

Bulgarian Capital Markets at a Glance

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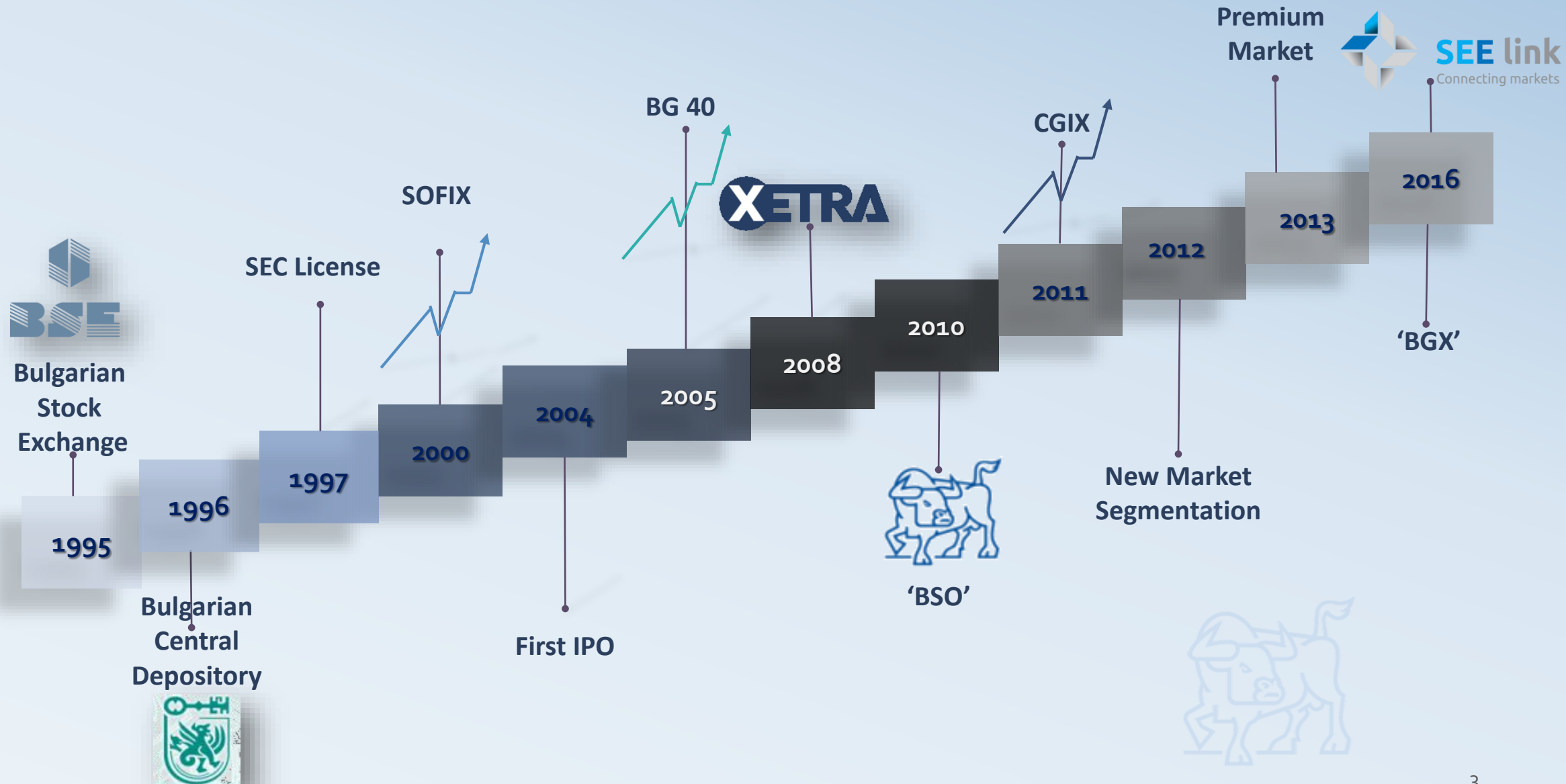
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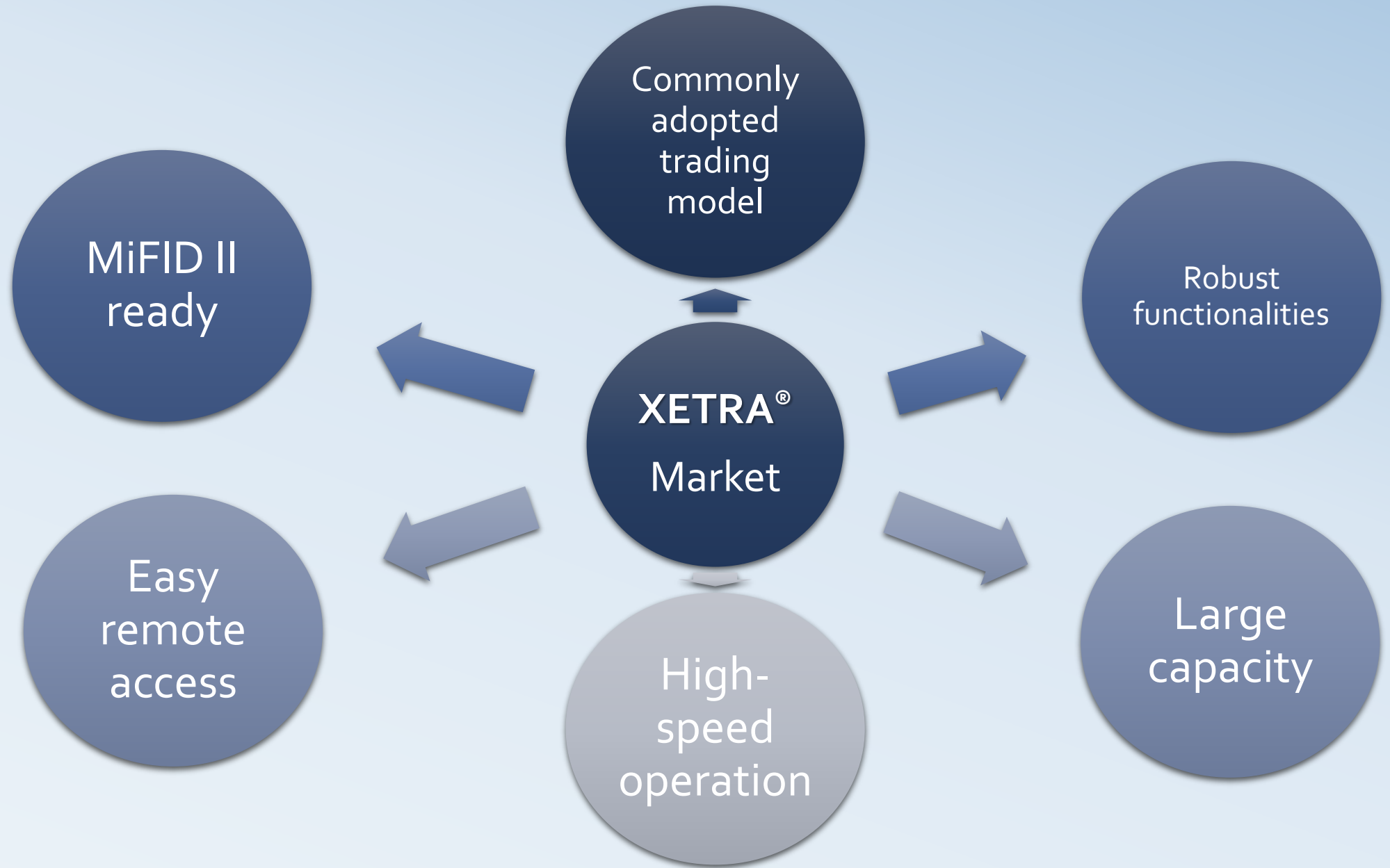
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The author may possess investments in some of the financial instruments analyzed and commented.

Milestones



Infrastructure overview



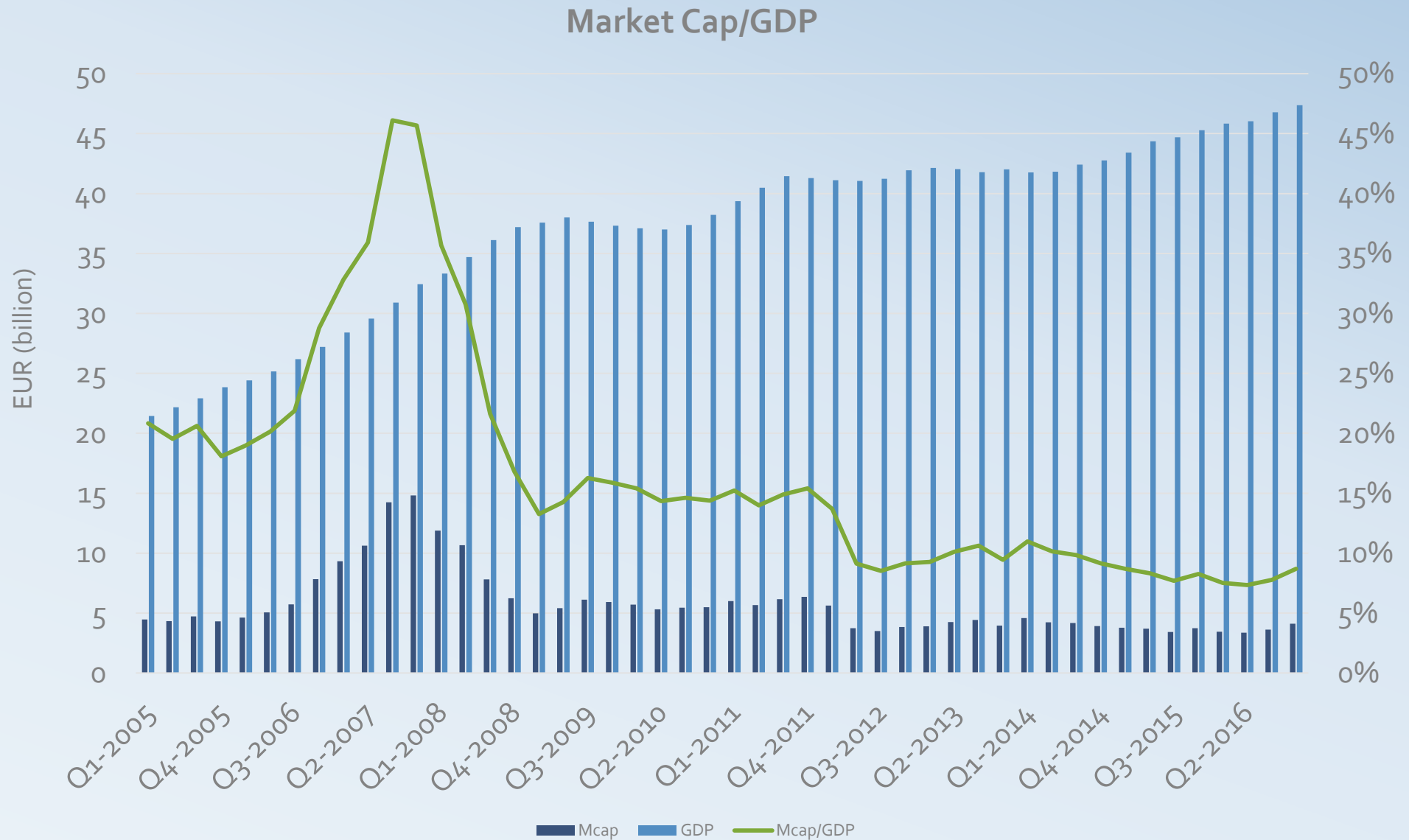
Macro Highlights

	2013	2014	2015	2016
GDP (EUR million)	41 911	42 750	44 162	47 364
Real GDP growth	1.30%	1.60%	3.00%	3.40%
Short-term interest rates	1.14%	0.79%	0.54%	0.15%
BGN/EUR exchange rate*	1.95583	1.95583	1.95583	1.95583
Population	7 265 115	7 223 937	7 265 115	n.d.
GDP per capita (nominal, EUR)	5 765	5 911	6 136	6 645
Market Cap (EUR million)	5 093	4 988	4 390	4 951
Market Cap/GDP	12.15%	11.67%	9.94%	10.54%

Source: BNB

* Pegged to DEM (hence to EUR) since 1999

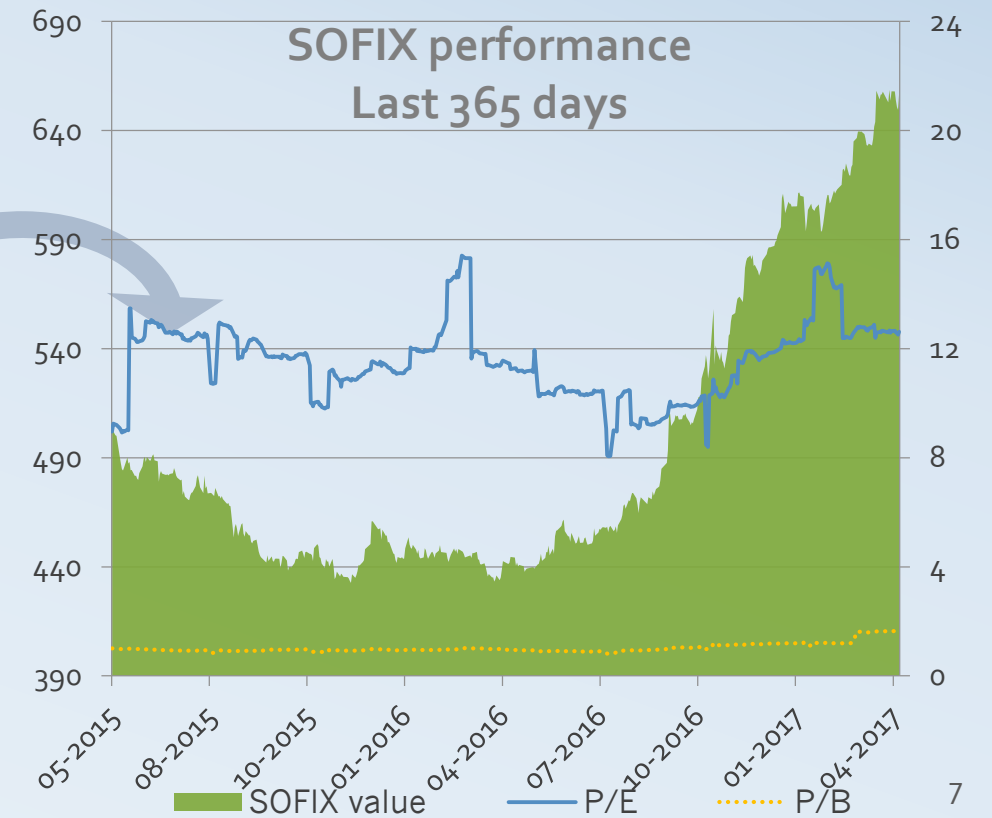
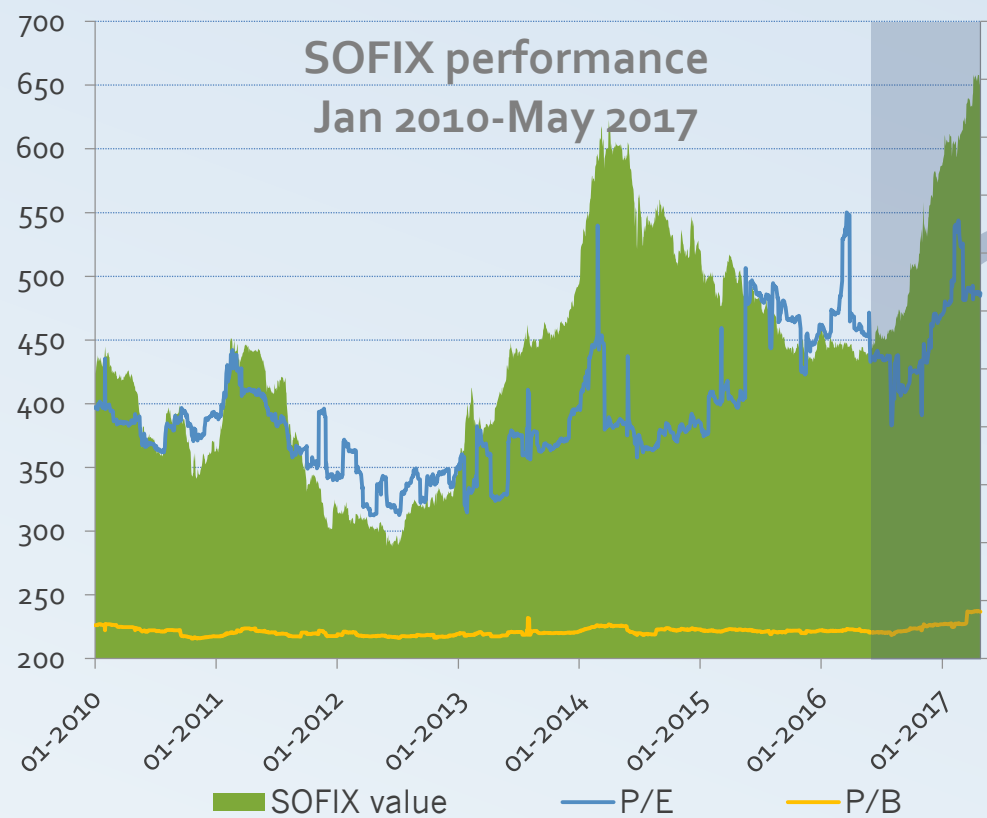
Macro Highlights



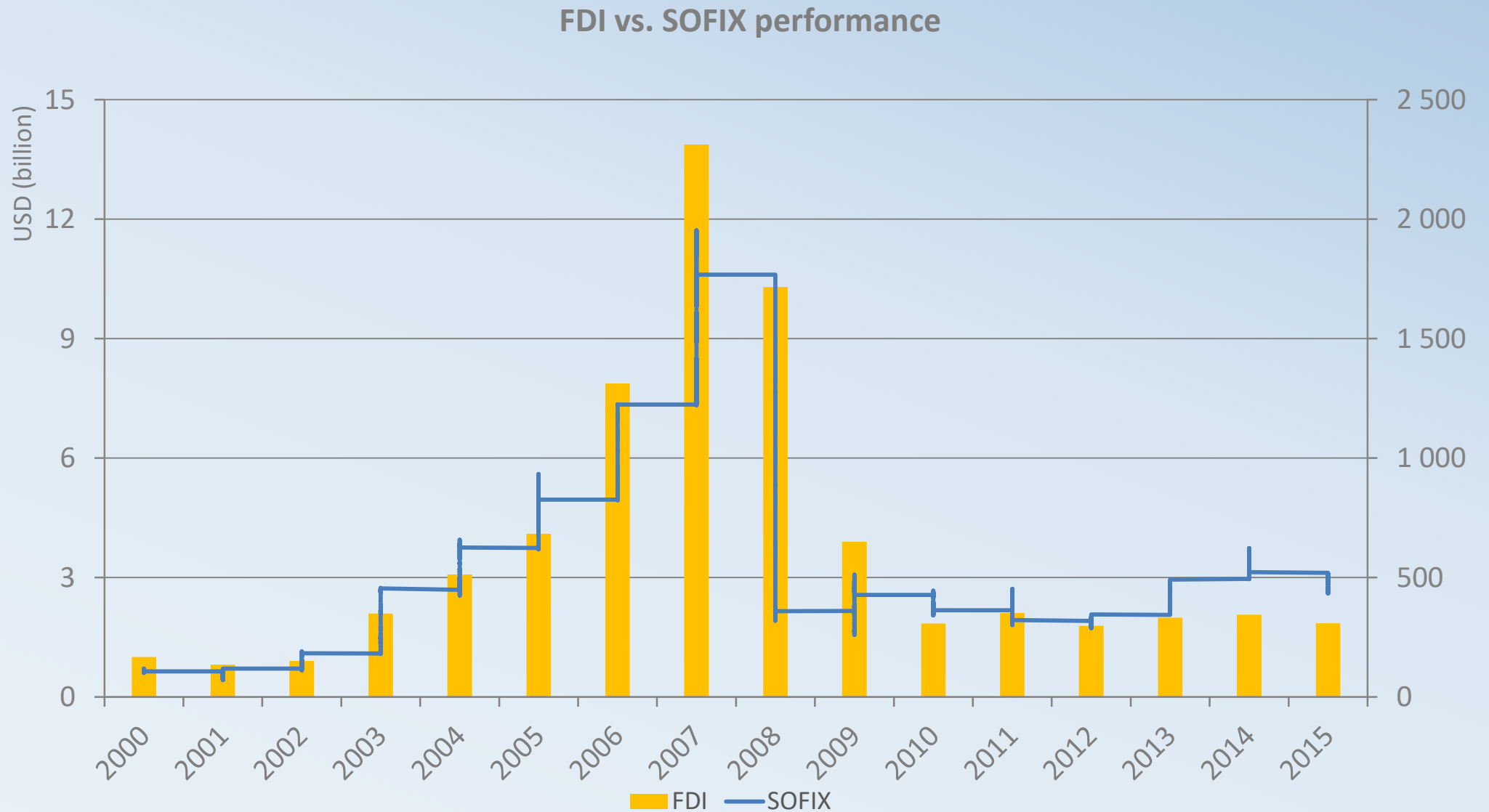
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Market Highlights (1)

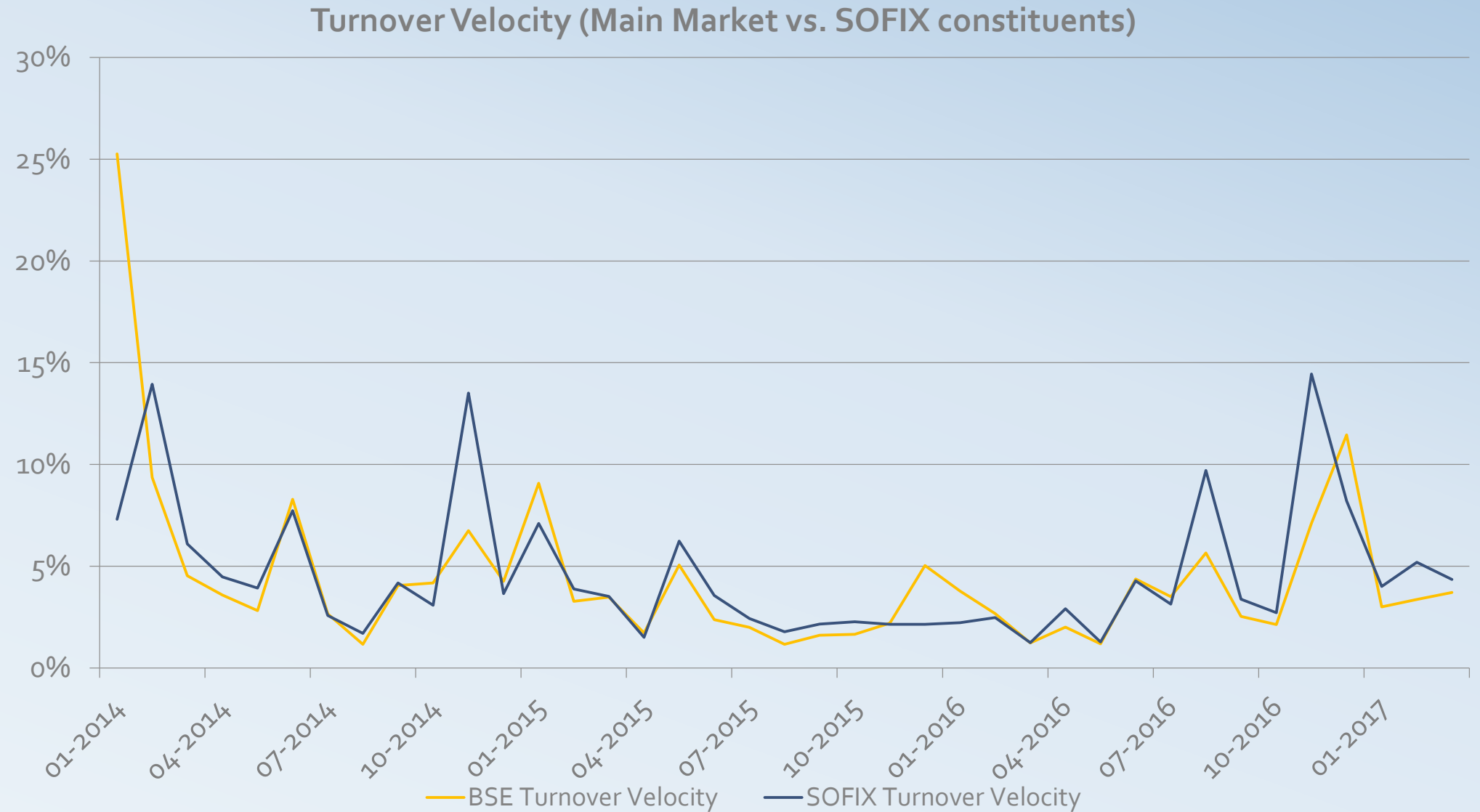
	2013	2014	2015	2016
Trading value (EUR million)	792	388	210	213
Capital raised (EUR million)	58.60	15.62	16.53	23.33
Companies raised capital	11	5	5	7
Average capital raised per company (EUR million)	5.33	3.12	3.31	3.33
IPOs	1	1	1	2



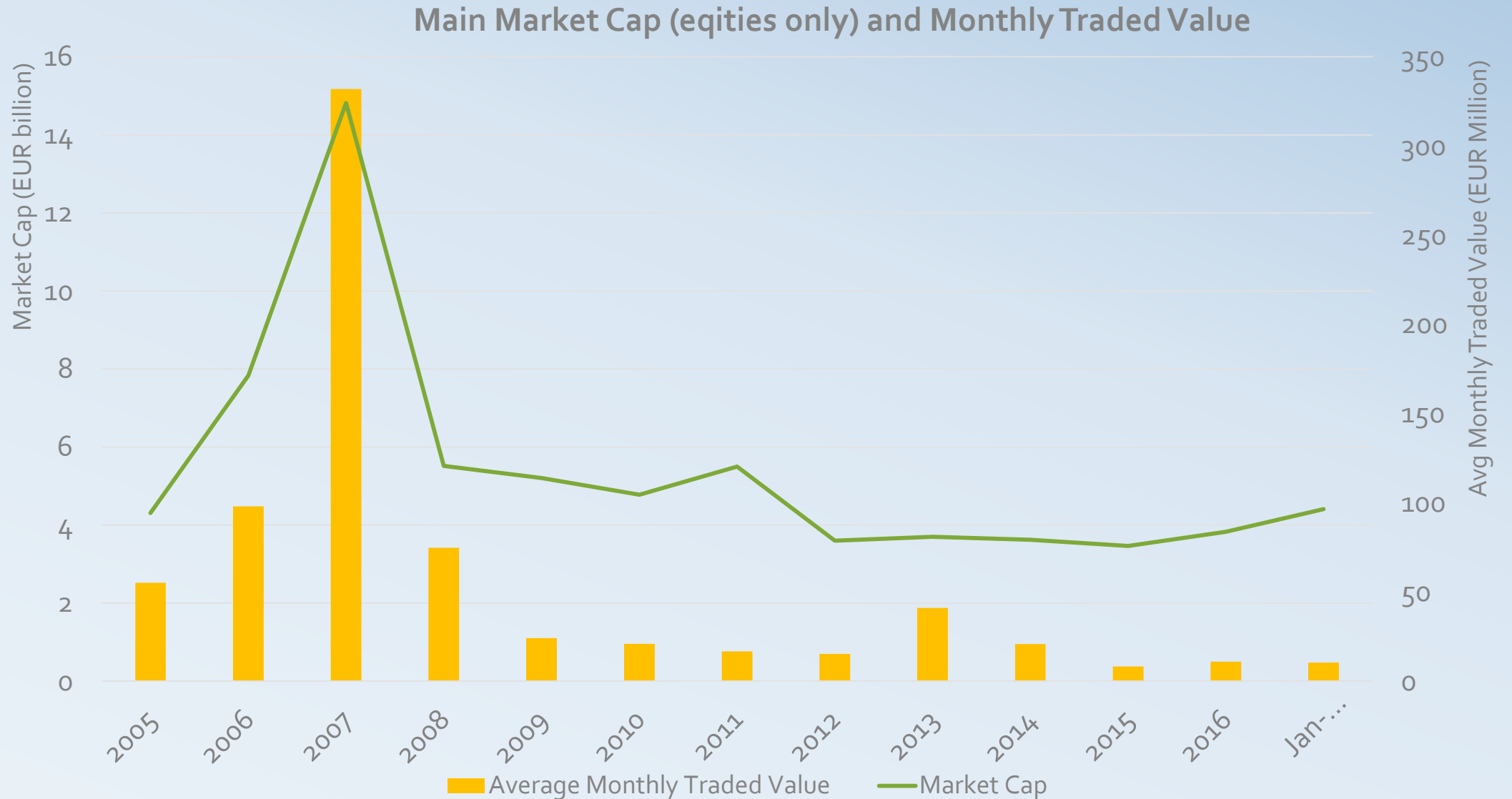
Market Highlights (2)



Market Highlights (3)

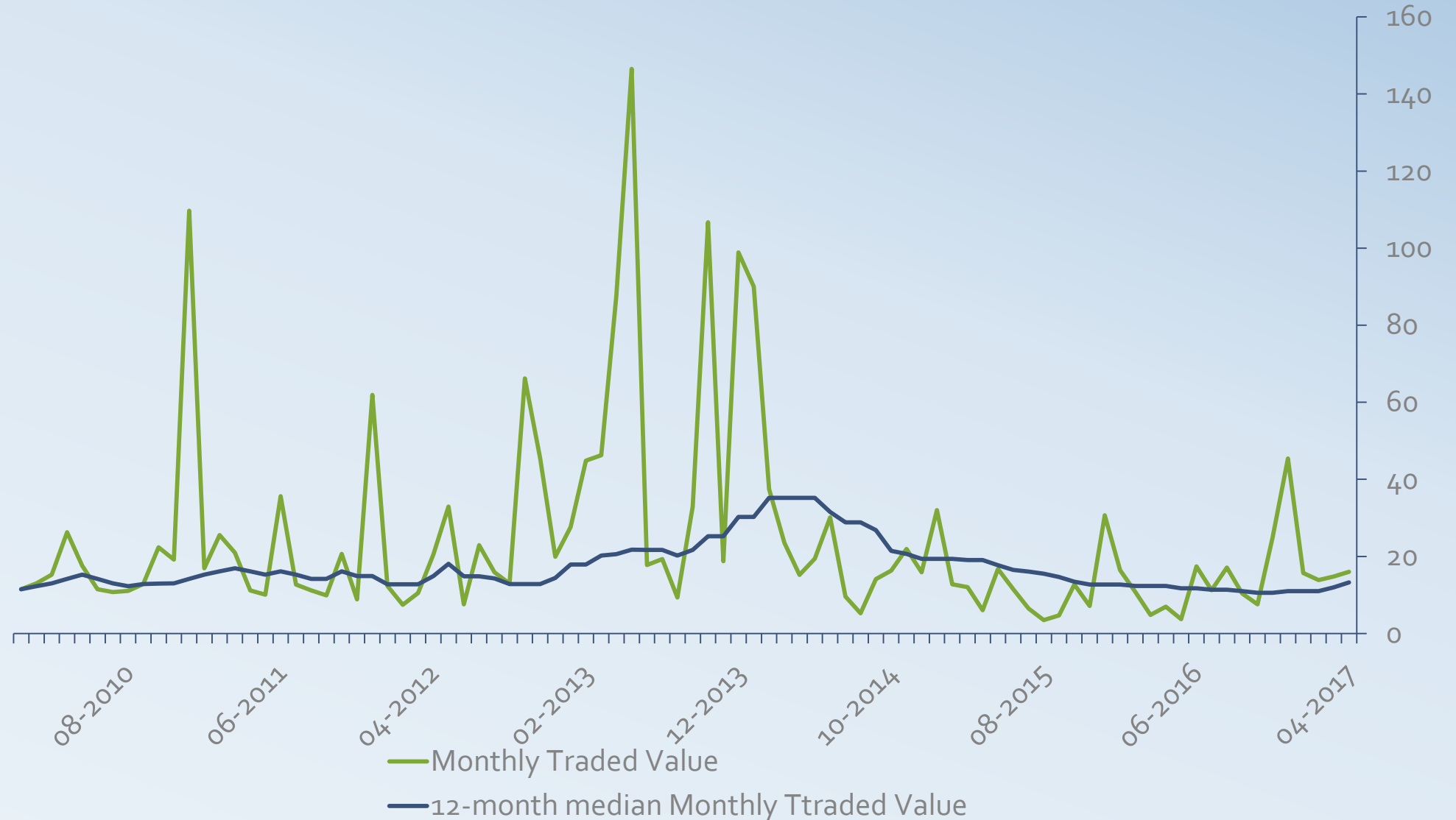


Market Highlights (4)

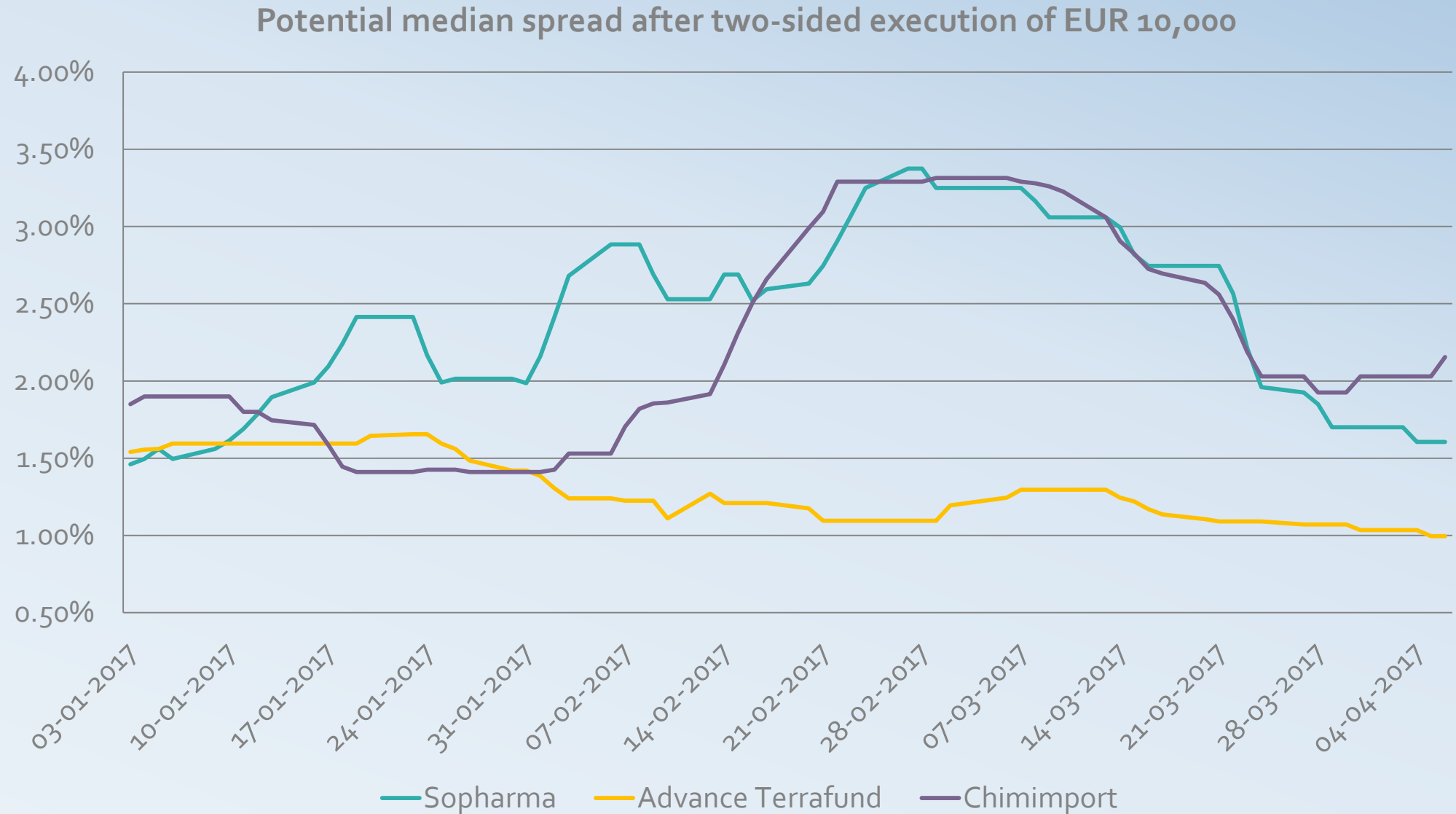


Market Highlights (5)

Monthly Traded Value vs. 12-month Median Monthly Traded Value



Market Highlights (6)

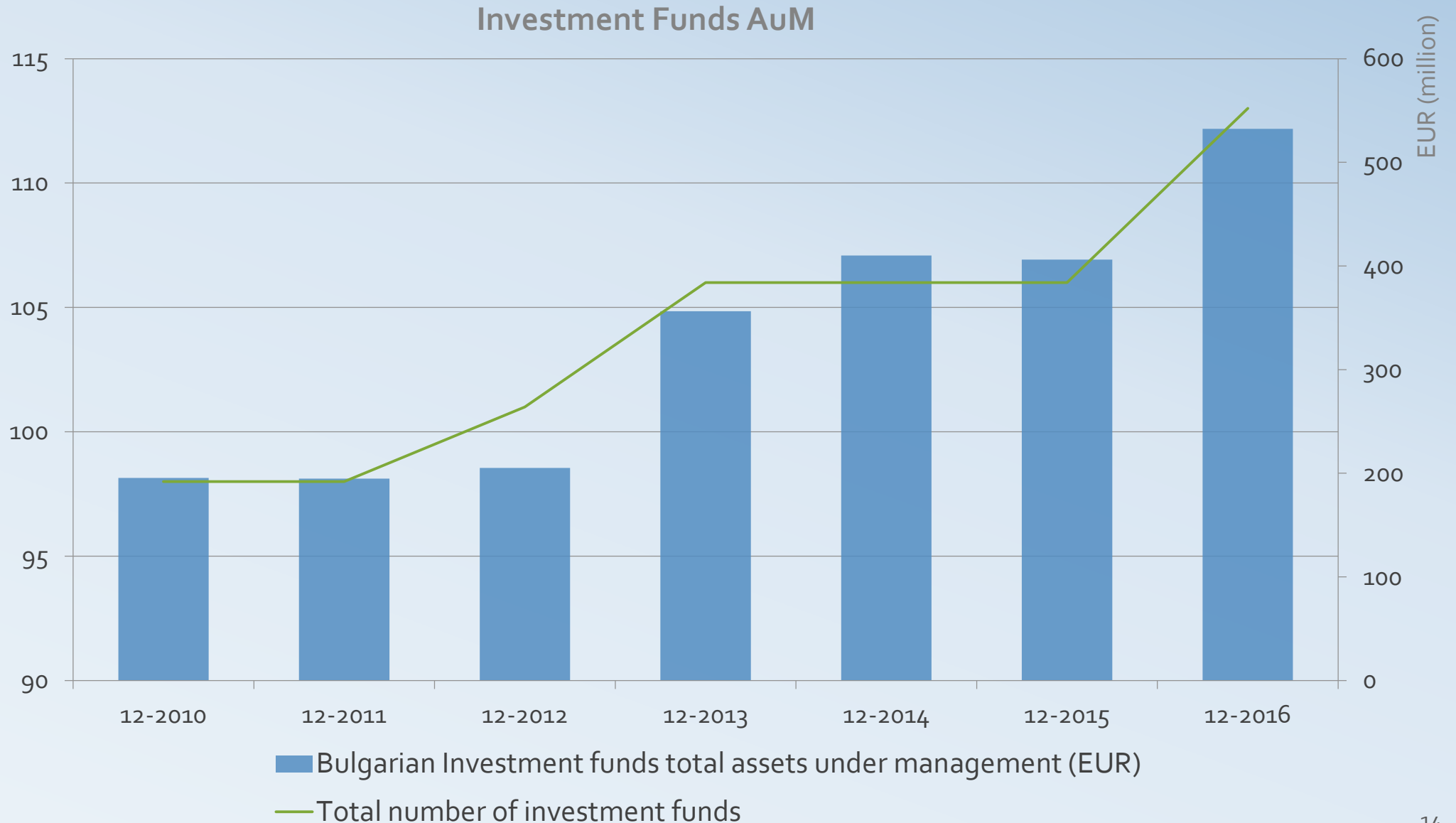


Market Highlights (7)

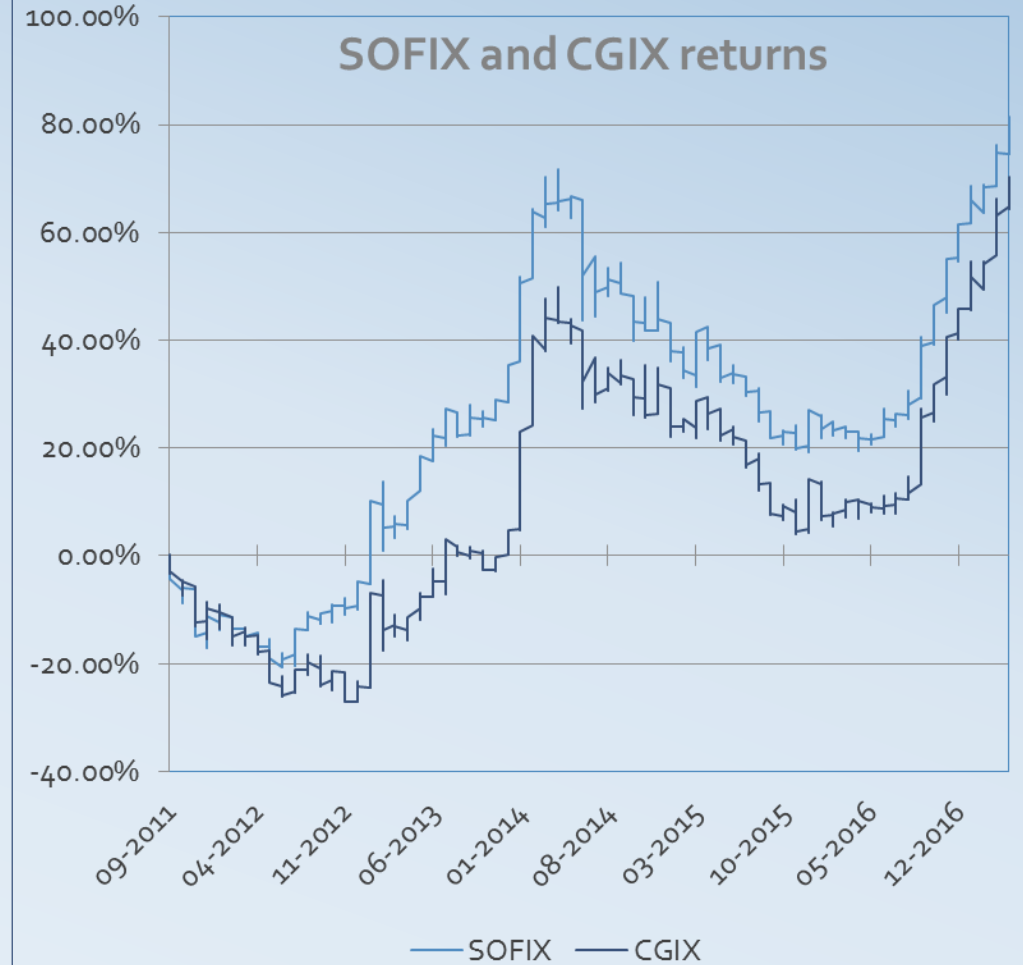
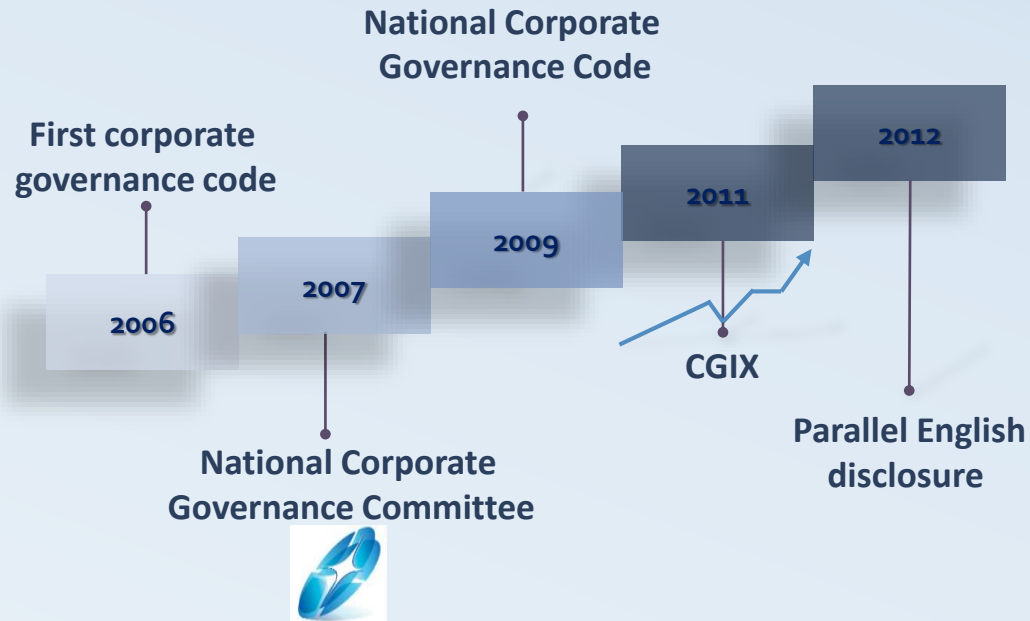
Asset Management Companies	31
Net Assets Under Managements (AuM) of mutual funds (EUR million)	532
Net Assets Under Managements (AuM) of pension funds (EUR million)	5 552
Market Cap held by institutional investors (EUR million)	996
Share ownership by institutional investors	17.86%
Share ownership in SOFIX Companies by institutional investors	6.11%
Share ownership in BGBX40 Companies by institutional investors	9.00%

*Institutional investors include investment funds, UCITs, Pension insurance companies
<http://www.fsc.bg/>, <http://baud.bg>*

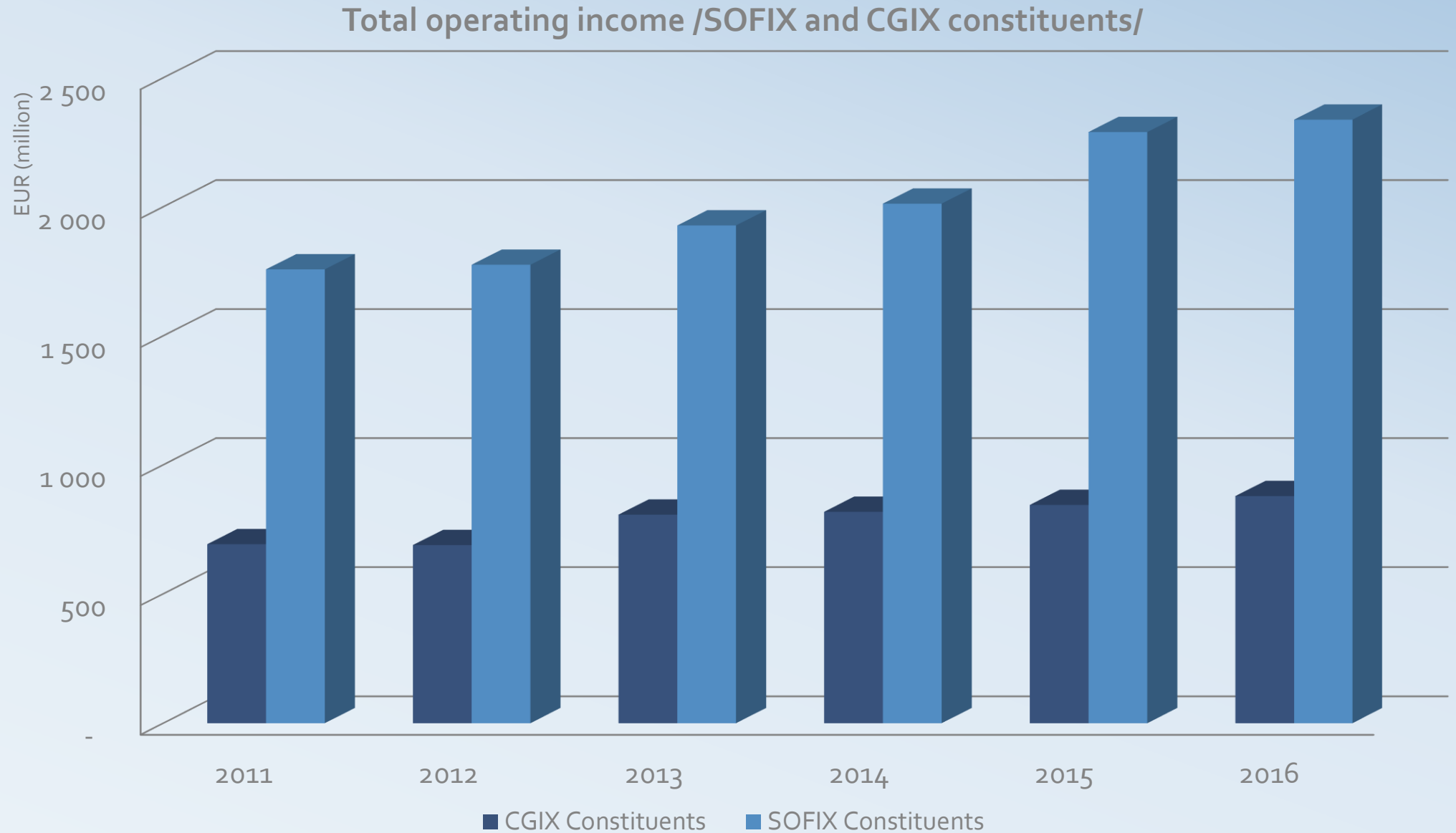
Market Highlights (8)



Corporate Governance

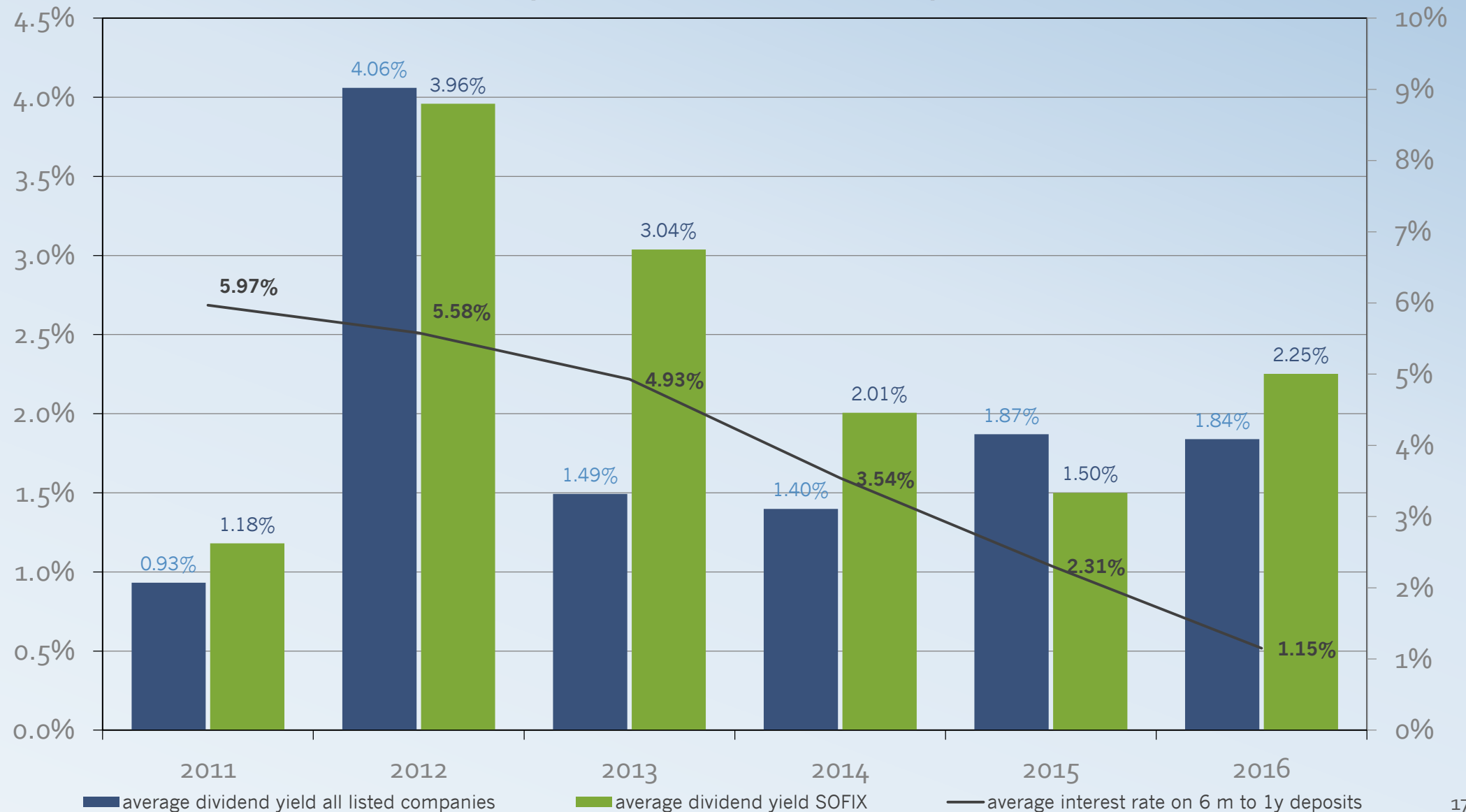


Corporate Governance (2)



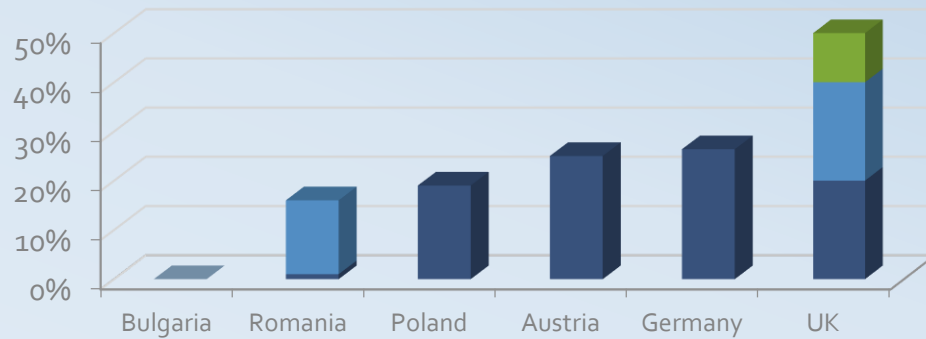
Why invest in Bulgaria

Dividend yield and interest rates comparison

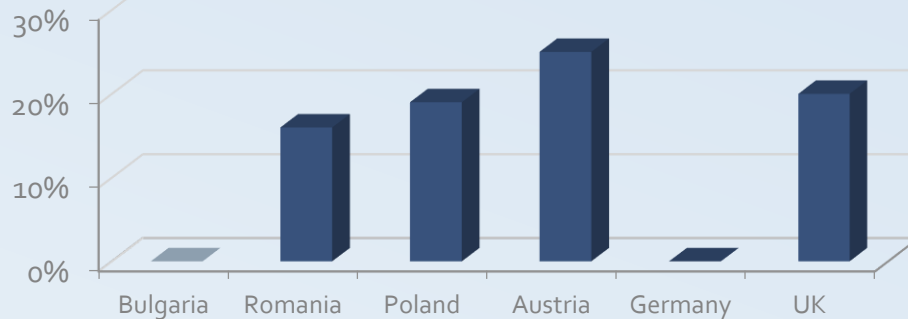


Why invest in Bulgaria

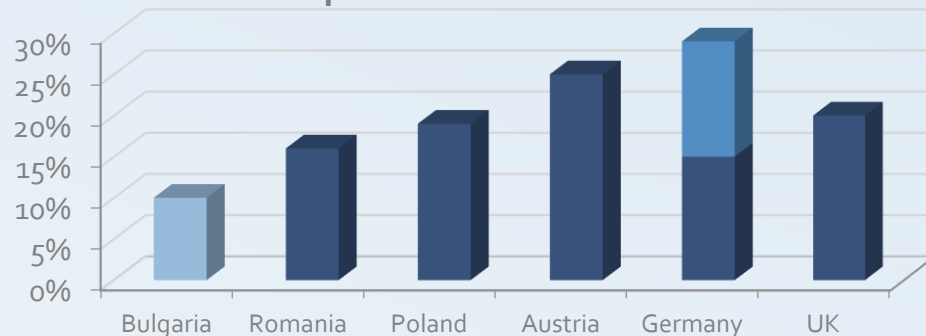
Natural Person Capital Gains Taxation



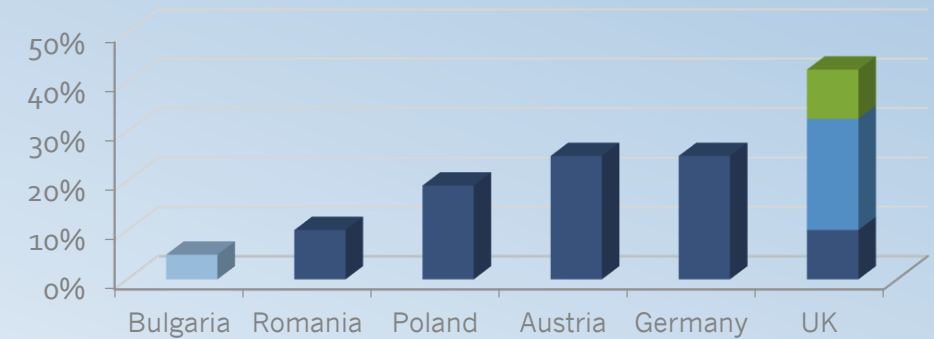
Legal Person Capital Gains Taxation



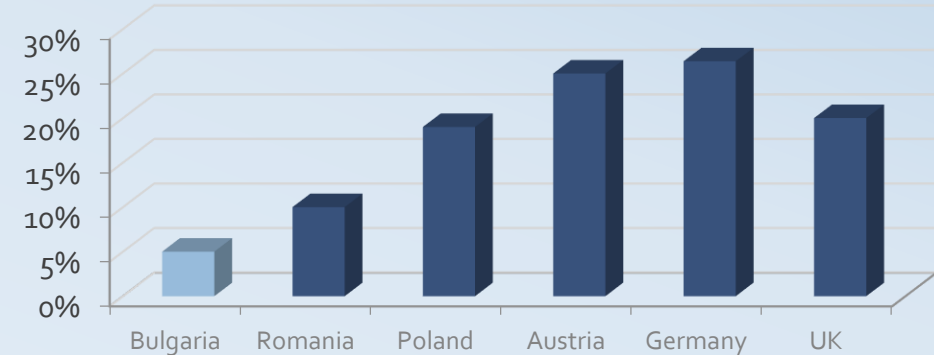
Corporate Income Taxation



Natural Person Dividends Taxation

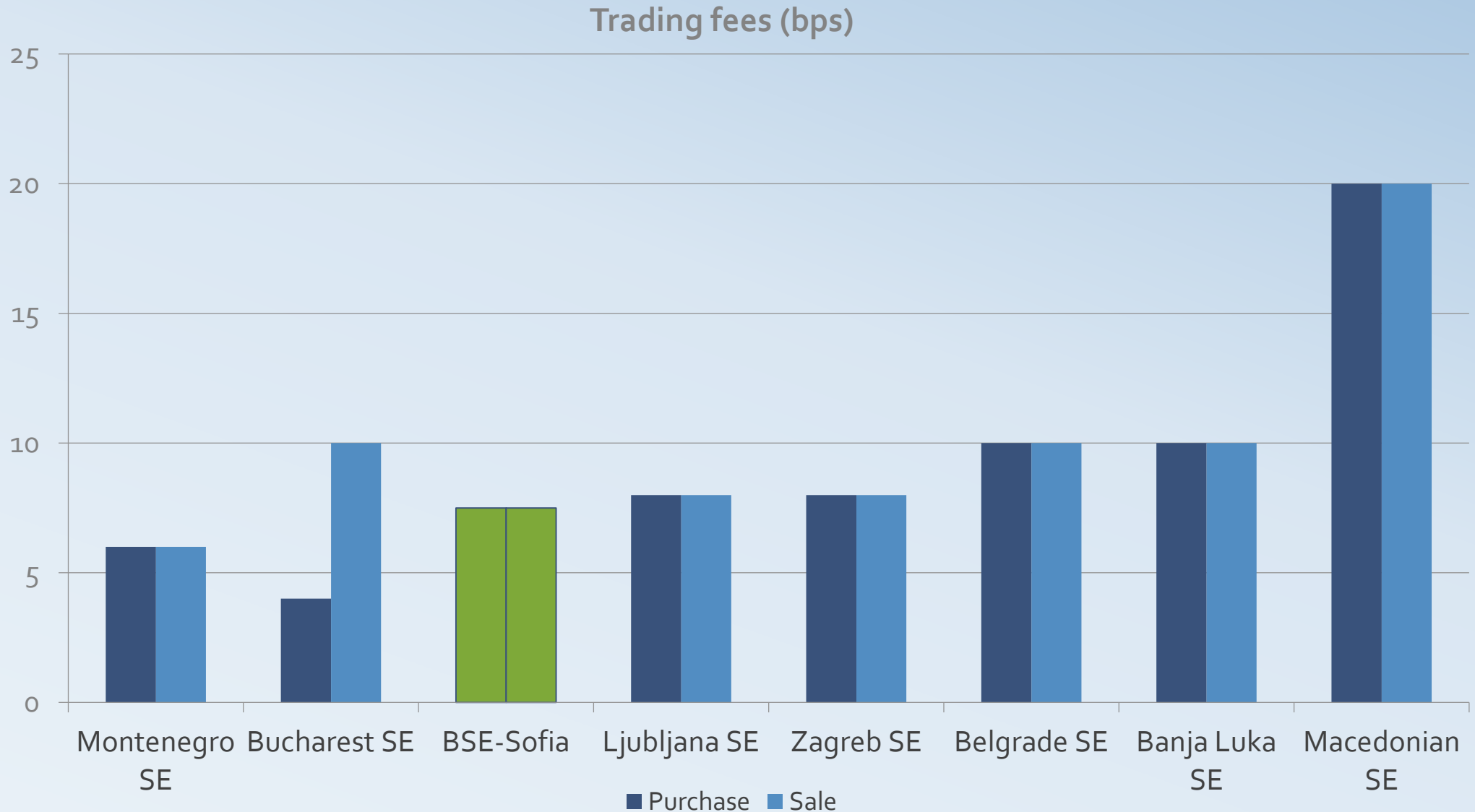


Legal Person Dividend Taxation



- 0% tax on capital gains;
- 5% dividend withholding tax;
- 10% flat corporate & personal income tax

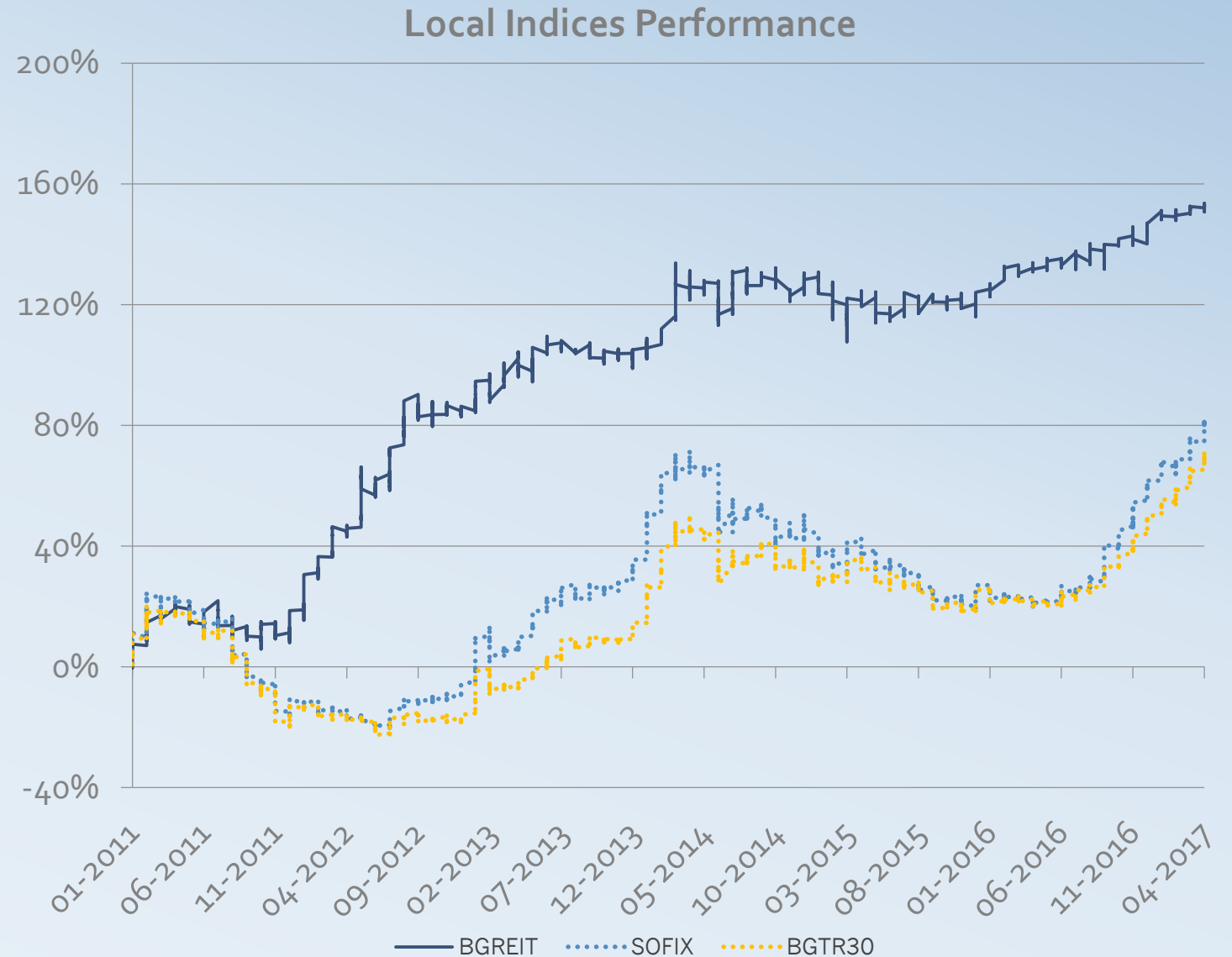
Why invest in Bulgaria



Note: BSE charges per executed order regardless of the number of executions it may trigger.

Why invest in Bulgaria

Index	Last 52w performance
SOFIX	48.51%
WIG	29.39%
ATX	29.22%
BET	27.64%
MBI10	24.50%
DAX	23.90%
BUX	22.64%
CAC 40	18.93%
RTS	17.17%
BELEX15	16.69%
FTSE 100	15.41%
CROBEX	12.64%
ISE 100	10.93%
SMI	10.70%
PX Index	10.02%
<u>SASX-10</u>	<u>-11.72%</u>



In the pipeline



**Government
Debt Market**

**Focus on
SMEs**

Order routing platform

Five exchanges
connected

Four more to join

FIX 4.4 implementation

Expected launch Q4
2017

Full domestic debt
coverage

Stepping stone for
other instruments

SME Private market

SME Growth Market

Crowdfunding Platform

But still....why?



Thank you!

