

## Press Release

February 18, 2011



### **Slovak Republic (A1/A+/A+, all stable) EUR 1.25bn tap of 3.50% bond due 24<sup>th</sup> February 2016**

The Slovak Republic ("Slovakia") rated A1/A+/A+ (Moody's/S&P/Fitch), all stable outlook acting via the Debt and Liquidity Management Agency (ARDAL), has priced a tap of the 5 year fixed-rate benchmark for a size of EUR 1.25 billion through Československá obchodná banka (KBC Group), Slovenská sporiteľňa (Erste Group) and Všeobecná úverová banka (Intesa Sanpaolo Group/Banca IMI).

- The government bond ŠD 213 due 24 February 2016 with a coupon of 3.50% is now increased by a further EUR 1.25bn bringing the new total issue size to EUR 2.428bn. The new tranche had a reoffer price of 99.563% to give a spread of +80bps over mid-swaps and of +125.8 bps versus the OBL 2% 02/2016 (German Bund);
- This landmark transaction represents Slovakia's third syndicated bond offer governed by Slovak law and the first tap of a domestic government bond previously issued by a domestic auction;
- The mandate for the tap of the February 2016 government bond was initially announced on February 09, 2011, to be launched subject to market conditions;
- The marketing officially started on February 16 with the collection of Indications of Interest at a spread whisper of mid-swaps +85bps area;
- The books were opened on February 17 at 9.00 am, with initial price guidance of mid-swaps +85bps area;
- The orderbook built steadily, driven by real money investors in Eastern Europe, Germany and Benelux with good interest also seen from Austria. Due to strong demand the spread guidance was subsequently revised to mid-swaps +80/85 bps;
- Books closed on February 17 at 12.00 CET at approximately EUR 1.9 billion with over 100 investors participating;
- The size and quality of the order book allowed Slovakia to price a EUR 1.25 billion at the tight end of the revised price;
- The high demand and the excellent quality of the orderbook underline the appeal of Slovakia's strong credit standing to international investors and confirms the spin-off of the top CEE credits, including Slovakia, from the peripheral EU countries.

Slovakia 2016 benchmark distribution:

<b>Geography</b>	<b>% Distribution</b>	<b>Investor Type</b>	<b>% Distribution</b>
Slovakia	41	Banks	82
Czech Republic	15	Fund Managers	9
Germany	17	Insurance	5
Benelux	11	Central Banks	4
Austria	9		
Norway	2		
Slovenia	2		
Others	3		