



The Slovak Republic prices EUR 1 billion 1.000% 10 year and EUR 500 million 2.250% 50 year bonds

5 June 2018

Press Release

Issuer:	The Slovak Republic acting through the Ministry of Finance of the Slovak Republic represented by the Debt and Liquidity Management Agency ("ARDAL")	
Ratings:	A2 (positive) / A+ (stable) / A+(stable) by Moody's / S&P / Fitch	
Tenor	10 years	50 years
Principal Amount:	EUR 1,000,000,000	EUR 500,000,000
Maturity Date:	12 June 2028	12 June 2068
Coupon:	1.000%; payable annually each 12 June	2.250%; payable annually each 12 June
Reoffer Spread vs. Midswaps:	10 bps	80 bps
Reoffer Yield:	1.021%	2.254%
Reoffer Price:	99.801%	99.881%
Law	Slovak Law	
Listing:	Bratislava Stock Exchange	
Joint Lead Managers:	Barclays (B&D), Citi, Slovenská sporiteľna (Erste Group), Tatra banka (Raiffeisen Bank International Group)	

- **The Slovak Republic successfully entered the European capital markets for the first time in 2018 with a new EUR 1 billion 10-year and a EUR 500 million 50-year dual tranche bond issue**
- **The new issue represents the tightest 10 year syndicated international capital market transaction ever issued by the Slovak Republic, successfully extending the Republic's credit curve**
- **The transaction attracted interest from across the European investor community and the final orderbook closed at over EUR 5 billion combined (EUR 3.4 billion 10-year and EUR 1.6 bn 50-year)**
- **The 50 yr tranche represents the longest EUR denominated transaction issued out of CEE during the last 10 years and the longest bond by the Slovak Republic**
- **This was the tightest 10-year spread achieved in the CEE region during 2018**
- **1st EUR 50-year bond since 2016**

On June 4th 2018, the Slovak Republic announced that it had mandated Barclays (B&D), Citi, Slovenská sporiteľna (Erste Group), Tatra banka (Raiffeisen Bank International Group) for 1.5 day execution in line with other European sovereign issuers. The Joint Lead Managers announced a 10-year tranche with a potential 50-year tranche to be added, subject to investor feedback. The market backdrop was more constructive this week, as we saw a new government form in Italy, giving the market some breathing space after a fairly volatile period. Following favourable feedback, allowing the Slovak Republic to add the 50 year tranche, strong investor support helped the Slovak Republic to price both the EUR 1 billion 10-year tranche at MS+10bps, which represented a single digit new issue premium vs the implied fair value and the EUR 500 million 50-year tranche priced with a new issue premium of c.15bps vs the implied fair value. More than 150 investors across both tranches participated in the transaction, which generated a final combined orderbook in excess of EUR 5 billion.

The books opened at 9:30 am CET on June 5th with Initial Price Thoughts (IPTs) of “MS+20bps area” on the 10 year and “MS+90/95” and rapidly reached a combined size of c. EUR 4.1billion (EUR 2.7billion on the 10yr and c. EUR1.4bn on the 50yr). This allowed the Slovak Republic and the Joint Lead Managers to set the sizes for the two tranches of EUR 1billion and EUR 500million and release official price guidance of “MS+15bps area” and “MS+90bps area” respectively at 11.40am CET.

The momentum continued and the orderbook peaked at over EUR 5.3 billion (including EUR125 million JLM interest) by 12.45am CET, allowing the Joint Lead Managers to set final terms and ultimately launch the transaction at spreads of “MS+10bps” and MS+80bps” on the 10 and 50 year tenors respectively representing a 10bps and 15bps tightening from IPTs respectively.

With the bond coupon being set at 2.250% and the final re-offer yield at 2.254%, the Slovak Republic managed to price its first ever 50-year Eurobond tranche – the longest dated syndicated bond ever issued by the Sovereign - successfully extending the country's yield curve.

The investor base for the issue was well diversified both geographically and by investor type.

10 year (c.150 investors)

By region: Austria & Germany: 30%, CEE: 16%, UK: 14%, Benelux: 13%, Nordics 12%, France: 9%, Others: 6%.

By type: Fund Managers: 38%, Banks / Private Banks: 38%, Central Banks / Official Institutions: 13%, Insurance / Pension Funds: 9%, Others: 2%.

50 year (c.125 investors)

By region: Austria & Germany: 42%, UK: 19%, Italy & Spain: 19%, Nordics 6%, CEE: 6%, Others: 8%.

By type: Fund Managers: 56%, Insurance / Pension Funds: 22%, Banks / Private Banks: 13%, Central Banks / Official Institutions: 6%, Others: 3%.

This press release is being issued on behalf of all of the Joint Lead Managers on this transaction: Barclays (B&D), Citi, Slovenská sporiteľna (Erste Group), Tatra banka (Raiffeisen Bank International Group).

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The final terms and conditions will be set out in the final legal documentation relating to the issue.