



MINISTRY OF FINANCE
OF THE REPUBLIC OF BELARUS

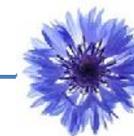
Republic of Belarus: Government Bonds

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VII Cbonds Emerging Markets Bond Conference

April 20, 2018
London

Market Presence Snapshot



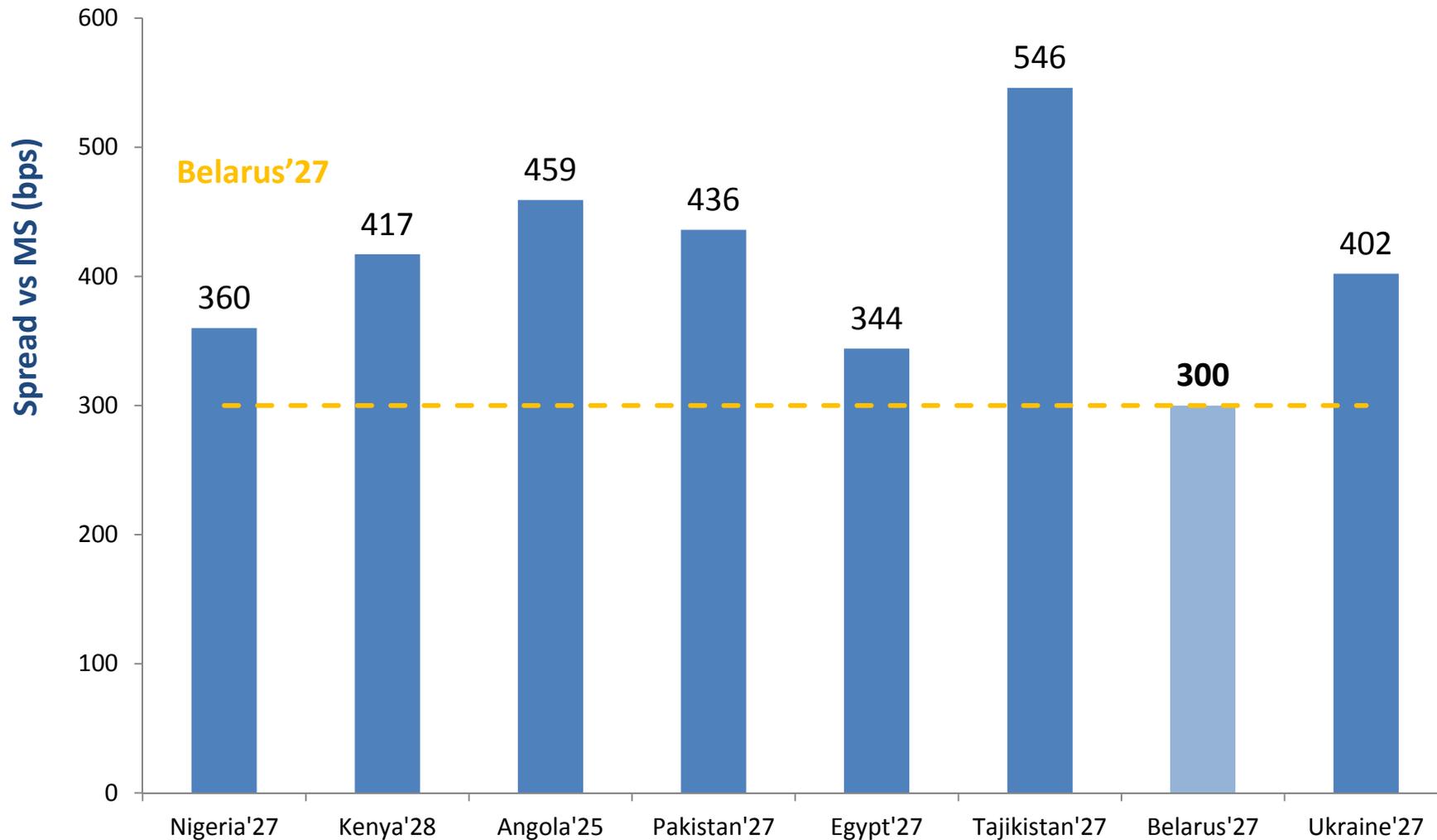
In 2017 – 2018 after a several years of absence Belarus successfully returned to the international bond market

	Belarus'30	Belarus'27	Belarus'23
Year of Issue	2018	2017	2017
Maturity	12Y	10Y	5.5Y
Issue size	\$600mln	\$600mln	\$800mln
Format		RegS/144A	
Yield	6.2%	7.625%	6.875%
UST Spread, bps	330	548	536
Allocation	<p>US 52% GB 30% Europe 17% Asia 1%</p>	<p>US 61% GB 29% Europe 9% Others 1%</p>	<p>US 67% GB 24% Europe 9%</p>

Tighter spread as a reflection of investors' trust



Belarus trades tighter than peers, evidencing positive view of credit fundamentals from the market

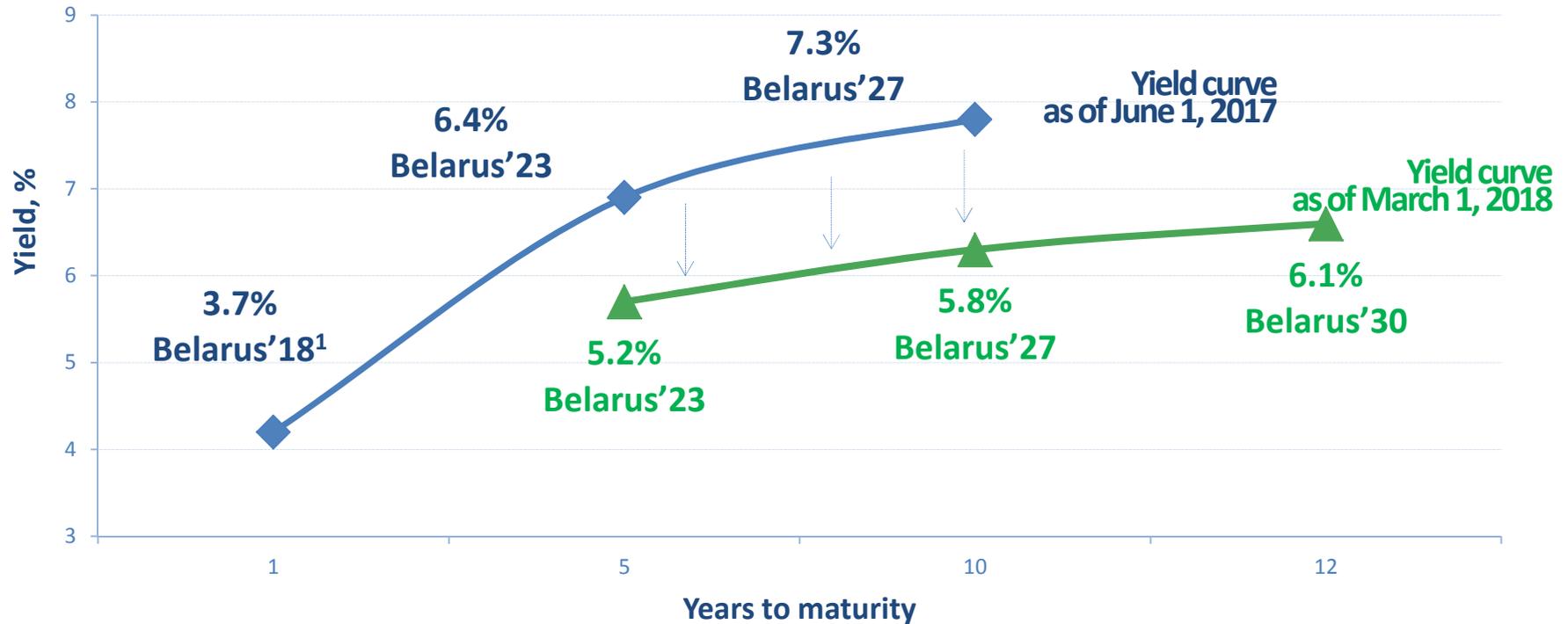


Source: Bloomberg, Citi as of February 22, 2018

A significant shift in a yield curve



Due to the new benchmark Belarus' eurobonds performance improved significantly

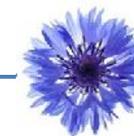


KEY DRIVERS for the shift in a yield

- ❑ Macroeconomic recovery
- ❑ Tight monetary & fiscal policy
- ❑ Ensured reserves for the debt payments due in mid-term
- ❑ Credit ratings updates & impeccable payment history

¹Belarus'18 redeemed in January 2018

Further steps



As the debt to mature after 2018 might be refinanced¹ partially the Government considers possible formats & sources of borrowings

EUROBOND

- ❑ The current presence in the Eurobond market is adequate
- ❑ Next Eurobond – not earlier than 2020

Return to RUSSIAN LOCAL MARKET

- ❑ High appetite from Russian investors
- ❑ Sufficient liquidity of the market

Entering CHINESE ONSHORE MARKET

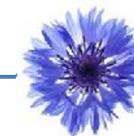
- ❑ Belarus is one of the key European countries involved in *One Belt, One Road* initiative
- ❑ High political support from the Chinese authorities

LOCAL MARKET DEVELOPMENT

- ❑ Steps to broaden investment base through improving access for foreign investors

¹ According to the Debt Management Strategy 2015 – 2020 50% of the debt maturing in the coming year might be refinanced through the new borrowings

Local market development – on the agenda



Proactive steps to comfort yields in local market

- ❑ recently government local securities were issued mostly in FX, USD dominates
- ❑ an auction format of placement of bonds prevails – a purely market instrument, ensuring competition of bids
- ❑ terms of borrowing improved during 2017 by 2 p.p. compared to 2016 (from 6.5% to 4.4%)

In 2017 national legislation updated

- ❑ easing of access of foreign investors
- ❑ clearing in foreign depositories allowed



Strategic goal – openness of the local market for foreign investors

Local market: way to go



Steps undertaken to open the market for investors from abroad, but there are some more improvements to be done

Today foreign investors are able to access local market...

...but we want to make it far easier

Securities might be bought:

- directly from the issuer during initial offering
- on the Belarusian Stock Exchange during initial offering – through the market agent
- on the secondary market – through the market agent

Future of the local market:

- ensuring direct access through the foreign depositories
- making local bonds euroclearable
- access for trade of Belarus' local securities in MOEX
- increasing share of BYN-bonds

NB: custody account in Belarusian depository is needed



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Thank you for your attention
questions are welcome

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