of

three-month state treasury bills denominated in the euro was carried out, when state treasury bills in a total nominal value of EUR 1.0 billion were sold with an average yield to maturity of 2.508% p.a. Total demand in the auction amounted to almost EUR 3.5 billion. In 2023, six issues of treasury bills denominated in euro in a total nominal value of EUR 4.5 billion were sold on the domestic market under Czech law, with a total demand of EUR 10.9 billion and with an average yield to maturity of 3.319% p.a. All auctions of treasury bills denominated in euro in the form of multiple-price auction. The net issue of treasury bills denominated in euro in 2023 was EUR 1.5 billion.

**Figure 19: Auction of State Treasury Bills Denominated in the Euro**



Source: MoF

During 2023, there were no borrowing operations of medium-term and long-term government bonds in foreign currencies on the foreign markets and

on the domestic market. In 2023, there were no regular redemptions of medium-term and long-term government bonds in foreign currencies.

## Money Market Instruments

In 2023, the total nominal value of the gross issue of CZK-denominated state treasury bills without roll-over within the year was CZK 7.8 billion. During 2023, a total of 27 auctions were held in 27 auction days, and all auctions were conducted in the form of multiple-price auction. The gross issue of CZK-denominated state treasury bills including rollover

in the year amounted to CZK 231.1 billion with a total demand of CZK 650.8 billion and an average auction yield of 6.11% p.a. The net issue of CZK-denominated state treasury bills without revolving in 2023 was CZK 7.8 billion, when there were no redemptions of CZK-denominated state treasury bills.

## Other Debt Instruments

In the area of received loans and credits from international financial institutions, the first tranche of a loan from the European Investment Bank for railway infrastructure modernisation in a total nominal value of CZK 1.0 billion was received, as well as the first five tranches of a loan from the European Investment Bank for the development of the transport infrastructure in the Czech Republic in a total nominal value of CZK 10.0 billion were received. Subsequently, the first two tranches of a loan from the European Investment Bank for financing urgent expenses from the state budget and the public health insurance system related to Ukrainian refugees in the country in a total nominal value of CZK 1.5 billion were also received. In total, new loans from the European Investment Bank amounting CZK 12.5 billion were received in 2023,

while regular repayments and also repayments before the maturity date of loans from the European Investment Bank amounting to CZK 6.0 billion were carried out.

No new issues of the “Dluhopis Republiky” government bonds were sold, only twenty eight new tranches of already issued government bonds in the form of reinvested yields in a total nominal value of CZK 10.5 billion were issued during 2023. In 2023, no regular redemptions of government bonds was made, but the issuance conditions of these government bonds allow citizens to request their redemptions before the set maturity date. In 2023, bonds in a total nominal value of CZK 1.3 billion were requested to be redeemed within all submitting periods.

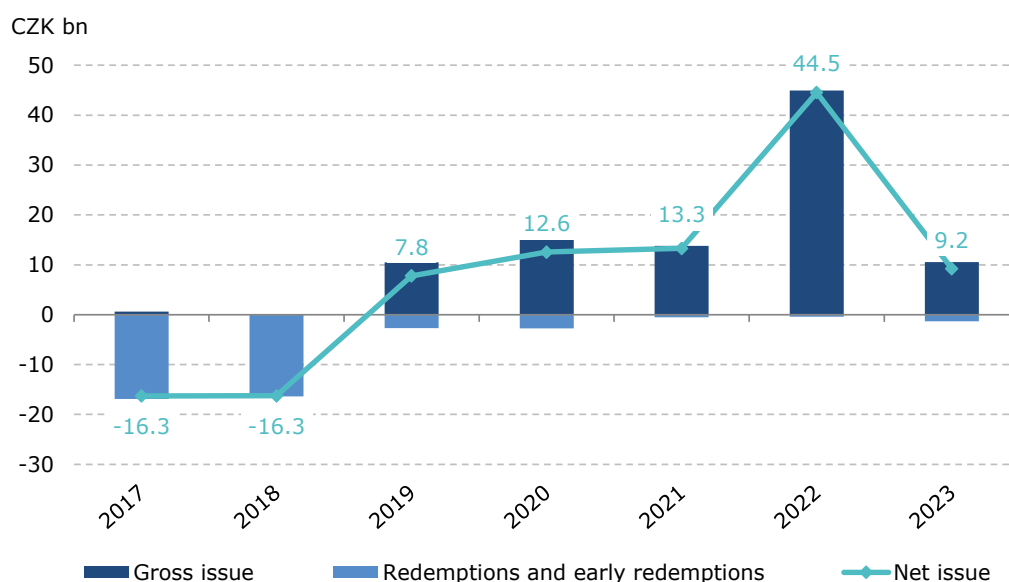
**Table 10: Issues and Redemptions of Government Bonds for Citizens**

| CZK bn  | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|------|------|
| <b>Total nominal value of issued government bonds</b>                           | 0.0  | 0.0  | 10.4 | 15.1 | 13.0 | 41.1 | 0.0  |
| <b>Reinvestment of yields</b>   | 0.6  | 0.1  | 0.1  | 0.2  | 0.8  | 3.8  | 10.5 |
| <b>Early redemptions</b>  | 0.1  | 0.0  | 0.0  | 0.1  | 0.5  | 0.4  | 1.3  |
| <b>Early redemptions<br/>(% outstanding as at the end of the previous year)</b> | 0.2  | 0.1  | 0.2  | 1.0  | 1.9  | 1.1  | 1.6  |
| <b>Regular redemptions</b>  | 16.8 | 16.3 | 2.7  | 2.6  | 0.0  | 0.0  | 0.0  |
| <b>Total redemptions</b>  | 16.9 | 16.4 | 2.7  | 2.8  | 0.5  | 0.4  | 1.3  |
| <b>Outstanding</b>  | 21.5 | 5.2  | 13.0 | 25.6 | 38.9 | 83.4 | 92.6 |
| <b>Share of government bonds to state debt (%)</b>                              | 1.3  | 0.3  | 0.8  | 1.2  | 1.6  | 2.9  | 3.0  |

Source: MoF

The net issue of government bonds for citizens reached a total nominal value of CZK 9.2 billion. At the end of 2023, the total nominal value outstanding thus amounted to CZK 92.6 billion. The

share of government bonds for citizens in state debt increased from 2.9% at the end of 2022 to 3.0% at the end of 2023.

**Figure 20: Issues and Redemptions of Government Bonds for Citizens**

Note: Incl. savings government bonds issued in 2011 to 2014 and reinvestment of yields.  
Source: MoF

## 4 - Risk Management and Portfolio Strategy

The announcement of strategic targets and limits is the main tool to increase the transparency of the Ministry's debt policy in line with international best practice. Targets and limits are set on the basis of the requirements arising from a prudent approach to financial and credit risk management while minimising economic costs in the long-term. The main risks to which the debt portfolio is exposed over the long-term are refinancing, interest rate and currency risks. All targets and thresholds set out below are applied to the state debt portfolio as a whole, including derivative operations. In the context of streamlining and modernising state treasury liquidity management, the Ministry

announces strategic targets and limits for refinancing and interest rate risk over the medium-term horizon, allowing for a flexible response to short-term market conditions and investor interest in instruments in a particular segment of the time to maturity or re-fixing.

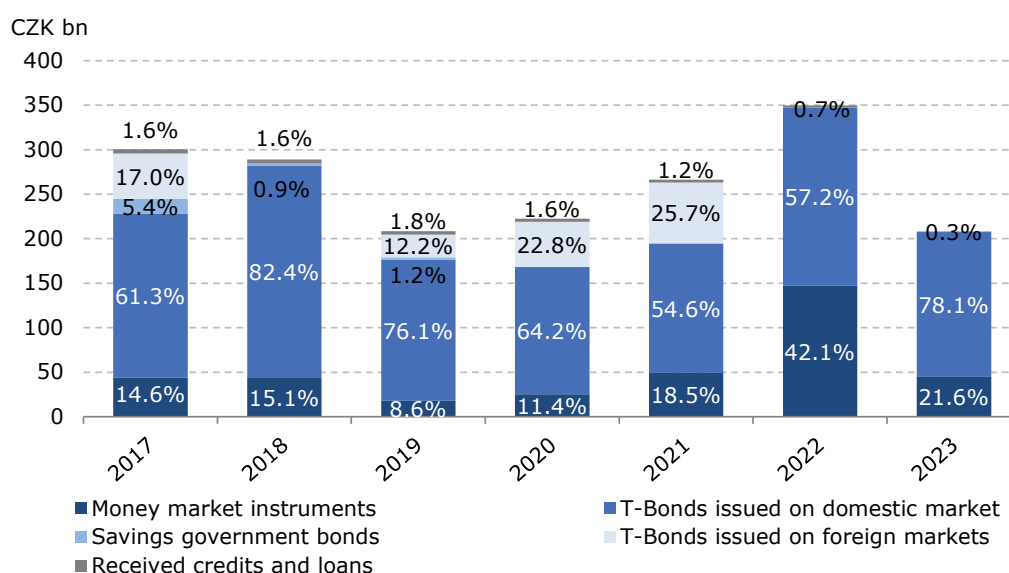
Short-term deviations from the established strategic medium-term targets and limits for the risk parameters of the debt portfolio for refinancing and interest rate risk are possible, but issuance activity in the medium-term will be planned so that the targets and limits defined in the strategy for the relevant year are met in that horizon.

### Refinancing Risk

The refinancing risk is managed by a system of three quantitative indicators: the share of short-term state debt, the share of medium-term state debt and the average time to maturity of state debt, taking into account the structure of the maturity profile and the desire to achieve a balance of state debt redemptions in each year of the medium-term and long-term horizon. These indicators need to be considered as a comprehensive system, as focusing on only one of them may pose a potential risk.

The share of short-term state debt (i.e. the share of state debt maturing within one year in total state debt) is a key indicator of refinancing risk in the short-term horizon. For the medium-term, the limit for the short-term state debt is set at 20.0%. The share of short-term state debt at the end of 2023 was 6.7% of total state debt, significantly below the limit set for the medium-term horizon.

**Figure 21: Structure of Short-Term State Debt by Instrument**



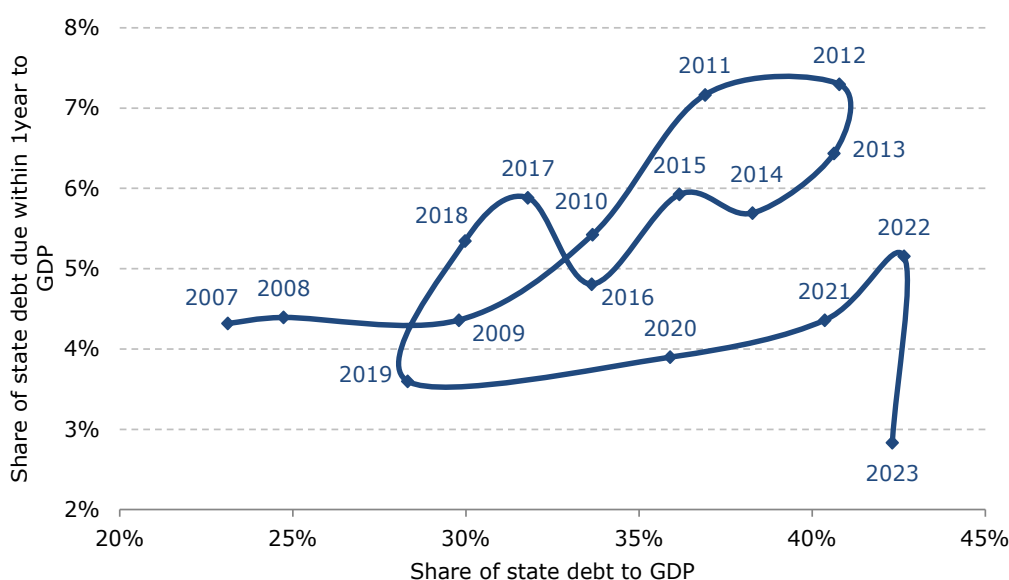
Note: As at the end of each year. Credits and loans received from international financial institutions and European Commission.  
Source: MoF

During 2023, the absolute value of short-term state debt decreased by CZK 141.7 billion to CZK 208.2 billion. Compared to the end of 2022, the currency structure of short-term state debt has changed, especially for money market instruments. There was a year-on-year absolute decrease of CZK 37.5 billion in medium-term and long-term government bonds issued on the domestic market maturing within one year, which, however, with regard to the absolute decrease in all debt instruments, represents an increase of 20.9 percentage points in relative terms. The share of money market instruments decreased by 20.5 percentage points, mainly due to a negative net change in the stock of short-term euro deposit operations. Lower regular repayments of loans received from international financial institutions by CZK 1.9 billion in 2024 compared to 2023 did not have a significant impact on the change in the share of received credits and loans in short-term state debt.

The share of money market instruments in total state debt at the end of 2023 was 1.4%, representing a year-on-year decrease of 3.6 percentage points. Also at the end of 2023, the stock of medium-term and long-term government bonds issued on domestic and foreign markets, including government bonds for citizens maturing within one year, exceeds the stock of money market instruments outstanding.

The ratio of short-term state debt to GDP decreased significantly by 2.3 percentage points to 2.8% in 2023 compared with 2022. At the end of 2023, the ratio of short-term state debt to GDP would thus be at its lowest level over the period. The total state debt to GDP ratio also decreased by 0.3 percentage points to 42.3% in 2023 compared with the previous year.

**Figure 22: Short-Term State Debt and Total State Debt to GDP**



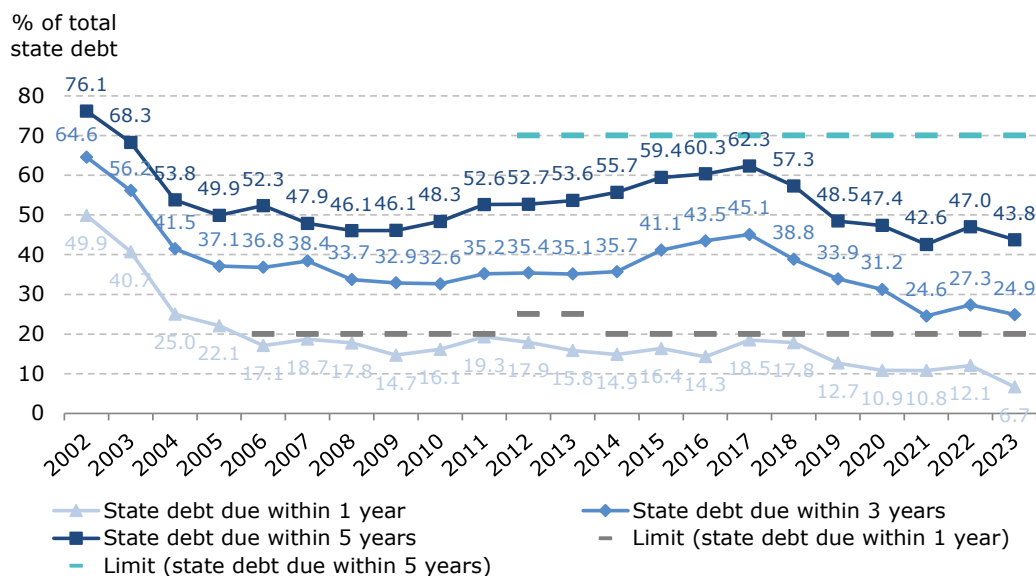
Note: As at the end of each year. The source for GDP for 2007 to 2022 is the CZSO, for 2023 the Macroeconomic Forecast of the Czech Republic – January 2024. Source: MoF, CZSO

In the area of medium-term refinancing risk, the shares of state debt maturing within three and five years are monitored and managed. Debt maturing within five years is managed by the share of the medium-term debt to the total state debt, for which an explicit limit of 70.0% of total state debt is set

over the medium-term horizon. The value of the share of medium-term state debt in total state debt at the end of 2023 is 43.8% and is thus below the limit set for the medium-term horizon. The share of state debt maturing within three years amounts to 24.9% at the end of 2023.



**Figure 23: State Debt by Maturity Baskets**



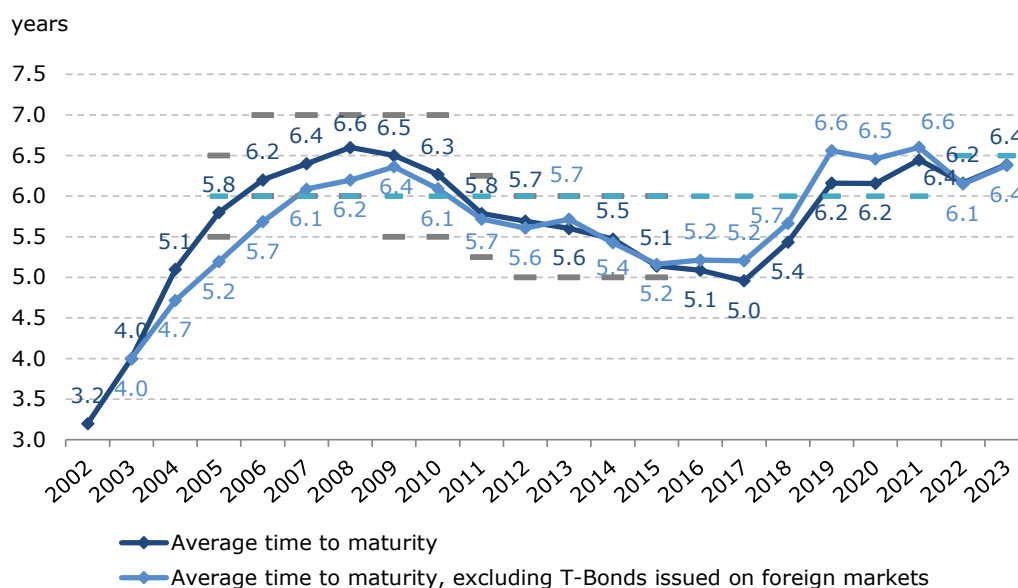
Note: As at the end of each year.  
Source: MoF

Another indicator used in the management of refinancing risk is the average time to maturity of state debt, for which a target of 6.5 years is set for the medium-term horizon. The average maturity, as well as the structure of the maturity profile of the debt portfolio, are among the fundamental indicators that determine the term structure and face value of government bond issues in domestic and foreign markets and the setting of repayment schedules of loans received from international financial institutions.

The average time to maturity of state debt is 6.4 years at the end of 2023, an increase of 0.2 years compared with the previous year. This increase is mainly due to the higher average time to maturity of the gross issuance of medium-term and long-term government

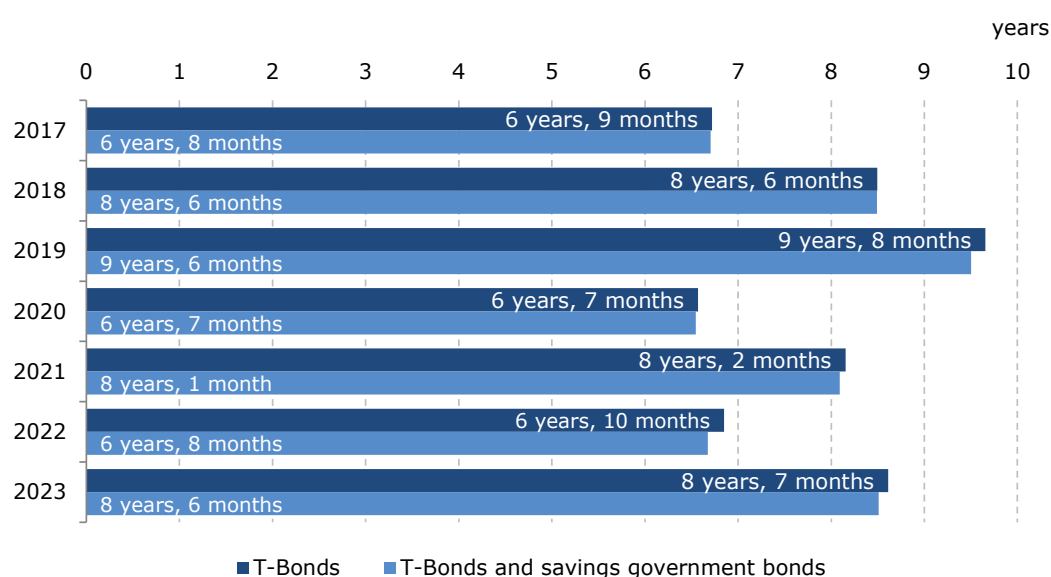
bonds in 2023 of 8 years and 7 months, i.e. 1 year and 9 months more than in 2022 (on a year-end basis), but also to a significant decrease in the stock of money market instruments outstanding. Also important in the context of refinancing risk management is the indicator of the average time to maturity after offsetting the nearest state debt redemptions against cash resources from short-term reserve operations on the money market and the total available state treasury liquidity. There are no set medium-term targets for these adjusted indicators of the average time to maturity. However, by the end of 2023, the levels of these adjusted indicators amounted to 6.5 and 7.5 years, respectively, confirming the stable refinancing and liquidity position of the Czech Republic.

**Figure 24: Average Maturity of State Debt and Declared Targets**



Note: As at the end of each year.  
Source: MoF

**Figure 25: Average Residual Time to Maturity of Newly Sold Government Bonds at the End of the Year**



Note: Residual time to maturity of government bonds issued on domestic market during the respective calendar year calculated relative to the end of the year.  
Source: MoF

In addition to the average time to maturity of the debt portfolio, the average time to maturity of its individual components is also monitored. The average time to maturity of medium-term and long-term government bonds issued on the domestic market at the end of 2023 is 6.3 years. Medium-term and long-term government bonds issued on the domestic market account for 90% of state debt and therefore significantly determine

the average maturity of the entire debt portfolio. The average time to maturity of foreign issues has decreased to 12.1 years compared to the end of 2022. The average maturity of government bonds for citizens decreased to 3.3 years compared to the end of 2022 and the average maturity of received credit and loans decreased slightly to 10.9 years despite the receiving of new loans from the European Investment Bank.

**Table 11: Average Time to Maturity of Individual Components of the State Debt**

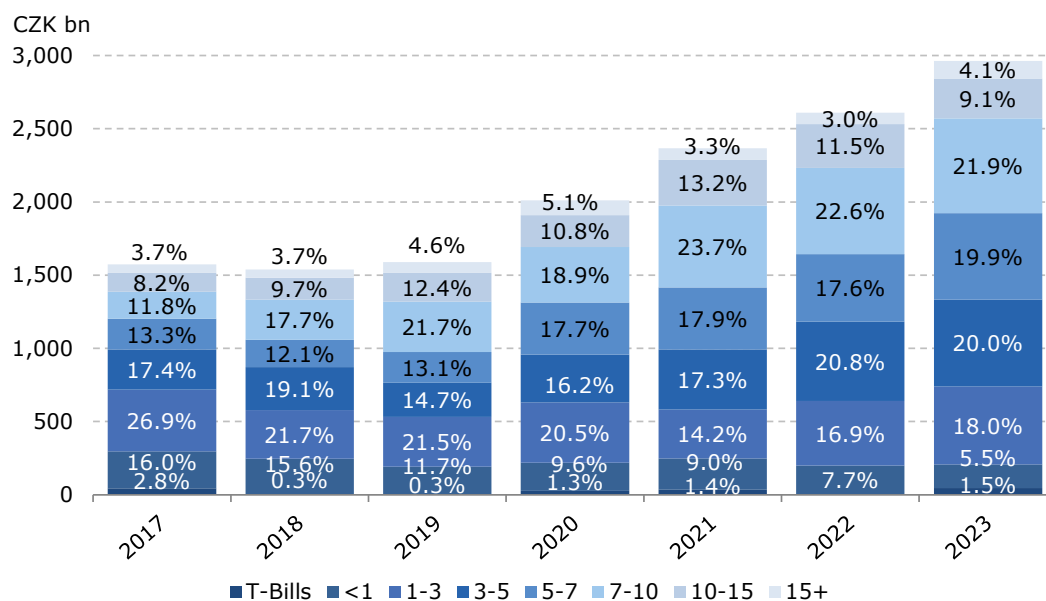
| years   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|------|------|
| <b>T-Bonds issued on domestic market</b>            | 5.3  | 5.8  | 6.6  | 6.5  | 6.7  | 6.3  | 6.3  |
| <b>T-Bonds issued on foreign markets</b>            | 3.2  | 3.2  | 2.2  | 1.6  | 1.4  | 13.1 | 12.1 |
| <b>Savings government bonds</b>                     | 1.1  | 1.1  | 4.5  | 5.1  | 4.6  | 4.3  | 3.3  |
| <b>Money market instruments</b>                     | 0.3  | 0.3  | 0.1  | 0.2  | 0.0  | 0.2  | 0.3  |
| <b>Received credits and loans, promissory notes</b> | 7.9  | 7.5  | 7.4  | 7.3  | 8.5  | 11.0 | 10.9 |

Note: Residual time to maturity as at the end of each year. Credits and loans received from international financial institutions and European Commission.  
Source: MoF

As a result of issuance activity along almost the entire length of the yield curve, the average time to maturity of government bonds issued on the domestic market was maintained during 2023, with an increase in the total nominal value of government bonds outstanding in almost all segments of the residual time to maturity. The most significant increase in the total nominal value of government

bonds outstanding occurred in the segments with residual maturities of 5 to 7 years and 7 to 10 years, by CZK 130.5 billion and CZK 58.7 billion, respectively. The share of government bonds with a remaining maturity of more than 5 years was 55.1% at the end of the year, representing a year-on-year increase of 0.4 percentage point.

**Figure 26: Structure of Government Bonds by Time to Maturity**

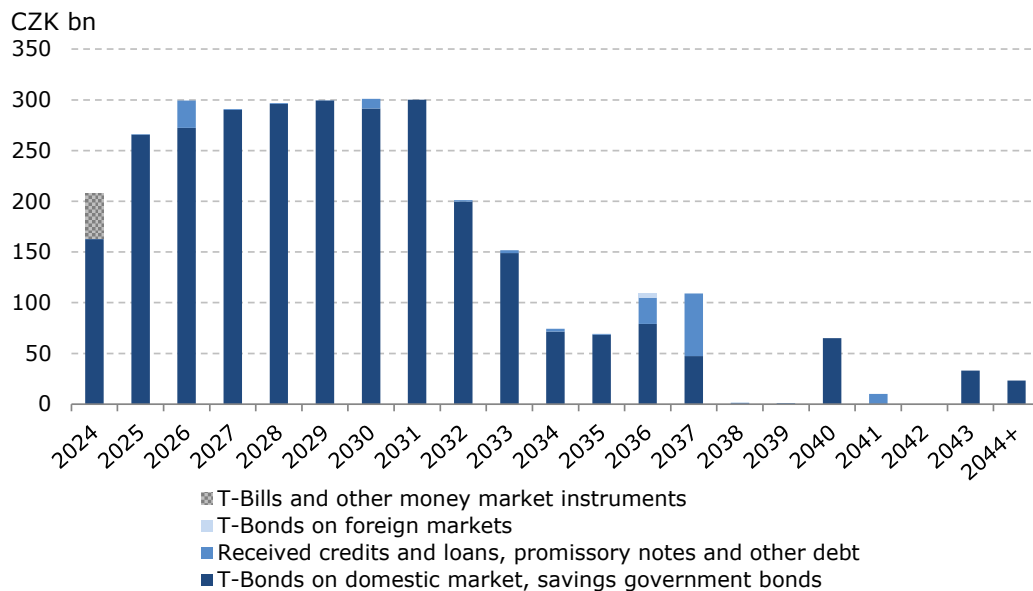


Note: Residual time to maturity as at the end of each year. Includes T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills.  
Source: MoF

The sales of government bonds on the domestic primary and secondary markets, the possible issuance on the foreign markets and the receiving of long-term loans from international institutions

will continue to be managed in accordance with the fulfilment of another key objective in stabilizing and smoothing the state debt maturity profile over time.

**Figure 27: Maturity Profile of State Debt**



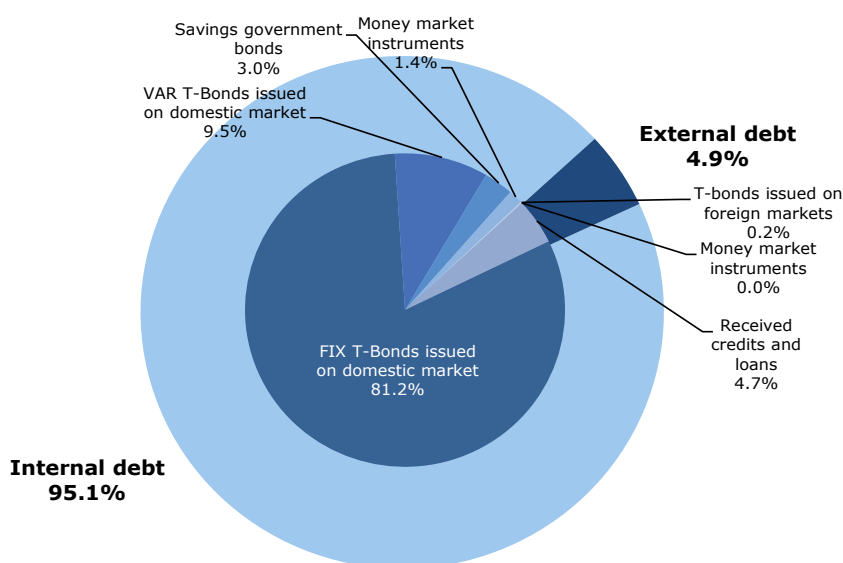
Note: As at the end of 2023. Received credits and loans include credits and loans received from international financial institutions and European Commission. Other debt includes unpaid principals of government securities.  
Source: MoF

With regard to refinancing risk, the structure of the debt portfolio is also monitored on an instrument-by-instrument basis. In the long-term, the largest share is held by fixed-rate medium-term and long-term government bonds issued on the domestic market, which account for 81.2% of total state debt at the end of 2023, an increase of 5.3 percentage points compared to the end of 2022. The share of variable-rate medium-term and long-term government bonds issued on the domestic market in the total state debt amounts to 9.5% at the end of 2023, which represents a decrease of 1.7 percentage points compared to the end of 2022 due to the regular redemption of the 63<sup>rd</sup>

issue of variable-rate medium-term and long-term government bonds in April 2023.

The share of the total nominal value of foreign issues in total state debt reaches 0.2% at the end of 2023 and thus remains stable compared to the previous year. The share of money market instruments in total state debt is 1.4% at the end of 2023, decreasing by 3.6 percentage points year-on-year. The share of government bonds for citizens and the share of received loans from international institutions thus remain stable compared to the previous year.

**Figure 28: Structure of State Debt by Instrument**

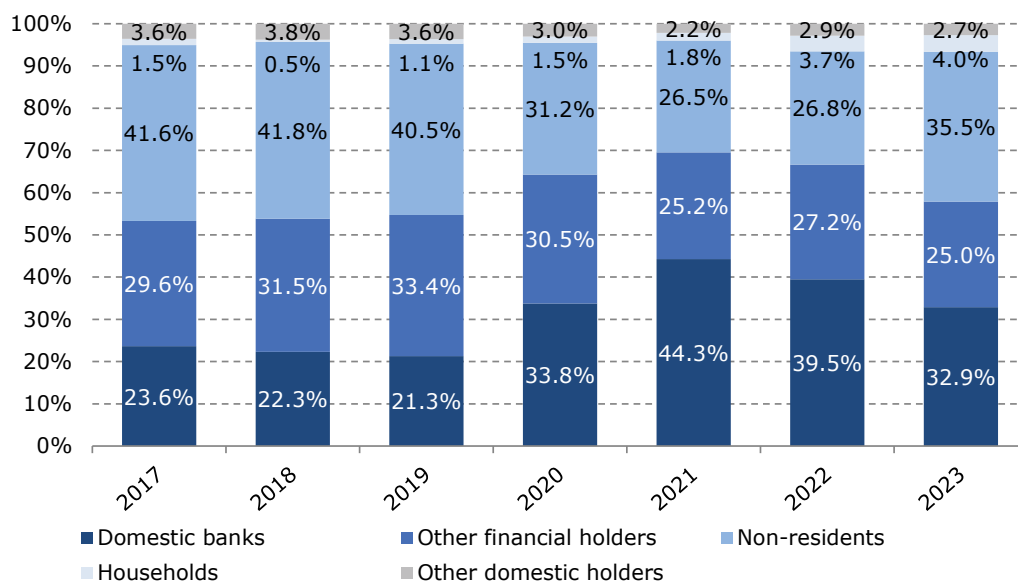


Note: As at the end of 2023. Credits and loans received from international financial institutions and European Commission.  
Source: MoF

The structure of holders of government bonds issued on the domestic market remained relatively stable in the first eleven months of 2023, with the shares of individual sectors changing only slightly. During December 2023, transfers of government securities were carried out to a greater extent, mainly as a part of repo operations concluded between the domestic bank sector and the non-resident sector, primarily within individual financial groups. This was therefore a short-term fluctuation in the share of non-residents due to the legal ownership of the collateral received in the form of Czech government securities, with no impact on the

economic ownership, which remained in the original resident sector. Thus, the largest share of holdings of government bonds issued on the domestic market belongs to the non-resident sector, which at the end of 2023 held approximately 35.5% of government bonds issued on the domestic market. The domestic bank sector accounts for 32.9% of government bonds issued on the domestic market. The sector of other financial holders is relatively stable over time, accounting for approximately 25.0% of holders of government bonds issued on the domestic market, while the household sector accounts for approximately 4.0%.

**Figure 29: Structure of Government Bonds Sold on Domestic Market by Type of Holder**

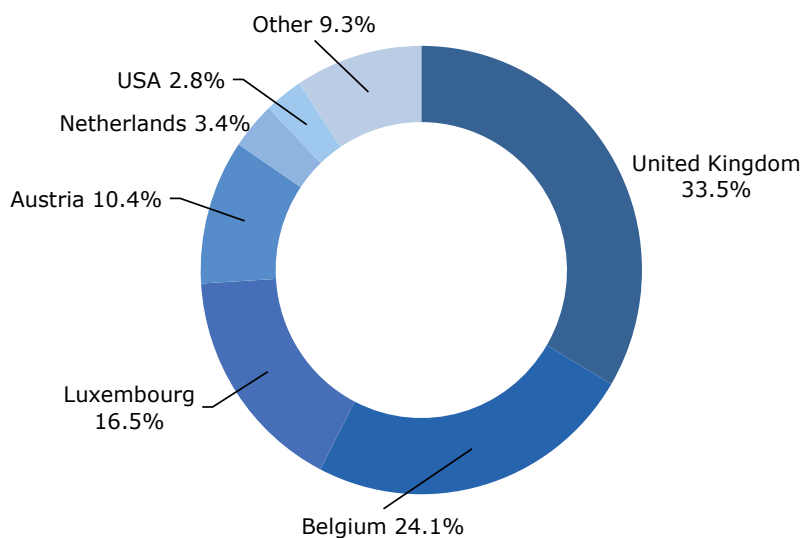


Note: As at the end of each year.  
Source: MoF, CSD, CNB

In terms of the geographical structure of non-residents holding government bonds issued on the domestic market, investors from the United Kingdom, Belgium and Luxembourg continue to dominate, together accounting for more than 74% of all non-resident holders at the end of 2023. Following the United Kingdom's exit from the

European Union, more than 61% of non-resident holders come from Member States. Holders from European countries outside the European Union together account for more than 34% and to a lesser extent government bonds are held by investors from North America and South-East Asia.

**Figure 30: Structure of Non-Resident Holders of Government Bonds Sold on Domestic Market**



Note: As at the end of 2023. Excluding T-Bills.  
Source: MoF, CSD

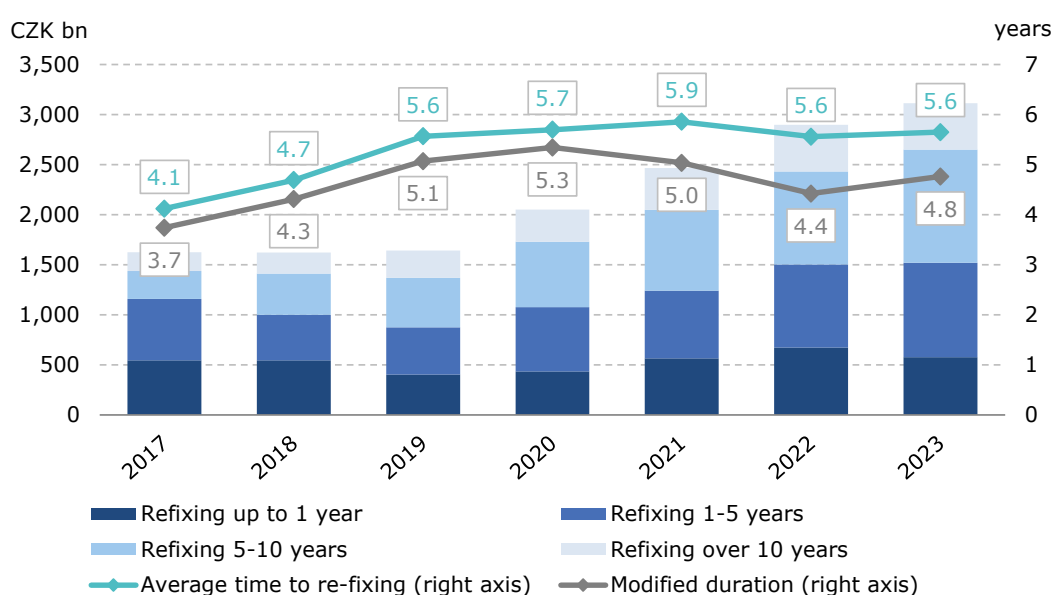
## Interest Rate Risk

The most important market risk in state debt management remains interest rate risk, which is managed through the strategic indicator of the average time to re-fixing of state debt, for which a target range of 5.0 to 6.0 years is set for the medium-term horizon.

The average time to the re-fixing of the state debt amounts 5.6 years at the end of 2023, which is in the middle of the range set for the medium-term horizon. Compared to the end of 2022, this indicator is stabilising. This is mainly due to an

increase in the average time to maturity of the debt portfolio as well as a slight decrease in the share of variable-rate government bonds. Variable-rate medium-term and long-term government bonds were issued on the primary and secondary markets in 2023 in a total nominal value of CZK 59.5 billion, which amounts to 11.5% of the total gross issuance of CZK-denominated medium-term and long-term government bonds issued on the domestic market, thus decreasing this share by 4.3 percentage points year-on-year.

**Figure 31: Interest Re-fixing of State Debt**

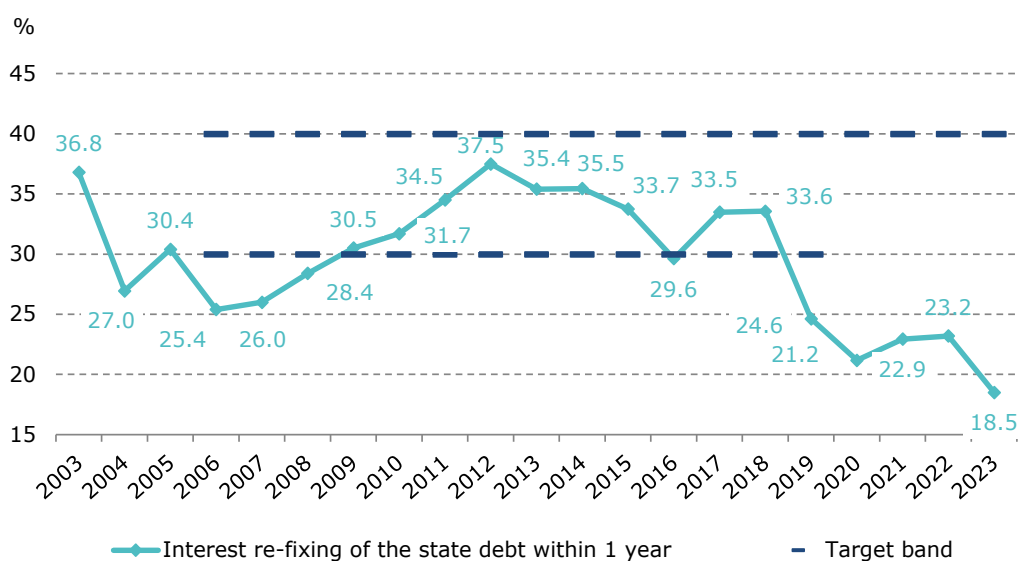


Note: As at the end of each year.  
Source: MoF

Another indicator that is monitored in the context of interest rate risk management and for which a strategic target is set is the interest rate re-fixing of the debt portfolio within one year, which is the proportion of debt that is sensitive to fluctuations in financial market interest rates in the following year. For the medium term, a limit of 40.0% of total state debt has been set for this indicator. By the end of 2023, the annual decrease in this indicator is 4.7 percentage points, with the share of interest rate re-fixing up to one year in total state debt standing at 18.5%. The structure of interest rate re-fixing up to one year is not only important for the expression of short-term interest rate risk, but also

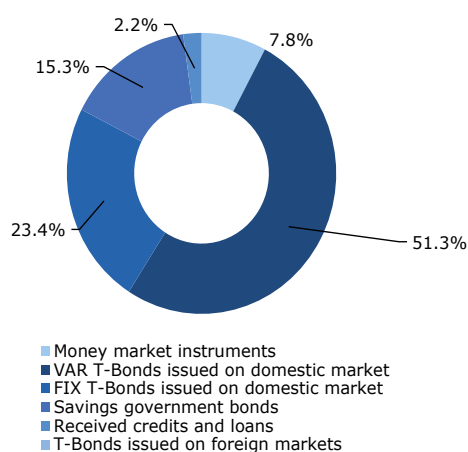
affects longer-term interest rate risk as expressed by the average time to re-fixing indicator. The debt portfolio, which is sensitive to interest rate fluctuations in the financial market in 2024, consists mainly of variable-rate medium-term and long-term government bonds issued on the domestic market (51.3%) and fixed-rate medium-term and long-term government bonds issued on the domestic market (23.4%). Government bonds for citizens account for 15.3% of this portfolio, state treasury bills and other money market instruments for 7.8% and received credits and loans from international institutions for 2.2%.

**Figure 32: Interest Re-fixing of State Debt within 1 Year**



Note: As at the end of each year.  
Source: MoF

**Figure 33: Structure of Interest Re-fixing of State Debt within 1 Year**



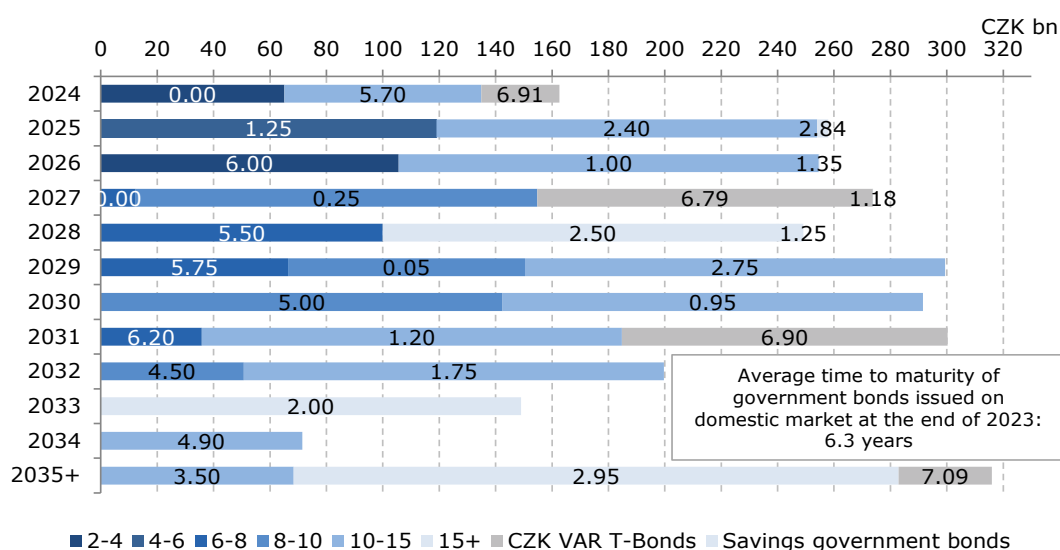
Note: As at the end of 2023. Credits and loans received from international financial institutions and European Commission.  
Source: MoF

The structure of medium-term and long-term government bonds issued on the domestic market is also monitored by current and original maturity and coupon rate. This bond structure allows for a detailed breakdown of the interest expenditure on state debt service generated by fixed-rate medium-term and long-term government bonds issued on the domestic market. At the end of 2023, these bonds have an average coupon rate of 2.64% p.a., while bonds maturing in 2024 have an average coupon rate of 2.95% p.a. In the 2-year to 4-year original maturity segment, these bonds have an average coupon rate of 3.71% p.a., while in the 4-year to 6-year segment these bonds have an average coupon rate of 1.25% p.a., in the 6-year

to 8-year segment, these bonds have an average coupon rate of 5.38% p.a., in the 8-year to 10-year segment, these bonds have an average coupon rate of 2.34% p.a., in the 10-year to 15-year segment, these bonds have an average coupon rate of 2.25% p.a. and in the segment of over 15-year, these bonds have an average coupon rate of 2.55% p.a.

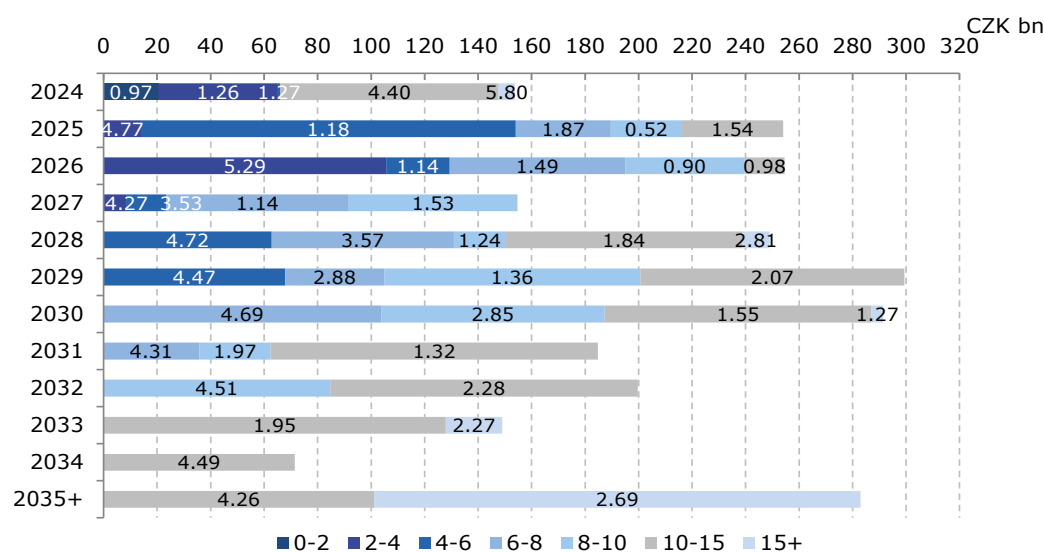
The structure of fixed-rate medium-term and long-term government bonds issued on the domestic market is also monitored according to the current time to maturity, the time to maturity at the time of sale, and the yield to maturity at the time of sale. The structure of bonds constructed in this way provides an indication of the average annual cost of these bonds in each segment of the current maturity and the maturity at the time of sale of the bonds. At the end of 2023, the average annual cost of fixed-rate medium-term and long-term government bonds issued on the domestic market is 2.66% p.a. In 2024, bonds with an average annual cost of 3.07% p.a. are maturing in the following structure: bonds sold in the 0-year to 2-year remaining to maturity segment with an average annual cost of 0.97% p.a., bonds sold in the 2-year to 4-year segment with an average annual cost of 1.26% p.a., bonds sold in the 4-year to 6-year segment with an average annual cost of 1.27% p.a., bonds sold in the 10-year to 15-year segment with an average annual cost of 4.40% p.a. and bonds sold in the segment of over 15 years with an average annual cost of 5.80% p.a. The remaining residual maturity segments do not contain any bonds.

**Figure 34: Maturity Profile of Government Bonds Sold on Domestic Market by Time to Maturity and Coupon Rate**



Note: Maturity profile as at the end of 2023. Segments represent original maturity. Data in individual segments represents the average coupon rate in % p.a. Excl. inflation-linked savings government bonds and T-Bills. Source: MoF

**Figure 35: Maturity Profile of Government Bonds Sold on Domestic Market By Achieved Yield to Maturity**



Note: As at the end 2023. Maturity profile of fixed-rate T-Bonds issued on domestic market by time to maturity at the moment of sale, excl. effect of buy-backs. Data in the individual segments represents the average yield to maturity at the moment of the sale of the T-Bonds in % p.a. Source: MoF

**Table 12: Average Coupon Rates and Costs of Government Bonds Sold on Domestic Market by Year of Maturity**

| % p.a.                                 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035+ | Average |
|--|------|------|------|------|------|------|------|------|------|------|------|-------|---------|
| <b>Average coupon rate<sup>1</sup></b> | 2.95 | 1.86 | 3.07 | 0.23 | 3.70 | 2.66 | 2.93 | 2.17 | 2.45 | 2.00 | 4.90 | 3.09  | 2.64    |
| <b>Average costs<sup>1</sup></b>       | 3.07 | 1.46 | 2.90 | 1.70 | 3.03 | 2.49 | 3.04 | 1.99 | 3.23 | 1.99 | 4.49 | 3.25  | 2.66    |

<sup>1</sup> Incl. only fixed-rate medium-term and long-term government bonds. In the case of average costs excl. effect of buy-backs. Note: Balance as at the end of 2023. Source: MoF



## Currency Risk

In connection with currency risk, the development of the net foreign-currency exposure is monitored, which measures the market risk to which state financial assets and liabilities are exposed in the context of state debt management and state treasury liquidity management in term of foreign-currency exchange rate movement, in the form of the impact on the level of total state debt expressed in koruna equivalent or increased koruna equivalent of cash resources needed to refinance debt in local currency in case of impossibility to do so in the original currency. Foreign-currency debt represents the total nominal value of the debt portfolio denominated in the foreign currency. The net foreign-currency exposure of the state debt is stated net of the foreign currency exposure of government financial assets and it is also affected by derivative operations, which hedge a part of the foreign-currency debt against the unfavourable development of currency exchange rates, and by refinancing from state treasury and foreign exchange swaps, which foreign-currency debt may be covered within the available liquidity of the state treasury management. The key indicators introduced in relation to currency risk management are the share of net foreign-currency exposure with an impact on state debt level and the share of net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service. For both indicators, a strategic limit of 15% + 2 percentage points was set for 2023, while

the long-term exceeding of the 15% limit is not possible; exceeding by 2 percentage points serves only for the short-term overcoming of unexpected depreciation of the local currency.

At the end of 2023, the share of net foreign-currency exposure with an impact on state debt amounts 5.5% of total state debt, which is below its limit. Compared to the end of 2022, there is a slight decrease of 0.3 percentage point. The share of net short-term foreign-currency exposure with an impact on the level of interest expenditure on state debt service at the end of 2023 is 4.2% of the total state debt and is also below its limit. Compared to the end of 2022, there is a slight increase of 0.7 percentage point due to the upcoming redemption of the Government EUR-Bond of the Czech Republic, 2022–2024, 0.00%, in a total nominal amount of EUR 1.0 billion.

The sensitivity of interest expenditure on state debt service to the change of the koruna's exchange rate is relatively low, even in comparison to the sensitivity of interest expenditure to the shift in the yield curve. At the end of 2023, the net short-term foreign currency exposure with an impact on the interest expenditure on state debt service is denominated almost exclusively in the euro. The share of the foreign currency state debt in the total state debt at the end of 2023 is 6.4%.

## Benchmark Portfolio

In order to assess the structure of issuance calendars and the ability to profit on the development of government bond yields over the year and the shape of the yield curve, a so-called synthetic benchmark portfolio was developed consisting only of fixed-rate government bonds issued on the domestic market.

The bonds in the benchmark portfolio are issued on the auction day at the same nominal amount as the bonds actually issued. All benchmark portfolio bonds are issued with the same residual time to maturity guaranteeing the same average time to maturity of the synthetic debt portfolio containing the benchmark portfolio as the average time to maturity of the actual debt portfolio at the year-end. The average time to maturity of the state debt at the end of 2023 is 6.4 years. If the actual issues of medium-term and long-term government bonds issued on the domestic market are replaced by fixed-rate bonds from benchmark portfolio with a time to maturity of 9.3 years at the time of the primary auction, the required average time maturity of the synthetic state debt portfolio will

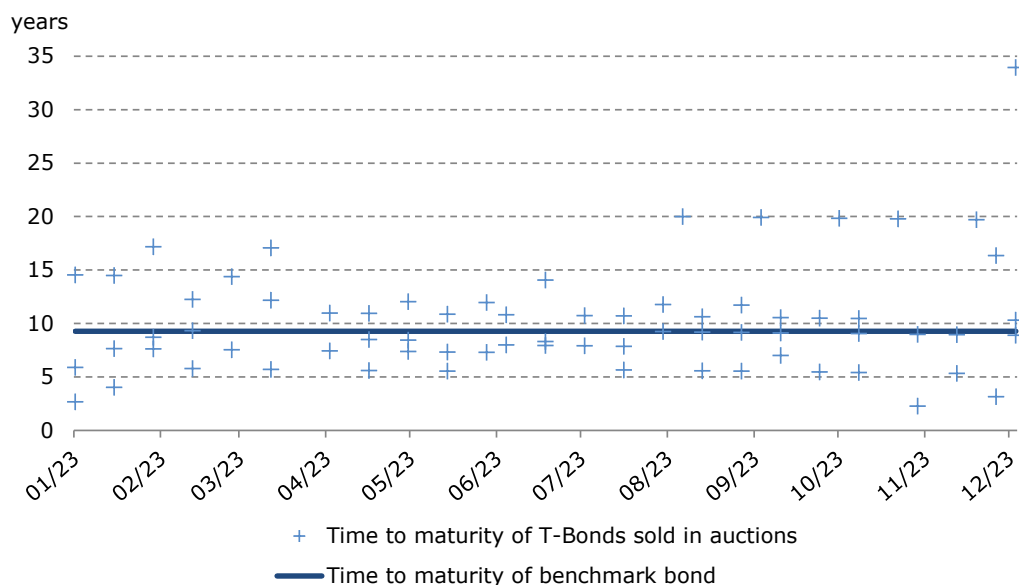
be 6.4 years at the end of 2023.

The weighted average yield of the portfolio of CZK-denominated medium-term and long-term government bonds sold in actual auctions on the domestic market during 2023 using the average yield to maturity of the auction for fixed-rate bonds and the average spread over the reference interest rate at auction and the relevant PRIBOR forward rate for variable-rate bonds was 4.85% p.a. The weighted average yield of the benchmark portfolio bonds derived from the theoretical yield curve modelled using the Svensson model reached 4.45% p.a. in 2023, i.e. 41 basis points less than the weighted average yield of actual portfolio.

To assess the actual savings achieved in 2023, it is necessary to express the accrued interest cost of each bond issued in both the actual and benchmark portfolios and then compare these total accrued costs in the individual portfolios. The total annual cost in accrual terms of all CZK-denominated medium-term and long-term government bonds sold in auctions on the domestic market during

the year 2023 is CZK 19.8 billion. The total annual cost in accrual terms generated in the benchmark portfolio is also CZK 18.2 billion.

**Figure 36: Time to Maturity of Government Bonds Sold in Auctions and Benchmark Bond**

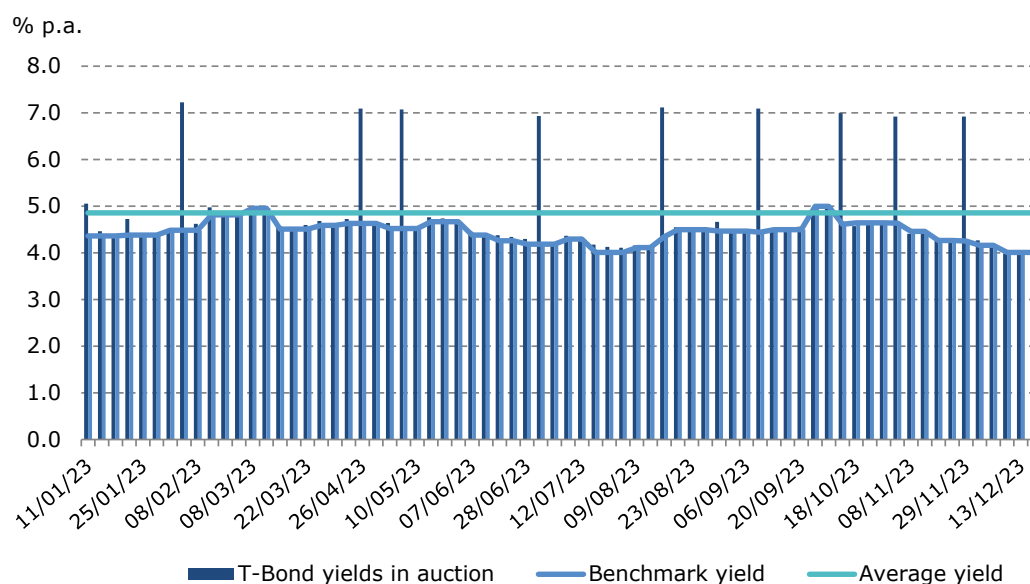


Note: Residual time to maturity. Including CZK-denominated T-Bonds.  
Source: MoF

During 2023, 61 auctions of fixed-rate CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 352.9 billion and 9 auctions of variable-rate CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 55.7 billion were carried out on primary market.

The weighted average time to maturity of all CZK-denominated medium-term and long-term government bonds sold in auctions on primary domestic market during the year 2023 was 9.3 years and is the same as the maturity of the benchmark bond.

**Figure 37: Yields of Government Bonds Sold in Auctions and Benchmark Bond**



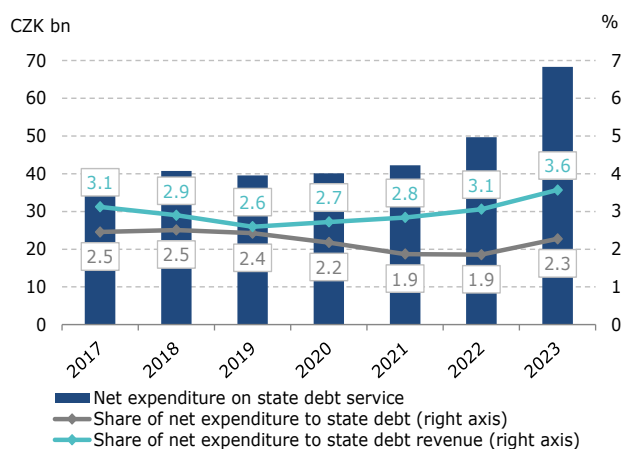
Note: Including CZK-denominated T-Bonds.  
Source: MoF

## 5 – State Debt Service Expenditure

### Cash and Accrued Expression

Net state debt service expenditure represent the difference between gross state debt service expenditure and revenue, which are based on a cash principle, as well as the whole state budget, and are not accrued according to ESA 2010 methodology, which only takes place when preparing data for notification. The share of net state debt service expenditure in both state budget revenue and state debt was stabilized in the years 2017 to 2019 to the level of 2.6% of state budget revenue and 2.4% of state debt. There was an increase in net state debt service expenditure in the last three years, mainly due to higher increases in state debt in those years, as well as higher level of interest rates and government bond yields in domestic and foreign markets in the last two years. In 2023, the share of this expenditure in the state budget revenue reached the level of 3.6%, while the share of this expenditure in the state debt was stabilized at the level of 2.3%.

**Figure 38: Net Expenditure on State Debt Service**

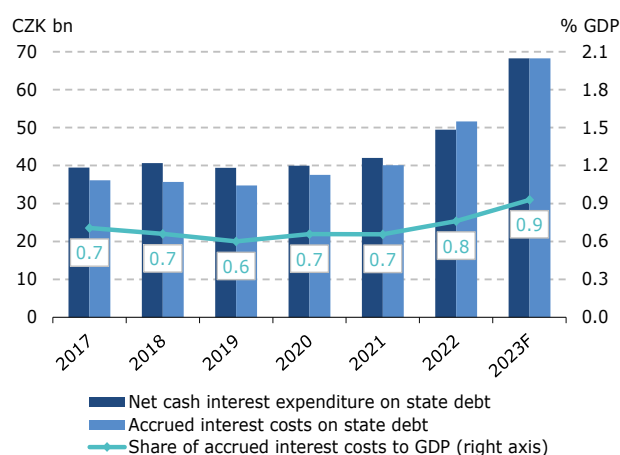


Note: The revenue of state budget is adjusted of the revenue of chapter 396 – State Debt.  
Source: MoF

Monitoring the development of revenue and expenditure as well as net expenditure on state debt service does not always have to provide accurate information on what economic costs are associated with state debt in a given period. For this purpose, accrual-based costs, which are based on a gradual accumulation of interest costs on a daily basis, are more appropriate. Thus, the development of accrued interest costs tends to show significantly less volatility than the development of interest costs on a cash basis, as it is not affected by the time discrepancies between the period in which the net interest expense arises and the date of realization of the related expense or revenue. The increase in accrued costs between 2020 and 2023 is mainly due to higher increases in state

debt in these years, as well as higher level of interest rates and government bond yields on domestic and foreign markets in the last two years. In 2023, there is a year-on-year increase in accrued costs of CZK 16.6 billion. In contrast, net cash interest expenditure on state debt service increased by CZK 18.8 billion year-on-year.

**Figure 39: Net Cash Expenditure and Accrued Costs on State Debt Service**



Note: The source of GDP in the ESA 2010 methodology for 2017 to 2022 is the CZSO, for 2023 the Macroeconomic Forecast of the Czech Republic – January 2024.  
Source: MoF, CZSO

Factors influencing the relationship between cash budget expenditure and accrued costs include the development of the balance of individual debt instruments. When the balance increases, the interest payments paid out at the end of the calculation period, i.e. mainly coupon payments of koruna and foreign currency-denominated medium-term and long-term government bonds, interest payments on loans received from international institutions, and swap interest payments, will initially show on the accrual basis and, eventually, at the end of this period on a cash basis. As the state debt increases, accrual costs predominate in this period. On the other hand, in the case of discounted debt instruments, the interest is settled with the state budget at the date of issue, which means that the discounts are first fully reflected in cash expenditure and only gradually over the entire duration of the instrument on an accrual basis. The same principle applies to the received premiums of medium-term and long-term government bonds.

The development of interest rates also plays a key role in the ratio between cash expenditure and accrued costs. In the case of the growth of interest rates, the accrued costs prevail over cash expenditure for payments made at the end of the calculation period, and cash expenditure for payments made at the beginning

of the calculation period prevails over accrued costs. The same principles apply in the opposite sense in the case of interest rates decreasing.

Similarly, there may be a significant disproportion between cash expenditure and accrued costs in the calculation period, if the instrument with a high-interest

rate is due in that period, which is fully projected in cash expenditure but only partly in accrued interest, and is replaced with an instrument with a low-interest rate, whose accrued cost starts being continually accounted for from the issue or acceptance date, while it may not be reflected in cash expenditure in the given period at all.

**Table 13: Cash Premiums and Discounts and Difference Between Cash Expenditure and Accrued Costs**

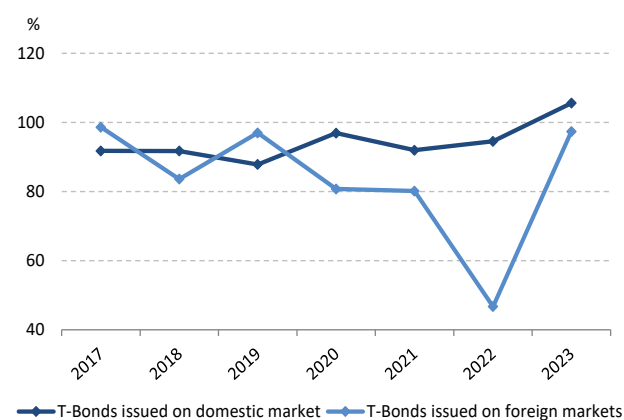
| CZK bn   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|------|------|------|------|------|------|------|
| <b>Cash premiums</b>   | 8.4  | 8.4  | 11.4 | 10.5 | 13.8 | 6.1  | 16.1 |
| <b>Cash discounts</b>  | 3.0  | 8.0  | 10.3 | 9.0  | 15.8 | 22.3 | 16.5 |
| <b>Difference between cash discounts and premiums</b>        | -5.4 | -0.4 | -1.1 | -1.5 | 2.0  | 16.2 | 0.4  |
| <b>Difference between cash expenditure and accrued costs</b> | 2.4  | 2.7  | 4.3  | 1.0  | 3.2  | 3.3  | -4.1 |

Note: T-Bonds issued on the domestic market.  
Source: MoF

The underlying trends in cash expenditure and accrued costs are largely given by the development of these indicators for medium-term and long-term government bonds issued on the domestic market, which form the dominant part of state debt. For medium-term and long-term government bonds issued on the domestic market, cash interest expenditure outweighs the accrued costs, which is due, among other things, to the fact that sales of medium-term and long-term government bonds will only become more apparent on a cash basis in subsequent years. In the case of medium-term and long-term government bonds issued on the foreign market, the differences between cash expenditure and accrued costs are not very significant. In the case of savings government bonds for citizens, the cash interest expenditure exceeds the accrued interest cost, which is, among

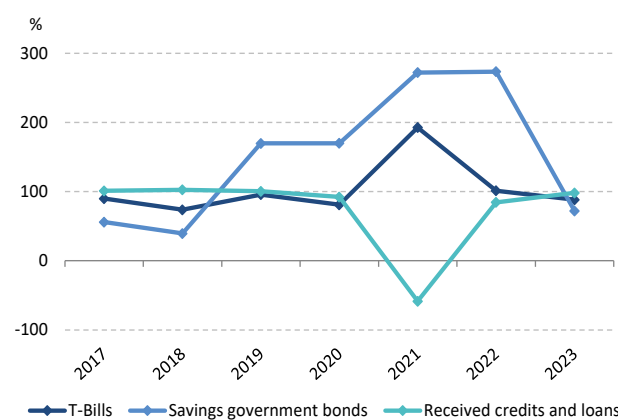
other things, due to the declining inflation rate in the case of inflation-linked government bonds for citizens, which has already started to show up on the accrual basis during 2023, but will only show up on a cash basis to a greater extent during 2024. In contrast, the calculation methodology is reflected, where in the case of government bonds for citizens with increasing, predetermined coupons in individual coupon periods, the average yield is used for accrualization in accordance with the ESA 2010 methodology. Given the short maturity of most received credits and loans in the form of lending facilities as well as state treasury bills, the differences between cash expenditure and accrued costs are not significant. The same applies to short-term borrowings and, in most cases, to loans received from the international institutions due to the generally short time to re-fixing.

**Figure 40: Share of Accrued Costs in Net Cash Interest Expenditure of Government Bonds**



Source: MoF

**Figure 41: Share of Accrued Costs in Net Cash Interest Expenditure of Other Components of State Debt**



Note: Credits and loans received from international financial institutions and European Commission.  
Source: MoF

## Budget for the Chapter – State Debt

The budget of Chapter 396 – State debt is compiled annually on the basis of a Cost-at-Risk analysis. The expected net expenditure amounted to CZK 69.1 billion, whereas the actual net expenditure of the chapter amounted to CZK 68.3 billion in 2023, i.e. 0.9% of GDP. The difference between actual net expenditure and the approved budget is CZK 1.6 billion, which partially contributed to better

than expected state budget performance in 2023. The difference between actual and budgeted net expenditure is due to lower expenditure compared to the approved budget while the actual revenue was zero as well as the approved one. Compared to 2022, net expenditure increased by CZK 18.6 billion.

**Table 14: Budget Expenditure and Revenue of the State Debt Chapter**

| CZK mil  | Actual         |               |               |               |               |               |               | Budget        |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2017           | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          |
| <b>1. Total interest expenditure and revenue</b> | <b>39,812</b>  | <b>40,615</b> | <b>39,400</b> | <b>39,971</b> | <b>42,004</b> | <b>49,459</b> | <b>68,210</b> | <b>93,967</b> |
|  | <b>(-) 384</b> | <b>0</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Internal debt</b>                             | 32,117         | 31,272        | 32,142        | 33,091        | 37,792        | 45,100        | 64,422        | 88,717        |
|  | (-) 2,051      | -             | -             | -             | -             | -             | -             | -             |
| Money market instruments                         | (-) 674        | (-) 2,013     | (-) 3,742     | (-) 978       | (-) 2,462     | (-) 19,257    | (-) 19,840    | (-) 6,750     |
|  | (-) 377        | -             | -             | -             | -             | -             | -             | -             |
| Savings government bonds                         | 1,778          | 1,198         | 166           | 334           | 919           | 4,220         | 11,120        | 7,000         |
|  | 17             | -             | -             | -             | -             | -             | -             | -             |
| T-Bonds on domestic market                       | 31,013         | 32,086        | 35,719        | 33,735        | 39,335        | 60,137        | 73,141        | 88,467        |
|  | (-) 1,690      | -             | -             | -             | -             | -             | -             | -             |
| <b>External debt</b>                             | 7,695          | 9,344         | 7,261         | 6,881         | 4,094         | 4,212         | 3,022         | 4,500         |
|  | 1,667          | -             | -             | -             | -             | -             | -             | -             |
| T-Bonds on foreign markets                       | 7,443          | 8,808         | 6,436         | 6,387         | 4,408         | 3,112         | 305           | 1,000         |
|  | 1,590          | -             | -             | -             | -             | -             | -             | -             |
| Received credits and loans <sup>1</sup>          | 252            | 536           | 825           | 494           | (-) 314       | 1,100         | 2,717         | 3,500         |
|  | 77             | -             | -             | -             | -             | -             | -             | -             |
| <b>Payment accounts</b>                          | 0              | 0             | (-) 3         | (-) 1         | 118           | 147           | 767           | 750           |
|  | 0              | 0             | -             | -             | -             | -             | -             | -             |
| <b>2. Fees</b>                                   | <b>339</b>     | <b>114</b>    | <b>151</b>    | <b>174</b>    | <b>230</b>    | <b>246</b>    | <b>107</b>    | <b>1,000</b>  |
|  | <b>0</b>       | <b>0</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Total chapter balance</b>                     | <b>39,767</b>  | <b>40,729</b> | <b>39,551</b> | <b>40,145</b> | <b>42,234</b> | <b>49,705</b> | <b>68,318</b> | <b>94,967</b> |

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

No budgetary transfers were realized in Chapter 396 - State Debt during 2023 that would have an impact on binding revenue, expenditure or financing indicators for Chapter 396 - State Debt. At the same time, there was no change to the State Budget Act that would have an impact on Chapter 396 - State Debt. The amended budget was thus identical to the budget approved under Act No. 449/2022 Coll., on the State Budget of the Czech Republic for 2023. The resulting difference between actual net expenditure and the final budget amounts to CZK 1.6 billion.

The difference between actual and budgeted expenditure is due to several factors. The main factor is in particular the nature of the construction of the budgeted expenditure of the chapter. The budgeted expenditure represents the boundary of expenditure that is to be exceeded only with a certain probability. Due to higher budgeted

expenditure than the expected expenditure, it is possible, among other things, to hold part of the state debt in the form of variable-rate instruments, which on average usually bear lower interest rates than fixed-rate government bonds, thereby achieving savings on state budget expenditure.

In 2023, interest costs on state debt service amounted to CZK 68.2 billion on the accrual basis, of which interest costs on government bonds issued in 2023 amount to approximately CZK 16.9 billion. The total nominal value of government bonds issued in 2023 amounts to CZK 857.2 billion, including state treasury bills issued and redeemed in the year. Compared to 2022, the accrued costs related to government bonds issued in 2023 are about CZK 2.6 billion lower, mainly due to the lower total nominal value of newly issued government bonds intended for citizens.

**Table 15: Interest Expenditure and Accrued Costs of the Newly Issued State Debt**

| CZK bn  | Nominal value | Net interest expenditure / accrued costs |       |       |       |
|---|---------------|--|-------|-------|-------|
|   |               | 2023F                                    | 2024F | 2025F | 2026F |
| <b>Cash basis expression</b>                      | 857.2         | 8.0                                      | 24.4  | 24.7  | 24.6  |
| <b>Accrued basis expression</b>                   | 857.2         | 16.9                                     | 24.8  | 24.0  | 23.6  |
| <b>Gross issuance of T-Bonds</b>                  | 518.0         | 12.9                                     | 24.3  | 24.0  | 23.6  |
| <b>Gross issuance of T-Bills</b>                  | 339.2         | 4.0                                      | 0.5   | -     | -     |
| <b>Gross issuance of savings government bonds</b> | 0.0           | -  | -     | -     | -     |

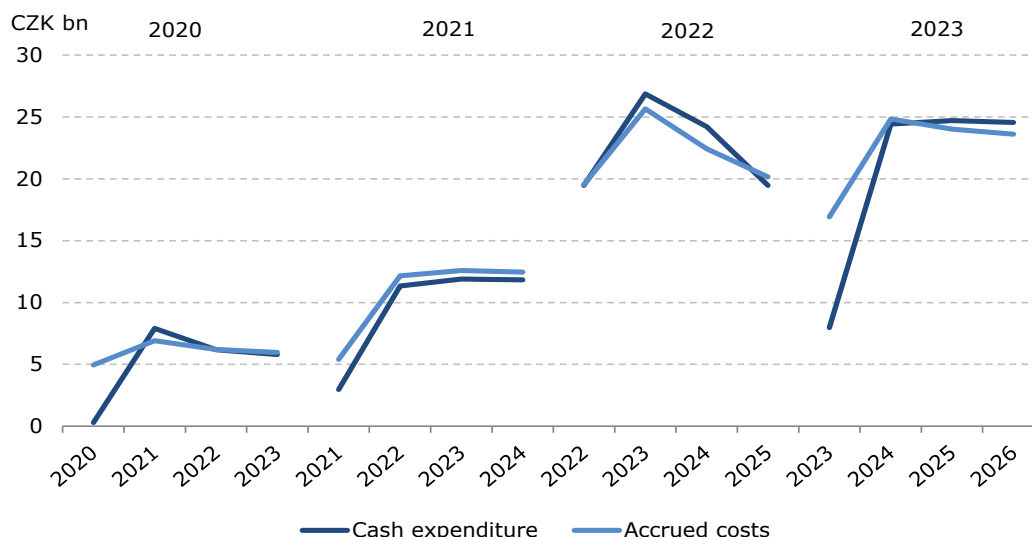
*Note: Gross issuance of savings government bonds does not include the reinvestment of yields of already issued savings government bonds.  
Source: MoF*

A similar development is shown by net interest expenditure on the same debt on a cash basis when the amount of this expenditure in 2023 amounted to CZK 8.0 billion. In the years 2024 to 2026, net interest expenditure on newly issued government bonds are expected at the level of CZK 24.4 to 24.7 billion, which confirms that the lower cash state budget expenditure of newly issued government bonds in 2023 are offset by higher cash expenditure in the following years, mainly due to the payment of nominal coupons.

The total net cash interest expenditure and total accrued costs of the newly issued state debt will

eventually equal each other in the course of the existence of the debt. Only if new government bond issues with market coupon rates and coupons paid at the end of the year were issued each year, accrued costs and net cash interest expenditure would be the same in the year of issue. For this reason, the accrual expression of state debt costs is more accurate and more meaningful as it is not affected by the re-opening of issues with other than the market coupon rate, which cannot be avoided in the real world, because small volumes of bond issues render these bonds illiquid cause and may cause increased interest costs due to the illiquidity premium.

**Figure 42: Net Cash Interest Expenditure and Accrued Interest Costs of Newly Issued Debt**

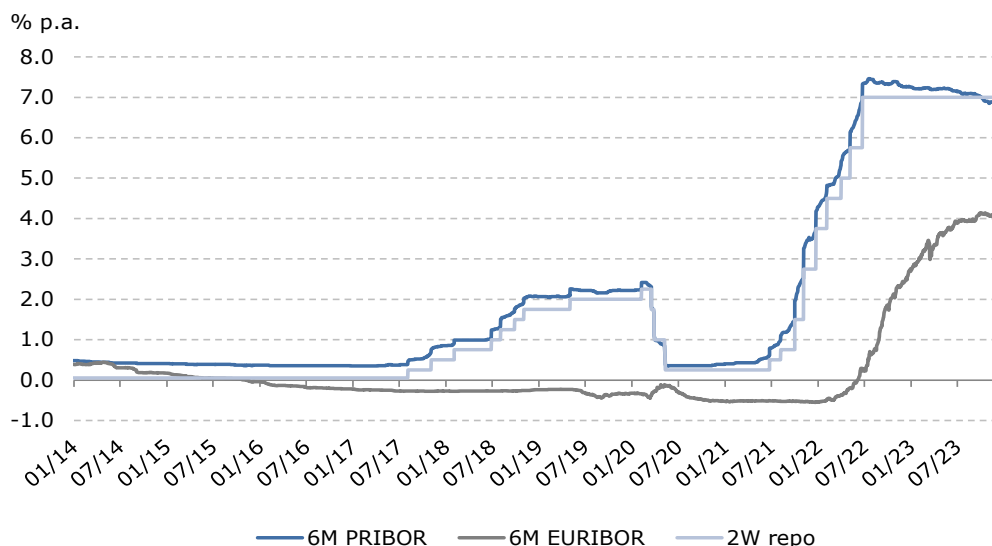


Source: MoF

During 2023, the euro money market yield curves continued to increase with significantly higher volatility. The six-month EURIBOR rate followed the monetary policy decisions of the European Central Bank in the form of gradual increases in key interest rates, when it raised key interest rates six times during 2023. The interest rate on the deposit facility was increased by 2.0 p.p. during 2023, from 2.00% p.a. to 4.00% p.a. In

contrast, the Czech koruna money market yield curves followed a significantly less volatile path during 2023. The six-month PRIBOR rate declined gradually over the course of 2023, while it reacted more sensitively at the end of the year to the monetary policy decision of the Czech National Bank in the form of a 0.25 percentage point reduction in the key interest rate from 7.00% p.a. to 6.75% p.a.

**Figure 43: Development of Rates: 6M PRIBOR, 6M EURIBOR a 2W Repo**



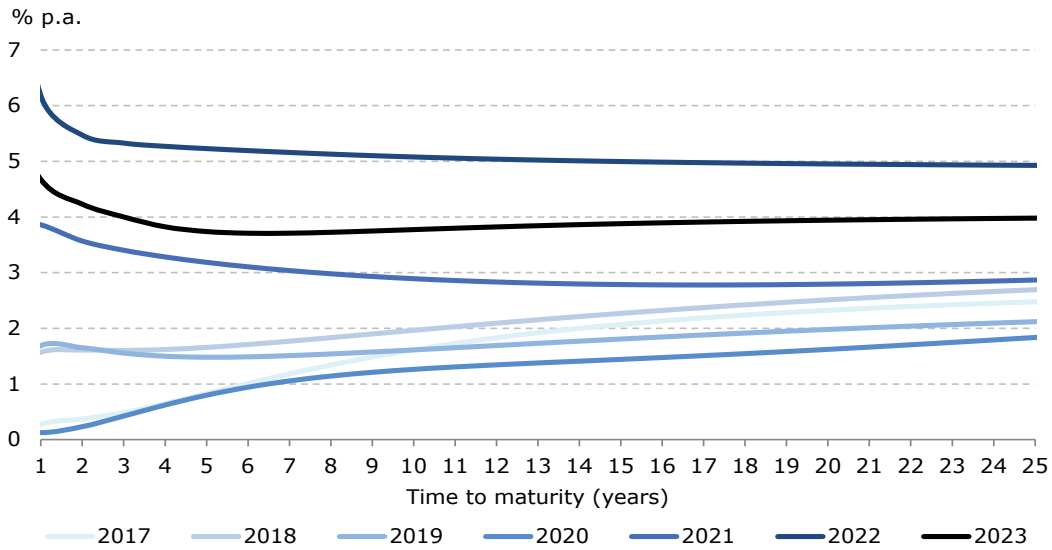
Source: CNB, MTS, Refinitiv

Yields on CZK-denominated government bonds declined gradually along the entire length of the yield curve during the first three quarters of 2023, while short-term government bonds continued to have higher yields than medium-term and long-term government bonds. Yields on CZK-denominated government bonds experienced higher volatility as the end of the year approached, when they also reacted to the monetary policy decision of the Czech National Bank in the form of a 0.25 percentage point reduction

in the key interest rate from 7.00% p.a. to 6.75% p.a. Government bond yields at the short end of the yield curve reacted more sensitively to this decision. Compared to the end of 2022, the yields on CZK-denominated government bonds with a remaining maturity of 4 to 7 years fell the most significantly in 2023, by 1.5 percentage points on average. Yields at the longer end of the yield curve reacted less sensitively, when they recorded a year-on-year decline of 0.9 p.p. on average.



**Figure 44: Yield Curve of Government Bonds**

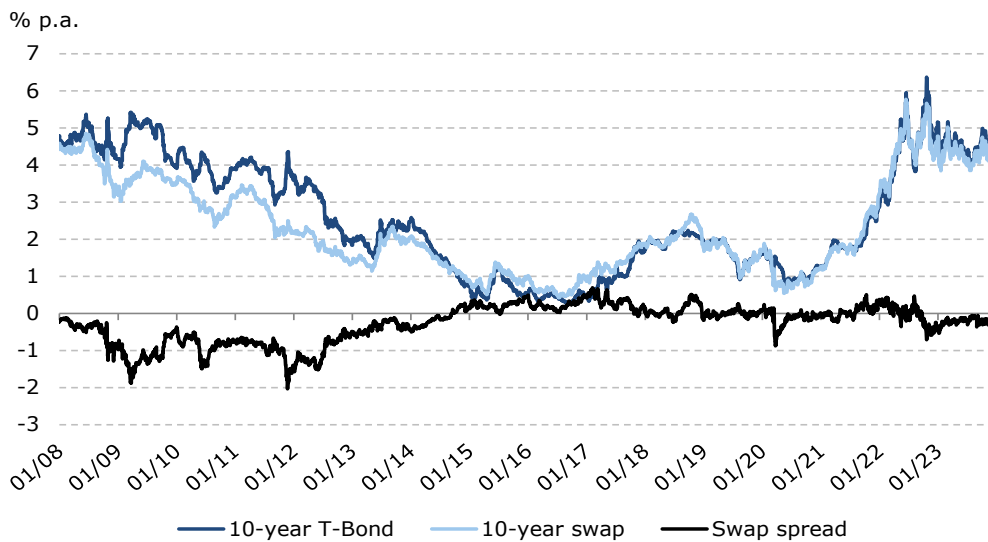


Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model. Source: MoF, MTS

The difference between the swap rate and the yield of the government bond, the so-called swap spread, remained in the low negative levels with relatively low volatility during 2023 for the 10-year maturity. It reached its highest absolute level at the beginning of the year, when it fell to -54 basis points. However, by

the end of the first quarter, swap spreads returned to near-zero levels, which confirmed the attractiveness of the Czech Republic as an issuer of government bonds among investors. The average swap spread reached -22 basis points during 2023.

**Figure 45: Swap Rate and T-Bond Yield to Maturity**



Source: MoF, Refinitiv



## Cost-at-Risk of State Debt

Since 2005, the model framework called Cost-at-Risk (CaR) has been applied to measure and manage interest rate risk, which is based on the Value-at-Risk methodology, simulating future expected and maximum interest expenditure at a given degree of risk, which is derived from the volatility of the interest rate term structure. The stochastic element of the CaR model is the yield curve, the deterministic element is the dynamic structure of the state debt portfolio, which is based on the baseline scenario of the financing program respecting the stipulated strategic objectives of financial risk management.

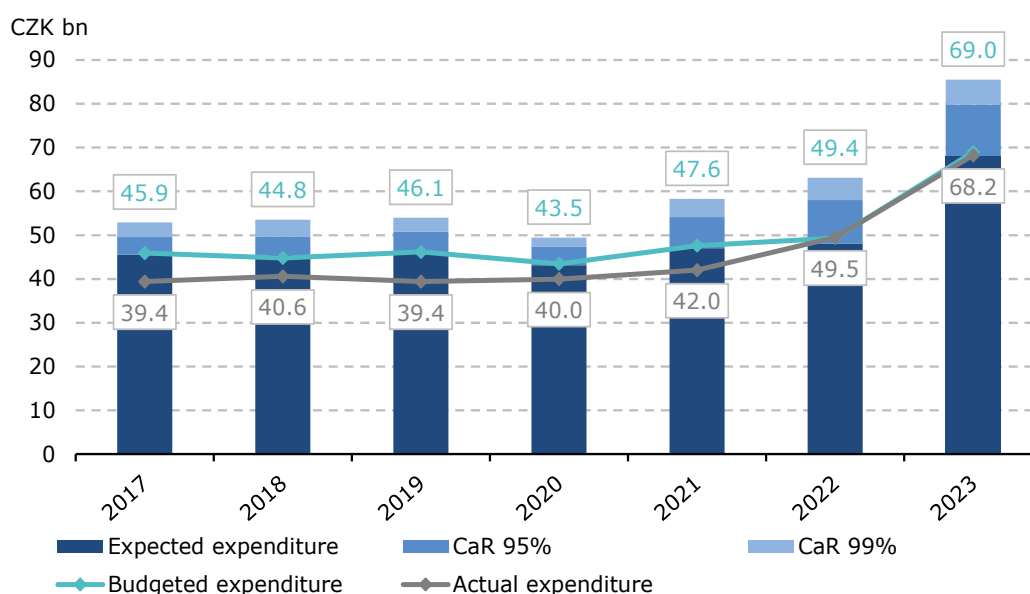
The primary objective of the model is to determine the maximum interest expenditure on state debt, which with 95% or 99% probability will not be exceeded (CaR 95% and CaR 99%). The secondary objective of the model is to estimate the actual interest expenditure on state debt. The outcomes of the applied CaR analysis are not just the values of

CaR 95% and CaR 99% percentiles, but also whole probabilistic distributions of interest expenditure at any moment, which makes this analysis a powerful tool for analysis of state budget expenditure in relation to the issuance and the financial market conditions.

The simulation framework operates separately with 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 does not include fees related to state debt service, which are of a deterministic nature.

Overall the years in which the CaR methodology has been applied, the model has fulfilled the primary objective, since the predicted maximum interest expenditure was not exceeded in any of those years.

**Figure 46: Net Interest Expenditure and Cost-at-Risk**



Note: Original budgeted net interest expenditure. Excluding fees associated with the expenditure on state debt service.  
Source: MoF

**Table 16: Net Interest Expenditure and Cost-at-Risk**

| CZK bn                                  | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|------|------|
| <b>Budgeted expenditure<sup>1</sup></b> | 45.9 | 44.8 | 46.1 | 43.5 | 47.6 | 49.4 | 69.0 |
| <b>Actual expenditure</b>               | 39.4 | 40.6 | 39.4 | 40.0 | 42.0 | 49.5 | 68.2 |
| <b>Expected expenditure</b>             | 45.6 | 45.5 | 45.8 | 43.1 | 47.0 | 48.1 | 68.1 |
| <b>CaR 95%</b>                          | 49.6 | 49.7 | 50.9 | 47.4 | 54.1 | 58.0 | 79.8 |
| <b>CaR 99%</b>                          | 52.9 | 53.5 | 54.0 | 49.4 | 58.3 | 63.1 | 85.5 |

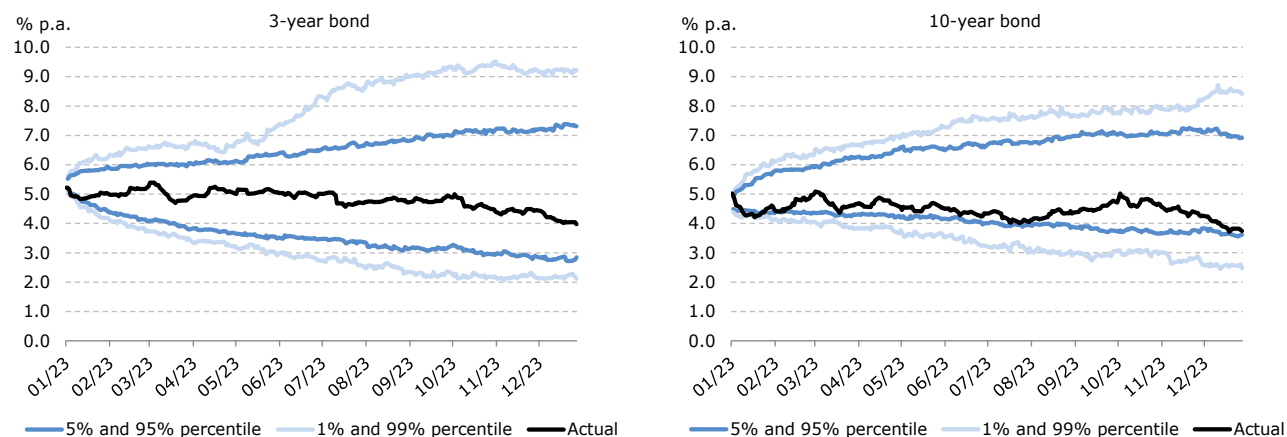
<sup>1</sup> The original budgeted net interest expenditure.  
Note: Excluding fees associated with the expenditure on state debt service.  
Source: MoF

## Cost-at-Risk for 2023

In the Czech Republic Government Debt Management Annual Report 2022, the Cost-at-Risk of state debt for 2023 was published. Calculation of the CaR indicator is based on simulations of the time structure of interest rates as at 5 December 2022.

A comparison of the real development of the three-year and ten-year government bonds interest rates with their simulations for the period from 1 January 2023 to 31 December 2023 is shown in the following figures.

**Figure 47: Actual vs. Simulated of CZK-denominated Government Bond Yields in 2023**



Source: MoF, Refinitiv

A comparison of the actual net interest expenditure on state debt service with the simulated values of expected expenditure (simulation average) and interest expenditure in CaR (95% and 99% percentile of simulations) in 2022 and 2023 is

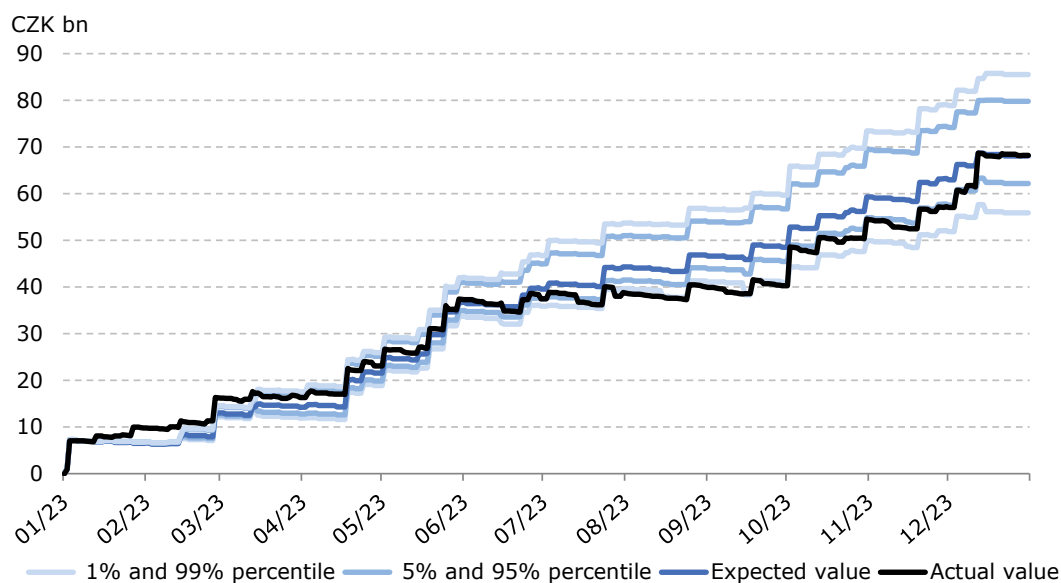
shown in the following table. In 2023 the net interest expenditure amounted to CZK 68.2 billion, the expected net interest expenditure predicted by the model amounted to CZK 68.1 billion.

**Table 17: Expected vs. Actual Net Interest Expenditure**

| CZK bn  | 2022 | 2023 |
|---|------|------|
| <b>Actual expenditure</b>                           | 49.5 | 68.2 |
| <b>Expected expenditure</b>                         | 48.1 | 68.1 |
| <b>CaR 95%</b>                                      | 58.0 | 79.8 |
| <b>CaR 99%</b>                                      | 63.1 | 85.5 |
| <b>Difference between expectation and actuality</b> | -1.4 | -0.1 |

Source: MoF

**Figure 48: Actual vs. Simulated Net Interest Expenditure in 2023**



Note: Interest expenditure are calculated using the cash principle according to the current state budget methodology.  
Source: MoF

The net interest expenditure in 2023 remained below the CaR 95% and CaR 99% level, which were estimated at CZK 79.8 billion and CZK 85.5 billion, respectively. The expected net interest expenditure predicted by the model are CZK 0.1 billion lower than the actual one.

The difference in the expected net interest expenditure of CZK 0.1 billion compared with the model's prediction is due, on the one hand, to higher

expenditure related to the issuance of medium-term and long-term government bonds and state treasury bills and, on the other hand, to higher than expected state budget revenues from treasury liquidity management operations in an environment of stable Czech National Bank key interest rates. The Bank Board decided to leave the key interest rates unchanged for almost the whole of 2023, with the Czech National Bank cutting the key interest rates only at the end of the year.

### Cost-at-Risk for 2024

Net interest expenditure expected by the model in 2024 amounts to CZK 93.0 billion. Net interest expenditure at risk, i.e. CaR 99% amounts to CZK 111.3 billion (CaR 95% amounts to CZK 105.3 billion). Thus, the actual net interest expenditure in 2024 will not be higher by about CZK 18.3 billion compared to the expected expenditure with 99% probability. The budgeted interest expenditure on state debt service in 2024 amounts to CZK 94.0

billion, i.e. by CZK 1.0 billion above expected net interest expenditure and by CZK 11.3 billion below the 95% percentile of the CaR indicator.

The following table shows in detail the development of cumulative net interest expenditure on state debt in 2024 predicted by the model always at the end of the month. It also contains the respective critical values of CaR 95% and CaR 99%.

**Table 18: Monthly Development of Cumulative Net Interest Expenditure in 2024**

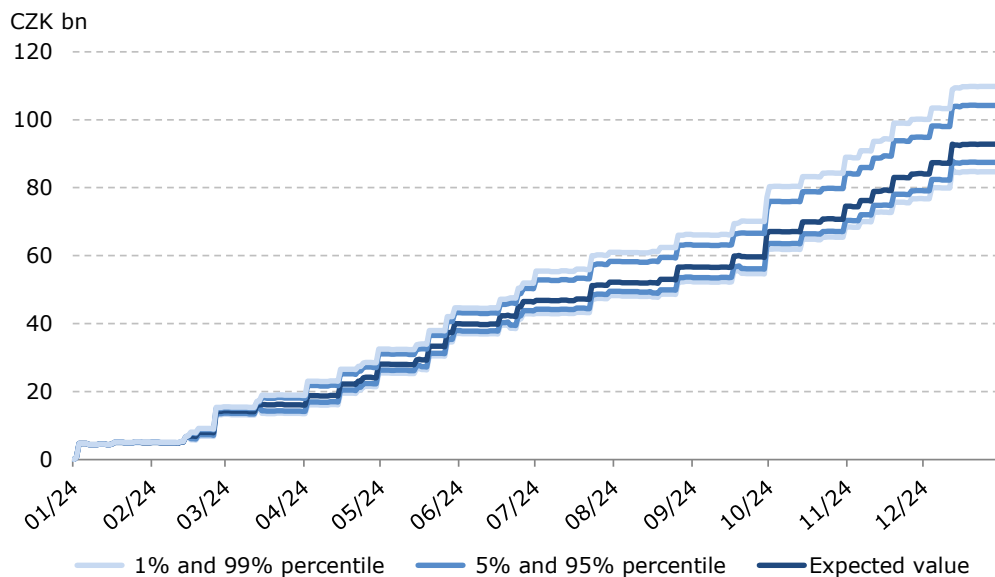
| CZK bn                      | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11    | 12    |
|-----------------------------|-----|------|------|------|------|------|------|------|------|------|-------|-------|
| <b>Expected expenditure</b> | 5.0 | 14.4 | 16.0 | 28.1 | 40.0 | 46.3 | 52.2 | 56.8 | 66.6 | 74.5 | 84.2  | 93.0  |
| <b>CaR 95%</b>              | 5.0 | 15.2 | 18.0 | 31.1 | 43.2 | 50.2 | 58.3 | 63.2 | 73.6 | 84.2 | 94.9  | 105.3 |
| <b>CaR 99%</b>              | 5.1 | 15.5 | 18.8 | 32.5 | 44.7 | 51.8 | 61.0 | 66.2 | 77.1 | 88.9 | 100.2 | 111.3 |

Note: Excluding fees associated with the expenditure on state debt service.  
Source: MoF

The graphic presentation of simulations of cumulative net interest expenditure on the state debt service in 2024 stipulated on a daily basis is shown in the following figure. The figure also shows

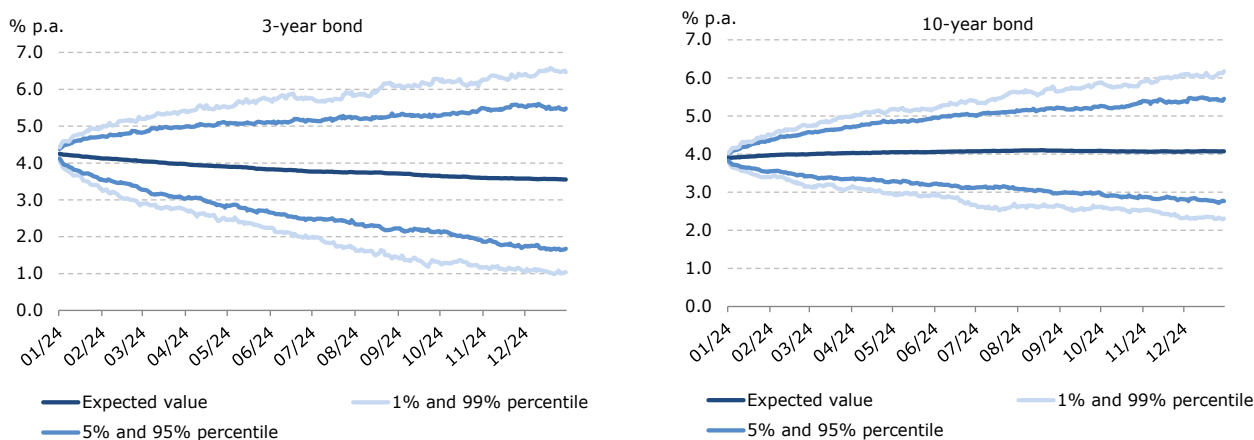
the expected values of net expenditure and the respective 5% and 95%, 1% and 99% percentiles of simulated values.

**Figure 49: Simulation of Net Interest Expenditure of State Debt in 2024**



Note: Development of net interest expenditure on a daily basis.  
Source: MoF

**Figure 50: Simulation of CZK-denominated Government Bond Yields in 2024**



Source: MoF

The Ministry also deals with the problem of interest rates hikes, which could occur e.g. via a sharp increase in the Czech National Bank key interest rate, sudden deterioration of the economic situation in the euro area, a sharp increase of the risk premium of government bonds, etc. The Ministry strives to quantify the impact of these circumstances on net interest expenditure on the state debt service. Each economic event has an effect on a certain part of the yield curve, which is why it is important for the

Ministry to observe the shift in the individual parts of the yield curves separately. The following table quantifies the consequences of a potential increase in interest rates at the short end of the yield curve, at the long end of the yield curve and along the entire curve evenly. This analysis also enables the uneven shifting of the short and long end of the yield curve and arbitrary selection of the date of this shift.

**Table 19: Development of Net Interest Expenditure in Case of Sudden Interest Rate Hikes**

| CZK bn                      | Current model | Shift of rates at the short end of the yield curve by 1 p.p. | Shift of rates at the long end of the yield curve by 1 p.p. | Shift of the whole yield curve by 1 p.p. |
|-----------------------------|---------------|--|---|--|
| <b>Expected expenditure</b> | 93.0          | 95.2   | 93.2  | 95.4                                     |
| <b>CaR 95%</b>              | 105.3         | 107.6  | 105.4   | 107.6                                    |
| <b>CaR 99%</b>              | 111.3         | 113.5  | 111.3   | 113.5                                    |

Note: The shock in the form of a one-time shift in the yield curve will occur at the beginning of 2024.  
Source: MoF

Assuming the financing of the gross borrowing requirement with an unchanged issuance calendar, a 1 percentage point upward shift in the yield curve of CZK-denominated government bonds at its short end would lead to an increase in expected net interest expenditure of CZK 2.2 billion in 2024. In the case of a 1 percentage point increase in rates at the long end of the yield curve, the expected net interest expenditure would increase by CZK 0.2 billion. A shift of the whole yield curve of government bonds by 1 percentage point upwards would result in an increase in expected net interest expenditure by approximately CZK 2.4 billion.

The Ministry also quantifies the sensitivity of net interest expenditure on state debt service to changes in the koruna's exchange rate. This sensitivity is relatively low, even when compared to the sensitivity of interest expenditure to the shift in the yield curve.

**Table 20: The Increase of Net Interest Expenditure in Case of EUR/CZK FX Rate Hike**

| CZK bn                      | EUR/CZK FX rate shift |        |
|-----------------------------|-----------------------|--------|
|                             | by 1%                 | by 10% |
| <b>Expected expenditure</b> | 0.025                 | 0.246  |
| <b>CaR 95%</b>              | 0.028                 | 0.278  |
| <b>CaR 99%</b>              | 0.029                 | 0.294  |

Note: The shock in form of a one-off depreciation of CZK FX rate will occur at the beginning of 2024.  
Source: MoF

If the EUR/CZK FX rate depreciated by 1% at the beginning of 2024 compared to the level as at the end of 2023, i.e. from 24.725 to 24.972 and remained unchanged during the whole 2024, then the expected net interest expenditure on state debt service would increase approx. by CZK 25 million.

The Ministry also quantifies the impacts of the unplanned increase in the state budget deficit on interest expenditure on state debt service. If the state budget deficit increased by CZK 10.0 billion in 2024 assuming its financing by a uniform increase in the nominal values of CZK-denominated medium-term and long-term government bonds issued in auctions according to the current issue calendar, this change would mean an increase in expected net interest expenditure on state debt service by CZK 0.3 billion. However, the impact on the state budget based on the cash basis is very sensitive to the selected way of financing the deficit increase. In the case of an issuance of bond with premium, i.e. price above par, the increased gross issue may not result in an increase in interest expenditure due to the cash principle of the state budget and will result in a reduction in net interest expenditure. In the case of an accrual approach, an increase in gross issue would take effect immediately.

## 6 - Evaluation of Primary Dealers and Secondary Government Bond Market

### Primary Dealers and Recognized Dealers in Czech Government Securities

The status of a primary dealer in Czech government securities was contractually formalized on 1 October 2011, when the Primary Dealer Agreement for Czech Government Securities (hereinafter the Agreement), became valid. According to best international practice, the Agreement specifies the rights and obligations of individual members of the group of primary dealers, and provides an institutional framework for cooperation between the Ministry and financial institutions in funding and state debt management.

A new two-stage institutional framework of cooperation was established starting from 1 January 2019, by adding the status of Recognized Dealer in Czech Government Securities. Thus, Ministry had responded flexibly to increasing regulatory costs and changes of market makers business strategies of foreign market makers in Czech government securities, when Goldman Sachs International (now Goldman Sachs Bank Europe SE) became the first recognized dealer.

Recognized Dealer in Czech Government Securities has limited rights and obligation compared to Primary Dealer, clearly specified in Recognized Dealer Agreement for Czech Government Securities. Only Primary Dealer together with Recognized Dealer is granted access to primary auctions of government bonds according to valid Rules for the Primary Sale of Government Securities organized by the Czech National Bank. Recognized Dealer has right to be participant only in the competitive part of the primary auction of Czech government securities. Compared to Primary Dealer, there is no access to the non-competitive part of the primary auctions for Recognized Dealer.

Primary dealers and recognized dealers may participate in the Ministry's operations on the secondary market, such as tap sales, buy-backs and exchange operations of government bonds or lending facilities. Primary dealers are also the Ministry's counterparts for foreign issues, private placements and other state's financial operations. Primary dealers also have an exclusive right to participate in regular

meetings with the representatives of the Ministry, at least twice a year, and to be involved among others in the preparation of issuance calendars for government bonds as well as to propose alternative instruments for financing the borrowing requirement, including follow-up operations for risk management purposes. A primary dealer's obligation is to purchase at least 3% of the total nominal value of medium-term and long-term government bonds sold in the primary auctions (including non-competitive parts) during four consecutive quarters. Another important obligation is for the participant to fulfil the quoting obligations on a secondary market through the Designated Electronic Trading System (DETS) with the aim of achieving a highly liquid secondary market of government bonds. For 2022 and 2023, MTS Czech Republic was chosen as such platform once again based on the decision taken by the Primary Dealers Committee on 28 June 2021.

Recognized dealer is not compulsory to fulfil quoting obligation on the secondary market and does not have the obligation to purchase not less than 3% of the total nominal amount of government bonds in primary auctions. The main obligation of recognized dealer is to be active market participant on the DETS, act in accordance with its market rules and contribute on best effort basis to liquidity of secondary market trading of the government bonds.

The group of primary dealers and recognized dealers in Czech government securities is confirmed by the Ministry for every calendar year. In 2023, the Czech Republic had a total of 9 primary dealers, and the number did not change compared to the previous year. In 2023, in justified cases, these Agreements were 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 applied to 6 primary dealers in the year 2023. System of primary dealership ran smoothly in 2023 and there were no any received proposals to amend the current institutional arrangement of the market.

**Table 21: List of Primary Dealers and Recognized Dealers in Czech Government Securities in 2023**

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

Source: MoF

## Evaluation Results of the Primary Dealers

The long-term objective of the state debt management is also to support the maximum possible liquidity and transparency of the secondary market for Czech government bonds. In order to achieve this objective, the inter-dealer over-the-counter electronic trading platform of the regulated market MTS Czech Republic for the secondary government bond market (DETS - Designated Electronic Trading System) was implemented. To support the secondary market liquidity, it is also possible to execute secondary market operations such as tap sales, exchange operations of illiquid short term bonds for benchmark bonds with longer time to maturity and buybacks of

illiquid bonds with short time to maturity. The platform provides real-time executive prices of benchmark bonds and thus enables indisputable monitoring of the behaviour of market participants, which can also be used as a basis for subsequent evaluation of their performance. It provides market participants with transparent information on the price development of Czech government bonds and continuous access to their supply. The implementation of this platform has also made it possible to expand the circle of primary dealers to include new foreign participants and domestic market makers.

**Table 22: Overall Evaluation of Primary Dealers**

| Ranking         | Primary Dealer  | Points      |
|-----------------|---|-------------|
| 1 <sup>st</sup> | <b>KBC Bank NV / Československá obchodní banka, a. s.</b> | <b>73.3</b> |
| 2 <sup>nd</sup> | PPF banka a.s.  | 65.0        |
| 3 <sup>rd</sup> | Société Générale / Komerční banka, a.s.                   | 52.3        |
| 4 <sup>th</sup> | J. P. Morgan SE   | 43.6        |
| 5 <sup>th</sup> | Erste Group Bank AG / Česká spořitelna, a.s.              | 41.4        |

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

**Table 23: Evaluation of Primary Dealers on Primary Market**

| Ranking         | Primary Dealer   | Points      |
|-----------------|--|-------------|
| 1 <sup>st</sup> | <b>PPF banka a.s.</b>                                  | <b>39.5</b> |
| 2 <sup>nd</sup> | KBC Bank NV / Československá obchodní banka, a. s.     | 38.0        |
| 3 <sup>rd</sup> | Société Générale / Komerční banka, a.s.                | 26.7        |
| 4 <sup>th</sup> | Erste Group Bank AG / Česká spořitelna, a.s.           | 23.3        |
| 5 <sup>th</sup> | Raiffeisen Bank International AG / Raiffeisenbank a.s. | 22.5        |

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

**Table 24: Evaluation of Primary Dealers on Secondary Market**

| Ranking         | Primary Dealer   | Points      |
|-----------------|--|-------------|
| 1 <sup>st</sup> | <b>KBC Bank NV / Československá obchodní banka, a. s.</b>            | <b>35.4</b> |
| 2 <sup>nd</sup> | J. P. Morgan SE  | 32.2        |
| 3 <sup>rd</sup> | Société Générale / Komerční banka, a.s.                              | 25.6        |
| 4 <sup>th</sup> | PPF banka a.s.   | 25.5        |
| 5 <sup>th</sup> | UniCredit Bank AG / UniCredit Bank Czech Republic and Slovakia, a.s. | 19.2        |

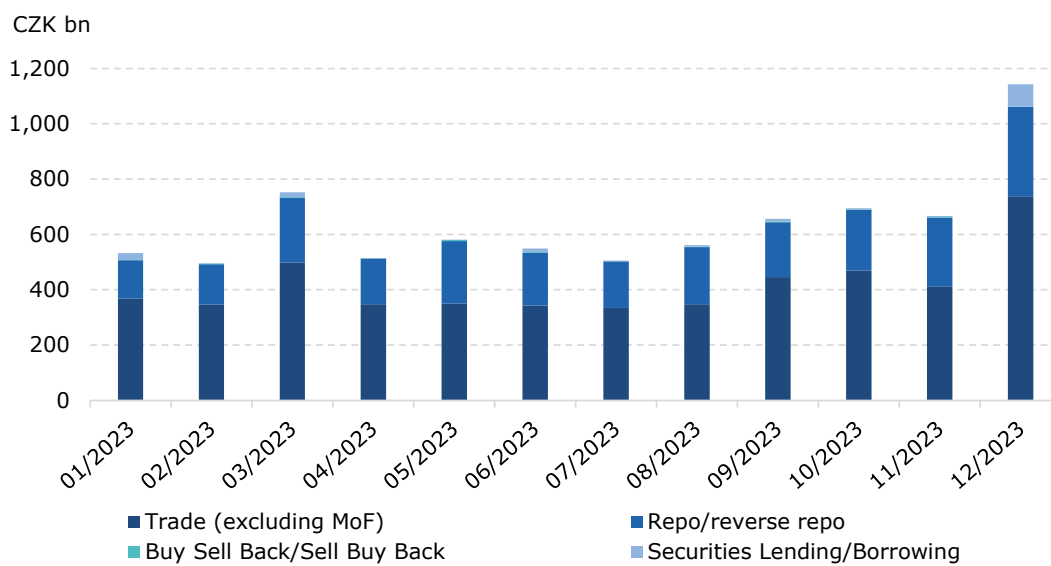
Note: Maximum possible number of points in this criterion is 45.  
Source: MoF

## MTS Czech Republic and Secondary Government Bond Market

Supporting the maximum possible liquidity of Czech government bond issues traded on the secondary market remains a long-term objective of state debt management. The inter-dealer electronic OTC trading platform of the regulated market MTS Czech Republic for the secondary market of government bonds serves this purpose. On July 11, 2011, the pilot operation was launched, which was followed by a full operation after three months. To support the liquidity of the MTS Czech Republic secondary market, it is also possible to use secondary market operations in the form of tap sales and exchange operations. The MTS Czech Republic platform also enables monitoring of market participants' behaviour and compliance with the

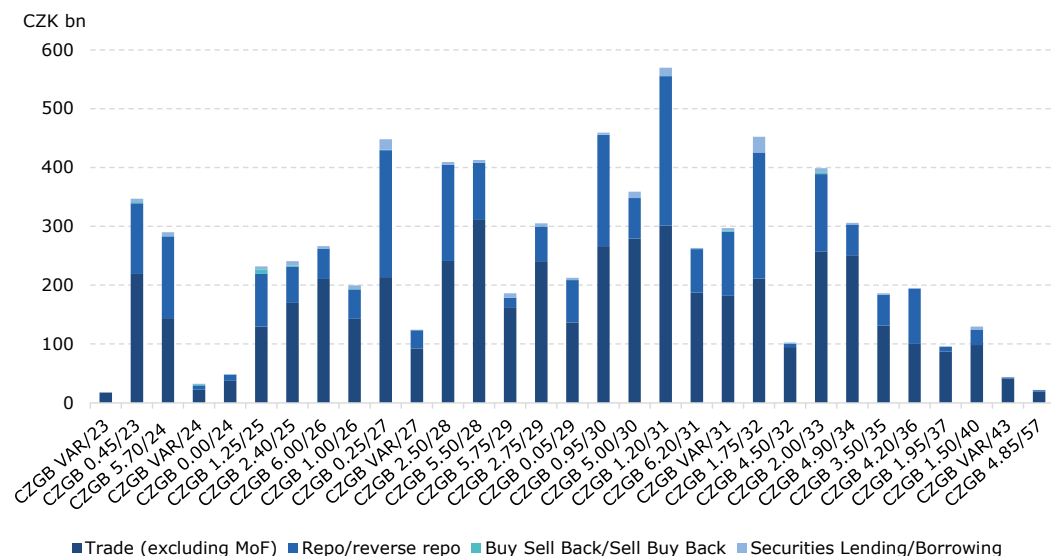
set rules in real-time as a basis for subsequent evaluation of their performance and bonuses. The implementation of this platform has also enabled the expansion of the circle of primary dealers to include new foreign domestic market makers. Since its establishment, the official MTS Czech Republic market has become an integral part of the overall secondary market for government bonds. It provides market participants with transparent information on the price development of government bonds issued on the domestic market and continuous access to their supply. MTS Czech Republic has been extended as an accepted DETS based on the decision of the Primary Dealers Committee dated 22 June 2023 until 31 December 2025.

**Figure 51: Nominal Value of Trades Carried out on Secondary Market Settled in CSD Prague**



Note: Expressed in nominal value of traded medium-term and long-term government bonds denominated in the domestic currency settled in CSD. Outright purchases/sales by the Ministry are not included. Repo market and buy/sell market adjusted for double-counting of transactions.  
Source: MoF, CSD

**Figure 52: Nominal Value of Trades Carried out on Secondary Market Settled in CSD Prague by Instrument**



Note: Expressed in nominal value of traded medium-term and long-term government bonds denominated in the domestic currency settled in CSD. Outright purchases/sales by the Ministry are not included. Repo market and buy/sell market adjusted for double-counting of transactions.  
Source: MoF, CSD



The year 2023 was similar to the years 2021 and 2022 in terms of trading activity on the government bond market and largely corresponded to the Ministry's issuance activity, when it was necessary to cover higher financing needs on the primary and secondary markets, while five new issues of CZK-denominated medium-term and long-term government bonds were issued.

High traded nominal values were reached on fixed-coupon bonds with maturities between 2026 and 2034 and on the Government Bond of the Czech Republic, 2015–2023, 0.45%, in connection with the Ministry's redemptions mainly during March. The end of the year was affected by an increase in internal transfers of government bonds within the various financial groups.

An effective secondary market in terms of minimizing transaction costs and maintaining market depth and price stability is a necessary condition for the issuance activity and smooth and cost-effective funding over the long term. At the same time, a liquid and deep secondary market is important to sufficiently absorb potential financial market shocks. In order to meet this task, effective from

1 January 2024, based on a previous discussion with primary dealers at a meeting of the Primary Dealers Committee, a list of benchmark government bond issues, whose nominal value in circulation is sufficient to enable the market maker to meet its listing obligations, was published. These benchmark issues with lower outstanding amounts will be also reopened, which will have another positive impact on the liquidity of new benchmark bonds.

Compared to 2023, three new issues issued in 2023 were included in the list of benchmark list for 2024, namely the Government Bond of the Czech Republic, 2023–2029, 5.75%, the Government Bond of the Czech Republic, 2023–2032, 4.50% and Government Bond of the Czech Republic, 2023–2034, 4.90%. Due to the short remaining time to maturity, the Government Bond of the Czech Republic, 2021–2024, 0.00% and the Government Bond of the Czech Republic, 2020–2025, 1.25% were removed.

As a result of the changes in benchmark issues, since January 2024 the total number of bonds subjected to quoting obligation has increased by 1 benchmark bond, in total 20.

**Table 25: Benchmark Issues of Government Bonds as at 1 January 2024**

| Issue no. | Issue          | ISIN         | Coupon | Maturity date | Maturity basket | Minimum quoted nominal value (CZK mil) |
|-----------|----------------|--------------|--------|---------------|-----------------|--|
| 89        | ČR, 2.40 %, 25 | CZ0001004253 | 2.40%  | 17/9/2025     | A               | 50                                     |
| 148       | ČR, 6.00 %, 26 | CZ0001006506 | 6.00%  | 26/2/2026     | A               | 50                                     |
| 95        | ČR, 1.00 %, 26 | CZ0001004469 | 1.00%  | 26/6/2026     | A               | 50                                     |
| 100       | ČR, 0.25 %, 27 | CZ0001005037 | 0.25%  | 10/2/2027     | A               | 50                                     |
| 78        | ČR, 2.50 %, 28 | CZ0001003859 | 2.50%  | 25/8/2028     | B               | 50                                     |
| 149       | ČR, 5.50 %, 28 | CZ0001006696 | 5.50%  | 12/12/2028    | B               | 50                                     |
| 153       | ČR, 5.75 %, 29 | CZ0001007025 | 5.75%  | 29/3/2029     | B               | 50                                     |
| 105       | ČR, 2.75 %, 29 | CZ0001005375 | 2.75%  | 23/7/2029     | B               | 50                                     |
| 130       | ČR, 0.05 %, 29 | CZ0001006076 | 0.05%  | 29/11/2029    | B               | 50                                     |
| 94        | ČR, 0.95 %, 30 | CZ0001004477 | 0.95%  | 15/5/2030     | B               | 50                                     |
| 150       | ČR, 5.00 %, 30 | CZ0001006688 | 5.00%  | 30/9/2030     | C               | 40                                     |
| 121       | ČR, 1.20 %, 31 | CZ0001005888 | 1.20%  | 13/3/2031     | C               | 40                                     |
| 138       | ČR, 1.75 %, 32 | CZ0001006233 | 1.75%  | 23/6/2032     | C               | 40                                     |
| 154       | ČR, 4.50 %, 32 | CZ0001007033 | 4.50%  | 11/11/2032    | C               | 40                                     |
| 103       | ČR, 2.00 %, 33 | CZ0001005243 | 2.00%  | 13/10/2033    | C               | 40                                     |
| 151       | ČR, 4.90 %, 34 | CZ0001006894 | 4.90%  | 14/4/2034     | C               | 40                                     |
| 145       | ČR, 3.50 %, 35 | CZ0001006431 | 3.50%  | 30/5/2035     | C               | 40                                     |
| 49        | ČR, 4.20 %, 36 | CZ0001001796 | 4.20%  | 4/12/2036     | C               | 40                                     |
| 142       | ČR, 1.95 %, 37 | CZ0001006316 | 1.95%  | 30/7/2037     | D               | 10 <sup>1</sup>                        |
| 125       | ČR, 1.50 %, 40 | CZ0001005920 | 1.50%  | 24/4/2040     | D               | 10 <sup>1</sup>                        |

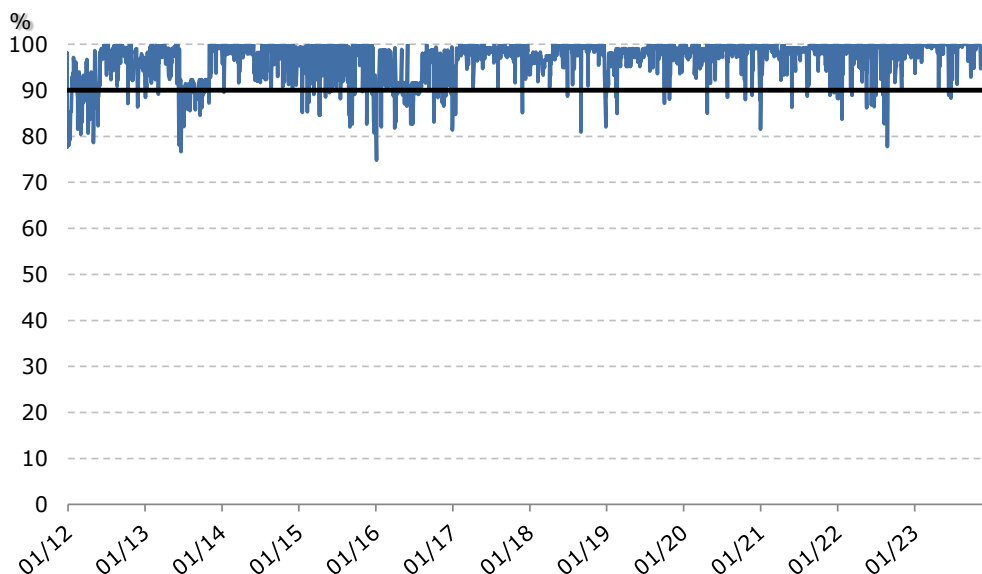
<sup>1</sup> Minimum traded volume of government bonds was reduced at CZK 10 mil, based on agreement with primary dealers.  
Source: MoF

The primary dealer who fulfils the role of market-maker on the secondary market quotes the bid and offer prices for all bonds subject to quoting obligations in the minimum quoted total nominal value, which varies depending on the time to maturity, and at least 5 hours during a single trading day.

However, the quoted prices must be within the competitive spread, which is set on a daily basis for each government bond subject to quoting obligations

as the weighted average of the quoted spreads of all primary dealers multiplied by the coefficient of  $k = 1.5$ . This method and the quantitative criteria were set up following mutual discussion in the MTS Czech Republic Committee, and the respective calculations are available to all participants in the system. The compliance with quoting obligation is monitored on a daily basis, and the evaluation of the performance and activity of participants takes place on a monthly basis.

**Figure 53: Average Daily Primary Dealer Compliance Ratio on MTS Czech Republic**

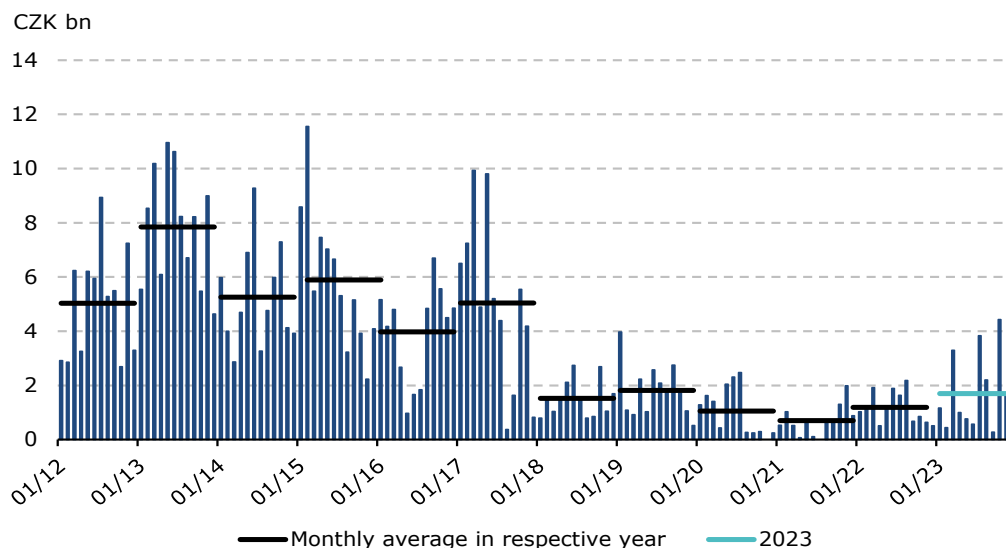


Source: MoF, MTS

In 2023, trading activity on MTS Czech Republic increased slightly, when the average monthly traded nominal value excluding the Ministry’s operations reached CZK 1.7 billion. Primary dealers and recognized dealers trade with each other primarily in the unregulated OTC markets that are characteristic of bond trading. However, due to the quotation

obligations, the MTS Czech Republic platform provides market participants, investors and the general public with transparent information on daily quotations of government bond prices, including their historical development and it provides the Ministry a picture of the current market situation.

**Figure 54: Traded Nominal Value on MTS Czech Republic**

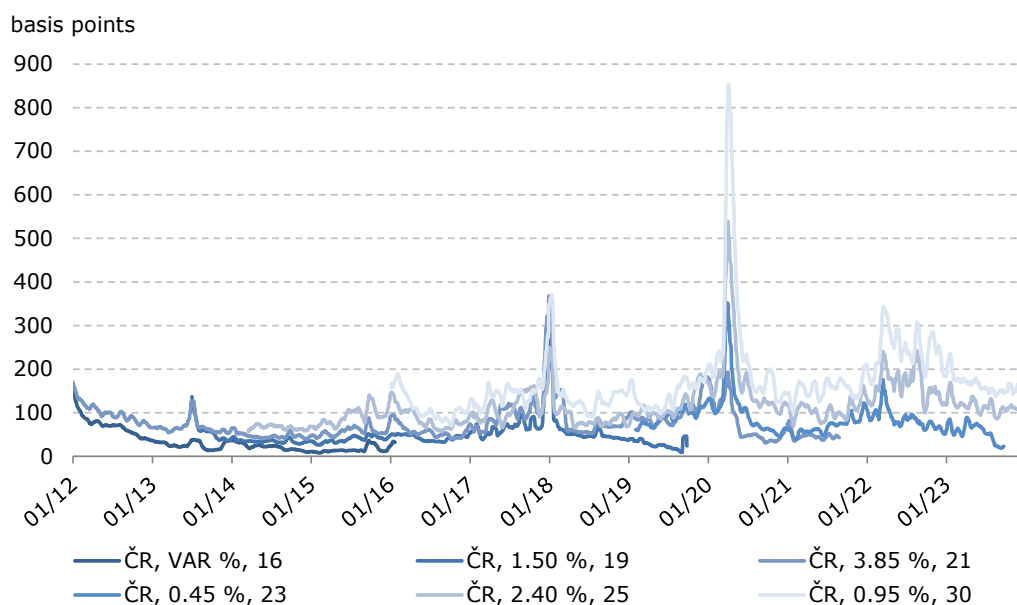


Note: Excl. trades of the Ministry on the secondary market.  
Source: MoF, MTS

The uncertainty on the domestic and foreign financial markets caused by the development of the world economy, the energy crisis and persistent geopolitical risks was also reflected in the significant volatility of bid-offer spreads for government bonds, which fluctuated briefly by over 300 basis points during 2023. The fact that the mandatory bid and offer spreads are

based on a relative basis to the market average of all primary dealers contributes to market stability, smooth fulfilment of quotation obligations and long-term low price spreads. This allows for a significant degree of flexibility and adaptation to a constantly changing and difficult-to-predict market environment compared to fixed spreads.

**Figure 55: Bid-Offer Spreads of Selected Government Bonds on MTS Czech Republic**



Note: The bid-offer spreads are listed in 14-day moving averages.  
Source: MoF, MTS

## Operations on the Secondary Market

Operations on the secondary market are secured mainly through the electronic trading platform MTS Czech Republic. In order to ensure maximum transparency, all primary dealers and dealers of its intention to carry out a repurchase, exchange operation or tap sale on the

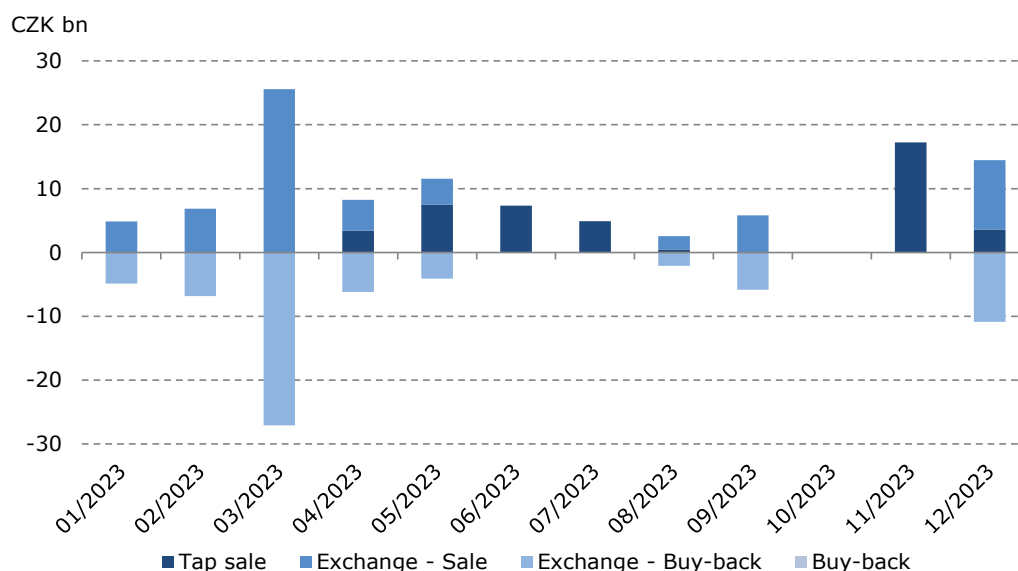
secondary market (type of transaction, government bonds, maximum nominal value of transactions, time when offers will be accepted, conversion ratio for government bond exchanges, settlement date, contact person) are informed at least one trading day before

the day on which the transaction is to take place. The results of transactions (the total nominal value of completed transactions within one repurchase, tap sale or exchange of government bonds, the number of counterparties and the weighted average price) are regularly published on the website of the Ministry.

All operations on the secondary market are carried

out flexibly depending on the needs of the Ministry and the situation on the financial markets. During 2023, activity in the secondary market was carried out primarily in order to flexibly fine-tune cover the increased needs for financing as a complement to primary market operations and to prepay bonds with shorter maturities.

**Figure 56: Nominal Value of Tap Sales, Exchange Operations and Buy-Backs**



Source: MoF, MTS

In 2023, government bonds were offered as part of tap sales mainly from April to July and from November to December. Medium-term and long-term CZK-denominated government bonds in a total nominal value of CZK 44.4 billion with an average maturity of 10.0 years were sold. In particular, the Government Bond of the Czech Republic, 2023–2034, 4.90% in a total nominal value of CZK 15.3 billion, and the Government Bond of the Czech Republic, 2022–2035, 3.50% in a total nominal value of CZK 6.8 billion, the Government Bond of the Czech Republic, 2022–2030, 5.00% in a total nominal value of CZK 6.3 billion and the Government Bond of the Czech Republic, 2023–2029, 5.75% in a total nominal value of CZK 5.5 billion were sold.

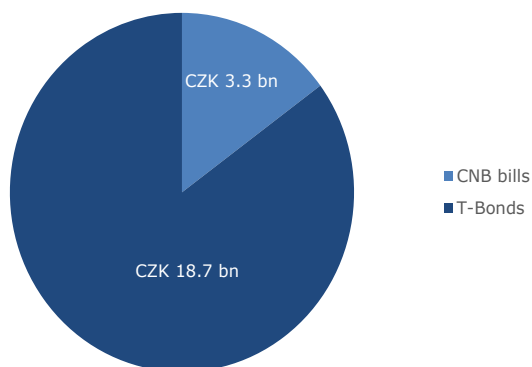
Exchange operations were carried out mainly in March to buy back the Government Bond of the Czech Republic, 2015–2023, 0.45% and in December, when the Czech Republic Treasury Bond, 2009–2024, 5.70% was bought back. In total, government bonds in a total nominal value of CZK 67.9 billion with an average maturity of 0.6 years were bought back, while government bonds in a total nominal value of CZK 65.0 billion with an average maturity of 7.6 years were sold.

Also in 2023, short-term medium-term and long-

term government bond lending facilities for primary dealers and dealers primarily in the form of loans of securities continued to be executed. In the case of securities lending, primary dealer and recognized dealer may borrow securities from Ministry’s asset accounts for a fee for a period of up to 90 days against the non-cash collateral in the form of state treasury bills, Czech National Bank bills or medium-term and long-term government bonds. The advantage of loans of securities is the bidirectional support of liquidity on the secondary market with no impact on the gross borrowing requirement of the state and the debt portfolio’s risk indicators.

Parallel market in the form of loans of securities has its importance when the repo market freezes or if some dysfunctions occur, which could result in an increase in bid-offer spreads. Loans of securities are fully covered by the standard contractual documentation, i.e. the relevant Annex to the Master Agreement for financial transactions and the international Global Master Securities Lending Agreement. Loans of securities also help primary dealers and recognized dealers to optimize their business portfolio irrespective of their liquidity position as well as significantly reduce their dependence on the repo market.

**Figure 57: Received Collateral within Collateralized Loans of Securities in 2023**



Note: Excl. T-Bonds issued on the foreign markets.  
Source: MoF

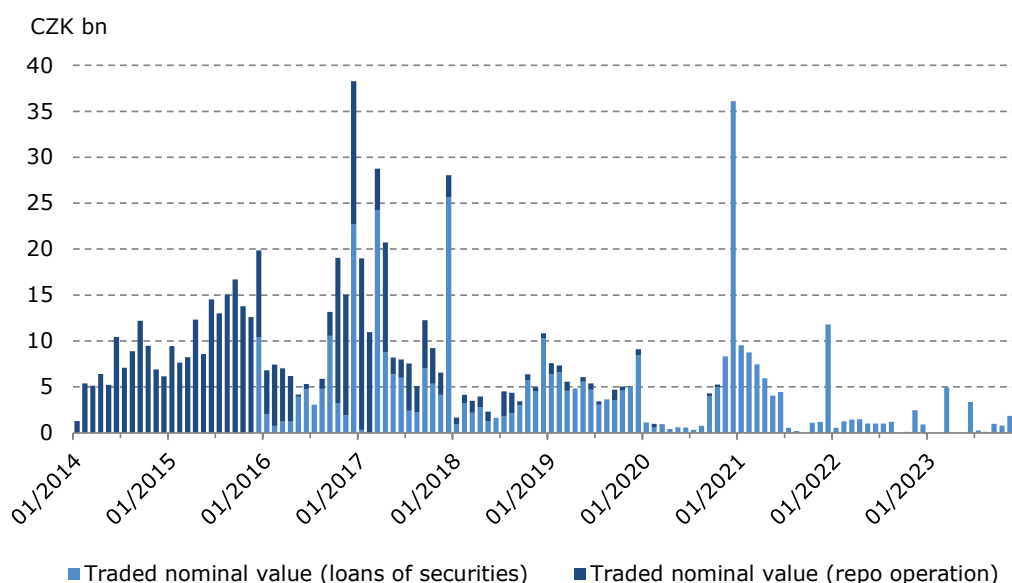
From the primary dealers' point of view, the short-term lending facilities enable them to cover their short positions and thus contribute to the smooth fulfilment of quoting obligations, maintaining the sufficient depth of market and liquidity of government bonds even at times of unusual fluctuations on financial markets. Lending facilities thus form an important alternative for obtaining government bonds in the case of worsened conditions on the secondary market and contribute significantly to the business activity of primary dealers. It enables stabilization of the market spread of quoted bonds, which is directly reflected in the reduction of the illiquidity premium as well as the end-investors' demand for Czech government bonds. The total

volume of the lending facilities, expressed as the nominal value of the bond provided, increased from CZK 12.4 billion in 2022 to CZK 24.3 billion in 2023. All lending facilities in 2023 consisted of securities lending. In 2023, the largest part of the lending facilities, expressed in terms of the nominal value of the bond provided, consisted mainly of the Government Bond of the Czech Republic, 2020–2040, 1.50% (CZK 8.0 billion), followed by the buy-backs of the Government Bond of the Czech Republic, 2015–2023, 0.45% (CZK 7.7 billion) and the Czech Republic Treasury Bond, 2009–2024, 5.70% (CZK 2.3 billion).

Although the primary objective of these operations is to increase the liquidity of government bonds on the secondary market, especially in case of the short-term excess of demand over the supply of the particular bond, income from lending facilities has a positive impact on revenue of the state budget. The cash resources obtained from the repo operations, unless they are cash-neutral, are further invested for higher return on the money market within the efficient state treasury liquidity management. This enables an increase in the investment income of the Ministry. In 2023, the contribution of the lending facilities to the total revenue from the investment activity amounted to CZK 5.0 million.

In connection with the lending facilities and secondary market operations, the balance of government bonds in its asset accounts with respect to the demand of primary dealers and recognized dealers is actively managed.

**Figure 58: Nominal Value of Carried out Lending Facilities**



Note: The medium-term and long-term government bonds lending facilities are stated in the nominal value of collateral provided from the Ministry's asset account.  
Source: MoF

## Appendix I

### Evaluation Methodology for Primary Dealers Valid for 2023

In order to support the participation of primary dealers in the sale of medium-term and long-term government bonds denominated in foreign currency, the Ministry decided to define different weights for government bonds in domestic and foreign currency.

As part of criterion A. Primary market participation, the share of the particular primary dealer in the primary market of government bonds, meaning the share of accepted bids at auctions of government bonds for the evaluated period, is monitored. Using the ratio of the accepted bids to the total nominal value of the submitted bids, the Ministry monitors the willingness of investors to hold medium-term and long-term government bonds. The important aspects of evaluating participation on the primary market include the auction pricing strategy, in which the Ministry evaluates the willingness of primary dealers to pay the highest price weighted by the nominal value of a government bond auction. In another sub-criterion, a primary dealer is evaluated with more points if he is a regular participant at auctions, regardless of the evaluation period. The maximum number of points in the final sub-criterion is received by the primary dealer who subscribes the largest share of state treasury bills sold by the Ministry during the particular period.

Quantitative assessment under criterion B. Secondary market participation and market transactions, which is based primarily on the available statistical and monitoring tools of the MTS Czech Republic electronic trading platform, focuses on quotation activity, its quality, traded nominal values and operations carried out with the Ministry. The evaluation of the fulfilment of quoting obligations is further subject to the first sub-criterion. The quality of quotation activity means the evaluation of the average quoted spread weighted by time and total nominal value, which is further adjusted for the time to maturity of the given bond. Similarly, another sub-criterion that monitors the total traded nominal value is weighted by the time to maturity of the bond. In the following sub-criterion, the primary dealer is evaluated on the basis of the nominal value of the trades carried out by him within four groups of instrument types traded on the secondary market. The overall rating for the sub-criterion is then determined by the weighted average of these shares for the four groups identified. The fifth sub-criterion assesses the willingness of primary dealers to pay the highest price or receive the lowest price weighted by the total nominal value and the time to maturity of tap sales, buy-backs or exchanges of government bonds on the secondary market.

**Table 26: Criteria for Evaluation of Primary Dealers Valid for 2023**

| <b>A. Primary Market Participation</b> | <b>55 points</b> | <b>B. Secondary Market Participation and Market Transactions</b> | <b>45 points</b> |
|--|------------------|--|------------------|
| A.1. Primary Auctions Share – T-Bonds  | 30 points        | B.1. Quoting Obligations Performance on DETS                     | 10 points        |
| A.2. Dependability                     | 5 points         | B.2. Qualitative Performance on DETS                             | 10 points        |
| A.3. Auction Pricing Strategy          | 5 points         | B.3. Traded Volume on DETS                                       | 10 points        |
| A.4. Auction Participation             | 5 points         | B.4. Ministry of Finance Market Transactions                     | 10 points        |
| A.5. Primary Auctions Share – T-Bills  | 10 points        | B.5. Tap Issuance, Buy-Backs and Exchanges Pricing Strategy      | 5 points         |

Source: MoF

## Appendix II

**Table 27: State Debt and State Financial Assets Portfolios Parameters**

|  | 31/12/<br>2022 | 31/3/<br>2023  | 30/6/<br>2023  | 30/9/<br>2023  | 31/12/<br>2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Total state debt (CZK bn)</b>   | <b>2,894.8</b> | <b>2,997.0</b> | <b>3,044.4</b> | <b>3,115.0</b> | <b>3,110.9</b> |
| Market value of state debt (CZK bn)  | 2,590.0        | 2,744.3        | 2,828.0        | 2,881.8        | 3,006.9        |
| Short-term state debt (%)  | 12.1           | 10.3           | 10.8           | 8.6            | 6.7            |
| Medium-term state debt (%)   | 47.0           | 45.9           | 42.2           | 44.1           | 43.8           |
| T-Bills and other money market instruments (%)   | 5.1            | 4.9            | 5.0            | 3.2            | 1.4            |
| Average time to maturity (years)   | 6.2            | 6.1            | 6.2            | 6.2            | 6.4            |
| Interest re-fixing up to 1 year (%)  | 23.2           | 21.7           | 22.6           | 20.8           | 18.5           |
| Average time to re-fixing (years)  | 5.6            | 5.5            | 5.6            | 5.5            | 5.6            |
| Variable-rate state debt (%)   | 14.4           | 14.5           | 11.9           | 12.3           | 12.7           |
| Modified duration (years)  | 4.4            | 4.4            | 4.6            | 4.4            | 4.8            |
| Net foreign-currency exposure with the impact on the state debt level (%)  | 5.8            | 5.4            | 5.4            | 5.4            | 5.5            |
| Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)            | 3.6            | 3.3            | 4.1            | 4.1            | 4.2            |
| Foreign currency state debt (%)  | 10.6           | 8.6            | 7.7            | 6.7            | 6.4            |
| Share of EUR in state debt level net foreign currency exposure (%)   | 90.1           | 90.3           | 90.4           | 90.3           | 90.1           |
| Share of EUR in interest expenditure on state debt net short-term foreign currency exposure (%)                                    | 88.8           | 89.0           | 90.9           | 90.9           | 90.6           |
| Non-marketable state debt (%) <sup>1</sup>   | 9.8            | 6.2            | 5.8            | 5.5            | 4.7            |
| Share of savings government bonds on state debt (%)  | 2.9            | 3.0            | 3.0            | 3.0            | 3.0            |
| <b>Marketable state debt (CZK bn)</b>  | <b>2,526.4</b> | <b>2,720.3</b> | <b>2,777.2</b> | <b>2,850.6</b> | <b>2,870.9</b> |
| Market value of marketable state debt (CZK bn)   | 2,236.8        | 2,480.2        | 2,572.3        | 2,632.5        | 2,773.0        |
| Short-term marketable state debt (%)   | 7.9            | 9.3            | 10.3           | 8.1            | 7.2            |
| Medium-term marketable state debt (%)  | 45.1           | 44.2           | 40.4           | 42.6           | 43.2           |
| T-Bills and other money market instruments (%)   | 0.0            | 3.4            | 4.0            | 2.2            | 1.6            |
| Average time to maturity (years)   | 6.3            | 6.1            | 6.1            | 6.2            | 6.3            |
| Interest re-fixing up to 1 year (%)  | 17.1           | 18.2           | 19.7           | 17.9           | 16.5           |
| Average time to re-fixing (years)  | 5.8            | 5.5            | 5.6            | 5.5            | 5.6            |
| Variable-rate marketable state debt (%)  | 12.8           | 12.3           | 9.4            | 9.9            | 10.3           |
| Modified duration (years)  | 4.6            | 4.4            | 4.6            | 4.4            | 4.7            |
| Net foreign-currency exposure with the impact on the marketable state debt level (%)   | 0.2            | 0.2            | 0.2            | 0.4            | 1.8            |
| Net short-term foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%) | 0.2            | 0.2            | 0.2            | 0.2            | 1.5            |
| Foreign-currency marketable state debt (%)   | 1.6            | 3.2            | 2.7            | 1.9            | 2.7            |
| Share of EUR in marketable state debt level net foreign currency exposure (%)  | 0.0            | 0.0            | 14.4           | 64.0           | 90.6           |
| 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          |
| <b>Investment portfolios (CZK bn)<sup>2</sup></b>  | <b>37.0</b>    | <b>38.1</b>    | <b>39.1</b>    | <b>40.3</b>    | <b>41.1</b>    |
| Share of assets up to one year on total state debt (%)   | 1.3            | 1.3            | 1.3            | 1.3            | 1.3            |
| Average yield (%)  | 6.8            | 6.8            | 6.8            | 6.8            | 6.6            |
| Average time to maturity (years)   | 0.1            | 0.1            | 0.1            | 0.1            | 0.1            |
| Modified duration (years)  | 0.1            | 0.1            | 0.1            | 0.1            | 0.1            |

<sup>1</sup> Excl. savings government bonds.

<sup>2</sup> Incl. nuclear and pension portfolio.

Source: MoF



**Table 28: Overview of Medium-Term and Long-Term Government Bonds on Domestic Market as at 31/12/2023**

| Issue name        | Issue no. | ISIN         | Maturity date | Nominal value outstanding | Nominal value booked on MoF's asset accounts |
|-------------------|-----------|--------------|---------------|---------------------------|--|
| ČR, 5.70 %, 24    | 58        | CZ0001002547 | 25/5/2024     | 69,819,020,000            | 2,400,000,000                                |
| ČR, VAR %, 24     | 147       | CZ0001006498 | 22/10/2024    | 27,740,620,000            | 1,000,000,000                                |
| ČR, 0.00 %, 24    | 135       | CZ0001006167 | 12/12/2024    | 40,390,380,000            | 1,000,000,000                                |
| 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     | 135,000,000,000           | 1,000,000,000                                |
| ČR, 6.00 %, 26    | 148       | CZ0001006506 | 26/2/2026     | 105,604,160,000           | 1,395,840,000                                |
| 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     | 142,396,820,000           | 7,603,180,000                                |
| 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, 5.50 %, 28    | 149       | CZ0001006696 | 12/12/2028    | 100,000,000,000           | 1,000,000,000                                |
| ČR, 5.75 %, 29    | 153       | CZ0001007025 | 29/3/2029     | 66,368,750,000            | 3,631,250,000                                |
| ČR, 2.75 %, 29    | 105       | CZ0001005375 | 23/7/2029     | 149,000,000,000           | 1,000,000,000                                |
| ČR, 0.05 %, 29    | 130       | CZ0001006076 | 29/11/2029    | 84,000,000,000            | 1,000,000,000                                |
| ČR, 0.95 %, 30    | 94        | CZ0001004477 | 15/5/2030     | 149,000,000,000           | 1,000,000,000                                |
| ČR, 5.00 %, 30    | 150       | CZ0001006688 | 30/9/2030     | 142,501,690,000           | 7,498,310,000                                |
| ČR, 1.20 %, 31    | 121       | CZ0001005888 | 13/3/2031     | 149,000,000,000           | 1,000,000,000                                |
| ČR, 6.20 %, 31    | 152       | CZ0001006969 | 16/6/2031     | 35,795,400,000            | 4,204,600,000                                |
| ČR, VAR %, 31     | 139       | CZ0001006241 | 31/10/2031    | 115,475,430,000           | 5,524,570,000                                |
| ČR, 1.75 %, 32    | 138       | CZ0001006233 | 23/6/2032     | 149,000,000,000           | 1,000,000,000                                |
| ČR, 4.50 %, 32    | 154       | CZ0001007033 | 11/11/2032    | 50,661,660,000            | 2,810,000,000                                |
| ČR, 2.00 %, 33    | 103       | CZ0001005243 | 13/10/2033    | 149,000,000,000           | 1,000,000,000                                |
| ČR, 4.90 %, 34    | 151       | CZ0001006894 | 14/4/2034     | 71,447,780,000            | 8,552,220,000                                |
| ČR, 3.50 %, 35    | 145       | CZ0001006431 | 30/5/2035     | 68,381,670,000            | 1,618,330,000                                |
| 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     | 47,257,780,000            | 3,742,220,000                                |
| ČR, 1.50 %, 40    | 125       | CZ0001005920 | 24/4/2040     | 65,138,380,000            | 4,861,620,000                                |
| ČR, VAR %, 43     | 155       | CZ0001007041 | 18/8/2043     | 32,994,220,000            | 7,554,790,000                                |
| ČR, 4.85 %, 57    | 53        | CZ0001002059 | 26/11/2057    | 23,168,960,000            | 1,831,040,000                                |
| <b>Total CZK</b>  |           |              |               | <b>2,784,142,720,000</b>  | <b>78,227,970,000</b>                        |
| ČR, 0.00 %, 24 II | 146       | CZ0001006480 | 24/4/2024     | 1,000,000,000             | 0  |
| ČR, 0.00 %, 27    | 129       | CZ0001006043 | 27/7/2027     | 500,000,000               | 0  |
| <b>Total EUR</b>  |           |              |               | <b>1,500,000,000</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 under lending facilities.  
Source: MoF

**Table 29: Overview of Medium-Term and Long-Term Government Bonds on Foreign Markets as at 31/12/2023**

| ISIN             | Currency | Maturity date | Nominal value outstanding | Nominal value booked on MoF's asset accounts |
|------------------|----------|---------------|---------------------------|--|
| XS0240954361     | JPY      | 16/1/2036     | 30,000,000,000            | 0  |
| <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 under lending facilities.  
Source: MoF



**Table 30: Overview of State Treasury Bills as at 31/12/2023**

| Issue no.        | Maturity (weeks) | ISIN         | Maturity date | Nominal value outstanding | Nominal value booked on MoF's asset accounts |
|------------------|------------------|--------------|---------------|---------------------------|--|
| 904              | 4                | CZ0001007199 | 5/1/2024      | 1,710,000,000             | 0  |
| 905              | 13               | CZ0001007207 | 15/3/2024     | 3,240,000,000             | 0  |
| 906              | 13               | CZ0001007215 | 22/3/2024     | 2,844,000,000             | 0  |
| 902              | 52               | CZ0001007173 | 29/11/2024    | 0                         | 100,000,000,000                              |
| <b>Total CZK</b> |                  |              |               | <b>7,794,000,000</b>      | <b>100,000,000,000</b>                       |
| 897              | 13               | CZ0001007124 | 19/1/2024     | 500,000,000               | 0  |
| 903              | 26               | CZ0001007181 | 7/6/2024      | 1,000,000,000             | 0  |
| <b>Total EUR</b> |                  |              |               | <b>1,500,000,000</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 under lending facilities.  
Source: MoF

**Table 31: Overview of Savings Government Bonds as at 31/12/2023**

| 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      | 2,691,661,709             | 0  |
| SD-R ČR, FIX %, 25 II   | 107       | CZ0001005631 | 1/4/2025      | 815,492,193               | 0  |
| SD-R ČR, FIX %, 25 III  | 108       | CZ0001005649 | 1/7/2025      | 349,935,055               | 0  |
| SD-I ČR, CPI %, 25      | 110       | CZ0001005714 | 1/7/2025      | 6,254,194,062             | 0  |
| SD-R ČR, FIX %, 25 IV   | 111       | CZ0001005730 | 1/10/2025     | 51,757,704                | 0  |
| SD-I ČR, CPI %, 25 II   | 112       | CZ0001005722 | 1/10/2025     | 1,392,503,177             | 0  |
| SD-F ČR, 1.50 %, 25     | 113       | CZ0001005748 | 1/10/2025     | 13,475,540                | 0  |
| SD-R ČR, FIX %, 26      | 114       | CZ0001005763 | 2/1/2026      | 48,499,327                | 0  |
| SD-I ČR, CPI %, 26      | 115       | CZ0001005771 | 2/1/2026      | 1,903,181,704             | 0  |
| SD-F ČR, 1.25 %, 26     | 116       | CZ0001005789 | 2/1/2026      | 14,473,731                | 0  |
| SD-R ČR, FIX %, 26 II   | 117       | CZ0001005813 | 1/4/2026      | 41,288,088                | 0  |
| SD-I ČR, CPI %, 26 II   | 118       | CZ0001005821 | 1/4/2026      | 2,519,173,650             | 0  |
| SD-F ČR, 1.50 %, 26 II  | 119       | CZ0001005805 | 1/4/2026      | 15,181,387                | 0  |
| SD-R ČR, FIX %, 26 III  | 122       | CZ0001005896 | 1/7/2026      | 82,264,449                | 0  |
| SD-I ČR, CPI %, 26 III  | 123       | CZ0001005904 | 1/7/2026      | 2,489,041,583             | 0  |
| SD-F ČR, 1.30 %, 26 III | 124       | CZ0001005912 | 1/7/2026      | 36,552,642                | 0  |
| SD-R ČR, FIX %, 26 IV   | 127       | CZ0001006019 | 1/10/2026     | 32,450,746                | 0  |
| SD-I ČR, CPI %, 26 IV   | 128       | CZ0001006001 | 1/10/2026     | 4,843,421,163             | 0  |
| SD-R ČR, FIX %, 26 V    | 131       | CZ0001006092 | 31/12/2026    | 37,574,186                | 0  |
| SD-I ČR, CPI %, 26 V    | 132       | CZ0001006100 | 31/12/2026    | 5,818,292,357             | 0  |
| SD-R ČR, FIX %, 27      | 133       | CZ0001006134 | 1/4/2027      | 32,828,590                | 0  |
| SD-I ČR, CPI %, 27      | 134       | CZ0001006142 | 1/4/2027      | 4,062,963,009             | 0  |
| SD-R ČR, FIX %, 27 II   | 136       | CZ0001006209 | 1/7/2027      | 45,729,280                | 0  |
| SD-I ČR, CPI %, 27 II   | 137       | CZ0001006217 | 1/7/2027      | 5,422,392,203             | 0  |
| SD-R ČR, FIX %, 27 III  | 140       | CZ0001006282 | 1/10/2027     | 44,767,449                | 0  |
| SD-I ČR, CPI %, 27 III  | 141       | CZ0001006290 | 1/10/2027     | 6,623,955,385             | 0  |
| SD-R ČR, FIX %, 28      | 143       | CZ0001006324 | 3/1/2028      | 96,914,935                | 0  |
| SD-I ČR, CPI %, 28      | 144       | CZ0001006332 | 3/1/2028      | 46,842,136,527            | 0  |
| <b>Total</b>            |           |              |               | <b>92,622,101,831</b>     | <b>0</b>                                     |

Source: MoF

**Table 32a: Medium-Term and Long-Term Government Bonds Issued in 2023**

| Issue name     | Issue/<br>tranche<br>no. |    | Auction<br>date | Settlement<br>date | Maturity<br>date | CCY | Max. nominal<br>value offered in<br>the competitive<br>part of auction | Total nominal<br>value sold |
|----------------|--------------------------|----|-----------------|--------------------|------------------|-----|--|-----------------------------|
| ČR, 2.40 %, 25 | 89                       | 25 | 11/1            | 13/1               | 17/9/2025        | CZK | 4,000,000,000  | 3,719,040,000               |
| ČR, 5.50 %, 28 | 149                      | 8  | 11/1            | 13/1               | 12/12/2028       | CZK | 7,000,000,000  | 14,441,950,000              |
| ČR, 1.95 %, 37 | 142                      | 6  | 11/1            | 13/1               | 30/7/2037        | CZK | 4,000,000,000  | 8,562,040,000               |
| ČR, 0.25 %, 27 | 100                      | 29 | 25/1            | 27/1               | 10/2/2027        | CZK | 3,000,000,000  | 3,043,960,000               |
| ČR, 5.00 %, 30 | 150                      | 11 | 25/1            | 27/1               | 30/9/2030        | CZK | 7,000,000,000  | 9,801,000,000               |
| ČR, 1.95 %, 37 | 142                      | 7  | 25/1            | 27/1               | 30/7/2037        | CZK | 3,000,000,000  | 7,293,000,000               |
| ČR, 5,00 %, 30 | 150                      | 12 | 8/2             | 10/2               | 30/9/2030        | CZK | 8,000,000,000  | 9,695,050,000               |
| ČR, VAR %, 31  | 139                      | 19 | 8/2             | 10/2               | 31/10/2031       | CZK | 6,000,000,000  | 7,535,660,000               |
| ČR, 1.50 %, 40 | 125                      | 23 | 8/2             | 10/2               | 24/4/2040        | CZK | 2,000,000,000  | 2,149,930,000               |
| ČR, 5.50 %, 28 | 149                      | 9  | 22/2            | 24/2               | 12/12/2028       | CZK | 7,000,000,000  | 9,054,000,000               |
| ČR, 1.75 %, 32 | 138                      | 20 | 22/2            | 24/2               | 23/6/2032        | CZK | 4,000,000,000  | 4,100,000,000               |
| ČR, 3.50 %, 35 | 145                      | 11 | 22/2            | 24/2               | 30/5/2035        | CZK | 2,000,000,000  | 2,398,000,000               |
| ČR, 5.00 %, 30 | 150                      | 13 | 8/3             | 10/3               | 30/9/2030        | CZK | 7,000,000,000  | 8,293,070,000               |
| ČR, 1.95 %, 37 | 142                      | 8  | 8/3             | 10/3               | 30/7/2037        | CZK | 2,000,000,000  | 3,072,740,000               |
| ČR, 5.50 %, 28 | 149                      | 10 | 22/3            | 24/3               | 12/12/2028       | CZK | 4,000,000,000  | 7,156,230,000               |
| ČR, 3.50 %, 35 | 145                      | 12 | 22/3            | 24/3               | 30/5/2035        | CZK | 3,000,000,000  | 2,682,100,000               |
| ČR, 1.50 %, 40 | 125                      | 24 | 22/3            | 24/3               | 24/4/2040        | CZK | 2,000,000,000  | 704,780,000                 |
| ČR, 5.00 %, 30 | 150                      | 14 | 12/4            | 14/4               | 30/9/2030        | CZK | 6,000,000,000  | 6,000,000,000               |
| ČR, 4.90 %, 34 | 151                      | 1  | 12/4            | 14/4               | 14/4/2034        | CZK | 6,000,000,000  | 6,000,000,000               |
| ČR, 5.50 %, 28 | 149                      | 11 | 26/4            | 28/4               | 12/12/2028       | CZK | 6,000,000,000  | 9,544,590,000               |
| ČR, VAR %, 31  | 139                      | 20 | 26/4            | 28/4               | 31/10/2031       | CZK | 4,000,000,000  | 4,628,820,000               |
| ČR, 4.90 %, 34 | 151                      | 2  | 26/4            | 28/4               | 14/4/2034        | CZK | 6,000,000,000  | 7,661,370,000               |
| ČR, 5.00 %, 30 | 150                      | 15 | 10/5            | 12/5               | 30/9/2030        | CZK | 6,000,000,000  | 7,160,510,000               |
| ČR, VAR %, 31  | 139                      | 21 | 10/5            | 12/5               | 31/10/2031       | CZK | 6,000,000,000  | 6,736,240,000               |
| ČR, 3.50 %, 35 | 145                      | 13 | 10/5            | 12/5               | 30/5/2035        | CZK | 2,000,000,000  | 2,713,110,000               |
| ČR, 5.50 %, 28 | 149                      | 12 | 24/5            | 26/5               | 12/12/2028       | CZK | 4,000,000,000  | 4,584,850,000               |
| ČR, 5.00 %, 30 | 150                      | 16 | 24/5            | 26/5               | 30/9/2030        | CZK | 4,000,000,000  | 4,235,180,000               |
| ČR, 4.90 %, 34 | 151                      | 3  | 24/5            | 26/5               | 14/4/2034        | CZK | 5,000,000,000  | 8,898,660,000               |
| ČR, 5.00 %, 30 | 150                      | 17 | 7/6             | 9/6                | 30/9/2030        | CZK | 5,000,000,000  | 6,478,000,000               |
| ČR, 3.50 %, 35 | 145                      | 14 | 7/6             | 9/6                | 30/5/2035        | CZK | 2,000,000,000  | 2,000,000,000               |
| ČR, 6.20 %, 31 | 152                      | 1  | 14/6            | 16/6               | 16/6/2031        | CZK | 5,000,000,000  | 10,521,100,000              |
| ČR, 4.90 %, 34 | 151                      | 4  | 14/6            | 16/6               | 14/4/2034        | CZK | 4,000,000,000  | 7,135,000,000               |
| ČR, 6.20 %, 31 | 152                      | 2  | 28/6            | 30/6               | 16/6/2031        | CZK | 4,000,000,000  | 10,051,370,000              |
| ČR, VAR %, 31  | 139                      | 22 | 28/6            | 30/6               | 31/10/2031       | CZK | 4,000,000,000  | 4,110,370,000               |
| ČR, 1.95 %, 37 | 142                      | 9  | 28/6            | 30/6               | 30/7/2037        | CZK | 1,000,000,000  | 2,805,000,000               |
| ČR, 6.20 %, 31 | 152                      | 3  | 12/7            | 14/7               | 16/6/2031        | CZK | 6,000,000,000  | 9,092,740,000               |
| ČR, 4.90 %, 34 | 151                      | 5  | 12/7            | 14/7               | 14/4/2034        | CZK | 4,000,000,000  | 4,766,330,000               |
| ČR, 5.75 %, 29 | 153                      | 1  | 26/7            | 28/7               | 29/3/2029        | CZK | 6,000,000,000  | 9,556,250,000               |
| ČR, 6.20 %, 31 | 152                      | 4  | 26/7            | 28/7               | 16/6/2031        | CZK | 4,000,000,000  | 5,274,300,000               |
| ČR, 4.90 %, 34 | 151                      | 6  | 26/7            | 28/7               | 14/4/2034        | CZK | 3,000,000,000  | 3,710,370,000               |
| ČR, 4.50 %, 32 | 154                      | 1  | 9/8             | 11/8               | 11/11/2032       | CZK | 6,000,000,000  | 6,175,000,000               |
| ČR, 350 %, 35  | 145                      | 15 | 9/8             | 11/8               | 30/5/2035        | CZK | 2,000,000,000  | 2,036,400,000               |
| ČR, VAR %, 43  | 155                      | 1  | 16/8            | 18/8               | 18/8/2043        | CZK | 4,000,000,000  | 10,410,720,000              |
| ČR, 5.75 %, 29 | 153                      | 2  | 23/8            | 25/8               | 29/3/2029        | CZK | 6,000,000,000  | 8,586,310,000               |

| Issue name     | Issue/<br>tranche<br>no. | Auction<br>date | Settlement<br>date | Maturity<br>date | CCY | Max. nominal<br>value offered in<br>the competitive<br>part of auction | Total nominal<br>value sold |
|----------------|--------------------------|-----------------|--------------------|------------------|-----|--|-----------------------------|
| ČR, 4.50 %, 32 | 154 2                    | 23/8            | 25/8               | 11/11/2032       | CZK | 4,000,000,000  | 6,488,560,000               |
| ČR, 4.90 %, 34 | 151 7                    | 23/8            | 25/8               | 14/4/2034        | CZK | 2,000,000,000  | 2,714,490,000               |
| ČR, 5.75 %, 29 | 153 3                    | 6/9             | 8/9                | 29/3/2029        | CZK | 6,000,000,000  | 11,706,880,000              |
| ČR, 4.50 %, 32 | 154 3                    | 6/9             | 8/9                | 11/11/2032       | CZK | 5,000,000,000  | 5,192,670,000               |
| ČR, 3.50 %, 35 | 145 16                   | 6/9             | 8/9                | 30/5/2035        | CZK | 2,000,000,000  | 2,117,060,000               |
| ČR, VAR %, 43  | 155 2                    | 13/9            | 15/9               | 18/8/2043        | CZK | 5,000,000,000  | 9,190,000,000               |
| ČR, 5.00 %, 30 | 150 18                   | 20/9            | 22/9               | 30/9/2030        | CZK | 5,000,000,000  | 8,483,000,000               |
| ČR, 4.50 %, 32 | 154 4                    | 20/9            | 22/9               | 11/11/2032       | CZK | 5,000,000,000  | 6,240,900,000               |
| ČR, 4.90 %, 34 | 151 8                    | 20/9            | 22/9               | 14/4/2034        | CZK | 3,000,000,000  | 3,195,000,000               |
| ČR, 5.75 %, 29 | 153 4                    | 4/10            | 6/10               | 29/3/2029        | CZK | 5,000,000,000  | 5,999,410,000               |
| ČR, 4.90 %, 34 | 151 9                    | 4/10            | 6/10               | 14/4/2034        | CZK | 2,000,000,000  | 2,399,060,000               |
| ČR, VAR %, 43  | 155 3                    | 11/10           | 13/10              | 18/8/2043        | CZK | 5,000,000,000  | 5,305,000,000               |
| ČR, 5.75 %, 29 | 153 5                    | 18/10           | 20/10              | 29/3/2029        | CZK | 5,000,000,000  | 6,450,000,000               |
| ČR, 4.50 %, 32 | 154 5                    | 18/10           | 20/10              | 11/11/2032       | CZK | 4,000,000,000  | 4,080,000,000               |
| ČR, 4.90 %, 34 | 151 10                   | 18/10           | 20/10              | 14/4/2034        | CZK | 3,000,000,000  | 3,088,000,000               |
| ČR, VAR %, 43  | 155 4                    | 1/11            | 3/11               | 18/8/2043        | CZK | 5,000,000,000  | 5,643,290,000               |
| ČR, 6.00 %, 26 | 148 10                   | 8/11            | 10/11              | 26/2/2026        | CZK | 4,000,000,000  | 5,104,160,000               |
| ČR, 4.50 %, 32 | 154 6                    | 8/11            | 10/11              | 11/11/2032       | CZK | 3,000,000,000  | 8,216,660,000               |
| ČR, 5.75 %, 29 | 153 6                    | 22/11           | 24/11              | 29/3/2029        | CZK | 5,000,000,000  | 4,165,900,000               |
| ČR, 4.50 %, 32 | 154 7                    | 22/11           | 24/11              | 11/11/2032       | CZK | 3,000,000,000  | 4,302,000,000               |
| ČR, VAR %, 43  | 155 5                    | 29/11           | 1/12               | 18/8/2043        | CZK | 2,000,000,000  | 2,170,210,000               |
| ČR, 0.25 %, 27 | 100 30                   | 6/12            | 8/12               | 10/2/2027        | CZK | 5,000,000,000  | 8,396,820,000               |
| ČR, 1.50 %, 40 | 125 25                   | 6/12            | 8/12               | 24/4/2040        | CZK | 1,000,000,000  | 1,294,470,000               |
| ČR, 4.50 %, 32 | 154 8                    | 13/12           | 15/12              | 11/11/2032       | CZK | 4,000,000,000  | 7,538,000,000               |
| ČR, 4.90 %, 34 | 151 11                   | 13/12           | 15/12              | 14/4/2034        | CZK | 3,000,000,000  | 3,381,230,000               |
| ČR, 4.85 %, 57 | 53 14                    | 13/12           | 15/12              | 26/11/2057       | CZK | 500,000,000  | 1,168,960,000               |
| <b>Total</b>   |                          |                 |                    |                  |     |  | <b>408,606,870,000</b>      |

Source: MoF, CNB

**Table 32b: Medium-Term and Long-Term Government Bonds Issued in 2023**

| Issue name     | Issue / tranche no. |    | Coupon | Average net 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, 2.40 %, 25 | 89                  | 25 | 2.40%  | 93.499            | 5.052   | 1.44               | 89.63   | 3.35  |
| ČR, 5.50 %, 28 | 149                 | 8  | 5.50%  | 105.190           | 4.466   | 1.41               | 184.75  | 21.56   |
| ČR, 1.95 %, 37 | 142                 | 6  | 1.95%  | 74.358            | 4.368   | 1.40               | 195.29  | 18.76   |
| ČR, 0.25 %, 27 | 100                 | 29 | 0.25%  | 83.898            | 4.723   | 2.62               | 99.67   | 1.80  |
| ČR, 5.00 %, 30 | 150                 | 11 | 5.00%  | 103.766           | 4.404   | 1.55               | 134.36  | 5.66  |
| ČR, 1.95 %, 37 | 142                 | 7  | 1.95%  | 74.630            | 4.343   | 1.18               | 236.17  | 6.93  |
| ČR, 5,00 %, 30 | 150                 | 12 | 5.00%  | 103.046           | 4.513   | 1.72               | 100.00  | 21.19   |
| ČR, VAR %, 31  | 139                 | 19 | VAR%   | 99.959            | 0.665   | 5.20               | 105.00  | 20.59   |
| ČR, 1.50 %, 40 | 125                 | 23 | 1.50%  | 63.518            | 4.620   | 2.11               | 100.00  | 7.50  |
| ČR, 5.50 %, 28 | 149                 | 9  | 5.50%  | 102.490           | 4.977   | 2.10               | 122.39  | 6.96  |
| ČR, 1.75 %, 32 | 138                 | 20 | 1.75%  | 77.430            | 4.809   | 2.93               | 99.78   | 2.73  |
| ČR, 3.50 %, 35 | 145                 | 11 | 3.50%  | 88.111            | 4.803   | 2.02               | 116.50  | 3.40  |
| ČR, 5.00 %, 30 | 150                 | 13 | 5.00%  | 100.037           | 4.986   | 1.86               | 100.00  | 18.47   |
| ČR, 1.95 %, 37 | 142                 | 8  | 1.95%  | 70.515            | 4.841   | 2.17               | 134.22  | 19.42   |
| ČR, 5.50 %, 28 | 149                 | 10 | 5.50%  | 104.443           | 4.583   | 1.21               | 169.50  | 9.41  |
| ČR, 3.50 %, 35 | 145                 | 12 | 3.50%  | 90.436            | 4.537   | 1.21               | 84.67   | 4.74  |
| ČR, 1.50 %, 40 | 125                 | 24 | 1.50%  | 63.874            | 4.598   | 1.31               | 34.00   | 1.24  |
| ČR, 5.00 %, 30 | 150                 | 14 | 5.00%  | 101.910           | 4.684   | 1.22               | 100.00  | 0.00  |
| ČR, 4.90 %, 34 | 151                 | 1  | 4.90%  | 102.615           | 4.592   | 1.38               | 100.00  | 0.00  |
| ČR, 5.50 %, 28 | 149                 | 11 | 5.50%  | 103.652           | 4.728   | 2.11               | 143.17  | 15.91   |
| ČR, VAR %, 31  | 139                 | 20 | VAR%   | 100.752           | -11.780   | 6.24               | 100.00  | 15.72   |
| ČR, 4.90 %, 34 | 151                 | 2  | 4.90%  | 102.126           | 4.648   | 1.55               | 113.89  | 13.80   |
| ČR, 5.00 %, 30 | 150                 | 15 | 5.00%  | 102.176           | 4.639   | 1.19               | 100.00  | 19.34   |
| ČR, VAR %, 31  | 139                 | 21 | VAR%   | 100.960           | -15.371   | 3.42               | 100.00  | 12.27   |
| ČR, 3.50 %, 35 | 145                 | 13 | 3.50%  | 90.697            | 4.519   | 2.54               | 113.20  | 22.46   |
| ČR, 5.50 %, 28 | 149                 | 12 | 5.50%  | 103.458           | 4.760   | 2.64               | 108.69  | 5.93  |
| ČR, 5.00 %, 30 | 150                 | 16 | 5.00%  | 101.557           | 4.738   | 2.97               | 102.13  | 3.75  |
| ČR, 4.90 %, 34 | 151                 | 3  | 4.90%  | 101.822           | 4.681   | 1.32               | 172.20  | 5.77  |
| ČR, 5.00 %, 30 | 150                 | 17 | 5.00%  | 103.244           | 4.465   | 1.25               | 129.56  | 0.00  |
| ČR, 3.50 %, 35 | 145                 | 14 | 3.50%  | 91.881            | 4.386   | 2.73               | 100.00  | 0.00  |
| ČR, 6.20 %, 31 | 152                 | 1  | 6.20%  | 112.082           | 4.377   | 1.22               | 210.42  | 0.00  |
| ČR, 4.90 %, 34 | 151                 | 4  | 4.90%  | 104.746           | 4.340   | 1.26               | 178.38  | 0.00  |
| ČR, 6.20 %, 31 | 152                 | 2  | 6.20%  | 112.570           | 4.301   | 1.38               | 243.50  | 7.78  |
| ČR, VAR %, 31  | 139                 | 22 | VAR%   | 101.341           | -21.354   | 5.60               | 100.00  | 2.76  |
| ČR, 1.95 %, 37 | 142                 | 9  | 1.95%  | 76.222            | 4.224   | 1.27               | 280.50  | 0.00  |
| ČR, 6.20 %, 31 | 152                 | 3  | 6.20%  | 112.072           | 4.364   | 1.58               | 130.00  | 21.55   |
| ČR, 4.90 %, 34 | 151                 | 5  | 4.90%  | 104.726           | 4.338   | 1.50               | 101.50  | 17.66   |
| ČR, 5.75 %, 29 | 153                 | 1  | 5.75%  | 107.833           | 4.175   | 1.41               | 146.07  | 13.20   |
| ČR, 6.20 %, 31 | 152                 | 4  | 6.20%  | 113.705           | 4.127   | 1.24               | 118.75  | 13.11   |
| ČR, 4.90 %, 34 | 151                 | 6  | 4.90%  | 106.714           | 4.110   | 1.25               | 110.17  | 13.51   |
| ČR, 4.50 %, 32 | 154                 | 1  | 4.50%  | 102.549           | 4.159   | 1.59               | 100.00  | 2.92  |
| ČR, 350 %, 35  | 145                 | 15 | 3.50%  | 93.959            | 4.157   | 1.11               | 100.00  | 1.82  |
| ČR, VAR %, 43  | 155                 | 1  | VAR%   | 99.709            | 2.736   | 1.97               | 250.00  | 10.27   |
| ČR, 5.75 %, 29 | 153                 | 2  | 5.75%  | 105.827           | 4.551   | 1.67               | 122.97  | 20.14   |

| Issue name     | Issue /<br>tranche<br>no. | Coupon | Average<br>net price | Average<br>yield to<br>maturity<br>(% p.a.) <sup>1</sup> | Bid-<br>to-<br>cover<br>ratio | Sold in<br>the competitive<br>part of the auction/<br>Max. nominal value<br>offered (%) | Sold in the non-<br>competitive part<br>of the auction/<br>Max. nominal<br>value offered (%) |       |
|----------------|---------------------------|--------|----------------------|--|-------------------------------|---|--|-------|
| ČR, 4.50 %, 32 | 154                       | 2      | 4.50%                | 100.097  | 4.482                         | 1.84  | 139.25   | 22.96 |
| ČR, 4.90 %, 34 | 151                       | 7      | 4.90%                | 103.593  | 4.465                         | 1.97  | 122.21   | 13.52 |
| ČR, 5.75 %, 29 | 153                       | 3      | 5.75%                | 105.233  | 4.662                         | 1.86  | 171.20   | 23.91 |
| ČR, 4.50 %, 32 | 154                       | 3      | 4.50%                | 99.947   | 4.502                         | 1.28  | 100.00   | 3.85  |
| ČR, 3.50 %, 35 | 145                       | 16     | 3.50%                | 91.056   | 4.496                         | 1.63  | 100.00   | 5.85  |
| ČR, VAR %, 43  | 155                       | 2      | VAR%                 | 99.567   | 4.068                         | 1.47  | 177.64   | 6.16  |
| ČR, 5.00 %, 30 | 150                       | 18     | 5.00%                | 102.919  | 4.506                         | 1.39  | 169.66   | 0.00  |
| ČR, 4.50 %, 32 | 154                       | 4      | 4.50%                | 99.958   | 4.500                         | 1.65  | 124.82   | 0.00  |
| ČR, 4.90 %, 34 | 151                       | 8      | 4.90%                | 102.764  | 4.561                         | 1.30  | 106.50   | 0.00  |
| ČR, 5.75 %, 29 | 153                       | 4      | 5.75%                | 103.721  | 4.960                         | 2.41  | 100.00   | 19.99 |
| ČR, 4.90 %, 34 | 151                       | 9      | 4.90%                | 99.083   | 5.010                         | 2.87  | 100.00   | 19.95 |
| ČR, VAR %, 43  | 155                       | 3      | VAR%                 | 99.449   | 5.377                         | 2.61  | 100.00   | 6.10  |
| ČR, 5.75 %, 29 | 153                       | 5      | 5.75%                | 105.576  | 4.570                         | 1.96  | 129.00   | 0.00  |
| ČR, 4.50 %, 32 | 154                       | 5      | 4.50%                | 98.770   | 4.663                         | 1.72  | 102.00   | 0.00  |
| ČR, 4.90 %, 34 | 151                       | 10     | 4.90%                | 101.727  | 4.684                         | 1.85  | 102.93   | 0.00  |
| ČR, VAR %, 43  | 155                       | 4      | VAR%                 | 99.367   | 6.213                         | 1.57  | 100.00   | 12.87 |
| ČR, 6.00 %, 26 | 148                       | 10     | 6.00%                | 103.377  | 4.408                         | 2.52  | 115.03   | 12.58 |
| ČR, 4.50 %, 32 | 154                       | 6      | 4.50%                | 100.204  | 4.465                         | 1.57  | 249.20   | 24.69 |
| ČR, 5.75 %, 29 | 153                       | 6      | 5.75%                | 106.986  | 4.261                         | 1.30  | 83.32  | 0.00  |
| ČR, 4.50 %, 32 | 154                       | 7      | 4.50%                | 101.701  | 4.261                         | 1.45  | 143.40   | 0.00  |
| ČR, VAR %, 43  | 155                       | 5      | VAR%                 | 99.331   | 6.406                         | 2.71  | 103.50   | 5.01  |
| ČR, 0.25 %, 27 | 100                       | 30     | 0.25%                | 88.305   | 4.266                         | 1.70  | 150.00   | 17.94 |
| ČR, 1.50 %, 40 | 125                       | 25     | 1.50%                | 68.496   | 4.198                         | 4.71  | 115.00   | 14.45 |
| ČR, 4.50 %, 32 | 154                       | 8      | 4.50%                | 103.713  | 3.990                         | 1.47  | 167.03   | 21.43 |
| ČR, 4.90 %, 34 | 151                       | 11     | 4.90%                | 107.463  | 4.001                         | 1.38  | 100.00   | 12.71 |
| ČR, 4.85 %, 57 | 53                        | 14     | 4.85%                | 107.330  | 4.428                         | 1.81  | 218.00   | 15.79 |
| <b>Average</b> |                           |        |                      |  | <b>1.97</b>                   | <b>131.01</b>   | <b>9.62</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 33: State Treasury Bills Issued in 2023**

| Issue no.        | Maturity (weeks) | Auction date | Issue date | Maturity date | CCY | Max. nominal value offered | Total nominal value sold | Yield to maturity (% p.a.) |
|------------------|------------------|--------------|------------|---------------|-----|----------------------------|--------------------------|----------------------------|
| 873              | 4                | 12/1         | 13/1       | 10/2/2023     | CZK | 10,000,000,000             | 15,186,000,000           | 6.429                      |
| 875              | 13               | 26/1         | 27/1       | 28/4/2023     | CZK | 10,000,000,000             | 24,295,000,000           | 6.406                      |
| 876              | 4                | 2/2          | 3/2        | 3/3/2023      | CZK | 10,000,000,000             | 17,318,000,000           | 6.383                      |
| 877              | 26               | 9/2          | 10/2       | 11/8/2023     | CZK | 10,000,000,000             | 14,812,000,000           | 6.313                      |
| 879              | 13               | 23/2         | 24/2       | 26/5/2023     | CZK | 10,000,000,000             | 6,779,000,000            | 6.277                      |
| 880              | 4                | 2/3          | 3/3        | 31/3/2023     | CZK | 15,000,000,000             | 16,171,000,000           | 6.204                      |
| 881              | 26               | 13/4         | 14/4       | 13/10/2023    | CZK | 15,000,000,000             | 16,373,000,000           | 6.090                      |
| 883              | 13               | 27/4         | 28/4       | 28/7/2023     | CZK | 15,000,000,000             | 14,419,000,000           | 6.065                      |
| 884              | 4                | 4/5          | 5/5        | 2/6/2023      | CZK | 15,000,000,000             | 13,961,000,000           | 6.061                      |
| 885              | 13               | 11/5         | 12/5       | 11/8/2023     | CZK | 15,000,000,000             | 13,243,000,000           | 6.052                      |
| 886              | 4                | 18/5         | 19/5       | 16/6/2023     | CZK | 15,000,000,000             | 6,958,000,000            | 6.040                      |
| 887              | 13               | 25/5         | 26/5       | 25/8/2023     | CZK | 10,000,000,000             | 6,450,000,000            | 6.022                      |
| 888              | 26               | 1/6          | 2/6        | 1/12/2023     | CZK | 10,000,000,000             | 5,058,000,000            | 6.018                      |
| 889              | 13               | 22/6         | 23/6       | 22/9/2023     | CZK | 10,000,000,000             | 3,982,000,000            | 6.005                      |
| 891              | 13               | 27/7         | 28/7       | 27/10/2023    | CZK | 10,000,000,000             | 4,852,000,000            | 5.965                      |
| 892              | 13               | 10/8         | 11/8       | 10/11/2023    | CZK | 10,000,000,000             | 8,580,000,000            | 5.956                      |
| 893              | 13               | 24/8         | 25/8       | 24/11/2023    | CZK | 10,000,000,000             | 5,706,000,000            | 5.954                      |
| 894              | 13               | 7/9          | 8/9        | 8/12/2023     | CZK | 10,000,000,000             | 4,669,000,000            | 5.942                      |
| 895              | 13               | 21/9         | 22/9       | 22/12/2023    | CZK | 10,000,000,000             | 4,713,000,000            | 5.914                      |
| 896              | 9                | 12/10        | 13/10      | 15/12/2023    | CZK | 10,000,000,000             | 6,592,000,000            | 5.821                      |
| 898              | 9                | 26/10        | 27/10      | 29/12/2023    | CZK | 10,000,000,000             | 5,458,000,000            | 5.804                      |
| 899              | 4                | 2/11         | 3/11       | 1/12/2023     | CZK | 10,000,000,000             | 2,935,000,000            | 5.709                      |
| 900              | 4                | 9/11         | 10/11      | 8/12/2023     | CZK | 10,000,000,000             | 1,276,000,000            | 5.707                      |
| 901              | 4                | 23/11        | 24/11      | 22/12/2023    | CZK | 10,000,000,000             | 3,496,000,000            | 5.679                      |
| 902 <sup>1</sup> | 52               | -            | 1/12       | 29/11/2024    | CZK | -                          | -                        | -                          |
| 904              | 4                | 7/12         | 8/12       | 5/1/2024      | CZK | 5,000,000,000              | 1,710,000,000            | 5.331                      |
| 905              | 13               | 14/12        | 15/12      | 15/3/2024     | CZK | 5,000,000,000              | 3,240,000,000            | 5.388                      |
| 906              | 13               | 21/12        | 22/12      | 22/3/2024     | CZK | 5,000,000,000              | 2,844,000,000            | 5.219                      |
| <b>Total CZK</b> |                  |              |            |               |     |                            | <b>231,076,000,000</b>   | <b>6.112<sup>2</sup></b>   |
| 874              | 13               | 18/1         | 20/1       | 21/4/2023     | EUR | 500,000,000                | 1,000,000,000            | 2.508                      |
| 878              | 26               | 15/2         | 17/2       | 18/8/2023     | EUR | 500,000,000                | 1,000,000,000            | 3.102                      |
| 882              | 13               | 19/4         | 21/4       | 21/7/2023     | EUR | 500,000,000                | 500,000,000              | 3.264                      |
| 890              | 13               | 19/7         | 21/7       | 20/10/2023    | EUR | 500,000,000                | 500,000,000              | 3.722                      |
| 897              | 13               | 18/10        | 20/10      | 19/1/2024     | EUR | 500,000,000                | 500,000,000              | 3.886                      |
| 903              | 26               | 6/12         | 8/12       | 7/6/2024      | EUR | 500,000,000                | 1,000,000,000            | 3.890                      |
| <b>Total EUR</b> |                  |              |            |               |     |                            | <b>4,500,000,000</b>     | <b>3.319<sup>2</sup></b>   |

<sup>1</sup> Technical issue of state treasury bills.

<sup>2</sup> Average weighted yield to maturity.

Source: MoF, CNB

**Table 34: Savings Government Bonds Issued in 2023**

| Issue name                           | Issue no. | Settlement date         | Maturity date | Original maturity (years) | Total nominal value sold |
|--------------------------------------|-----------|-------------------------|---------------|---------------------------|--------------------------|
| SD-R ČR, FIX %, 26 V <sup>1</sup>    | 131       | 31/12/2022 <sup>2</sup> | 31/12/2026    | 6.0                       | 238,104                  |
| SD-I ČR, CPI %, 26 V <sup>1</sup>    | 132       | 31/12/2022 <sup>2</sup> | 31/12/2026    | 6.0                       | 681,011,639              |
| SD-R ČR, FIX %, 26 <sup>1</sup>      | 114       | 2/1/2023                | 2/1/2026      | 6.0                       | 510,010                  |
| SD-I ČR, CPI %, 26 <sup>1</sup>      | 115       | 2/1/2023                | 2/1/2026      | 6.0                       | 222,800,969              |
| SD-F ČR, 1.25 %, 26 <sup>1</sup>     | 116       | 2/1/2023                | 2/1/2026      | 6.0                       | 152,180                  |
| SD-R ČR, FIX %, 28 <sup>1</sup>      | 143       | 3/1/2023                | 3/1/2028      | 6.0                       | 959,556                  |
| SD-I ČR, CPI %, 28 <sup>1</sup>      | 144       | 3/1/2023                | 3/1/2028      | 6.0                       | 6,142,687,168            |
| SD-R ČR, FIX %, 25 <sup>1</sup>      | 106       | 1/2/2023                | 1/2/2025      | 6.0                       | 44,997,461               |
| SD-R ČR, FIX %, 25 II <sup>1</sup>   | 107       | 1/4/2023 <sup>2</sup>   | 1/4/2025      | 6.0                       | 13,630,476               |
| SD-R ČR, FIX %, 26 II <sup>1</sup>   | 117       | 1/4/2023 <sup>2</sup>   | 1/4/2026      | 6.0                       | 434,170                  |
| SD-I ČR, CPI %, 26 II <sup>1</sup>   | 118       | 1/4/2023 <sup>2</sup>   | 1/4/2026      | 6.0                       | 334,380,711              |
| SD-F ČR, 1.50 %, 26 II <sup>1</sup>  | 119       | 1/4/2023 <sup>2</sup>   | 1/4/2026      | 6.0                       | 191,149                  |
| SD-R ČR, FIX %, 27 <sup>1</sup>      | 133       | 1/4/2023 <sup>2</sup>   | 1/4/2027      | 6.0                       | 244,420                  |
| SD-I ČR, CPI %, 27 <sup>1</sup>      | 134       | 1/4/2023 <sup>2</sup>   | 1/4/2027      | 6.0                       | 605,006,327              |
| SD-R ČR, FIX %, 25 III <sup>1</sup>  | 108       | 1/7/2023 <sup>2</sup>   | 1/7/2025      | 6.0                       | 5,850,989                |
| SD-I ČR, CPI %, 25 <sup>1</sup>      | 110       | 1/7/2023 <sup>2</sup>   | 1/7/2025      | 6.0                       | 631,540,751              |
| SD-R ČR, FIX %, 26 III <sup>1</sup>  | 122       | 1/7/2023 <sup>2</sup>   | 1/7/2026      | 6.0                       | 864,956                  |
| SD-I ČR, CPI %, 26 III <sup>1</sup>  | 123       | 1/7/2023 <sup>2</sup>   | 1/7/2026      | 6.0                       | 251,489,435              |
| SD-F ČR, 1.30 %, 26 III <sup>1</sup> | 124       | 1/7/2023 <sup>2</sup>   | 1/7/2026      | 6.0                       | 399,527                  |
| SD-R ČR, FIX %, 27 II <sup>1</sup>   | 136       | 1/7/2023 <sup>2</sup>   | 1/7/2027      | 6.0                       | 340,459                  |
| SD-I ČR, CPI %, 27 II <sup>1</sup>   | 137       | 1/7/2023 <sup>2</sup>   | 1/7/2027      | 6.0                       | 611,495,186              |
| SD-R ČR, FIX %, 25 IV <sup>1</sup>   | 111       | 1/10/2023 <sup>2</sup>  | 1/10/2025     | 6.0                       | 651,816                  |
| SD-I ČR, CPI %, 25 II <sup>1</sup>   | 112       | 1/10/2023 <sup>2</sup>  | 1/10/2025     | 6.0                       | 101,742,115              |
| SD-F ČR, 1.50 %, 25 <sup>1</sup>     | 113       | 1/10/2023 <sup>2</sup>  | 1/10/2025     | 6.0                       | 169,680                  |
| SD-R ČR, FIX %, 26 IV <sup>1</sup>   | 127       | 1/10/2023 <sup>2</sup>  | 1/10/2026     | 6.0                       | 273,565                  |
| SD-I ČR, CPI %, 26 IV <sup>1</sup>   | 128       | 1/10/2023 <sup>2</sup>  | 1/10/2026     | 6.0                       | 353,930,572              |
| SD-R ČR, FIX %, 27 III <sup>1</sup>  | 140       | 1/10/2023 <sup>2</sup>  | 1/10/2027     | 6.0                       | 333,317                  |
| SD-I ČR, CPI %, 27 III <sup>1</sup>  | 141       | 1/10/2023 <sup>2</sup>  | 1/10/2027     | 6.0                       | 534,192,629              |
| <b>Total</b>                         |           |                         |               |                           | <b>10,540,519,337</b>    |

<sup>1</sup> Incl. tranches issued in the form of reinvestment of yields.

<sup>2</sup> If the reinvestment date of yields falls on a day, which is not a business day, the relevant government bonds are reinvested to the bondholder's asset account in the Ministry's register on the first following business day.

Source: MoF

**Table 35a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in 2023**

| Issue name   | ISIN | Collateral nominal value | Financial resources received | Financial resources paid <sup>1</sup> |
|--------------|------|--------------------------|------------------------------|---------------------------------------|
| -            | -    | -                        | -                            | -                                     |
| <b>Total</b> |      | <b>0</b>                 | <b>0</b>                     | <b>0</b>                              |

<sup>1</sup> Incl. financial resources from lending facilities realized in 2023, which has not been paid during this period.  
Source: MoF

**Table 35b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in 2023**

| Issue name     | ISIN         | Nominal value         | Revenue <sup>1</sup> |
|----------------|--------------|-----------------------|----------------------|
| ČR, 0.45 %, 23 | CZ0001004600 | 7,700,000,000         | 3,255,467            |
| ČR, 5.70 %, 24 | CZ0001002547 | 2,342,000,000         | 294,058              |
| ČR, VAR %, 24  | CZ0001006498 | 233,000,000           | 17,190               |
| ČR, 1.25 %, 25 | CZ0001005870 | 920,000,000           | 93,803               |
| ČR, 6.00 %, 26 | CZ0001006506 | 1,144,000,000         | 110,216              |
| ČR, 5.50 %, 28 | CZ0001006696 | 350,000,000           | 39,211               |
| ČR, 6.20 %, 31 | CZ0001006969 | 1,900,000,000         | 433,418              |
| ČR, VAR %, 31  | CZ0001006241 | 404,000,000           | 71,756               |
| ČR, 1.75 %, 32 | CZ0001006233 | 458,000,000           | 68,285               |
| ČR, 4.20 %, 36 | CZ0001001796 | 510,000,000           | 53,653               |
| ČR, 1.95 %, 37 | CZ0001006316 | 230,000,000           | 29,457               |
| ČR, 1.50 %, 40 | CZ0001005920 | 8,004,000,000         | 693,778              |
| ČR, VAR %, 43  | CZ0001007041 | 93,000,000            | 15,801               |
| <b>Total</b>   |              | <b>24,288,000,000</b> | <b>5,176,093</b>     |

<sup>1</sup> Incl. financial resources from lending facilities realized in 2023, which has not been terminated during this period.  
Source: MoF

**Table 36: Realized Exchange Operations of Government Bonds in 2023**

| Settlement date | Tap-sale       |               |               | Buy-back       |               |               |
|-----------------|----------------|---------------|---------------|----------------|---------------|---------------|
|                 | Issue name     | Nominal value | Average price | Issue name     | Nominal value | Average price |
| 20/1/2023       | ČR, 2.75 %, 29 | 100,000,000   | 90.600        | ČR, 0.45 %, 23 | 100,000,000   | 95.600        |
| 20/1/2023       | ČR, 1.75 %, 32 | 2,514,000,000 | 80.660        | ČR, 0.45 %, 23 | 2,514,000,000 | 95.600        |
| 20/1/2023       | ČR, 3.50 %, 35 | 300,000,000   | 92.750        | ČR, 0.45 %, 23 | 300,000,000   | 95.600        |
| 20/1/2023       | ČR, 1.95 %, 37 | 106,090,000   | 74.700        | ČR, 0.45 %, 23 | 106,090,000   | 95.600        |
| 23/1/2023       | ČR, 2.75 %, 29 | 300,000,000   | 91.000        | ČR, 0.45 %, 23 | 300,000,000   | 95.685        |
| 23/1/2023       | ČR, 1.75 %, 32 | 400,000,000   | 81.300        | ČR, 0.45 %, 23 | 400,000,000   | 95.685        |
| 23/1/2023       | ČR, 3.50 %, 35 | 200,000,000   | 93.150        | ČR, 0.45 %, 23 | 200,000,000   | 95.685        |
| 23/1/2023       | ČR, 1.50 %, 40 | 950,000,000   | 65.779        | ČR, 0.45 %, 23 | 950,000,000   | 95.685        |
| 7/2/2023        | ČR, 2.40 %, 25 | 2,100,960,000 | 93.000        | ČR, 0.45 %, 23 | 2,100,960,000 | 95.930        |
| 7/2/2023        | ČR, 2.75 %, 29 | 395,570,000   | 90.250        | ČR, 0.45 %, 23 | 395,570,000   | 95.930        |
| 8/2/2023        | ČR, 0.25 %, 27 | 381,180,000   | 83.710        | ČR, 0.45 %, 23 | 381,180,000   | 95.950        |
| 15/2/2023       | ČR, 0.05 %, 29 | 451,420,000   | 73.700        | ČR, 0.45 %, 23 | 451,420,000   | 96.110        |
| 15/2/2023       | ČR, VAR %, 31  | 3,522,580,000 | 100.020       | ČR, 0.45 %, 23 | 3,522,580,000 | 96.110        |
| 6/3/2023        | ČR, 5.50 %, 28 | 500,000,000   | 101.660       | ČR, 0.45 %, 23 | 500,000,000   | 96.190        |
| 7/3/2023        | ČR, 5.50 %, 28 | 305,000,000   | 101.600       | ČR, 0.45 %, 23 | 305,000,000   | 96.295        |
| 8/3/2023        | ČR, 5.50 %, 28 | 2,645,000,000 | 101.800       | ČR, 0.45 %, 23 | 2,645,000,000 | 96.355        |
| 14/3/2023       | ČR, 5.50 %, 28 | 1,200,920,000 | 102.450       | ČR, 0.45 %, 23 | 1,200,920,000 | 96.510        |
| 14/3/2023       | ČR, 5.00 %, 30 | 3,525,000,000 | 100.600       | ČR, 0.45 %, 23 | 3,525,000,000 | 96.510        |
| 16/3/2023       | ČR, 5.00 %, 30 | 3,371,000,000 | 102.000       | ČR, 0.45 %, 23 | 3,371,000,000 | 96.800        |
| 17/3/2023       | ČR, 5.00 %, 30 | 4,230,090,000 | 102.020       | ČR, 0.45 %, 23 | 4,230,090,000 | 96.990        |



| Settlement date | Issue name     | Tap-sale              |               | Buy-back       |                       |               |
|-----------------|----------------|-----------------------|---------------|----------------|-----------------------|---------------|
|                 |                | Nominal value         | Average price | Issue name     | Nominal value         | Average price |
| 21/3/2023       | ČR, 1.75 %, 32 | 783,120,000           | 79.500        | ČR, 0.45 %, 23 | 783,120,000           | 97.290        |
| 21/3/2023       | ČR, 3.50 %, 35 | 1,183,550,000         | 90.750        | ČR, 0.45 %, 23 | 1,183,550,000         | 97.290        |
| 27/3/2023       | ČR, 1.95 %, 37 | 1,325,000,000         | 72.950        | ČR, 0.45 %, 23 | 1,325,000,000         | 97.235        |
| 28/3/2023       | ČR, 0.05 %, 29 | 1,000,000,000         | 74.300        | ČR, 0.45 %, 23 | 1,000,000,000         | 97.465        |
| 28/3/2023       | ČR, 1.95 %, 37 | 1,000,000,000         | 73.260        | ČR, 0.45 %, 23 | 1,000,000,000         | 97.465        |
| 29/3/2023       | ČR, 5.50 %, 28 | 2,000,000,000         | 104.150       | ČR, 0.45 %, 23 | 2,000,000,000         | 97.420        |
| 29/3/2023       | ČR, 1.95 %, 37 | 1,000,000,000         | 72.970        | ČR, 0.45 %, 23 | 1,000,000,000         | 97.420        |
| 31/3/2023       | ČR, 5.50 %, 28 | 1,500,000,000         | 104.360       | ČR, 0.45 %, 23 | 3,000,000,000         | 97.455        |
| 5/4/2023        | ČR, 5.50 %, 28 | 1,250,000,000         | 103.500       | ČR, 0.45 %, 23 | 2,500,000,000         | 96.990        |
| 5/4/2023        | ČR, 1.50 %, 40 | 100,000,000           | 63.100        | ČR, 0.45 %, 23 | 200,000,000           | 96.990        |
| 19/4/2023       | ČR, 5.50 %, 28 | 2,850,000,000         | 102.000       | ČR, 0.45 %, 23 | 2,850,000,000         | 97.180        |
| 19/4/2023       | ČR, 4.90 %, 34 | 620,000,000           | 100.500       | ČR, 0.45 %, 23 | 620,000,000           | 97.180        |
| 9/5/2023        | ČR, 5.00 %, 30 | 2,805,000,000         | 102.710       | ČR, 0.45 %, 23 | 2,805,000,000         | 97.550        |
| 9/5/2023        | ČR, 4.90 %, 34 | 1,304,000,000         | 102.910       | ČR, 0.45 %, 23 | 1,304,000,000         | 97.550        |
| 31/8/2023       | ČR, 5.75 %, 29 | 2,100,000,000         | 106.010       | ČR, 5.70 %, 24 | 2,100,000,000         | 100.075       |
| 5/9/2023        | ČR, 4.90 %, 34 | 1,300,000,000         | 104.300       | ČR, 5.70 %, 24 | 1,300,000,000         | 100.105       |
| 18/9/2023       | ČR, 5.75 %, 29 | 2,449,000,000         | 105.550       | ČR, 5.70 %, 24 | 2,449,000,000         | 100.270       |
| 19/9/2023       | ČR, 5.75 %, 29 | 1,770,000,000         | 105.650       | ČR, 5.70 %, 24 | 1,770,000,000         | 100.325       |
| 27/9/2023       | ČR, 5.75 %, 29 | 300,000,000           | 105.000       | ČR, 5.70 %, 24 | 300,000,000           | 100.405       |
| 6/12/2023       | ČR, 5.75 %, 29 | 3,410,000,000         | 106.900       | ČR, 5.70 %, 24 | 3,410,000,000         | 100.300       |
| 6/12/2023       | ČR, 4.50 %, 32 | 350,000,000           | 102.150       | ČR, 5.70 %, 24 | 350,000,000           | 100.300       |
| 7/12/2023       | ČR, 5.75 %, 29 | 825,000,000           | 107.190       | ČR, 5.70 %, 24 | 825,000,000           | 100.425       |
| 11/12/2023      | ČR, 5.75 %, 29 | 3,600,000,000         | 107.730       | ČR, 5.70 %, 24 | 3,600,000,000         | 100.435       |
| 21/12/2023      | ČR, 0.05 %, 29 | 1,476,980,000         | 80.530        | ČR, 5.70 %, 24 | 1,476,980,000         | 100.525       |
| 21/12/2023      | ČR, 1.50 %, 40 | 1,200,000,000         | 70.820        | ČR, 5.70 %, 24 | 1,200,000,000         | 100.525       |
| <b>Total</b>    |                | <b>65,000,460,000</b> |               |                | <b>67,850,460,000</b> |               |

Source: MoF

**Table 37: Buy-Backs of Government Bonds in 2023**

| Issue name   | Issue no. | Settlement date | Maturity date | Average price | Currency | Nominal value |
|--------------|-----------|-----------------|---------------|---------------|----------|---------------|
| -            | -         | -               | -             | -             | -        | -             |
| <b>Total</b> |           |                 |               |               |          | <b>0</b>      |

Source: MoF

**Table 38: Tap Sales of Government Bonds in 2023**

| Issue name     | Issue no. | Settlement date | Maturity date | Average price | CCY | Nominal value         |
|----------------|-----------|-----------------|---------------|---------------|-----|-----------------------|
| ČR, 0.05 %, 29 | 130       | 4/4/2023        | 29/11/2029    | 73.600        | CZK | 500,000,000           |
| ČR, 1.95 %, 37 | 142       | 4/4/2023        | 30/7/2037     | 73.000        | CZK | 1,700,000,000         |
| ČR, 5.50 %, 28 | 149       | 18/4/2023       | 12/12/2028    | 102.450       | CZK | 760,000,000           |
| ČR, 3.50 %, 35 | 145       | 18/4/2023       | 30/5/2035     | 88.400        | CZK | 458,000,000           |
| ČR, 4.90 %, 34 | 151       | 10/5/2023       | 14/4/2034     | 103.130       | CZK | 1,750,000,000         |
| ČR, 4.90 %, 34 | 151       | 16/5/2023       | 14/4/2034     | 103.935       | CZK | 1,150,000,000         |
| ČR, 1.95 %, 37 | 142       | 16/5/2023       | 30/7/2037     | 75.100        | CZK | 500,000,000           |
| ČR, 5.00 %, 30 | 150       | 17/5/2023       | 30/9/2030     | 103.050       | CZK | 1,750,000,000         |
| ČR, 4.90 %, 34 | 151       | 17/5/2023       | 14/4/2034     | 103.750       | CZK | 832,500,000           |
| ČR, 5.00 %, 30 | 150       | 19/5/2023       | 30/9/2030     | 103.210       | CZK | 370,000,000           |
| ČR, 4.90 %, 34 | 151       | 19/5/2023       | 14/4/2034     | 103.150       | CZK | 1,100,000,000         |
| ČR, 5.50 %, 28 | 149       | 2/6/2023        | 12/12/2028    | 104.700       | CZK | 704,900,000           |
| ČR, 5.00 %, 30 | 150       | 5/6/2023        | 30/9/2030     | 102.500       | CZK | 2,100,000,000         |
| ČR, 4.90 %, 34 | 151       | 5/6/2023        | 14/4/2034     | 103.000       | CZK | 1,339,800,000         |
| ČR, 4.90 %, 34 | 151       | 6/6/2023        | 14/4/2034     | 103.260       | CZK | 950,000,000           |
| ČR, 4.90 %, 34 | 151       | 26/6/2023       | 14/4/2034     | 104.800       | CZK | 150,000,000           |
| ČR, 4.85 %, 57 | 53        | 26/6/2023       | 26/11/2057    | 102.120       | CZK | 404,000,000           |
| ČR, 4.90 %, 34 | 151       | 28/6/2023       | 14/4/2034     | 105.820       | CZK | 1,669,590,000         |
| ČR, 6.20 %, 31 | 152       | 18/7/2023       | 16/6/2031     | 113.170       | CZK | 855,890,000           |
| ČR, 3.50 %, 35 | 145       | 18/7/2023       | 30/5/2035     | 93.600        | CZK | 1,795,000,000         |
| ČR, 4.90 %, 34 | 151       | 19/7/2023       | 14/4/2034     | 106.200       | CZK | 1,497,680,000         |
| ČR, 4.90 %, 34 | 151       | 21/7/2023       | 14/4/2034     | 107.440       | CZK | 116,000,000           |
| ČR, 3.50 %, 35 | 145       | 21/7/2023       | 30/5/2035     | 95.070        | CZK | 117,000,000           |
| ČR, 4.90 %, 34 | 151       | 24/7/2023       | 14/4/2034     | 106.625       | CZK | 498,700,000           |
| ČR, 5.75 %, 29 | 153       | 16/8/2023       | 29/3/2029     | 107.150       | CZK | 450,000,000           |
| ČR, 5.75 %, 29 | 153       | 2/11/2023       | 29/3/2029     | 105.910       | CZK | 350,000,000           |
| ČR, 4.50 %, 32 | 154       | 2/11/2023       | 11/11/2032    | 99.130        | CZK | 600,000,000           |
| ČR, 5.75 %, 29 | 153       | 6/11/2023       | 29/3/2029     | 106.190       | CZK | 1,100,000,000         |
| ČR, 4.90 %, 34 | 151       | 6/11/2023       | 14/4/2034     | 102.790       | CZK | 600,000,000           |
| ČR, 5.75 %, 29 | 153       | 7/11/2023       | 29/3/2029     | 106.190       | CZK | 500,000,000           |
| ČR, 4.50 %, 32 | 154       | 7/11/2023       | 11/11/2032    | 99.900        | CZK | 1,477,870,000         |
| ČR, 5.75 %, 29 | 153       | 8/11/2023       | 29/3/2029     | 106.600       | CZK | 300,000,000           |
| ČR, 4.90 %, 34 | 151       | 8/11/2023       | 14/4/2034     | 103.600       | CZK | 360,000,000           |
| ČR, 5.75 %, 29 | 153       | 9/11/2023       | 29/3/2029     | 106.600       | CZK | 2,750,000,000         |
| ČR, 4.90 %, 34 | 151       | 9/11/2023       | 14/4/2034     | 103.600       | CZK | 3,100,000,000         |
| ČR, 5.00 %, 30 | 150       | 21/11/2023      | 30/9/2030     | 104.125       | CZK | 2,120,000,000         |
| ČR, 1.50 %, 40 | 125       | 21/11/2023      | 24/4/2040     | 66.100        | CZK | 500,000,000           |
| ČR, 6.00 %, 26 | 148       | 22/11/2023      | 26/2/2026     | 103.550       | CZK | 500,000,000           |
| ČR, 3.50 %, 35 | 145       | 22/11/2023      | 30/5/2035     | 92.200        | CZK | 2,825,000,000         |
| ČR, 4.90 %, 34 | 151       | 29/11/2023      | 14/4/2034     | 104.250       | CZK | 160,000,000           |
| ČR, 1.50 %, 40 | 125       | 4/12/2023       | 24/4/2040     | 67.020        | CZK | 1,500,000,000         |
| ČR, 3.50 %, 35 | 145       | 5/12/2023       | 30/5/2035     | 93.050        | CZK | 1,038,000,000         |
| ČR, VAR %, 43  | 155       | 5/12/2023       | 18/8/2043     | 99.331        | CZK | 175,000,000           |
| ČR, 3.50 %, 35 | 145       | 11/12/2023      | 30/5/2035     | 95.000        | CZK | 600,000,000           |
| ČR, 4.85 %, 57 | 53        | 11/12/2023      | 26/11/2057    | 106.500       | CZK | 176,000,000           |
| ČR, VAR %, 43  | 155       | 12/12/2023      | 18/8/2043     | 99.331        | CZK | 100,000,000           |
| <b>Total</b>   |           |                 |               |               |     | <b>44,350,930,000</b> |

Source: MoF

**Table 39: Detailed Overview of Budgetary Transfers from the State Debt Chapter Realized in 2023**

| Chapter number | Chapter | Funds allocation | Amount (CZK) |
|----------------|---------|------------------|--------------|
| -              | -       | -                | -            |
| <b>Total</b>   |         |                  | <b>0</b>     |

Source: MoF

**Table 40: FX Market Operations in 2023**

| Counterparty                                  | EUR (thous)      | USD (thous)      | CHF (thous)     | SEK (thous)        | CZK (mil)       | Savings CZK (mil) <sup>1</sup> | Share of savings (%) |
|---|------------------|------------------|-----------------|--------------------|-----------------|--------------------------------|----------------------|
| Komerční banka, a.s.                          | 275,957.2        | 77,794.7         | 0.0             | 19,373.4           | 8,335.2         | 37.5                           | 31.2                 |
| Deutsche Bank AG, Prague Branch               | 141,066.8        | 11,731.6         | 13,982.6        | 462,000.0          | 4,932.1         | 22.4                           | 18.6                 |
| Citibank Europe plc                           | 147,310.2        | 0.0              | 0.0             | 0.0                | 3,589.5         | 17.6                           | 14.7                 |
| J.P. Morgan SE                                | 0.0              | 0.0              | 0.0             | 1,979,699.3        | 3,999.4         | 17.4                           | 14.5                 |
| Československá obchodní banka, a. s.          | 79,940.7         | 74,802.6         | 2,265.4         | 0.0                | 3,630.3         | 15.3                           | 12.7                 |
| PPF banka a.s.                                | 36,699.0         | 0.0              | 0.0             | 0.0                | 871.8           | 4.5                            | 3.7                  |
| Česká spořitelna, a.s.                        | 35,285.1         | 0.0              | 0.0             | 0.0                | 828.7           | 4.1                            | 3.4                  |
| ING Bank N.V.                                 | 6,108.0          | 2,606.8          | 3,119.3         | 0.0                | 284.8           | 1.4                            | 1.1                  |
| UniCredit Bank AG                             | 0.0              | 43.9             | 0.0             | 0.0                | 1.0             | 0.0                            | 0.0                  |
| Crédit Agricole Corporate and Investment Bank | 0.0              | 0.0              | 3.6             | 0.0                | 0.1             | 0.0                            | 0.0                  |
| <b>Total</b>                                  | <b>722,366.9</b> | <b>166,979.6</b> | <b>19,370.8</b> | <b>2,461,072.6</b> | <b>26,472.8</b> | <b>120.1</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

## Key Information 2023

- State debt at the level of CZK 3,110.9 billion, i.e. 42.3% GDP
- Financing needs: CZK 660.0 billion
- Gross borrowing requirement: CZK 585.5 billion
- Gross issue of CZK-denominated T-Bonds on domestic market: CZK 518.0 billion
- Gross issue of EUR-denominated T-Bonds on domestic market: EUR 0.0 billion
- Gross issue of T-Bonds on foreign markets: CZK 0.0 billion
- Gross issue of savings government bonds: CZK 10.5 billion
- Redemptions of CZK-denominated T-Bonds issued on domestic market: CZK 218.9 billion
- Redemptions of T-Bonds issued on foreign markets: EUR 0.0 billion
- Redemptions of savings government bonds: CZK 1.3 billion
- Average weighted time to maturity of sold CZK-denominated T-Bonds: 9.1 years
- Average weighted yield to maturity of sold fixed-rate CZK-denominated T-Bonds: 4.51% p.a.
- Net revenue within liquidity management: CZK 23.6 billion
- Average time to maturity of state debt: 6.4 years
- Short-term state debt: 6.7%
- Average time to re-fixing of state debt: 5.6 years
- Interest re-fixing of the debt portfolio within 1 year: 18.5%

## Contacts

### Debt and Financial Assets Management Department









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The publication was prepared based on the information available on 29 February 2024  
and is also available online at:

[www.mfcr.cz/statedebt](http://www.mfcr.cz/statedebt)

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