



CYPRUS CENTRAL GOVERNMENT DEBT

QUARTERLY BULLETIN

No.14; 2ND QUARTER 2014

Public debt management: review of operations, 2nd Quarter 2014

New issues:

In June the Republic proceeded with the first long term international syndicated issuance since November 2010 by issuing a 5-year €750 million bond at a coupon of 4,75% (yield 4,85%). This followed a private placement in May of a 6-year €100 million bond at a coupon of 6,50%. In June the PDMO also launched a retail bond under domestic law of a 6-year tenor offering a step-up interest structure between 2,75% - 5,75% (average 4,125%) and with the option of early repayment. The first series in June attracted €11 million.

The remaining market issuance of the quarter related to rollovers of short term debt. The weighted average cost for Treasury Bills, although in a general decreasing trend, remained stable over Q2-2014 vis-à-vis the previous quarter at 4,48% for the tenors up to 3 months. The weighted average cost of all Treasury Bills increased over Q2 vis-à-vis the previous quarter from 4,48% to 4,53% due to the placement of a 12-month Treasury Bill at 4,93%. The stock of short term debt increased from €795 million at end March 2014 to €915 million at end June 2014. It is noted that the new target of outstanding short term debt is for €750 million maximum.

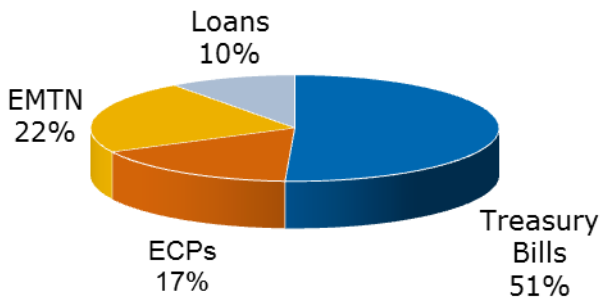
In April the 4th tranche by the ESM and the IMF was disbursed for the amount of €150 million and €83 million respectively.

Debt redemptions:

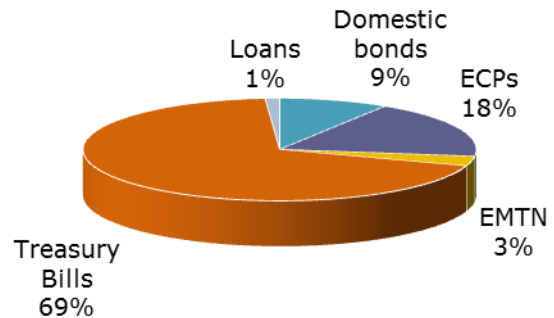
The main redemptions in this quarter related to short term debt issued during the previous or the same quarter. On a gross basis, i.e. including rollovers, a total of €1195 million was redeemed during the quarter. Additionally a private placed EMTN bond of €85 million and a domestic bond of €5 million matured in June. There were furthermore loan amortisations of €33 million.

Changes in debt structure Jan-Jun. 2014

Borrowing 2014

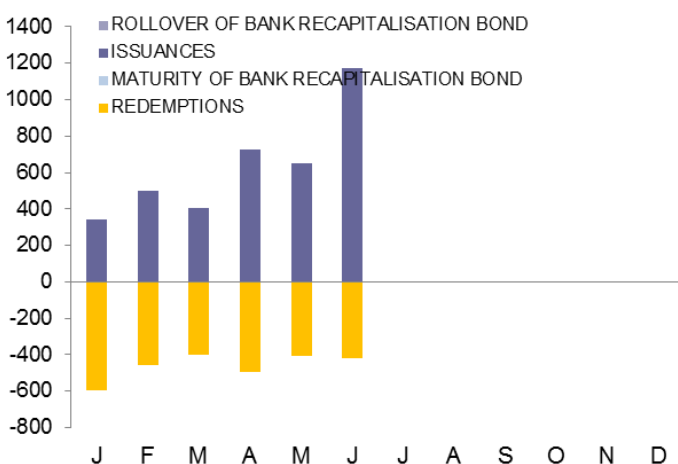


Debt redemptions 2014

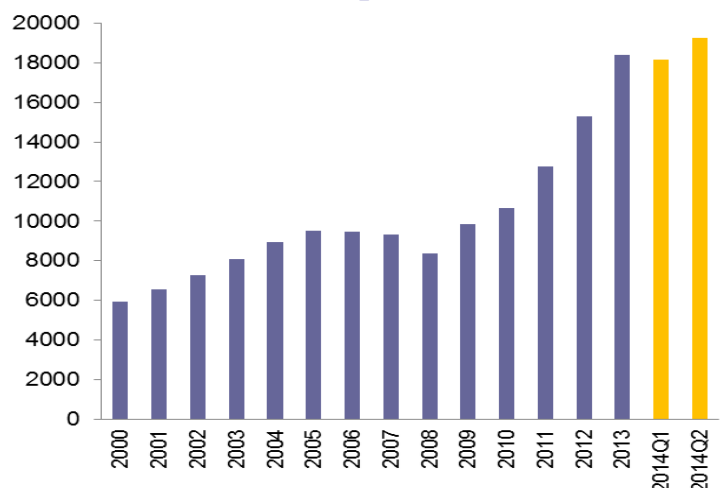


Changes in debt stock Jan- Jun. 2014

Monthly contribution, € mln



Evolution of public debt, € mln



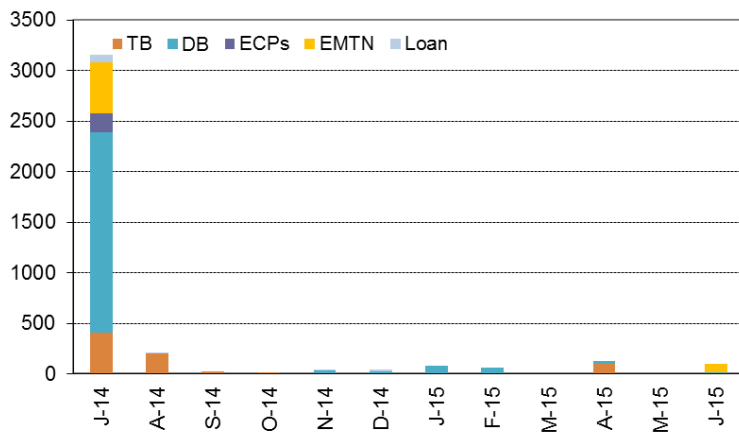
Debt Structure

	30-06-14	31-03-14
Outstanding Central Government Debt ¹	€19.147 mln	€17.916 mln
Domestic market	38,3 %	37,4%
Foreign market	61,7 %	62,6%
Short term ²	4,1 %	4,4%
Medium and long term	95,9 %	95,6%
Fixed interest rate	65,2 %	63,4%
Floating interest rate ³	34,8 %	36,6%
Local currency	98,6 %	98,6%
Foreign currencies ⁴	1,4 %	1,4%

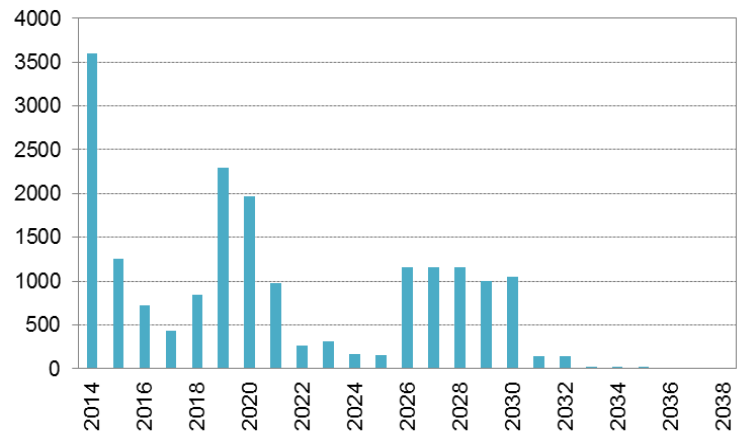
1. Provisional data. Excludes intragovernmental obligations of the Central Government
2. By original maturity at issue
3. Does not include short term debt
4. After swap transactions

Repayments Schedule

Debt within next 12 months, € mln

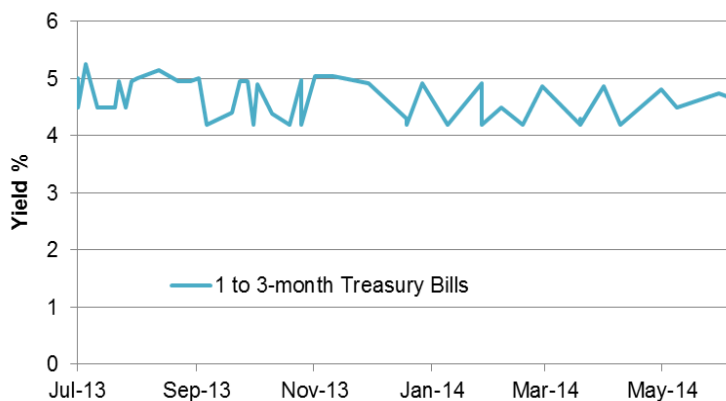


Total debt, € mln

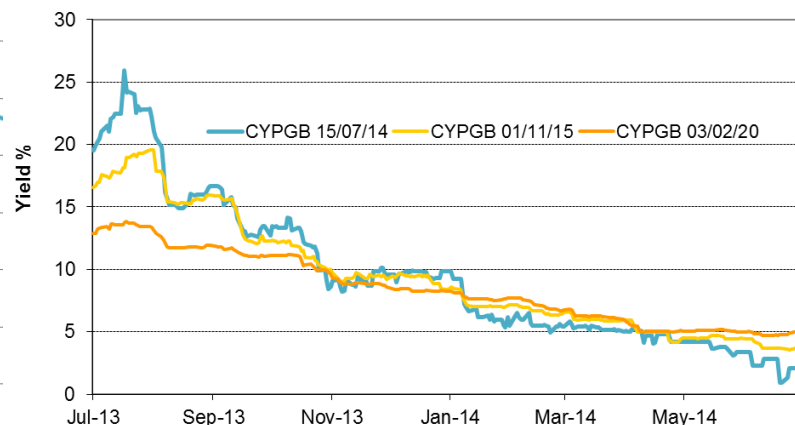


Marketable debt borrowing cost

Primary market Treasury Bill yields



Secondary market bond market yields



Abbreviations: TB: Treasury Bill; DB: domestic-law bond; ECP: Euro Commercial Paper; EMTN: Euro Medium Term Note (foreign-law bond);PDMO: Public Debt Management Office; SDR: Special Drawing Rights

All data as at 30-06-2014 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.



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