



**The Slovak Republic prices EUR 1 billion 2.000% bond due 17 October 2047**

**10 October 2017**

**Press Release**

<b>Issuer:</b>	The Slovak Republic
<b>Ratings:</b>	A2 (positive) / A+ (stable) / A+(stable) by Moody's / S&P / Fitch
<b>Joint Lead Managers:</b>	Citi, ČSOB (KBC Group), HSBC (B&D), NATIXIS
<b>Principal Amount:</b>	EUR 1,000,000,000
<b>Maturity Date:</b>	17 October 2047
<b>Coupon:</b>	2.000%; payable annually each 17 October
<b>Reoffer Spread vs. Midswaps:</b>	45 bps
<b>Reoffer Yield:</b>	2.027%
<b>Reoffer Price:</b>	99.398%
<b>Law</b>	Slovak Law
<b>Listing:</b>	Bratislava Stock Exchange

- **The Slovak Republic successfully returned to the European capital markets for the second time in 2017 with a new EUR 1billion 30-year benchmark bond issue**
- **The new issue represents the longest syndicated international capital market transaction ever issued by the Slovak Republic, successfully extending the Republic's credit curve**
- **The transaction attracted interest from more than 170 investors and the final orderbook closed at over EUR 2.75billion**
- **The transaction represents the largest EUR denominated 30-year tranche issued out of CEE this year**

On October 9<sup>th</sup> 2017, the Slovak Republic announced that it had mandated Citi, CSOB (KBC Group), HSBC, NATIXIS for 1.5 day execution in line with other Western European and CEE issuers. The Joint Lead Managers announced a 30-year transaction in this very constructive market backdrop, ahead of the ECB meeting on October 26<sup>th</sup>. Strong investor support allowed the Slovak Republic to price a EUR 1 billion 30-year issue at MS+45bps, which was in line with the implied fair value. More than 170 investors participated in the transaction which generated a final orderbook in excess of EUR 2.75billion.

The books opened at 9:00 am CET on October 10<sup>th</sup> with Initial Price Thoughts (IPTs) of "MS+low/mid 50bps area" and rapidly reached EUR2.4 billion. This allowed the Slovak Republic and the Joint Lead Managers to release official price guidance of "MS+50bps area" and take books subject at 11.30am CET.

The momentum continued and the orderbook peaked at over EUR 3.25 billion (including EUR125 million JLM interest) by 11.45am CET, allowing the Joint Lead Managers to release final guidance of "MS+45-47bps (will price in range)" to the market and ultimately launch the new issue with a size of EUR 1billion at MS+45bps, representing circa 8-10bps tightening from IPTs.

With the bond coupon being set at 2.000% and the final re-offer yield at 2.027%, the Slovak Republic managed to price its first ever 30-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.

By region: Austria/Germany: 49%, France/Benelux: 17%, UK & Ireland: 12%, Italy: 8%, Nordics 4%, Switzerland: 2%, Slovakia 1%, Others: 7%.

By type: Fund Managers: 59%, Insurance & Pension Funds: 23%, Banks: 9%, Central Banks 5%, Others: 4%.

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This press release is being issued on behalf of all of the Joint Lead Managers on this transaction: Citi, CSOB (KBC Group), HSBC and NATIXIS.

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