Slovak Republic Euro 1 billion 1.625% due 21 January 2031

Terms of Transaction

Summary Terms:
Rating: A2/A+/A+ (all stable)
Issue amount: EUR 1 bn
Settlement Date: January 21st 2016
Coupon: 1.625% p.a.
Maturity: January 21st 2031
Reoffer Price: 99.894% (yield 1.633% p.a.)

The Slovak Republic (rated A2/A+/A+, all stable), represented by the Debt and Liquidity Management Agency ("ARDAL") priced today a new 15-year EUR 1 bn transaction. Barclays, Natixis and Slovenská sporiteľňa (Erste Group) were mandated as Joint-Lead Managers and Bookrunners.

Taking advantage of favorable primary market dynamics during the second week of January the Slovak Republic announced their new 15-year EUR benchmark transaction on Wednesday, 13th January at 02:00 pm CET.

On Thursday January 14th, at 09:30 am CET, initial price thoughts were released at mid swaps (MS) + high 30s. The initial indications of interest (IOIs) grew up to EUR 800m by 11:45 am CET, when the price guidance was set at MS + 38 bps area.

Despite a challenging market backdrop, the orderbook continued to grow and eventually reached more than EUR 1.2 bn (including EUR 200m of joint lead manager's interest) by 01:10 pm CET. The deal was priced at a spread of MS + 38 bps, with a size of EUR 1 bn thanks to high quality accounts present in the orderbook.

The transaction displays the continued ability of the Slovak Republic to access the market at the long end of the curve and find solid appetite from investors for its bonds. Compared with its last 15-year transaction, issued in January 2014, the Slovak Republic has achieved a coupon lower by

2 percentage points. The Slovak Republic has succeeded to issue the transaction with the lowest yield ever achieved for its syndicated 15-year EUR denominated bond issues and the lowest coupon ever printed by a CEE sovereign on a 15-year maturity.

This deal also illustrates the strong attractiveness of the Slovak Republic and the further improvement of its credit perception by the market, also acknowledged by rating agencies, with a recent upgrade to A+ by S&P in July 2015.

The majority of bonds was allocated to Asset Managers with 42% followed by Banks (37%), and Insurance Companies (11%).

Significant international demand was delivered by German/Austrian accounts (34%). UK investors (19%) were also active, together with Nordic (5%), Italian (5%), and French (4%) investors. The natural domestic bid was quite strong with about 22%. The remainder was spread across other Europe

Distribution Stats:

By Region:

Germany/ Austria 34%
Slovakia 22%
UK/Ireland 19%
Nordics 7%
Italy 5%
France/Benelux 5%
Others 8%

By Investor Type:

Fund Manager 42%
Banks 37%
Insurers / PF 11%
Others 10%