



CYPRUS CENTRAL GOVERNMENT DEBT

QUARTERLY BULLETIN

No.18; 2ND QUARTER 2015

Public debt management: review of operations, 2nd Quarter 2015

New issues:

In May a new €1 billion benchmark bond was issued under the Euro Medium Term Note Programme. The 7-year bond marks a new tenor in the country's expanding yield curve and was issued at a coupon of 3,875% and a yield rate of 4,00%. The investors were mainly asset managers (45%) and hedge funds (40%).

The weighted average yield in the 13-week Treasury Bill auctions marked a decline to 2,31% at the end of the second quarter from 2,84% at the end of the previous quarter. The bid-to-cover ratio in the second quarter auctions recorded a small decline to about 1,4 from about 1,6 in the previous quarter. Additionally, the newly introduced 30-day auctions in May and June yielded 1,81% and 1,75% respectively. In total the outstanding stock of Treasury Bills increased slightly from €696 million at the end of the first quarter to €736 million by the end of June. The gross volume of Treasury Bill issuances was €749 million.

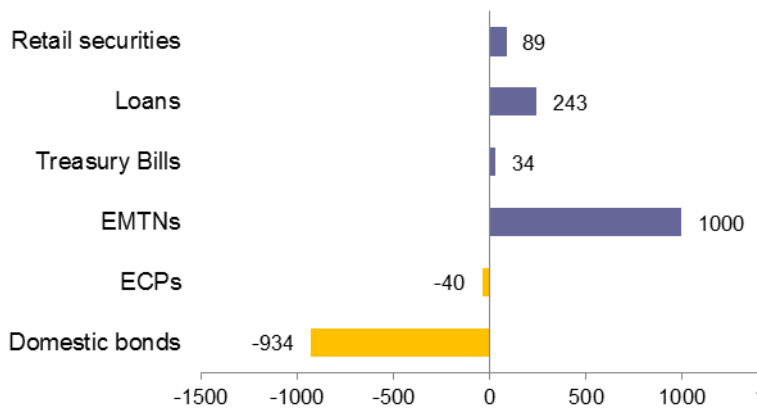
The 5th, 6th and 7th tranches by the International Monetary Fund totaling €278 million were disbursed in a single tranche in June. Finally, the issuance of 6-year retail bonds continued with sales of €33 million over the quarter.

Debt redemptions:

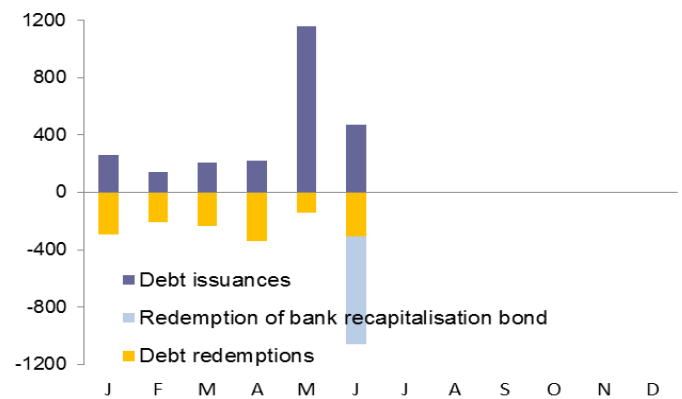
Domestic bonds totaling €43 million matured in April and June. In June €750 million of the bank recapitalization bond due in 2017 were repaid early. Redemptions of short term debt reached €709 million.

Change in debt Jan-Jun. 2015

By instrument, € mln.

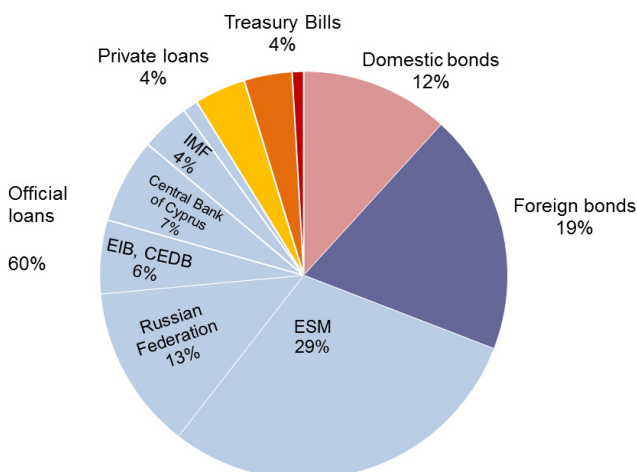


By month, € mln.

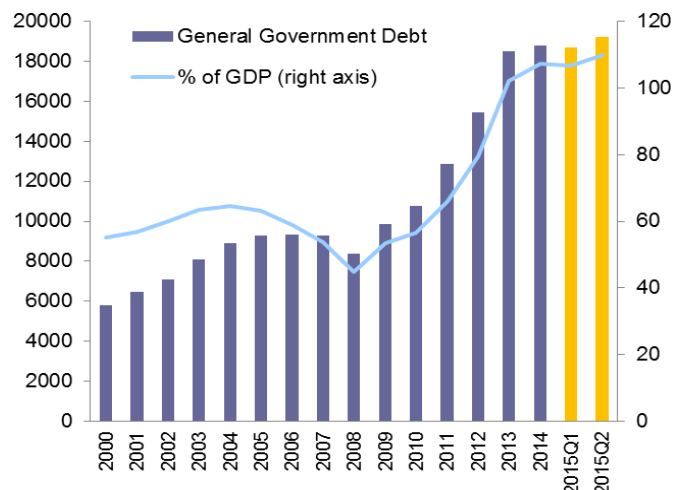


Size and structure of debt

By instrument Jun.2015, € mln



Evolution of public debt, € mln



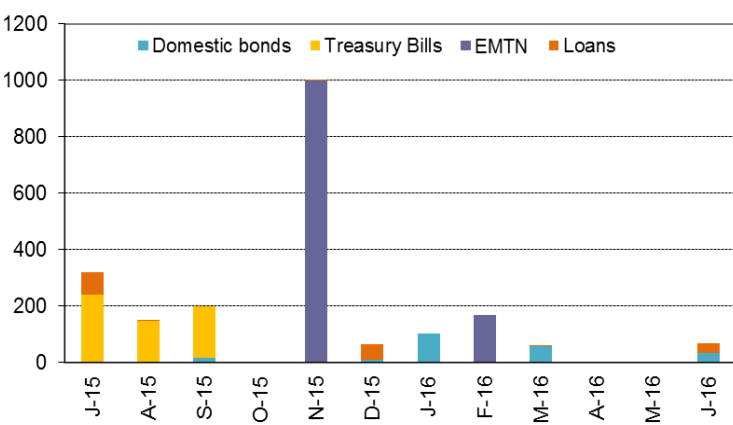
Debt Structure

Outstanding Central Government Debt ¹	30-06-15 € 19.014 mln.	31-03-15 € 18.500 mln.	30-06-14 € 19.147 mln.
Domestic market	26%	31%	35%
Foreign market	74%	69%	65%
Short term ²	4%	4%	5%
Medium and long term	96%	96%	95%
Securities	36%	35%	43%
Loans	64%	65%	57%
Fixed interest rate	58%	58%	65%
Floating interest rate ³	42%	42%	35%
Local currency	96%	97%	98%
Foreign currencies	4%	3%	2%

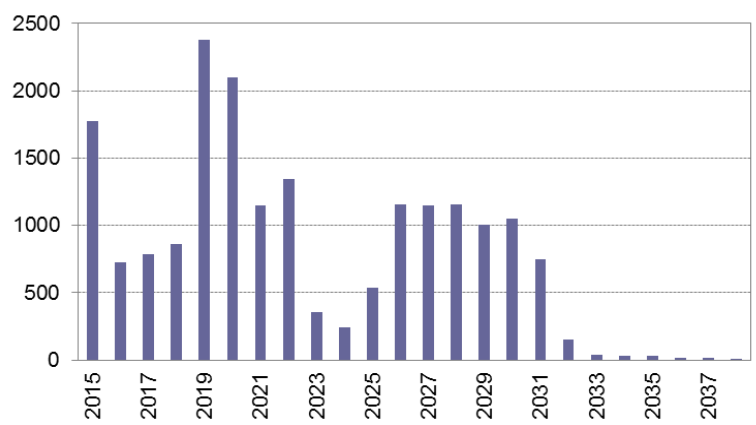
1. Provisional data. Excludes intragovernmental obligations of the central government and debt of central government state-owned enterprises.
2. By original maturity at issue.
3. Does not include short term debt
4. After swap transactions

Repayments Schedule

Debt within next 12 months, € mln

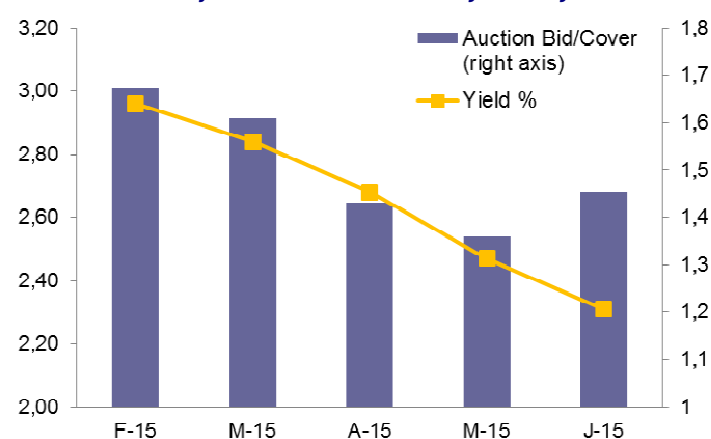


Total debt, € mln

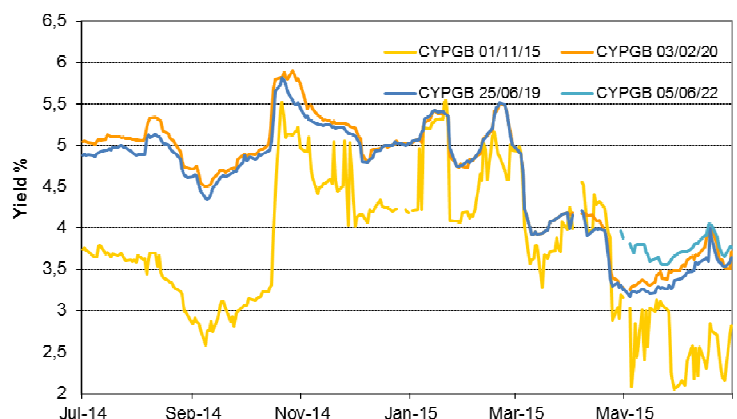


Marketable debt borrowing cost

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 30-06-2015 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.



Public Debt Management Office
Ministry of Finance
Nicosia 1439
Cyprus

pdm@mof.gov.cy
www.mof.gov.cy/pdmo
Tel: +357 22 601182
Fax: +357 22 602749