



THE REPUBLIC OF CYPRUS

MINISTRY OF FINANCE | PUBLIC DEBT MANAGEMENT OFFICE EUR 1.0bn 0% new 5-year benchmark due 9 February 2026

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PRESS RELEASE – 2nd February 2021

The Republic of Cyprus rated BBB-/Ba2/BBB-/BBBL (stable/positive/stable/stable) by S&P/Moody's/Fitch/DBRS came to market on 2 February 2021 with a new fixed-rate benchmark transaction, namely a new €1.0bn 5-year (Feb-26). The 5-year benchmark was priced with a reoffer spread of m/s+48bp, equivalent to a reoffer yield of 0.053% and a spread of +78.2bp vs. the DBR 0.5% Feb-26. The joint lead managers of this transaction were BARCLAYS, BNP PARIBAS, J.P. MORGAN, MORGAN STANLEY and SOCIETE GENERALE. The listing is in London under English law and is launched off the issuer's EMTN programme (ISIN XS2297209293).

Execution Highlights

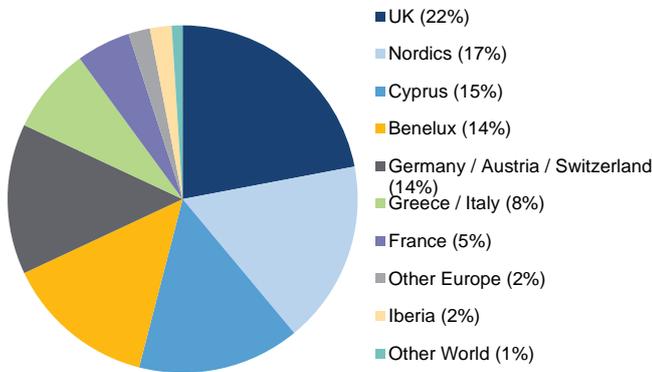
- The Republic of Cyprus officially announced its intention to come to market with a new 5-year benchmark transaction at 11:00 LDN the afternoon of Monday, 1st February 2021, and that pricing was expected in the near future, subject to market conditions.
- At 8:10 LDN the morning of Tuesday, 2nd February 2021, books officially opened and initial guidance was announced for the new 5-year benchmark at m/s+60bp area. At the same time, it was also announced that the issue size of the transaction was fixed at €1bn, "will not grow".
- The transaction attracted sizeable investor interest from the onset and at 9:46 LDN, with orders in excess of €7.5bn, revised guidance was announced as a range of m/s+50-55bps area.
- Later in the morning at 10:45 LDN, with the orderbook now in excess of €8.5bn, the quality of the orders allowed the final reoffer spread to be tightened further and set at m/s+48bps. Shortly thereafter, the orderbook closed at 11:00 LDN in excess of €7.45bn. However, at its peak of €8.5bn, it represents the largest orderbook the Republic of Cyprus has achieved in a single-tranche syndicated transaction since its return to the capital markets in 2014.
- At 14:37 LDN, the new €1bn 5-year bond officially priced at m/s+48bp, equivalent to a reoffer yield of 0.053% and a spread of +78.2bp over the DBR 0.5% Feb-26. This benchmark issue priced with the lowest reoffer yield and lowest coupon (0%) that has ever been achieved by the Republic of Cyprus since its return to international capital markets in 2014.
- Before the announcement of the transaction, the joint lead managers identified the fair value of a new 5-year benchmark as approximately m/s+50bp area. In this regard, this transaction priced with a negative new issue premium vs. the Republic of Cyprus' secondary curve.

Summary of Distribution

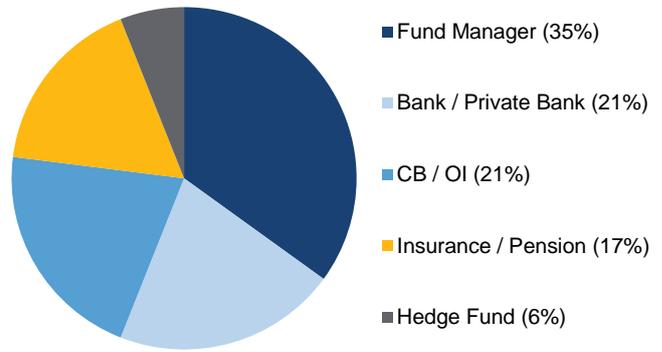
- Cyprus' new benchmark attracted a notably high quality and diverse set of investors. With regard to the geographical distribution, 85% of orders came from international investors. Of these participants, the majority originated between the United Kingdom and Nordic countries.
- In terms of investor type, the majority of investors for both tranches were fund managers, followed by banks / private banks and central banks / official institutions.



5-Year Distribution by Region



5-Year Distribution by Investor Type



Final Terms

Issuer	Republic of Cyprus
Issuer Ratings	BBB- (stable)/Ba2 (positive)/BBB- (stable)/BBBL (positive) (S&P/Moody's/Fitch/DBRS)
Format	Reg S Registered only, CACs
Size	€1.0bn
Maturity Date	9 February 2026
Settlement Date	9 February 2021
Coupon	0%, Annual, ACT/ACT
Reoffer	99.735 / 0.053% p.a.
Spread vs. Mid Swaps	+48bps
Spread vs. BM	+78.2bps vs. DBR 0.5% Feb-26
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	XS2297209293
Joint Lead Managers	BARC/BNPP/JPM/MS/SG



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