13 January 2015

Press Release

Slovak Republic
EUR 1.5bn 1.375% benchmark due 21 January 2027

On January 13th the Slovak Republic ("Slovakia") rated A2 stable /A positive /A+ stable by Moody's, Standard & Poor's and Fitch, respectively, acting via Agentúra pre riadenie dlhu a likvidity (ARDAL) has launched and priced a new EUR 1.5bn 12-year benchmark through Ceskoslovenska obchodna banka (KBC Group), SG CIB and Slovenska Sporitelna (Erste Group), being its first syndicated EUR transaction of the year.

The mandate for the transaction was announced on Monday, January 12th at 10:30am CET and a Global Investor Call was held in the afternoon. On the back of stable market conditions the following morning, on January 13th, the issuer decided to proceed with the Initial Pricing Thoughts (IPTs) release of mid-swaps (MS) plus low to mid 60s for a new 12-year issue.

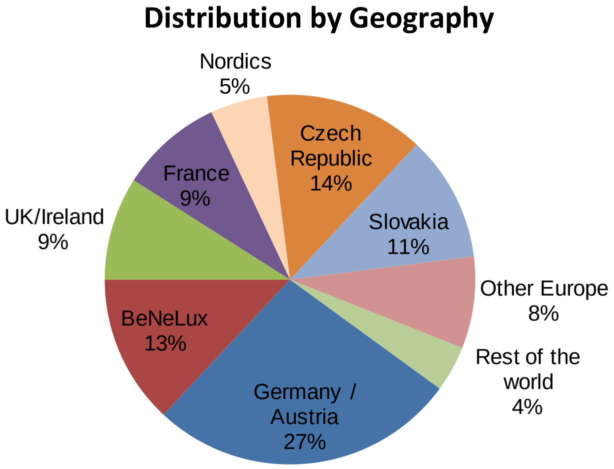
On the back of strong investor interest, the issuer decided to officially open the orderbook at 10:45am CET with a price guidance of MS +60bps area which generated over EUR 5billion of orders within less than one hour after opening. Robust demand allowed for a revision of the price guidance to MS +57bps (+/-1bp).

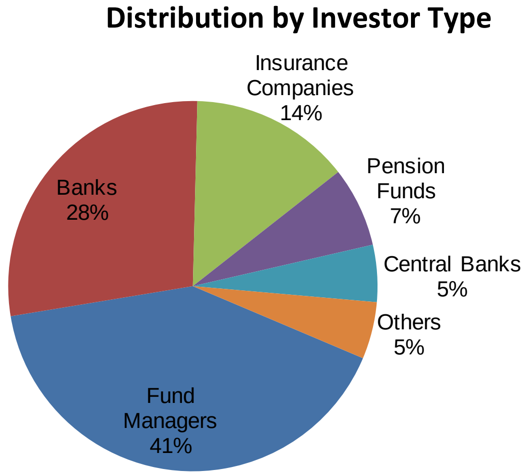
The orderbook closed at 12:00 CET with a total demand of EUR 5.5billion and over 200 investors participating. The size and high quality of the orderbook allowed Slovakia to price a EUR 1.5billion new issue at the tight end of the revised price guidance at MS +56bps, corresponding to a very marginal new issue premium of only 1bp over the issuer's interpolated secondary curve. The final pricing also represents a new lowest yield ever achieved by Slovakia for a long-dated Euro bond. The spread reached on the bond issue was equivalent to +96.5bps versus the DBR 1% 08/2024 (German bund).

The transaction benefitted from a highly granular orderbook with 89% of the issue placed outside of Slovakia with international investors from over 30 countries. The distribution was dominated by real money accounts with fund managers participating for 41% of the total orders, insurance companies for 14% and pension funds for 7%, while central banks taking 5% and other investors 5%. Banks accounted for 28% of the bond issue.

The proceeds of the transaction will be used for rolling over maturing state debt. The high quality and well diversified final orderbook demonstrates investors' positive perception towards the high credit quality of the Slovak Republic and its strong ability to refinance in the international capital markets.

Distribution Statistics:





Terms and Conditions:

Issuer	: The Slovak Republic
Format	: Bearer, Reg S
Ratings	: A2 (stable)/A (positive)/A+ (stable) (Moody's/S&P/Fitch)
Size	: € 1.5Bn
Coupon	: 1.375%, Annual, ACT/ACT
Settlement	: 21 Jan 2015 (T+6)
Maturity	: 21 Jan 2027 – 12 years
Yield/Price	: 1.442% /99.267%
Spread	: MS + 56bps/ DBR 1% 08/2024 +96.5bps (spot: 104.89 %)
Leads	: Ceskoslovenska obchodna banka (KBC Group) (B&D) / SG CIB / Slovenska Sporitelna (Erste Group)
Law	: Slovak law
Denom./List.	: €1+1 / Bratislava SE
ISIN	: SK4120010430

Syndicate Contacts:

KBC	Frank Dhondt	(+32 2 417 35 50)
Erste	Mladen Djurdjevic	(+43 50100 87492)
SG CIB	Yannick Lakoue-Derant	(+ 44 207 676 7644)