

BULGARIAN BOND MARKETS PERSPECTIVE

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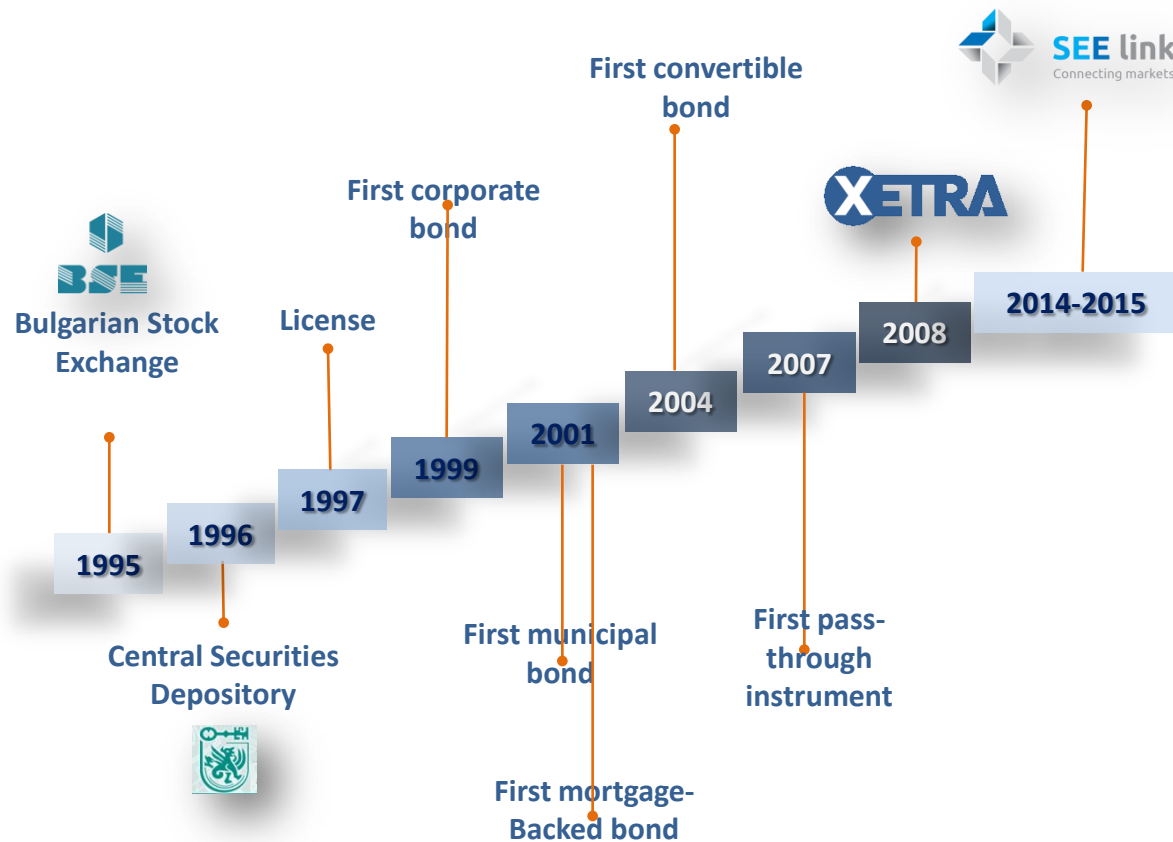
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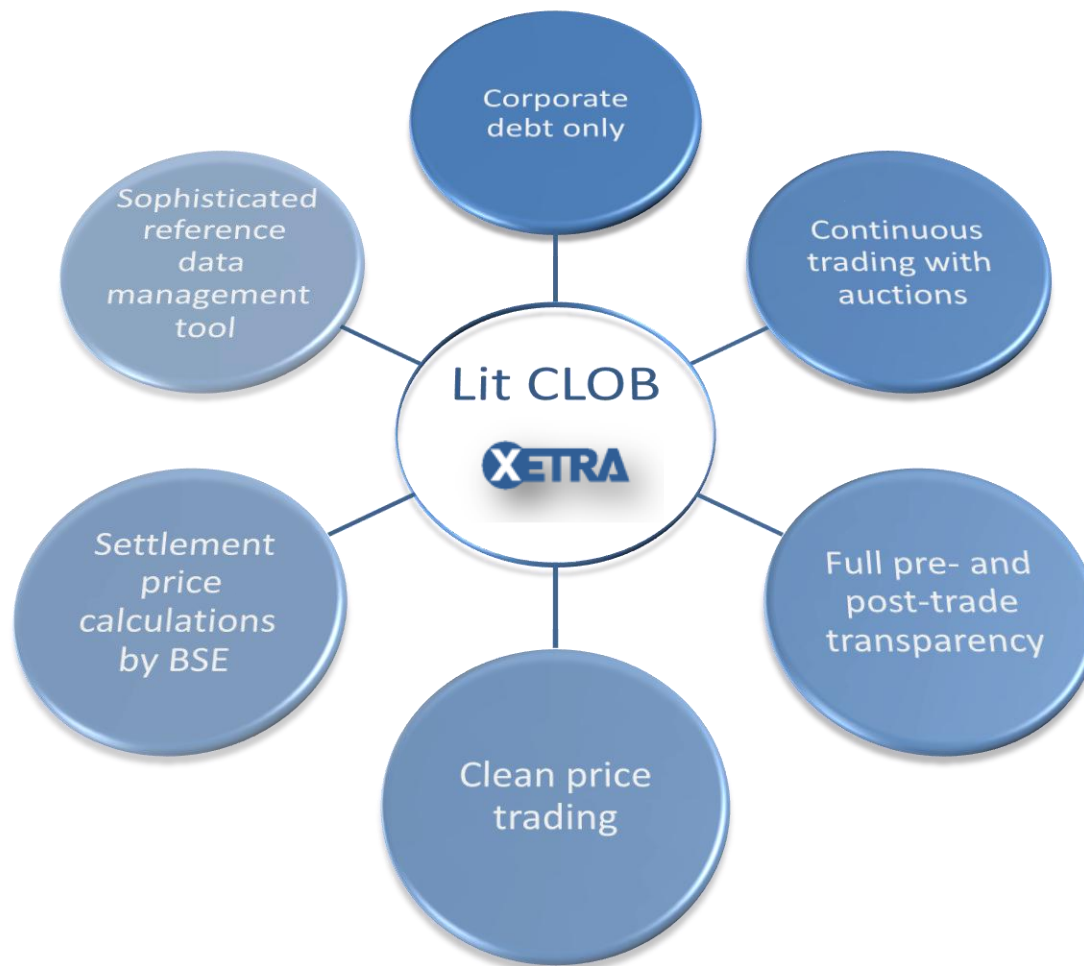
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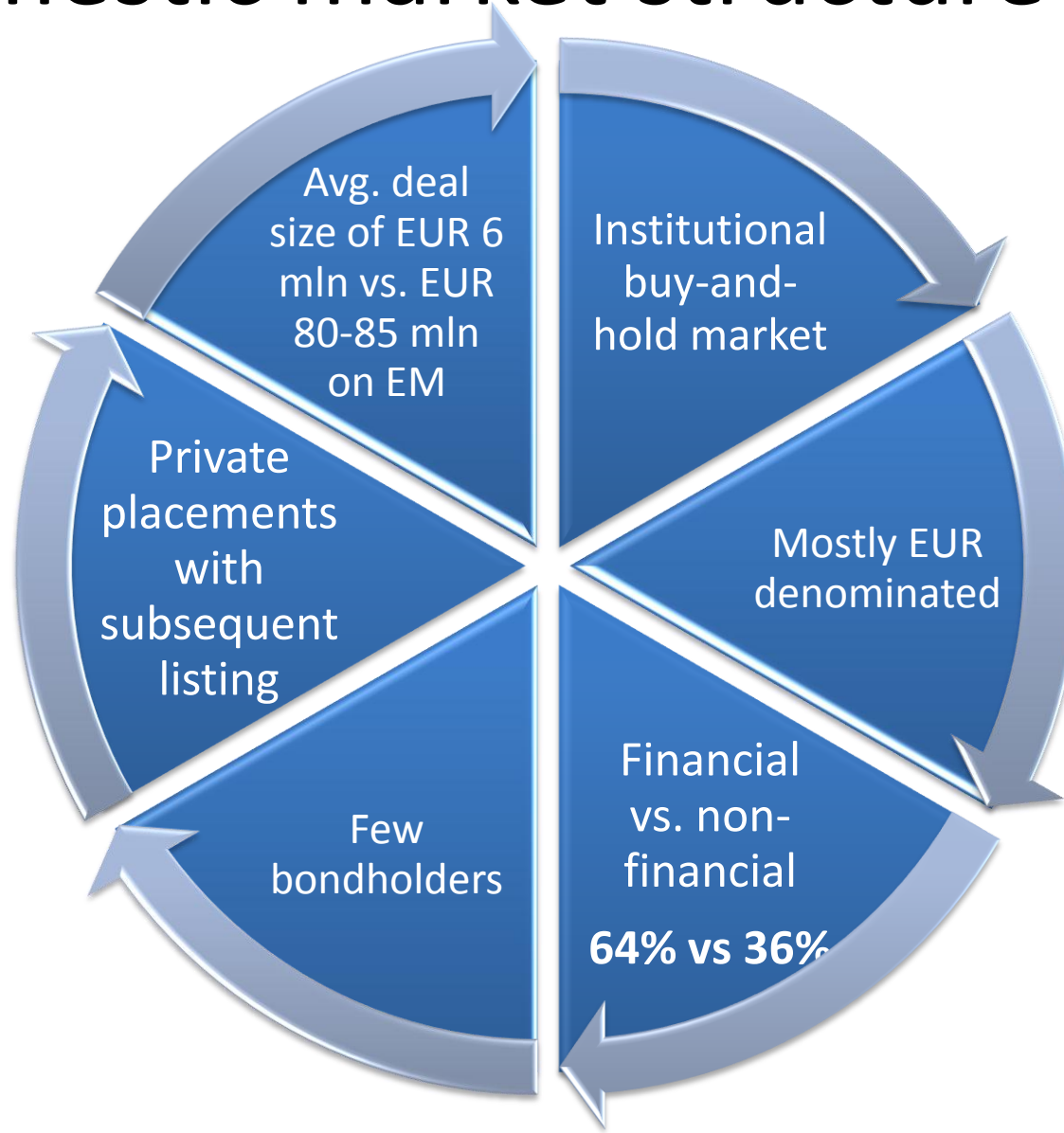
Bond Market Milestones



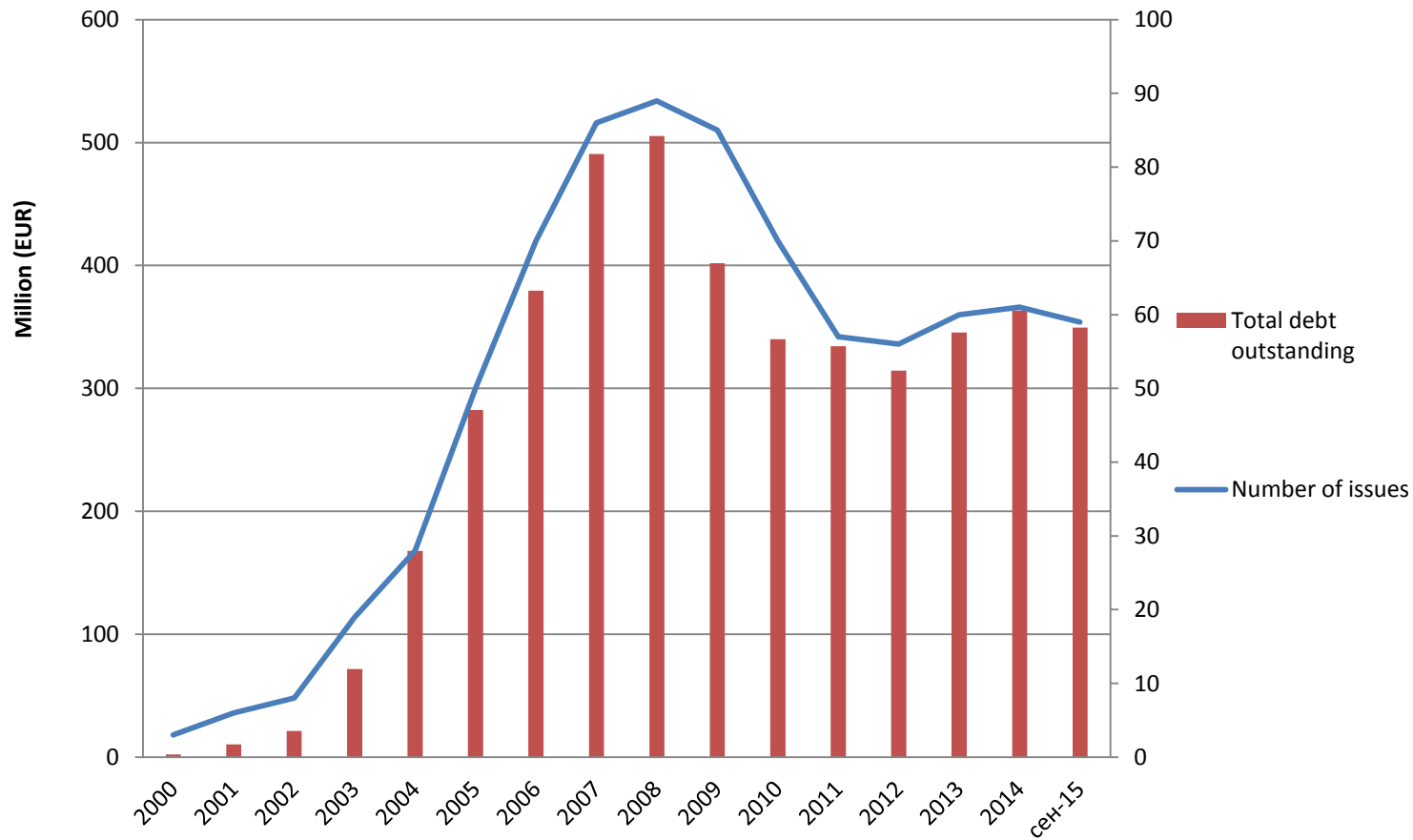
Trading model



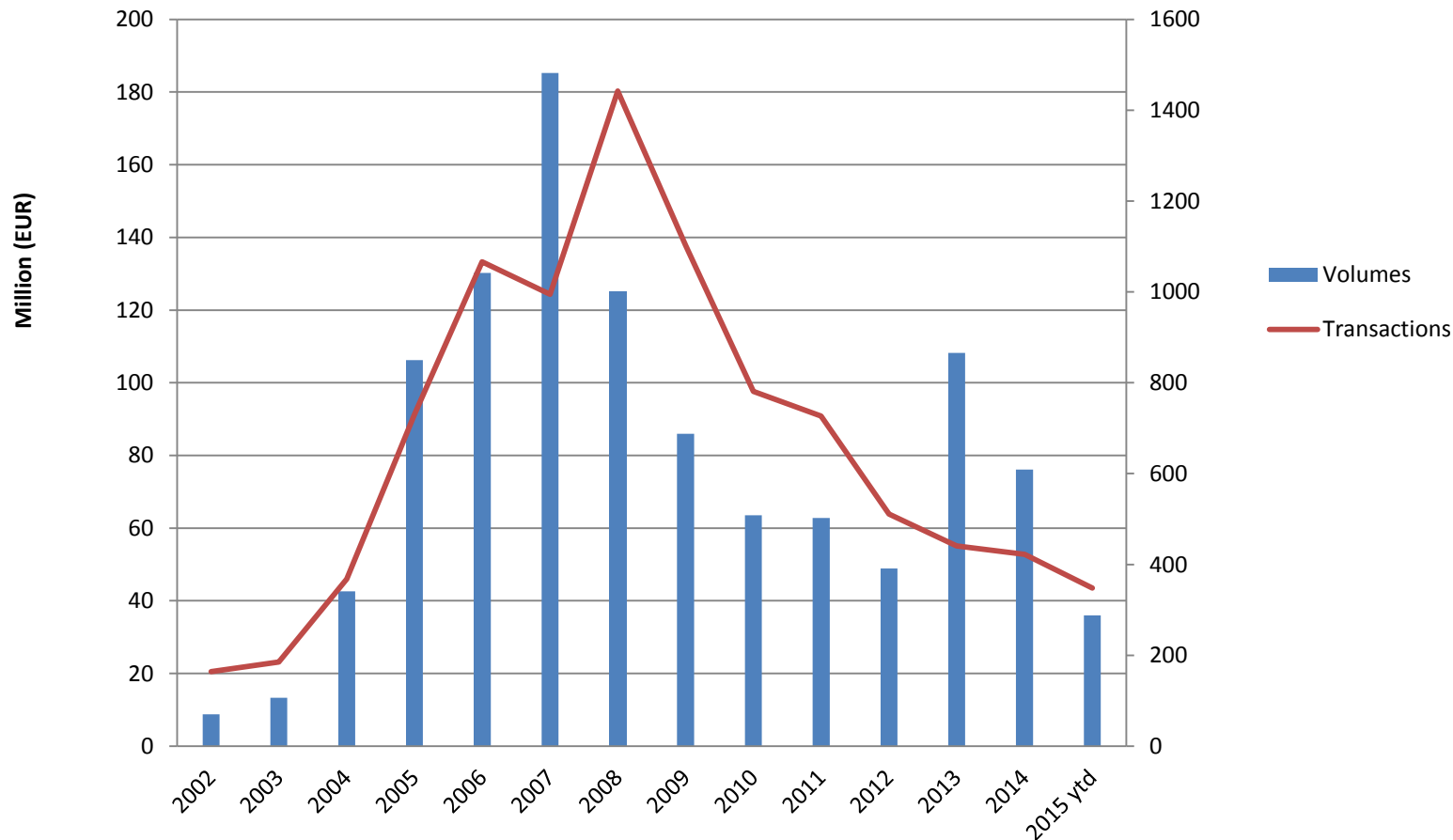
Domestic market structure



Bond listings



On-exchange trading volumes



Market size

Rank	Market	Total debt (USD billion)
1	South Korea	168.95
2	Mexico	136.3
3	Brazil	104.78
4	Bermuda	92.06
5	Russia	80.32
.....		
48	Oman	1.45
49	Bulgaria	1.33
50	Estonia	1.3
.....		
56	Malta	0.56
57	El Salvador	0.46
58	Romania	0.27
59	Liberia	0.15
60	Rwanda	0.02

Source: IOSCO

- Small market (between \$1 and \$10 billion)
- 40 % locally listed
- Just a few yet quite sizable international listings



Market depth

Rank	Market	Total debt as a % of GDP
1	South Korea	87.72%
2	Malaysia	56.08%
3	China	45.57%
4	Brazil	39.16%
5	Thailand	38.04%
.....		
23	Indonesia	2.83%
24	Bulgaria	2.33%
25	Latvia	1.65%
.....		
36	Lithuania	0.19%
37	Pakistan	0.15%
38	Tunisia	0.08%
39	Dominican Republic	0.07%
40	Ukraine	0.05%

Source: IOSCO

- Shallow depth
- In line with its closest EM peers
- Further decline expected (as GDP will grow faster than demand for debt financing)

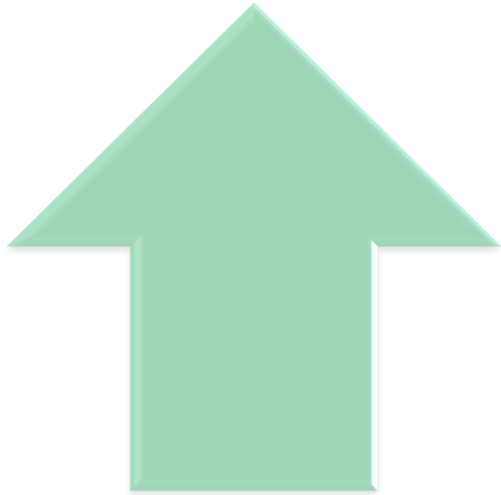
Market growth

Rank	Market	Growth (CAGR 2005-2014)
1	Turkey	64.98%
2	Peru	50.56%
3	Azerbaijan	47.24%
4	Slovenia	44.03%
5	Costa Rica	39.09%
.....		
31	Slovakia	16.47%
32	Bulgaria	16.24%
33	Philippines	15.23%
.....		
48	Malta	5.90%
49	Malaysia	4.72%
50	Trinidad & Tobago	4.38%
51	Thailand	3.89%
52	Argentina	0.49%

Source: IOSCO

- Slow growth
- Figures reflect recent decline in market size
- No further bank-fueled securitisation is expected
- Can be significantly impacted by a few large-scale bond issues

What had affected domestic bond market?

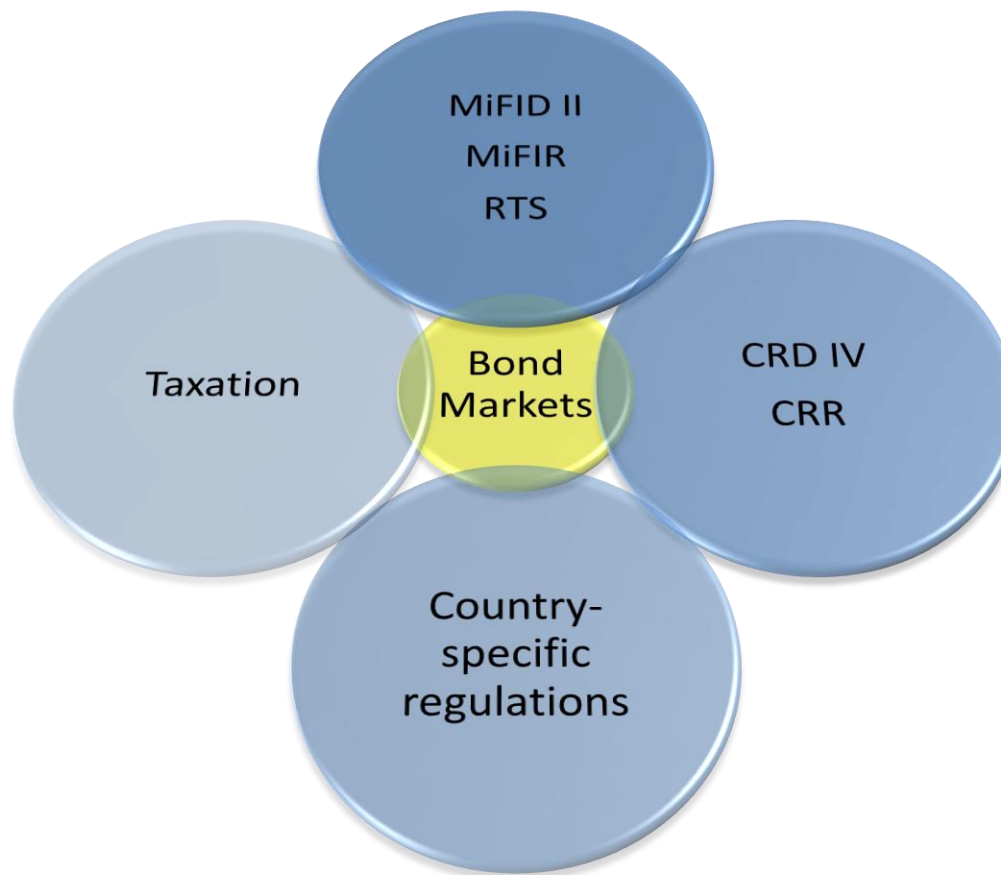


Bulgaria's pre-crisis GDP Growth
Real estate and construction sector boom
Banking loans transformation
Legislative framework



Financial crisis
Real estate bust
Falling commodity prices
Inadequate regulation of debt restructuring
Administrative delays

How will regulations be affecting domestic bond market?



How will business environment be affecting domestic bond market?



Thank you for your attention!

