



CYPRUS CENTRAL GOVERNMENT DEBT

QUARTERLY BULLETIN

No.26: 2nd QUARTER 2017

Public debt management: Review of operations for the 2nd Quarter of 2017

New issues:

In June the Republic of Cyprus proceeded with the issuance of a 7-year EMTN bond amounting to €850 million at a coupon of 2,75% and a yield of 2,80%. The issuance was performed in conjunction with a switch offer of the EMTN bonds maturing in 2019 and 2020. The geographical distribution consisted mostly of Uk-based investors (35%) as well as domestic and Italian investors (20% and 16% respectively). The investor base by type comprised mostly of Banks (35%) and Fund Managers (33%).

At the 13-week Treasury Bills auctions the weighted average yield at the June 2017 auction marginally decreased to -0,05% compared to the March auction yield of -0,04%. The bid-to-cover ratio in June decreased to 1,89 compared to the March auction of 3,13. The total outstanding stock of Treasury Bills for the second quarter of 2017 remained constant to €300 million as in the first quarter.

The issuance of 6-year retail bonds continued with sales of €12 million in the second quarter.

In June there were loan disbursements by the European Investment Bank and the Council of Europe Development Bank totaling to €56 million due in 2032 and 2037 respectively.

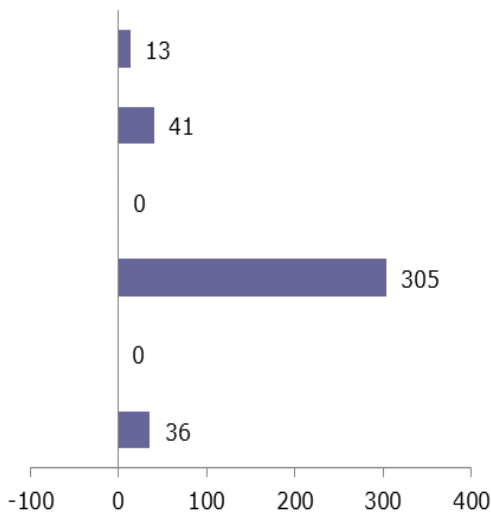
Debt redemptions:

The total nominal value of the EMTNs maturing in 2019 and 2020 which related to the switch offer amounted to €546 million whilst the buyback cost amounted to €602 million.

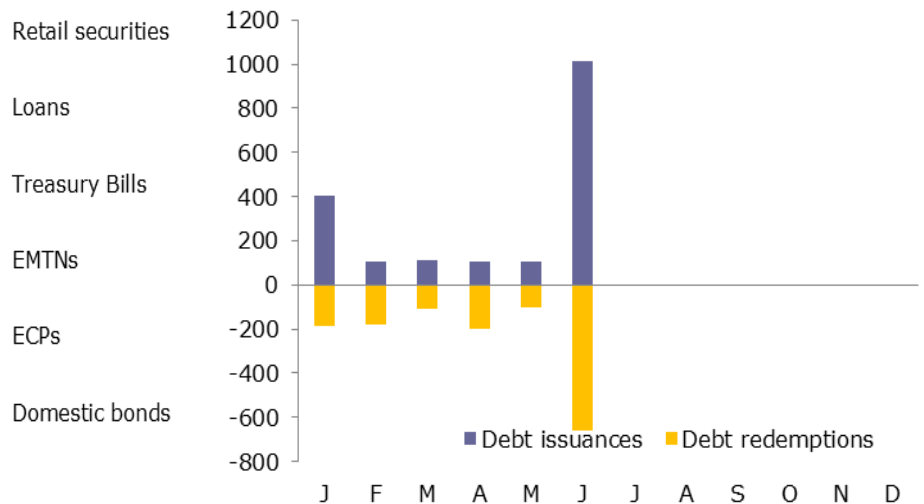
Short term debt and domestic bonds redemptions for the second quarter of 2017 reached €300 million and €98 million respectively. Repayments for retail securities amounted to €4 million. Additionally loan amortizations for the second quarter of 2017 amounted to €13 million.

Change in debt January – June 2017

By instrument, € mln.

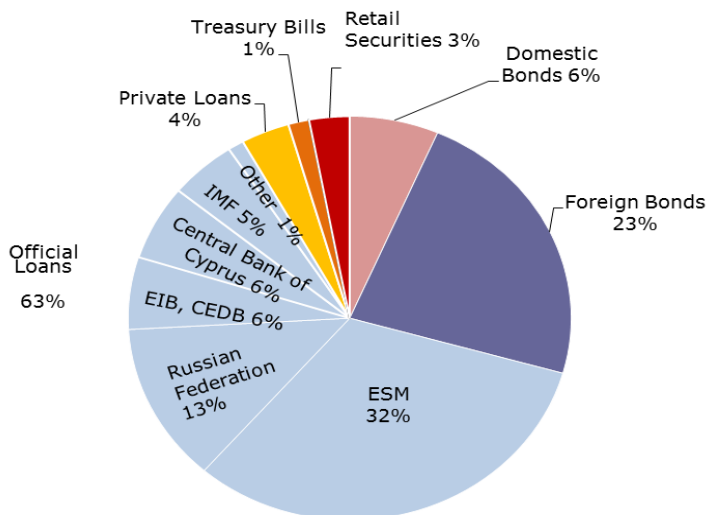


By month, € mln.

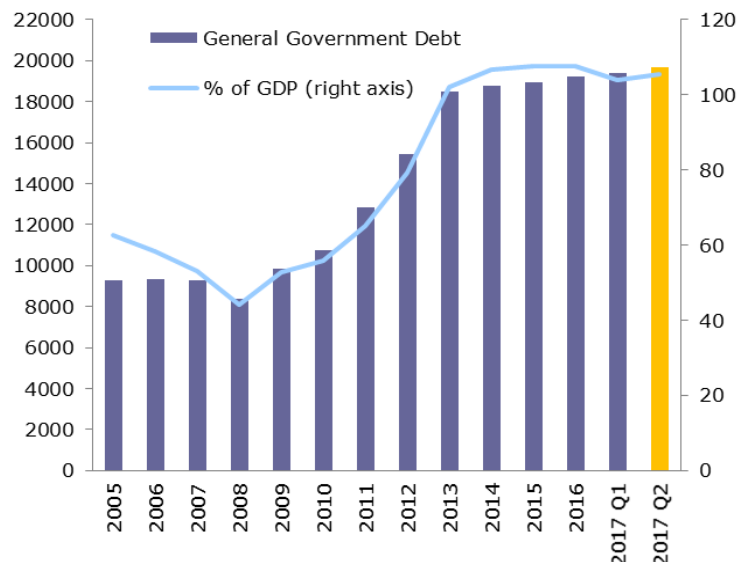


Size and structure of debt

By instrument June 2017



Evolution of public debt, € mln



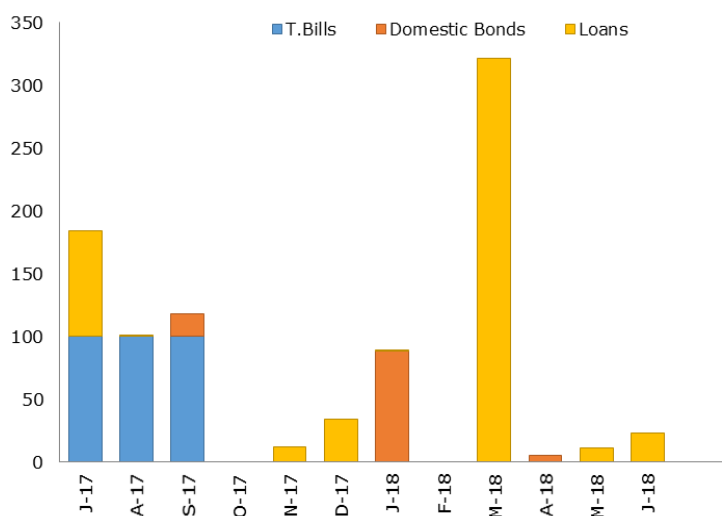
Debt Structure

	30-06-17 € 19.335 mln.	31-03-17 € 19.127 mln.	30-06-16 €18.717mln.
Outstanding Central Government Debt ¹			
Domestic market	19%	20%	23%
Foreign market	81%	80%	77%
Short term²	2%	2%	2%
Medium and long term	98%	98%	98%
Securities	34%	34%	31%
Loans	66%	66%	69%
Fixed interest rate	55%	55%	54%
Floating interest rate ³	45%	45%	46%
Local currency	95%	95%	95%
Foreign currencies ⁴	5%	5%	5%

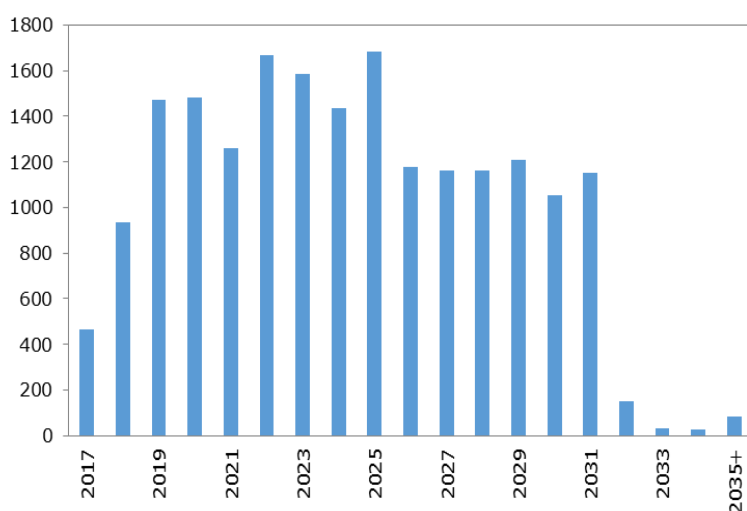
1. Provisional data. Excludes intragovernmental obligations of the central government and debt of central government state-owned enterprises.
2. By original maturity at issue.
3. Does not include short term debt
4. After swap transactions.

Repayments Schedule

Debt within next 12 months

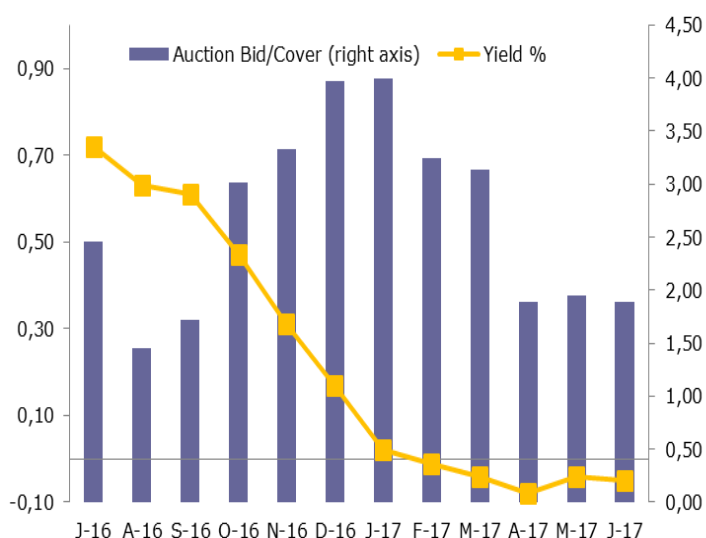


Total debt, € mln

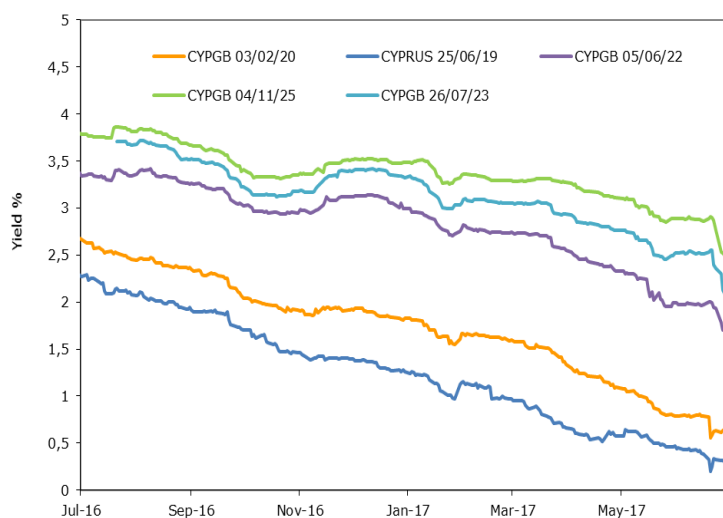


Marketable debt borrowing cost

Primary market Treasury Bill yields



Secondary market bond market yields



Source: Bloomberg

Abbreviations: TB: Treasury Bill; CEDB: Council of Europe Development Bank; DB: domestic-law bond; ECP: Euro Commercial Paper; EIB: European Investment Bank; EMTN: Euro Medium Term Note (foreign-law bond); ESM: European Stability Mechanism; IMF: International Monetary Fund; PDMO: Public Debt Management Office; SDR: Special Drawing Rights.

All data as at 30/06/17 unless otherwise specified. Replication is permitted, provided that the source is stated.

The information has been compiled and verified to the best of our knowledge. The possibility of a factual mistake can not, however, be excluded.



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