THE REPUBLIC OF CYPRUS

MINISTRY OF FINANCE | PUBLIC DEBT MANAGEMENT OFFICE

EUR 750 million 4.750% new 5-year benchmark due 25 June 2019

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PRESS RELEASE – 18TH JUNE 2014

The Republic of Cyprus, rated Caa3 (pos)/B (pos)/B- (st) by Moody's, S&P and Fitch, launched today, via the Public Debt Management Office, a new EUR 750 million benchmark bond issue due 25 June 2019. The transaction pays an annual coupon of 4.750% and was priced at a yield of 4.850% implying a spread of 414.1bps over the mid-swap reference. Joint bookrunners were Deutsche Bank, Goldman Sachs International, HSBC, UBS and VTB Capital.

Execution highlights

- The Republic of Cyprus has been considering over the past few months to gradually return to international capital markets.

- The mandate for the organization of a series of fixed income meetings was announced at 12:15 CET on Tuesday 10th June. A global investor call was arranged on Friday 13th June and physical meetings in London on Monday 16th and Tuesday 17th in the morning enabling Cyprus to update investors on (i) the recent developments with regards to the implementation of the ESM/IMF programme, (ii) the general economic situation and fiscal performance (iii) the financial situation of the banking sector and (iv) the expected funding programme and financing actions for 2014 and 2015.

- Given very constructive feedback received from investors during the roadshow, initial pricing thoughts ("IPTs") were released at 15:00 CET on Tuesday 17th March for a 5-year Euro benchmark at 5% area (yield). For reference, the secondary trading level of the Republic's existing note maturing in February 2020 was 4.80% in yield.

- Following a very constructive IPT process with EUR 1.5 billion of interest, the orderbook officially opened on Wednesday 18th at 9:15 CET with guidance at 4.90% area (yield).

- The orderbook grew steadily and closed at 11:30 CET with more than 150 investors taking part to the transaction and a total amount requested close to EUR 2 billion enabling to launch a EUR 750 million transaction (from EUR 500 million minimum initially targeted) at 4.85%. The transaction priced at 15:20 CET at a reoffer yield for investors of 4.85% implying a spread of 414.1bps over the mid-swap reference.

- With this transaction, the Republic of Cyprus brings a key strategic benchmark to the markets. Further, the low levels at which Cyprus has been able to raise these funds gives a strong message to the market as the result achieved is a clear vote of confidence for the country going forward.

Summary of distribution

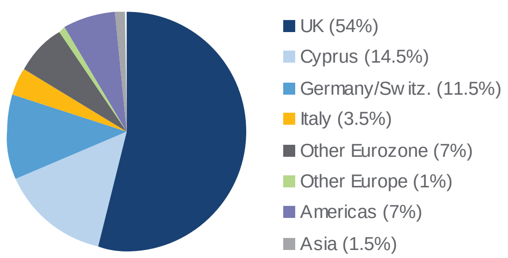
- By geography, the Republic of Cyprus has achieved a broad distribution dominated by international investors, across Europe, the UK, and other international investors.

  Statistics: Cyprus 14.5%, Europe ex. UK 23%, UK 54%, Rest of World 8.5%

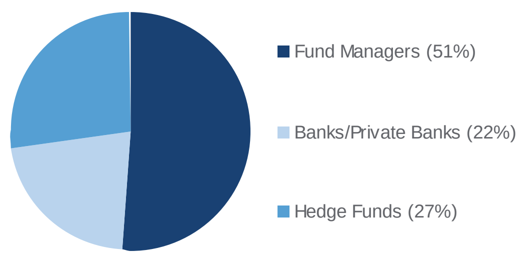
- By investor type, the quality of the orderbook was very high with very strong granularity. Real-money demand dominated the orderbook, at around two third, with Fund Managers the largest investor class at 51%, and well supported by Hedge Funds and Bank interest.

  Statistics: Fund Managers 51%, Hedge Funds 27%, Banks and Private Banks 22%

Distribution by region



Distribution by type



Summary of terms and conditions

Issuer	The Republic of Cyprus
Issue ratings	Caa3 (Pos) / B (Pos) / B- (Stable)
Format	RegS Registered only, CACs
Pricing date	18th June 2014
Settlement date	25th June 2014 (T+5)
Maturity date	25th June 2019
Size	EUR 750,000,000.00
Coupon	4.750% annual Act/Act (ICMA)
Re-offer price	99.565%
Re-offer yield	4.850%
Re-offer spread	MS +414.1bps (OBL 0.50% 4/19 +443.6bps)
Denominations	1k+1k
Listing / Law	London Stock Exchange / English law
ISIN	XS1081101807
Joint bookrunners	Deutsche Bank, Goldman Sachs International, HSBC, UBS, VTB Capital

Deutsche Bank Goldman Sachs HSBC UBS VTB Capital

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