



The Republic of Bulgaria issues EUR 1.994 billion 7-year and 12-year dual tranche bonds

15th March 2016

PRESS RELEASE

Issuer:	The Republic of Bulgaria	
Ratings:	Baa2 (Moody's) / BB+ (S&P) / BBB- (Fitch)	
Joint Bookrunners:	BNP Paribas, Citi, JP Morgan and UniCredit	
Tenor:	7 year	12 year
Notional Amount:	EUR 1,144,000,000	EUR 850,000,000
Annual Coupon:	1.875%	3.000 %
Reoffer Spread vs. Midswaps:	+185bps	+235bps
Re-offer Price:	98.192%	98.237%
Re-offer Yield:	2.156%	3.179%

On Monday March 14th, the Republic of Bulgaria, rated Baa2/BB+/BBB- (Moody's/Standard & Poor's/Fitch, all stable), has successfully issued a EUR 1.994bn dual tranche Reg S Senior Unsecured transaction. The deal was consisting of a EUR 1.144bn 7 year and a EUR 850mn 12 year tranche. The 7 year tranche was priced at 98.192 with a 1.875% coupon at a spread of 185 basis points over mid-swaps (2.156% yield), while the 12 year tranche was priced at 98.237 with a 3.000% coupon at 235 basis points over mid-swaps (3.179% yield).

BNP Paribas, Citi, JP Morgan and UniCredit acted as Joint Lead Managers and Bookrunners for the transaction.

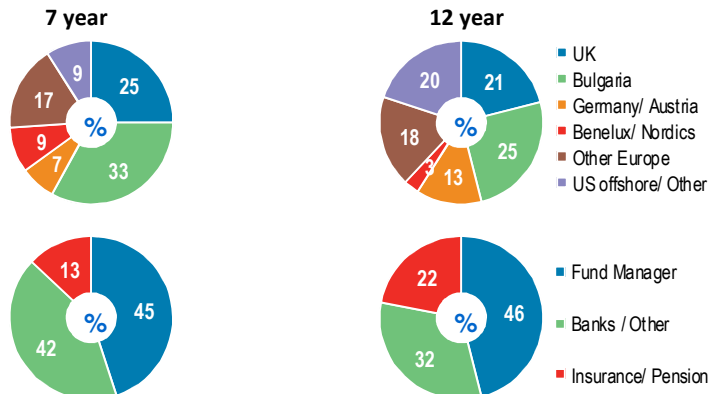
Taking advantage of favorable market conditions after extensive easing measures announced by the ECB on its Governing Council meeting last Thursday, the parties decided on a swift intra-day execution strategy. IPTs were announced at London open at MS+205 basis points for the 7 year and MS+245 basis points for the 12 year tranche, with sizes set at Benchmark.

Books were building steadily, reaching a combined size in excess of EUR 2.6bn by 11:45 am UKT, when guidance was released at MS+195-200 basis points for the 7 year and MS+240 basis points area for the 12 year tranche. The books have shown resilience to the tightening and continued growing before going subject at 1:30 pm UKT. Final spreads were set at MS+185 basis points for the 7 year and MS+235 basis points for the 12 year. Final tranche sizes were determined shortly after at EUR 1.144bn and EUR 850mn respectively. The size and quality of the orderbook allowed the Republic to reach the maximum combined size targeted prior to the transaction.

Final orderbook reached EUR 2.1bn from 195 accounts on the 7 year, and EUR 1.5bn from 155 investors on the 12 year tranche. Demand came from across whole Europe, with fund managers and banks dominating in both tranches.

The transaction marks the largest EUR denominated deal out of the CEEMEA region this year-to-date, and the first EUR-denominated Sovereign issuance since the announcement of the ECB's new stimulus package last week. It is also worth mentioning that Bulgaria achieved the lowest coupon ever in the international bond market with the 7 year offering. Current dual tranche transaction has increased Bulgaria's outstanding maturities to seven bonds, establishing a well populated EUR curve for the Republic.

Distribution by geography and investor type:



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