



**THE REPUBLIC OF CYPRUS**  
**MINISTRY OF FINANCE | PUBLIC DEBT MANAGEMENT OFFICE**  
**EUR 1.25bn 1.5% new 7-year benchmark due 16 April 2027**  
**and EUR 500mn 2.25% new 30-year benchmark due 16 April 2050**

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**PRESS RELEASE – 7<sup>th</sup> April 2020**

The Republic of Cyprus rated BBB-/Ba2/BBB-/BBBL (stable/positive/stable/positive) by S&P/Moody's/Fitch/DBRS came to market on 7<sup>th</sup> April 2020 with a new dual tranche transaction, consisting of a new €1.25bn 7-year (Apr-27) and a new €500mn 30-year (Apr-50). The 7-year and 30-year benchmarks were priced with reoffer spreads of m/s+165p and m/s+215bp, and coupons of 1.5% and 2.25%, respectively. The joint lead managers of this transaction were BARCLAYS, J.P. MORGAN, MORGAN STANLEY and SG CIB.

**Transaction Background**

- On Monday, 6<sup>th</sup> April 2020, the Republic of Cyprus, through the Public Debt Management Office, announced in a market communication to investors increased funding needs for the year 2020, on the one hand to cover the measures undertaken by the Republic to confront the economic impact of the Covid-19 outbreak, and on the other to strengthen state reserves in accordance with the Medium-Term Public Debt Management Strategy (MTDS).

**Execution Highlights**

- The Republic of Cyprus officially announced its intention to come to market with a dual tranche transaction, consisting of benchmarks maturing in April 2027 and April 2050, the afternoon of Monday, 6<sup>th</sup> April, and that pricing was expected in the near future, subject to market conditions.
- At 8:12 LDN the morning of Tuesday, 7<sup>th</sup> April 2020, initial price thoughts (“IPTs”) were announced for the new 7-year tranche at m/s+170bp area and for the new 30-year tranche at m/s+220bp area. The transaction attracted sizeable investor interest from the onset, and at 10:12 LDN, books opened officially with guidance unchanged and with indications of interest (“Iols”) in excess of €2.1bn for the 7-year tranche and in excess of €1.0bn for the 30-year tranche.
- At 11:18 LDN, with orders in excess of €2.2bn for the 7-year tranche and in excess of €1.1bn for the 30-year tranche, the spreads for the two bonds were tightened and set at m/s+165bp and m/s+215bp, respectively. Shortly thereafter, the orderbook closed at 12:00 LDN.
- Later in the afternoon at 13:36 LDN, the final terms of the transaction were released, with the size of the issue set at €1.25bn for the 7-year tranche and €500mn for the 30-year tranche. Final orders for the two bonds were in excess of €1.8bn and €775mn, respectively.

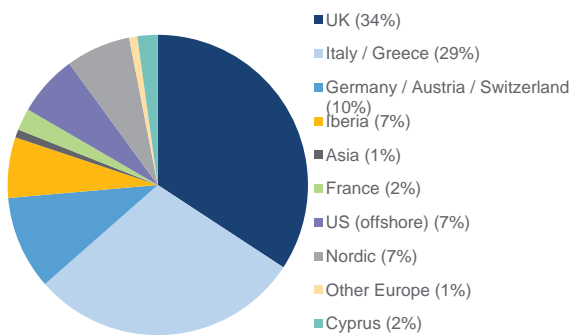


- At 16:18 LDN, the 30-year tranche officially priced at m/s+215bp, equivalent to a reoffer yield of 2.339% and a spread of +225.6bp over the DBR Aug-50. Shortly thereafter at 16:21 LDN, the 7-year tranche officially priced at m/s+165bp, equivalent to a reoffer yield of 1.564% and a spread of +204.0bp over the DBR Feb-27.
- Before the announcement of the transaction, the joint lead managers identified the fair value of a new 7-year tranche as m/s+135bp area, and the fair value of a new 30-year at m/s+180bp area. The fair value of the 7-year was calculated using the interpolation of Cyprus' outstanding benchmarks due Dec-24 and Sep-28, while the fair value of the 30-year was calculated using Cyprus' outstanding benchmark due May 2049.
- This transaction adds two new reference points to the Republic of Cyprus' yield curve, and represents only the second time ever that Cyprus has proceeded to issue a 30-year benchmark.

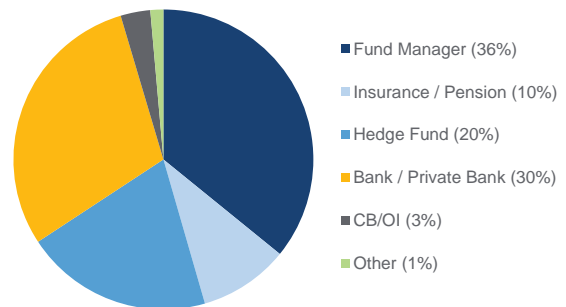
### Summary of Distribution

- Both of Cyprus' new benchmarks attracted a notably high quality and diverse set of investors. With regard to the geographical distribution, over 98% of orders for both tranches were from international investors. Of these participants, the majority for both tranches originated between the United Kingdom, Greece / Italy as well as Germany / Austria / Switzerland.
- In terms of investor type, the majority of investors for both tranches were fund managers, followed by Banks / Private banks for the 7-year tranche and Insurance / Pension funds in the 30-year tranche.

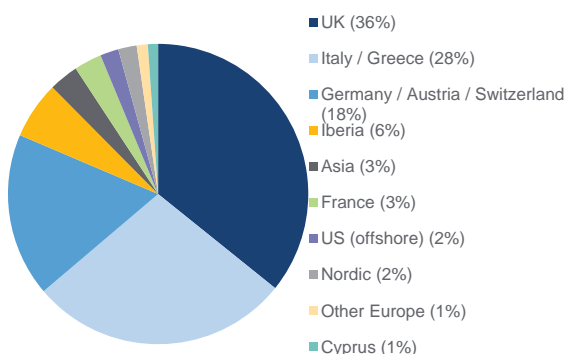
**7-Year Distribution by Region**



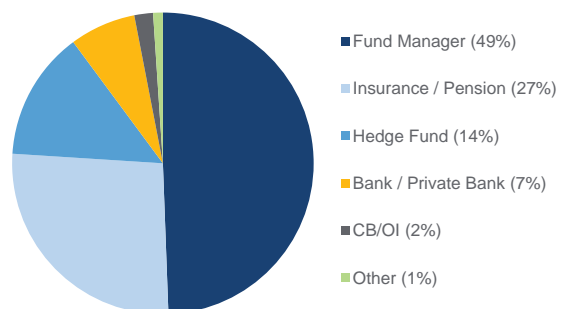
**7-Year Distribution by Investor Type**



**30-Year Distribution by Region**



**30-Year Distribution by Investor Type**





## Summary of distribution

<b>Issuer</b>	<b>Republic of Cyprus</b>	
<b>Issuer Ratings</b>	<b>BBB- (stable)/Bα2 (positive)/BBB- (stable)/BBBL (positive) (S&amp;P/Moody's/Fitch/DBRS)</b>	
<b>Format</b>	<b>Reg S Registered only, CACs</b>	
<b>Size</b>	<b>€1.25bn</b>	<b>€500mn</b>
<b>Maturity Date</b>	<b>16 April 2027</b>	<b>16 April 2050</b>
<b>Settlement Date</b>	<b>16 April 2020</b>	
<b>Coupon</b>	<b>1.500%, Annual, ACT/ACT</b>	<b>2.250%, Annual, ACT/ACT</b>
<b>Reoffer</b>	<b>99.579 / 1.564% p.a.</b>	<b>98.097 / 2.339% p.a.</b>
<b>Spread vs. Mid Swaps</b>	<b>+165bps</b>	<b>+215bps</b>
<b>Spread vs. BM</b>	<b>+204.0bps vs. DBR 0.000% Feb-27</b>	<b>+225.6bps vs. DBR 0.000% Aug-50</b>
<b>Denominations</b>	<b>1k+1k</b>	
<b>Law/Listing</b>	<b>English Law / London Stock Exchange</b>	
<b>Target Market</b>	<b>Eligible counterparties, Professional clients and Retail clients (all distribution channels)</b>	
<b>Docs</b>	<b>EMTN Programme</b>	
<b>ISIN</b>	<b>XS2157184255</b>	<b>XS2157183950</b>
<b>Joint Lead Managers</b>	<b>BARC/JPM(B&amp;D)/MS/SG CIB</b>	



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