



The Republic of Bulgaria priced a dual-tranche EUR 2.3bn 7.5y & 12.5y Eurobond offering

6th November 2023

PRESS RELEASE

Issuer:	Republic of Bulgaria, represented by the Minister of Finance	
Issuer Rating:	Baa1 (Stable) by Moody's / BBB (Positive) by Fitch	
Expected Issue Rating:	Baa1 by Moody's / BBB by Fitch	
Format:	Regulation S, Category 1 / Registered form, under the GMTN Programme	
Tenor:	7.5-year	12.5-year
Maturity:	13 May 2031	13 May 2036
Size:	EUR 1.3bn	EUR 1.0bn
Reoffer Spread / Yield:	MS+150bps / 4.673%	MS+185bps / 5.130%
Reoffer Price:	98.175%	97.719%
Coupon:	4.375%, FXD, Ann act/act, short first	4.875%, Fixed, Ann act/act, short first
ISIN:	XS2716887760	XS2716887844
Status:	Senior, Unsecured	
Settlement:	13 November 2023 (T+5)	
Denominations:	€1k x €1k	
Governing Law:	English Law	
Listing:	Luxembourg Stock Exchange	
Bookrunners:	BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank, J.P. Morgan	

On Monday 6th November the Republic of Bulgaria, rated Baa1 (stable) by Moody's / BBB (positive) by Fitch, successfully priced a dual-tranche transaction, raising EUR 2.3bn across 7.5-year (EUR 1.3bn) and 12.5-year (EUR 1bn) tranches. This deal marks the Republic's second entry into International Capital Markets this year, following the 10-year offering in January, and enabled the Sovereign to achieve their funding requirements for the year. The 7.5-year tranche, with a coupon of 4.375%, was priced at 150bps over mid-swaps, with a re-offer yield of 4.673% (re-offer price of 98.175%); meanwhile, the 12.5-year tranche, with a coupon of 4.875%, was priced at 185bps over mid-swaps, with a re-offer yield of 5.130% (re-offer price of 97.719%).

BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank and J.P. Morgan acted as Bookrunners for the transaction.

Following a number of weeks of heightened market volatility, upon a clear market window, and with a constructive market backdrop on the back of supportive NFP data on Friday, the Ministry of Finance capitalized upon the conditions and proceeded with an intra-day execution. Aware of potentially heightened supply in the market, Initial Pricing Thoughts (IPTs) were released at 08:15 UKT / 10:15 EET on Monday 6th November at MS+180bps area and MS+210bps area on the 7.5-year and 12.5-year tranches, respectively.

The transaction steadily built investor demand, accumulating combined books in excess of EUR 3bn after approximately 2.5 hours of book-building. The book-update encouraged further support for the transaction, and at 12:30 UKT / 14:30 EET Guidance was released to the market, whereby combined books were in excess of EUR 4.75bn, with some skew to the 7.5-year. The quality, and size, of the book allowed for a 20bps price revision on each tranche, with Revised Guidance at MS+160bps area and MS+190bps area. Despite the tightening of price, the books continued to garner further support, and when Final Terms were released at 14:30 UKT / 16:30 EET the combined order book stood at EUR 6.5bn (EUR 4.2bn on the 7.5-year; EUR 2.3bn on the 12.5-year). The over-subscription levels, and skew towards the shorter-tranche, allowed for a further 10bps price revision on the shorter-tranche and 5bps of tightening on the longer-tranche. The deal was launched at 14:30 UKT / 16:30 EET, with final terms of EUR1.3bn at MS+150bps on the 7.5-year and EUR1bn at MS+185bps on the 12.5-year. The offering was priced at 16:51 UKT / 18:51EET.

The sheer demand and consequent ability to tighten pricing on the notes proved, yet again, the fundamental soundness of Bulgaria's credit and the continued investor commitment to the Sovereign. The offering has further populated Bulgaria's curve and increased its overall liquidity, whilst allowing the Sovereign to achieve its funding requirements for the year.