The Republic of Bulgaria issues EUR 3.1 billion 7-year, 12-year and 20-year triple tranche bonds

20 March 2015

PRESS RELEASE

Issuer:	The Republic of Bulgaria		
Ratings:	Baa2 (Moody's) / BB+ (S&P) / BBB- (Fitch)		
Joint Bookrunners:	Citi, HSBC, SG CIB and UniCredit		
Maturity Date:	26 March 2022	26 March 2027	26 March 2035
Notional Amount:	EUR 1,250,000,000	EUR 1,000,000,000	EUR 850,000,000
Annual Coupon:	2.000%	2.625%	3.125%
Reoffer Spread vs. Midswaps:	+180bps	+210bps	+245bps
Re-offer Price:	98.849%	98.918%	97.982%
Re-offer Yield:	2.179%	2.732%	3.264%

- *The Republic of Bulgaria has made an impressive return to the international debt capital markets by building up its EUR yield curve.*
- *The multi-tranche transaction is the first triple-tranche transaction on the EUR market by a Central Eastern Europe, Middle East and Africa sovereign. The €3.1bn size is also the largest size raised by a Central Eastern Europe, Middle East and Africa sovereign sovereign on a EUR market through one syndication.*
- *The 2% and 2.625% coupons for the 7-year and 12-year benchmarks are the lowest coupon levels ever achieved by Bulgaria on the international debt capital markets, while the 12-year and 20-year maturities represent the longest tenors on these markets.*
- *370 investors participated across the three tranches, for a combined orderbooks of €4.9bn.*
- *The strong investor response and highly diversified orderbook is testimony of Bulgaria's credit strengths, solid macroeconomic fundamentals and remarkable consistency in terms of fiscal discipline and financial stability.*

On Thursday 19th of March 2015, the Republic of Bulgaria successfully priced a new €1.25bn 7-year, €1bn 12-year and €850mln 20-year triple tranche transactions. 370 investors participated across the three tranches in a final combined orderbook of around €4.9bn.

Following an extensive highly professional 4-day European roadshow (encompassing London, Paris, Frankfurt, Munich and Vienna), the Joint Lead Managers decided on Thursday 19th of March to take advantage of the positive investor feedback as well as conducive market conditions and announce at 9 a.m. UK time a 7-year, 12-year and 20-year triple tranche transaction with Initial Price Thoughts of respectively +195bps area, +225bps area and +260bps area over mid-swaps. Investor demand was immediate and orderbooks grew rapidly reaching over €4bn in less of an hour and half thus enabling the Joint Lead Managers to release official guidance at +190bps area, +220bps area and +255bps area over the respective mid-swaps for the 7-year,12-year and 20-year tenor, with orderbooks going subject at 12:30 p.m. UK time. The orderbooks kept growing and reaching €5.5bn allowing the Joint Lead Managers to announce Final Guidance of +180/185bps, +210/215bps and +245/250bps (all pricing within the range) over the relevant mid-swaps for respective three tenors. The orderbooks were finally closed at 2:50 pm UK time at a combined level of €4.9bn. The very high quality orderbook enabled the Republic of Bulgaria to finally raise €1.25bn at 7-year, €1bn at 12-year and €850mln at 20-year for a total combined size of €3.1bn.
Citi, HSBC, SG CIB and UniCredit acted as Joint Lead Managers and Bookrunners on the transaction.

Bulgaria attracted an extremely granular and high quality investor base into the issue. The final allocations were as follows:

7-year: €2.2bn of orders with 160 investors involved. In term of geographical distribution, 35% of allocations went to Bulgarian investors, followed by the UK 18%, German and Austria 17%, US Offshore 9%, CEE 7%, Benelux and Nordics 4%, other Europe 7% and other accounts 3%. By investor type banks and bank treasuries took 43% of allocations, followed by fund managers with 41%, insurance companies and pension funds with 13% and private banks and other accounts 3%.

12-year: €1.5bn of orders with 120 investors involved. In term of geographical distribution, Bulgarian investors took 26%, followed by the UK 23%, German and Austria 19%, US Offshore 13%, Benelux and Nordics 11%, other Europe 3%, CEE 3% and other accounts 2%. By investor type fund managers took 54%, followed by banks and bank treasuries with 31% and insurance companies, pension funds and private banks with 15%.

20-year: €1.2bn of orders with 90 investors involved. In term of geographical distribution, 35% of allocations went to UK investors, followed by US Offshore 20%, German and Austria 16%, Bulgaria 13%, Benelux and Nordics 8%, other Europe 4% and other jurisdictions 4%. By investor type fund managers took 73%, followed by banks and bank treasuries with 17% and insurance companies, pension funds with 10%.

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