



THE REPUBLIC OF CYPRUS

MINISTRY OF FINANCE | PUBLIC DEBT MANAGEMENT OFFICE

EUR 1bn 4.125% Inaugural 10-year Sustainable benchmark due 13th April 2033

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PRESS RELEASE – 4th April 2023

The Republic of Cyprus, rated BBB/Ba1/BBB/BBB (stable/positive/stable/stable) by S&P/Moody's/Fitch/DBRS, came to market on 4 April 2023 with a EUR 1bn inaugural Sustainable 10-year fixed-rate benchmark transaction. The 10-year Sustainable benchmark was priced with a reoffer spread of m/s+125bp, equivalent to a reoffer yield of 4.219% and a spread of +189.6bp vs. the DBR 2.3% Feb-33. The joint lead managers of this transaction were Barclays, HSBC, J.P. Morgan, Morgan Stanley and Société Générale. Furthermore, HSBC and J.P. Morgan assisted the Republic of Cyprus as joint structuring agents. The listing is in London under English law and is launched off the issuer's EMTN programme (ISIN XS2610236445).

Transaction Background

- The Republic of Cyprus has placed sustainability at the heart of its Recovery and Resilience Plan (2021-2026) with the key strategic goal to strengthen the economy's resilience and the country's potential for economically, socially and environmentally sustainable long-term growth and welfare. The Republic of Cyprus intends for sustainable borrowing under Green/Social/Sustainable Instruments to complement the objectives of the Recovery and Resilience Plan.

Execution Highlights

- On Monday, 27th March, the Republic of Cyprus announced its intention to hold a Global Investor Call and a series of investor meetings to present its newly established [Sustainable Finance Framework](#), which has received a [Second-Party Opinion](#) from ISS ESG.
- Following strong investor engagement and feedback, the Republic of Cyprus officially announced an inaugural Sustainable 10-year benchmark transaction at 11:55 LDN on Monday, 3rd April 2023, and that pricing was expected in the near future, subject to market conditions.
- On the morning of Tuesday, 4th April at 8:19 LDN, capitalising on a constructive market open, books officially opened with initial guidance announced for the inaugural Sustainable 10-year benchmark at m/s+140bp area. The transaction attracted robust investor interest from the outset and at 10:01 LDN, with orders accelerating in excess of EUR 8bn (excluding JLM interest), revised guidance was announced at m/s+130bp (+/-5bps WPIR) with the size set at EUR 1bn (no-grow).
- Later in the morning at 10:52 LDN, with the high-quality, granular orderbook peaking above EUR 12.5bn (excluding JLM interest), the transaction was launched with the final reoffer spread tightened further and set at m/s+125bp. Shortly thereafter, the orderbook closed at 11:15 LDN with final demand over EUR 12.1bn (including EUR 340mn JLM interest). This represents the largest orderbook achieved in a single-tranche syndicated transaction by the Republic of Cyprus since the sovereign's return to the international bond markets in June 2014. It is also the second largest orderbook on record for a Sustainable benchmark issued by a Eurozone sovereign.
- At 14:45 LDN, the new EUR 1bn Sustainable 10-year bond officially priced at m/s+125bps, equivalent to a reoffer yield of 4.219% and a spread of +189.6bp over the DBR 2.3% Feb-33.



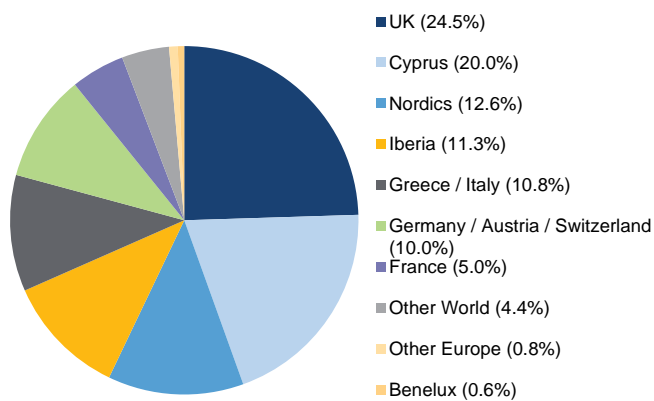


- Before announcement the joint lead managers identified the fair value of an inaugural Sustainable 10-year benchmark as approximately m/s+125bp area. In this regard, the transaction priced flat to the Republic of Cyprus' secondary curve with no new issue premium, which combined with the record orderbook achieved, acts as a testament to the strong support from the international investor community for the Republic of Cyprus and its Sustainability objectives.

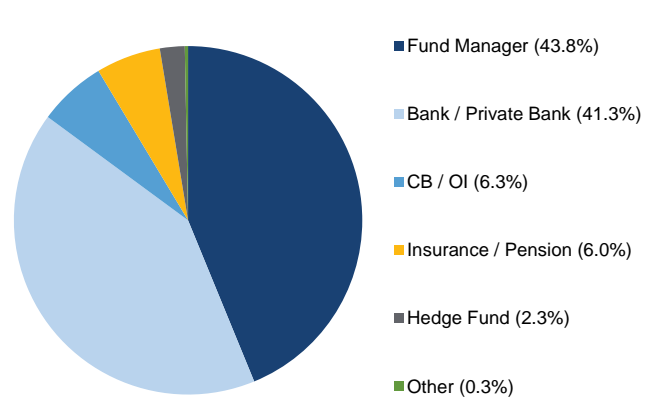
Summary of Distribution

- The Republic of Cyprus' inaugural Sustainable 10-year benchmark attracted orders from a diverse array of high-quality investors. With regard to the geographical distribution, 80% of orders came from international investors. Of these participants, the highest proportion originated from the United Kingdom.
- In terms of investor type, the majority of participants were fund managers and banks / private banks.

10-Year Sustainable Distribution by Region



10-Year Sustainable Distribution by Investor Type



Final Terms

Issuer	Republic of Cyprus
Issuer Ratings	BBB/Ba1/BBB/BBB (stable/positive/stable/stable) (S&P/Moody's/Fitch/DBRS)
Format	Reg S Registered only, CACs
Size	EUR 1bn
Maturity Date	13 April 2033
Settlement Date	13 April 2023
Coupon	4.125%, Annual, ACT/ACT
Reoffer	99.246% / 4.219% p.a.
Spread vs. Mid Swaps	+125bps
Spread vs. BM	+189.6bps vs. DBR 2.3% Feb-33
Denominations	1k+1k
Law/Listing	English Law / London Stock Exchange
Target Market	Eligible counterparties, Professional clients and Retail clients (all distribution channels)
Docs	EMTN Programme
ISIN	XS2610236445
Joint Lead Managers	BARC/HSBC/JPM/MS/SG
Use of Proceeds	Financing and/or refinancing projects and activities that promote sustainability, climate and other environmental and/or social purposes, within the meaning of Eligible Expenditures as defined in the Issuer's Sustainable Finance Framework



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