



THE REPUBLIC OF CYPRUS
MINISTRY OF FINANCE | PUBLIC DEBT MANAGEMENT OFFICE
EUR 1 billion 0.625% new 10-year benchmark due 21 January 2030 and
EUR 750 million 1.250% new 20-year benchmark due 21 January 2040

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PRESS RELEASE – 15th January 2020

The Republic of Cyprus rated BBB-/Ba2/BBB-/BBBL (stable/positive/positive/positive) by S&P/Moody's/Fitch/DBRS came to market on 14th January 2020 with a new dual tranche transaction, consisting of a new €1bn 10-year (Jan-30) and a new €750mn 20-year (Jan-40). The 10-year and 20-year benchmarks were priced with reoffer spreads of m/s+55bp and m/s+75bp, with coupons of 0.625% and 1.250%, respectively. The joint lead managers of this transaction were BofA SECURITIES, CITI, GOLDMAN SACHS INTERNATIONAL BANK and HSBC.

Transaction Background

- Taking advantage of the prevailing favourable interest rate and market environment, the Republic of Cyprus, via the Public Debt Management Office, issued a new 10-year and 20-year double tranche offering, for general funding purposes.
- The transaction followed an extensive investor marketing exercise in October and November 2019, across the main European investor centres. Cyprus has been active in capital markets recently, having issued 5-year, 15-year and 30-year bonds in the first half of 2019, and re-openings of the 15-year and 30-year in the last quarter of 2019.

Execution Highlights

- The Republic of Cyprus announced its intention to come to market with a dual tranche transaction, consisting of benchmarks maturing in January 2030 and January 2040, the morning of Monday, 13th January 2020, with pricing was expected in the near future, subject to market conditions.
- At 8:27 LDN the morning of Tuesday, 14th January 2020, initial pricing thoughts ("IPTs") were announced at m/s+65bp area with size at EUR1bn for the new 10-year tranche, and m/s+85bp area with size at EUR750mn for the new 20-year. The transaction attracted sizeable investor interest from the onset, and at 9:58 LDN, with indications of interest ("Iols") in excess of €5bn on each tranche (incl. €200mn of JLM interest in each tranche), books officially opened with guidance at m/s+60bp area and m/s+80bp area for the 10-year and 20-year, respectively.
- The orderbook continued to grow with orders in excess of €7.5bn (incl. €200mn of JLM interest) for the 10-year and in excess of €6bn (incl. €200mn of JLM interest) for the 20-year at 11:07 LDN, at which point final terms were released. The final reoffer spread of m/s+55bp was set on the 10-year and m/s+75bp was set on the 20-year.



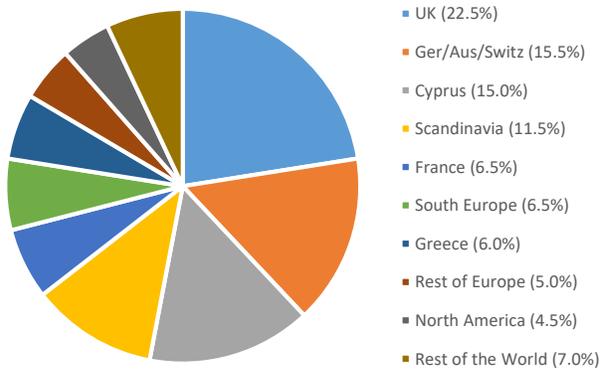


- The orderbooks for both tranches closed at 11:15 LDN. Final orders for the 10-year were in excess of €7.4bn (incl. €200mn of JLM interest), while final orders for the 20-year tranche were in excess of €6bn (incl. €200mn of JLM interest). Combining both tranches, the transaction attracted the largest orderbook the Republic of Cyprus ever received since returning to the capital markets in June 2014.
- At 16:48 LDN, the 10-year officially priced at m/s+55bp, equivalent to a reoffer yield of 0.734% and a spread of +94.1bp over the DBR Aug-29. At 16:49, the 20-year officially priced at m/s+75bp, equivalent to a reoffer yield of 1.33% and a spread of +120.8bp over the DBR Jul-39. New issue concession over fair value was minimal to flat across both tranches.
- Both the new 10-year and 20-year tranches provide the market with new reference points in Cyprus' curve and create additional liquidity for Cyprus. The 10-year fills the gap between CYPRUS 2.375% Sep-28 and CYPRUS 2.750% Feb-34, and the 20-year fills the gap between the outstanding CYPRUS 2.750% Feb-34 and CYPRUS 2.750% May-49.

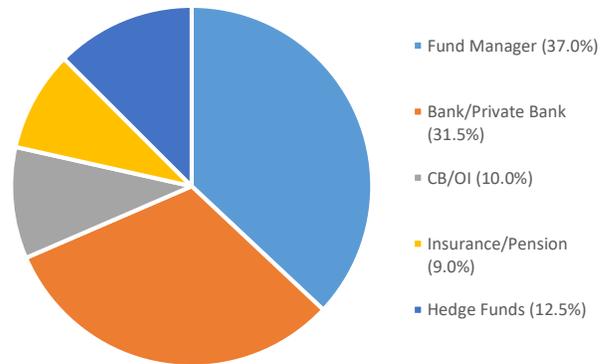
Summary of Distribution

- Both of Cyprus' new benchmarks attracted a notably high quality and diverse set of investors. Geographically, over 85% of allocation went to international investors. The majority for both tranches were allocated to the regions of UK and Germany/ Austria / Switzerland. By investor type, majority of investors for both tranches were Fund Managers, followed by Banks / Private Banks.

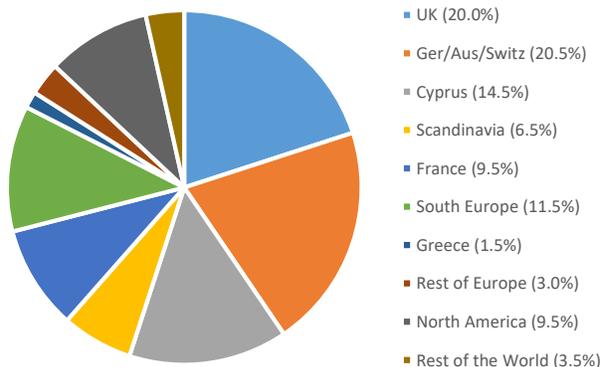
10-year Distribution by Region



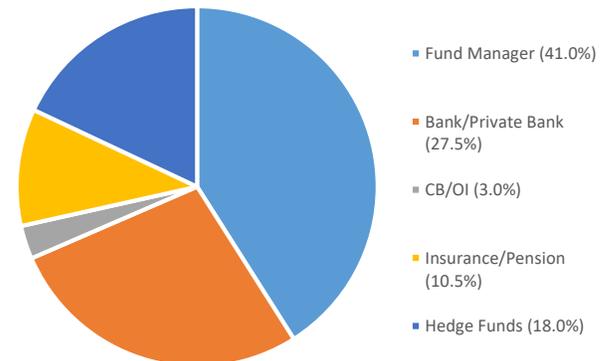
10-year Distribution by Investor Type



20-year Distribution by Region



20-year Distribution by Investor Type





Final Terms and Conditions

Issuer	The Republic of Cyprus	
Issuer Ratings	BBB-/Ba2/BBB-/BBBL (stab/pos/pos/pos) by S&P, Moody's, Fitch and DBRS	
Format	Reg S Cat 1, Registered, CACs	
Settlement	21 January 2020	
Maturity Date	21 January 2030	21 January 2040
Size	EUR 1bn	EUR 750mn
ISIN	XS2105095777	XS2105097393
Spread	MS+55bps	MS+75bps
Coupon	0.625%, Annual, ACT/ACT	1.250%, Annual, ACT/ACT
Reoffer Price / Yield	98.953% / 0.734%	98.603% / 1.330%
Govt Spread	DBR 0.000% 08/29 (102.00)+94.1bps	DBR 4.250% 07/39 (179.35)+120.8bps
Denominations	1k+1k	
MiFID II Target Market	Eligible counterparties, Professional and Retail clients (all distribution channels)	
Law / Listing	English Law / London Stock Exchange (Regulated Market)	
Docs	EMTN Programme	
Lead Managers	BofA/Citi/GSI/HSBC (B&D/DM)	



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