



REPUBLIC OF BULGARIA
MINISTRY OF FINANCE

GOVERNMENT DEBT
MANAGEMENT

MONTHLY BULLETIN

FEBRUARY 2006

REPUBLIC OF BULGARIA
MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

FEBRUARY 2006

ISSN 1311 – 0047

This issue includes materials and data received prior to 30 March 2006.

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Published by the Ministry of Finance, Government Debt Directorate, tel. 9859 2497, 9859 2452.

Website: www.minfin.bg

Ministry of Finance address in Reuters: MFBG01

Subscriptions: tel. 9145 1351

Computer typeset: Publications Division of the Bulgarian National Bank.
Printed and bound in the BNB Printing Centre.

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Abbreviations

BGN	–	<i>The abbreviation of the Redenominated Bulgarian Lev</i>
BIR	–	<i>Base Interest Rate</i>
BNB	–	<i>Bulgarian National Bank</i>
CB	–	<i>Commercial Banks</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
EIB	–	<i>Economic and Investment Bank</i>
GDP	–	<i>Gross Domestic Product</i>
GS	–	<i>Government Securities</i>
IMF	–	<i>International Monetary Fund</i>
JBIC	–	<i>Japan Bank for International Cooperation</i>
LBNB	–	<i>Law on the Bulgarian National Bank</i>
LSPDACB	–	<i>Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings</i>
MF	–	<i>Ministry of Finance</i>
SBL of RB	–	<i>State Budget Law of the Republic of Bulgaria</i>
SDR	–	<i>Special Drawing Rights</i>
TFP	–	<i>Transitional and Final Provisions</i>
ZUNK	–	<i>Bulgarian abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)</i>

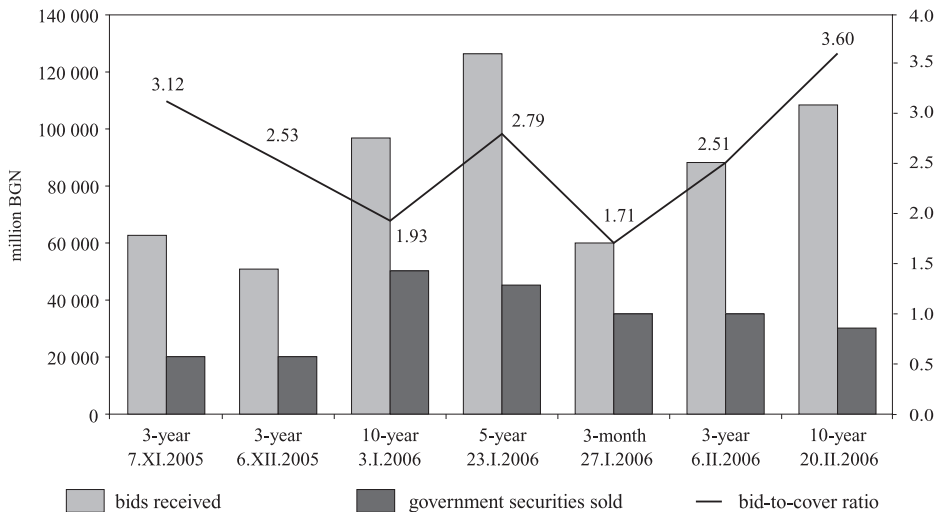
In accordance with the announced monthly issuing calendar, in February the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Ordinance No. 5, including one issue of discount middle-term treasury bills (No. BG2030106111 – a three-month issue) and one tap long-term treasury bonds issue (BG2040006210 – a ten-year issue).

At the auctions primary dealers' bids totaled BGN 195,705 thousand; of this, three-year of BGN 87,800 thousand and ten-year of BGN 107,905 thousand (Chart 1). Approved bids came to BGN 65,000 thousand nominal value, including three-year of BGN 35,000 thousand and ten-year of BGN 30,000 thousand (Charts 1 and 2). The average-weighted bid-to-cover ratio of the issues approved for sale in February accounted for 3.01 distributed as follows: 2.51 for three-year and 3.60 for ten-year government securities (Chart 1).

Government securities issued in February increased by BGN 23.4 million on the same period of 2005 (Chart 2).

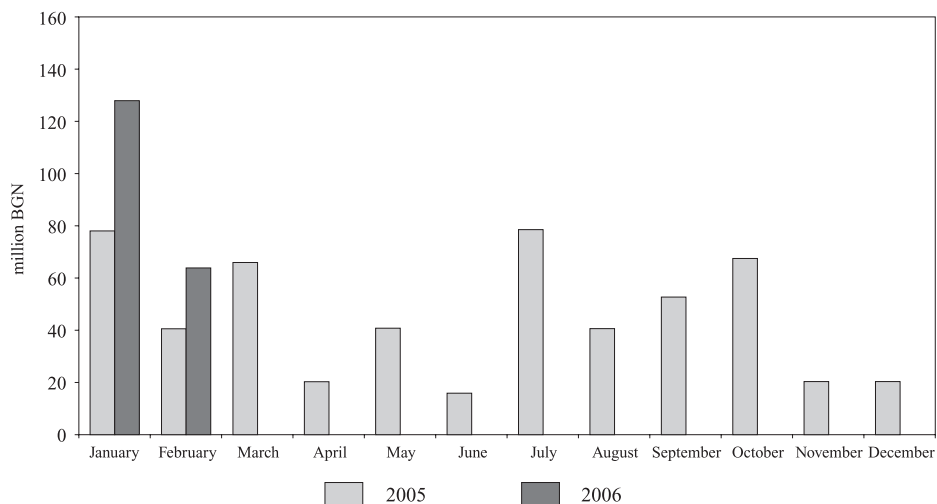
Chart 1

Bids Received and Government Securities Sold at Auctions



Note: The three-, five- and ten-year government securities issues are tap issues. The above dates indicate the auction dates.

Sales of Government Securities Issues



Prices of Issues Sold per BGN 100 Nominal Value

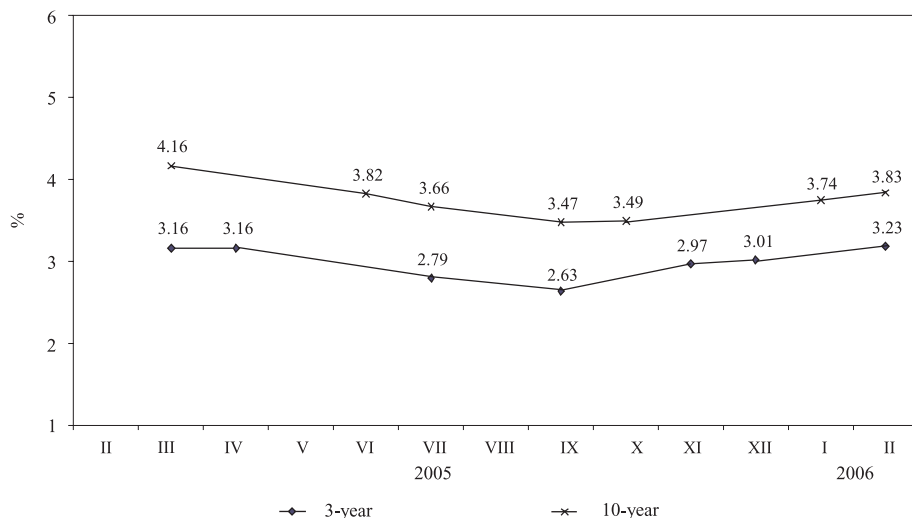
JANUARY 2006

	3-month	5-year	10-year
	BG3010006008	BG2030006113	BG2040006210
Minimum	99.43	98.08	97.65
Average-weighted	99.44	98.37	98.26
Maximum	99.45	99.08	101.75

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	3-year	10-year
	BG2030005115	BG2040006210
Minimum	98.46	97.23
Average-weighted	98.74	97.61
Maximum	99.24	98.75

Dynamics of the Average Annual Yield of Primary Market Government Securities

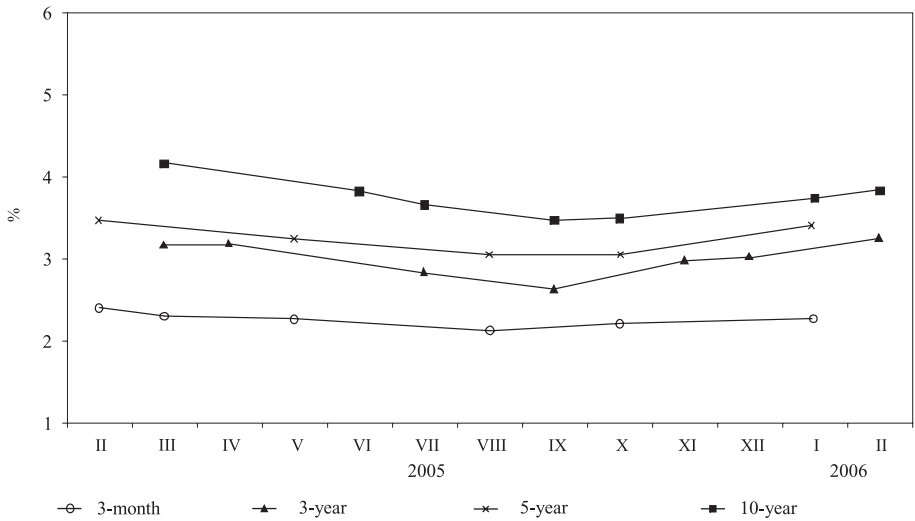


Over the review period the yield attained in the primary market exhibited an increase compared with the last several months. The yield on the three-year treasury bonds grew by 22 basis points to reach 3.23 per cent (against 3.01 per cent) compared with December 2005 when the last issue of three-year treasury bonds was sold. The yield on ten-year treasury bonds was 3.83 per cent, indicating a slight increase of 0.09 percentage point from the previous opening of the issue with the same maturity in January 2006 (Charts 3, 4 and 5).

In February reverse repurchased securities earmarked for direct sale to individuals accounted for BGN 410 thousand.

Chart 4

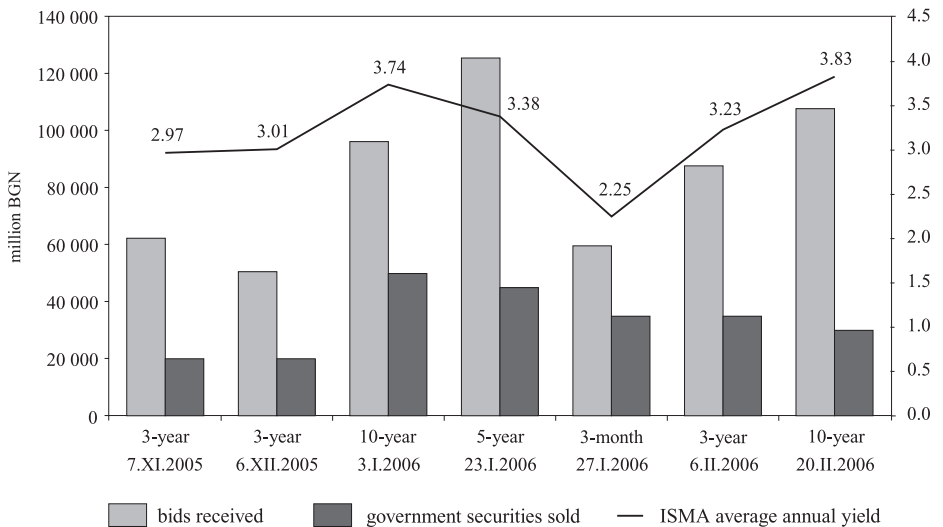
Yield of Primary Market Government Securities by Type



Note: Yield on an effective annual basis.

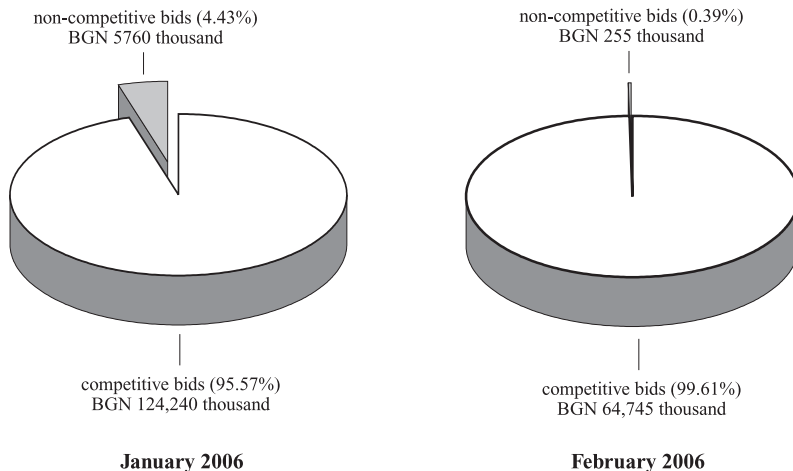
Chart 5

Yield and Sales of Government Securities

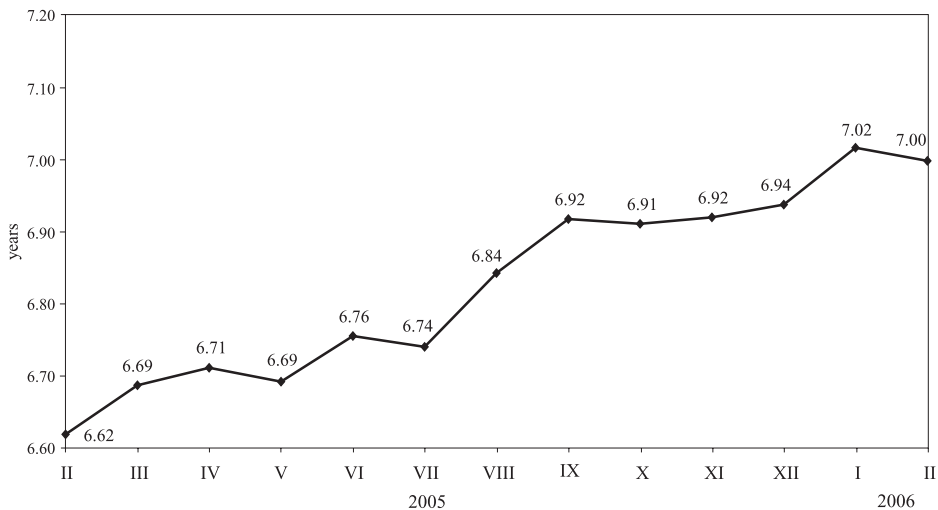


Note: The three-, five- and ten-year government securities issues are tap issues. The above dates indicate the auction dates.

Government Securities Bought in the Primary Market through Competitive and Non-competitive Bids

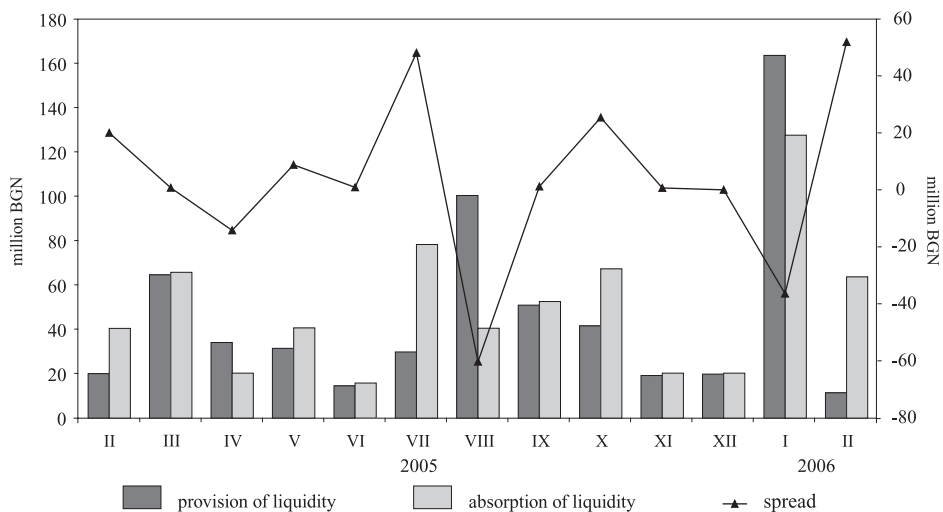


Average Term of Outstanding Government Securities Issues by Year



Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Liquidity Provision and Absorption through Government Securities Maturities and Issues



Pending Payments on Government Securities in April 2006

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
	3	4	5	6	7
bonds target issues ZUNK, BGN	368.00 56.19				
	10	11	12	13	14
bonds target issues					
	17	18	19	20	21
bonds target issues	3 175.78 441.11				
	24	25	26	27	28
bills bonds target issues	2 094.25	44 718.41		35 000.00 2.15	
May	1	2	3	4	5
bonds target issues		1 115.75 333.37			

Note: When the payment day is not a business day, payment is effected on the following business day.

Auction Calendar of Government Securities Issues for April 2006

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
10.04.2006*	12.04.2006	08.02.2009	3 years	40 000 000	
25.04.2006*	26.04.2006	04.01.2016	10 years	50 000 000	
TOTAL, incl.:				90 000 000	
bonds				90 000 000	

* Tap issue.

The Ministry of Finance is entitled to make relevant adjustments in the calendar where necessary.

By end-February 2006 domestic debt totaled BGN 2,906,741.9 thousand in nominal terms. The share of government securities issues in total debt was 85.1 per cent (BGN 2,473,482 thousand) and that of government securities issued for structural reform 14.9 per cent (BGN 433,259.9 thousand, Chart 9).

Government securities issued since early-2006 amounted to BGN 195,000 thousand. Redeemed government securities accounted for BGN 96,570.8 thousand, including short-term bills of BGN 15,000 thousand. As a result of newly issued securities, the shares of three-year and ten-year government securities posted an increase to 13 per cent and 20 per cent in the maturity structure of government securities issues, while the shares of all other types of government securities went down (Chart 10). The average-weighted maturity of government securities issues was seven years. Government securities issued for structural reform fell to BGN 433,259.9 thousand over the review month.

Debt foreign exchange structure in February experienced certain changes (Chart 11). The share of government securities in US dollars and in euro decreased to 7.3 per cent and 14.7 per cent respectively, while the share of government securities in levs increased on January to reach 78 per cent. The maturity structure also changed. Short-term and long-term securities dropped to 1.2 per cent and 61.4 per cent, while medium-term securities rose to 37.4 per cent (Chart 12). Government securities with fixed interest coupons comprised 85.1 per cent and government securities with floating interest coupons 14.9 per cent.

Since early-2006 interest and discounts paid on government securities issued on the domestic market totaled BGN 46,320.8 thousand. Payments on government securities issues amounted to BGN 40,028.5 thousand, or 86.4 per cent of the total repaid interest and discounts (Chart 16). Interest paid on five-year bonds occupied the largest share, 45.6 per cent, due to the growing amount of these securities, followed by interest payments on seven-year bonds, 26.2 per cent (Chart 15).

Domestic Debt

(BGN'000)

Structure	Amount as of 31 Dec. 2005	Change in 2006		Amount as of 28 Feb. 2006
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUES				
1. Government securities issued in 2001	221 328.9	-	28 325.9	193 003.0
1.1. Medium-term	191 328.9	-	28 325.9	163 003.0
5-year	191 328.9	-	28 325.9	163 003.0
1.2. Long-term	30 000.0	-	-	30 000.0
7-year	30 000.0	-	-	30 000.0
2. Government securities issued in 2002	499 670.0	-	-	499 670.0
2.1. Medium-term	174 750.0	-	-	174 750.0
5-year	174 750.0	-	-	174 750.0
2.2. Long-term	324 920.0	-	-	324 920.0
7-year	240 000.0	-	-	240 000.0
10-year	84 920.0	-	-	84 920.0
3. Government securities issued in 2003	857 136.4	-	52 774.9	804 361.5
3.1. Medium-term	251 191.3	-	52 774.9	198 416.4
3-year	76 191.3	-	52 774.9	23 416.4
5-year	175 000.0	-	-	175 000.0
3.2. Long-term	605 945.2	-	-	605 945.2
7-year	310 362.2	-	-	310 362.2
EUR-denominated (lev equivalent)	205 362.2	-	-	205 362.2
10-year	100 000.0	-	-	100 000.0
15-year	195 583.0	-	-	195 583.0
EUR-denominated (lev equivalent)	195 583.0	-	-	195 583.0
4. Government securities issued in 2004	380 423.5	-	415.9	380 007.6
4.1. Medium-term	220 423.5	-	415.9	220 007.6
3-year	111 540.8	-	111.0	111 429.8
5-year	108 882.7	-	305.0	108 577.7
EUR-denominated (lev equivalent)	8 882.7	-	305.0	8 577.7
4.2. Long-term	160 000.0	-	-	160 000.0
7-year	80 000.0	-	-	80 000.0
10-year	80 000.0	-	-	80 000.0
5. Government securities issued in 2005	416 494.0	-	15 054.1	401 440.0
5.1. Short-term	15 000.0	-	15 000.0	-
3-month	15 000.0	-	15 000.0	-
5.2. Medium-term	251 494.0	-	54.1	251 440.0
3-year	150 638.3	-	47.2	150 591.1
5-year	100 855.7	-	6.8	100 848.9
EUR-denominated (lev equivalent)	855.7	-	-	855.7
5.3. Long-term	150 000.0	-	-	150 000.0
10-year	150 000.0	-	-	150 000.0
6. Government securities issued in 2006	-	195 000.0	-	195 000.0
6.1. Short-term	-	35 000.0	-	35 000.0
3-month	-	35 000.0	-	35 000.0
6.2. Medium-term	-	80 000.0	-	80 000.0
3-year	-	35 000.0	-	35 000.0
5-year	-	45 000.0	-	45 000.0
6.3. Long-term	-	80 000.0	-	80 000.0
10-year	-	80 000.0	-	80 000.0
TOTAL (I)	2 375 052.9	195 000.0	96 570.8	2 473 482.0

(continued)

(continued)

(BGN'000)

Structure	Amount as of 31 Dec. 2005	Change in 2006		Amount as of 28 Feb. 2006
		increase	decrease	
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM				
1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	1 651.0	-	275.2	1 375.9
2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 526.2	-	-	1 526.2
3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993 in BGN	5 598.1	-	-	5 598.1
denominated in USD	138 472.5		9 890.9	128 581.6
lev equivalent	229 573.6			211 775.2
denominated in EUR	116 943.2	-	8 353.1	108 590.1
lev equivalent	228 721.1			212 383.8
4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	600.7		-	600.7
TOTAL (II)	467 670.7			433 259.9
GOVERNMENT DEBT, TOTAL	2 842 723.5			2 906 741.9
III. DOMESTIC GOVERNMENT GUARANTEES				
	-			-
DOMESTIC DEBT, TOTAL	2 842 723.5			2 906 741.9

Notes:

As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in the stock of domestic and external debt are reported at nominal value.

The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the loans extended by the BNB to the MF are reported as domestic government debt to the BNB, on the one hand, and external debt of the BNB to the IMF, on the other hand.

In the *Government Debt Management* bulletin, debt to the IMF is included in the external debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

Debt recalculation in US dollars and euro is based on BNB exchange rate of the relevant currency against the lev for the last business day of the respective period.

Changes in Domestic Government Debt

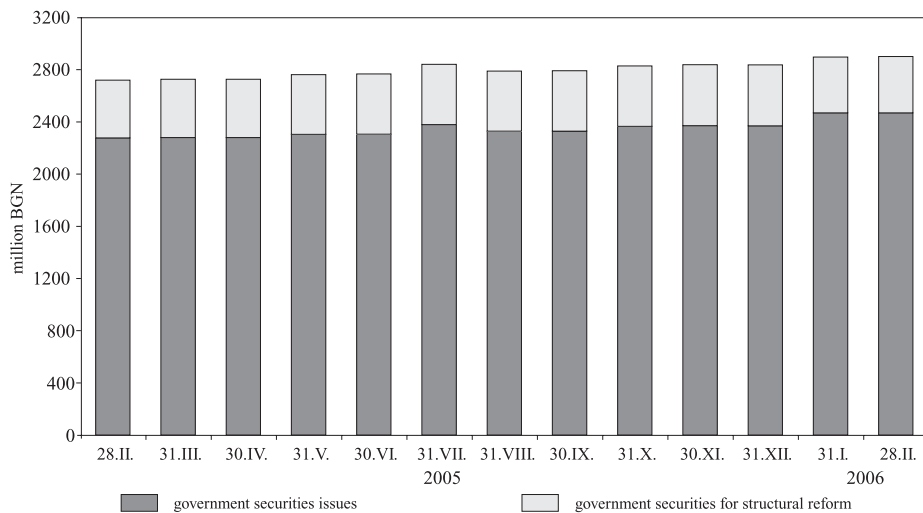
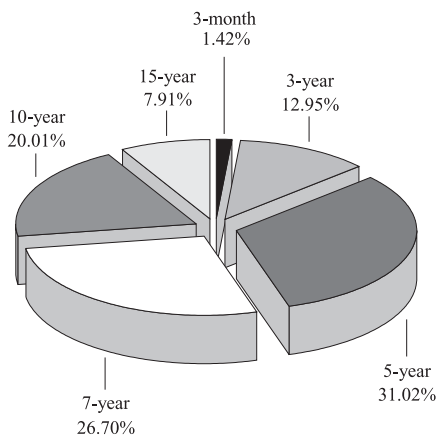


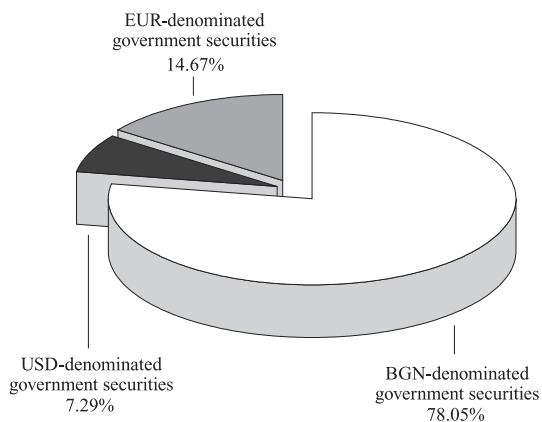
Chart 10

Outstanding Government Securities Issues as of 28 February

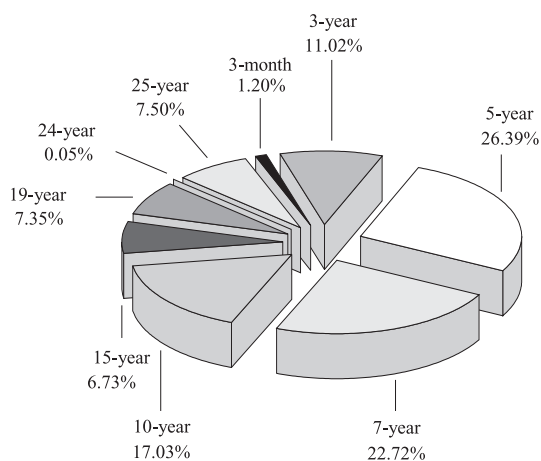


Note: The average-weighted maturity of government securities issues is seven years.

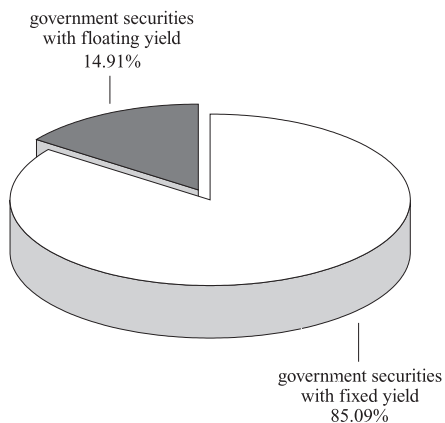
Foreign Exchange Composition of Outstanding Government Securities as of 28 February



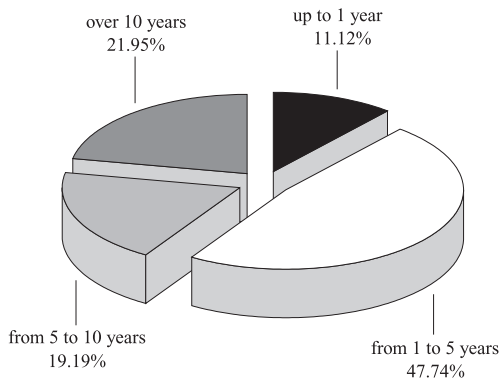
Maturity Structure of Outstanding Government Securities as of 28 February



Shares of Outstanding Government Securities with Fixed and Floating Yield as of 28 February



Residual Maturity of Domestic Debt as of 28 February



Expenditure on Domestic Debt between 1 January and 28 February 2006

(BGN'000)

Debt structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUES	
1. Government securities issued in 2001	3 402.4
1.1. Medium-term*	3 402.4
5-year	3 402.4
2. Government securities issued in 2002	11 447.7
2.1. Medium-term	5 952.9
5-year	5 952.9
2.2. Long-term	5 494.8
7-year	5 494.8
3. Government securities issued in 2003	12 527.5
3.1. Medium-term	6 078.1
3-year	1 556.8
5-year	4 521.2
3.2. Long-term	6 449.5
7-year	3 109.7
10-year	3 339.7
4. Government securities issued in 2004	7 601.2
4.1. Medium-term	3 588.4
3-year	1 031.3
5-year	2 557.2
4.2. Long-term	4 012.7
7-year	1 915.6
10-year	2 097.1
5. Government securities issued in 2005	5 200.2
5.1. Short-term	83.7
3-month	83.7
5.2. Medium-term	1 902.8
3-year	5.6
5-year	1 897.3
5.3. Long-term	3 213.7
10-year	3 213.7
6. Government securities issued in 2006	-150.5
6.1. Long-term	-150.5
10-year	-150.5
TOTAL (I)	40 028.5

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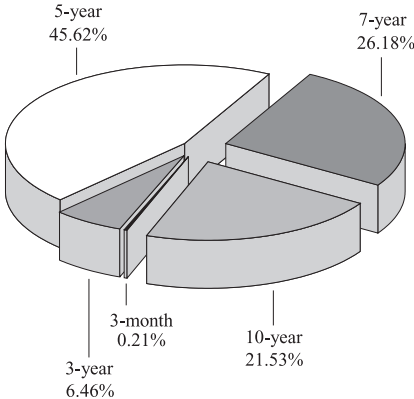
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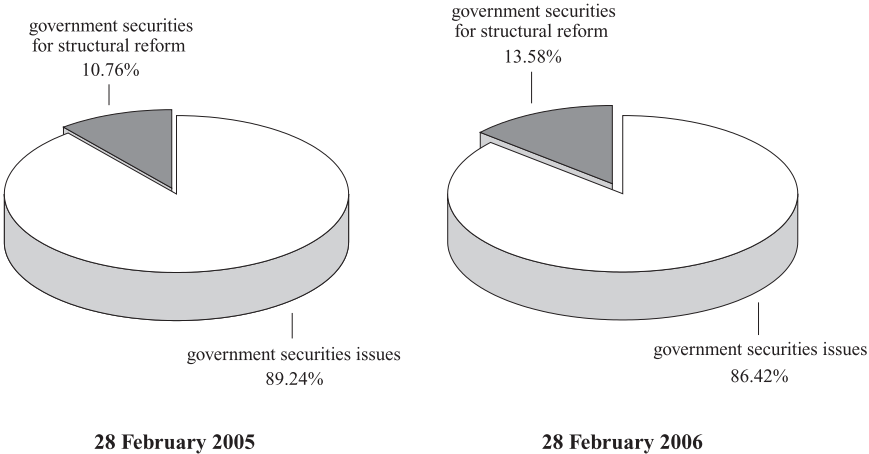
Debt structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle non-performing loans of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	25.1
2. Bonds issued pursuant to CM Decree No. 186 of 1992	15.6
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	6 251.7
lev bonds	0.0
USD-denominated bonds (in BGN at the current exchange rate)	3 776.3
EUR-denominated bonds (in BGN at the fixed exchange rate)	2 475.3
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	6 292.3
TOTAL (II)	6 292.3
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	46 320.8

* Including interest revenue from tap medium-term government securities issues.

Structure of Expenditure on Government Securities Issues



Structure of Expenditure on Domestic Debt



By end-February external debt totaled EUR 5011.3 million in nominal terms. Government debt accounted for EUR 4472.6 million and government guaranteed debt amounted to EUR 538.7 million.

In February new external financing totaled BGN 98,183 thousand. Payments on the debt totaled BGN 471,521.1 thousand, including principal payments of BGN 413,142.7 thousand and interest payments of BGN 58,378.4 thousand. The bulk of payments was made to the IMF (BGN 323,525.3 thousand), the European Union (BGN 61,119.7 thousand) and the G24 (BGN 11,063.2 thousand). Interest payments were made mainly on other bonds (global and eurobonds, BGN 35,449.4 thousand), to the IMF (BGN 13,846.9 thousand), on government investment loans (BGN 4034.8 thousand) and on government guaranteed debt (BGN 2106.5 thousand). In February net external financing was negative and totaled BGN -314,959.7 thousand.

In February an advance payment of some of the debt to the IMF amounting to BGN 323,525.3 thousand was effected. This coupled with other debt payments led to changes in foreign exchange debt structure. Debt denominated in other currencies exhibited a decline on January reaching 12.3 per cent by end-February. The share of debt in euro and that in US dollars went up to come to 60.1 per cent and 27.6 per cent respectively. Debt interest structure also changed. Debt with floating interest rates decreased to 41.5 per cent against 58.5 per cent of debt with fixed interest rates. The average-weighted residual term to maturity of the external debt was nine years and three months.

The structure of external debt by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) accounting for 43 per cent, to the World Bank 16.4 per cent and to the IMF 7.6 per cent. Obligations to the European Union accounted for 5.1 per cent, to the Paris Club 3.3 per cent and on government guaranteed loans 10.8 per cent.

External Debt

(million EUR)

Structure	as of 31 Dec. 2005	as of 31 Jan. 2006	as of 28 Feb. 2006
Government debt	4 876.8	4 625.6	4 472.6
I. Bonds	2 162.5	2 133.9	2 155.4
1. Other bonds	2 162.5	2 133.9	2 155.4
II. Loans	2 714.3	2 491.7	2 317.2
1. Paris Club	163.7	163.7	163.7
2. World Bank	1 020.0	822.3	821.2
2.1. World Bank	943.4	747.5	747.7
2.2. JBIC (JEXIM)	76.6	74.8	73.5
3. G24	36.9	36.5	31.2
4. European Union	287.5	287.5	256.3
5. IMF	559.5	539.2	379.1
6. Other	62.3	62.3	62.3
7. Government investment loans	549.2	545.3	569.9
7.1. World Bank	150.6	155.2	159.0
7.2. European Investment Bank	262.6	259.3	277.1
7.3. EBRD	17.0	13.1	13.3
7.4. Other	119.0	117.7	120.6
8. Called government guarantees	35.2	34.9	33.5
8.1. World Bank	28.9	28.7	27.2
8.2. Other	6.3	6.2	6.3
Government guaranteed debt	514.2	510.9	538.7
1. World Bank	102.4	101.1	99.6
2. European Investment Bank	8.1	8.1	8.1
3. EBRD	48.6	49.7	51.4
4. Other	355.1	352.0	379.6
EXTERNAL DEBT, TOTAL	5 391.0	5 136.5	5 011.3
EXTERNAL DEBT, TOTAL (million USD)	6 359.7	6 224.4	5 950.9

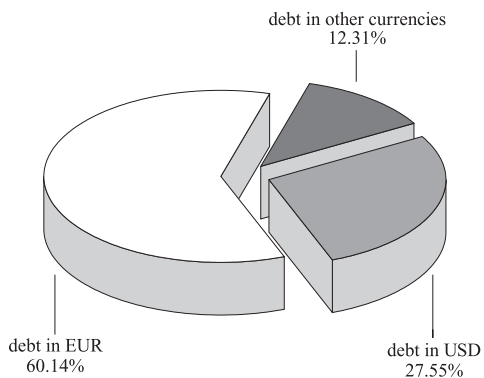
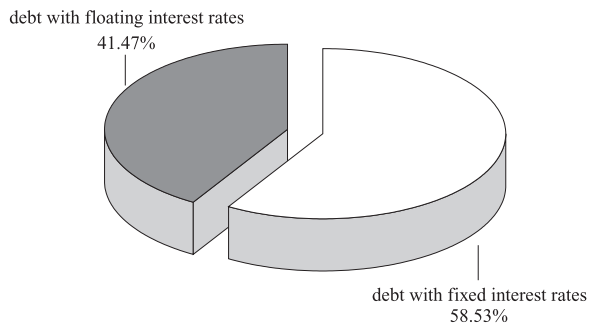
- Notes:**
1. Debt based on cash flows. External debt based on cash flows as of 1 January 2003.
 2. Loans in the *Government investment loans* and *Government guaranteed debt* items have been rearranged according to the provisions of the Law on the Government Debt (published in the Darjaven Vestnik, issue 93 of 1 October 2002).
 3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the loans extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and external debt of the BNB to the IMF, on the other hand. In the *Government Debt Management* bulletin, debt to the IMF is included in the external debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.
 4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.
 5. Preliminary data for the last month.

New External Financing and External Debt Payments as of 28 February

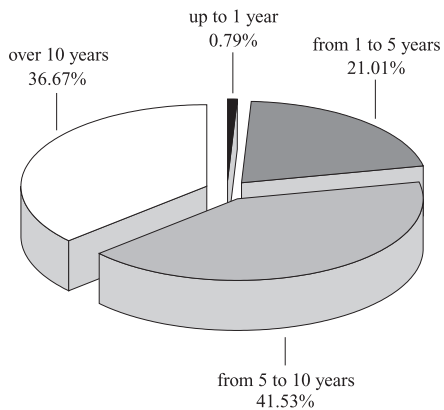
(BGN'000)

Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
Government debt	68 038.0	822 534.9	271 050.1
I. Bonds	-	-	242 625.7
1. Other bonds	-	-	242 625.7
II. Loans	68 038.0	822 534.9	28 424.4
1. Paris Club	-	-	-
2. World Bank	-	374 231.0	2 495.6
2.1. World Bank	-	367 627.1	2 343.2
2.2. JBIC (JEXIM)	-	6 603.9	152.4
3. G24	-	11 063.2	138.6
4. European Union	-	61 119.7	1 911.8
5. IMF	-	346 325.9	13 846.9
6. Other	-	-	-
7. Government investment loans	68 038.0	26 596.1	9 295.9
7.1. World Bank	17 866.1	1 422.4	-
7.2. European Investment Bank	46 939.9	17 433.9	5 955.9
7.3. EBRD	-	7 068.2	730.9
7.4. Other	3 232.0	671.6	2 609.1
8. Called government guarantees	-	3 199.0	735.6
8.1. World Bank	-	3 199.0	735.6
8.2. European Investment Bank	-	-	-
8.3. Other	-	-	-
Government guaranteed debt	54 775.1	5 367.6	3 350.7
1. World Bank	912.1	5 367.6	1 358.4
2. European Investment Bank	-	-	-
3. EBRD	5 829.9	-	105.4
4. Other	48 033.1	-	1 886.9
TOTAL	122 813.1	827 902.5	274 400.8

Notes: 1. Lev equivalence of the new external financing received and payments effected is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

Currency Composition of the External Debt as of 28 February**Interest Rate Structure of the External Debt as of 28 February**

Residual Maturity of the External Debt as of 28 February



Note: The average-weighted residual maturity of the external debt is nine years and three months.

By end-February government and government guaranteed debt totaled EUR 6497.5 million nominal value, including domestic debt of EUR 1486.2 million and external debt of EUR 5011.3 million. The decrease in nominal terms was EUR 90.5 million on the previous month due mainly to the advance payment of some of the debt to the IMF in February.

By end-February the *debt to GDP* ratio was 27.9 per cent, a 0.4 percentage point fall on end-January 2006. The value of this indicator for domestic debt and external debt accounted for 6.4 per cent and 21.5 per cent respectively (Chart 20).

Domestic debt occupied 22.9 per cent and external debt 77.1 per cent in the debt structure (Chart 21).

The foreign exchange debt structure experienced certain changes due to the advance payment of some of the debt to the IMF. By end-February debt in US dollars reached 22.9 per cent, in euro 49.7 per cent, in levs 17.9 per cent and in other currencies 9.5 per cent (Chart 22).

In the structure of external debt by type of creditor, other bonds (global and eurobonds) occupied the largest share, totaling 33.2 per cent, followed by domestic debt (government securities) 22.9 per cent, obligations to the World Bank 12.6 per cent, obligations on government investment loans 8.8 per cent and on government guaranteed debt 8.3 per cent (Chart 23).

By end-February debt interest structure also experienced changes, indicating an increase in the debt with fixed interest rates to 64.6 per cent. Debt with floating interest rates comprised 35.4 per cent (Chart 24).

Since early-2006 payments on government and government guaranteed debt totaled BGN 1276.2 million, including domestic debt payments of BGN 175.8 million and external debt payments of BGN 1100.3 million (Chart 25). In February payments to the IMF comprised the largest share. Domestic debt payments were effected on government securities.

Payments in euro (recalculated in levs: BGN 884.4 million) dominated the foreign exchange composition of debt payments, followed by payments in US dollars (BGN 194.1 million) and in levs (BGN 175.8 million, Chart 26).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31 Dec. 2005	as of 31 Jan. 2006	as of 28 Feb. 2006
Domestic debt	1 453.5	1 451.5	1 486.2
I. Government debt	1 453.5	1 451.5	1 486.2
1. Debt on government securities issues	1 214.3	1 232.2	1 264.7
2. Government securities issued for structural reform	239.1	219.4	221.5
II. Government guaranteed debt	-	-	-
External debt	5 391.0	5 136.5	5 011.3
I. Government debt	4 876.8	4 625.6	4 472.6
1. Bonds	2 162.5	2 133.9	2 155.4
2. Loans	2 714.3	2 491.7	2 317.2
Government investment loans	549.2	545.3	569.9
Called government guarantees	35.2	34.9	33.5
II. Government guaranteed debt	514.2	510.9	538.7
Debt, total	6 844.4	6 588.0	6 497.5
Debt/GDP (%)	32.4	28.2	27.9
Domestic debt/GDP (%)	6.9	6.2	6.4
External debt/GDP (%)	25.5	22.0	21.5

Notes: 1. Debt based on cash flows.

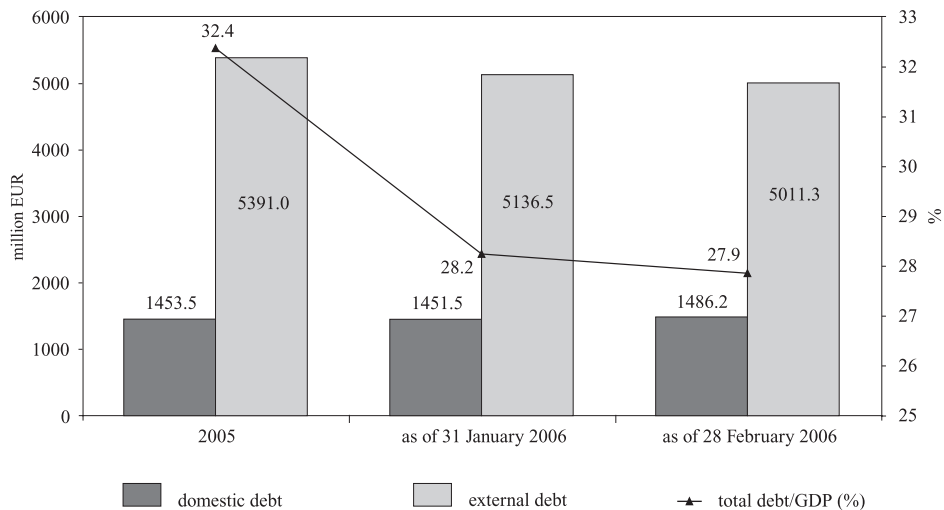
2. GDP projection for 2006: BGN 45,615 million. Revised GDP projection for 2005: BGN 41,343 million.

3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and external debt of the BNB to the IMF, on the other hand. Debt to the IMF is included in the external debt structure and excluded from domestic debt structure in the *Government Debt Management* bulletin.

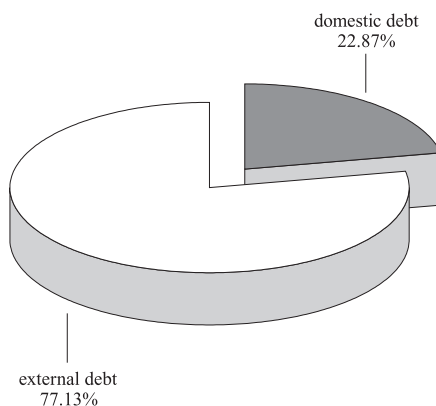
4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.

5. Preliminary data for the last month.

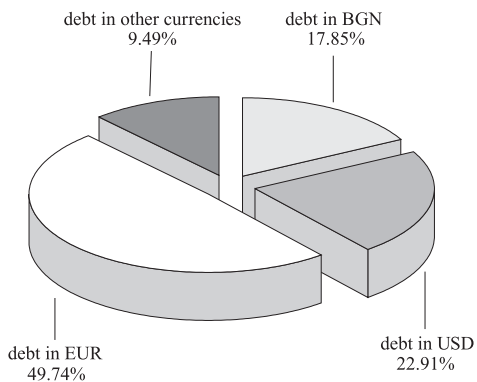
Dynamics of Domestic and External Government and Government Guaranteed Debt



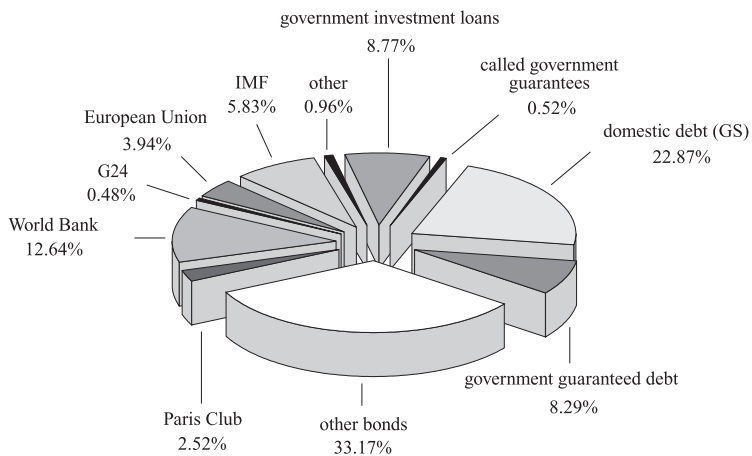
Debt Structure as of 28 February



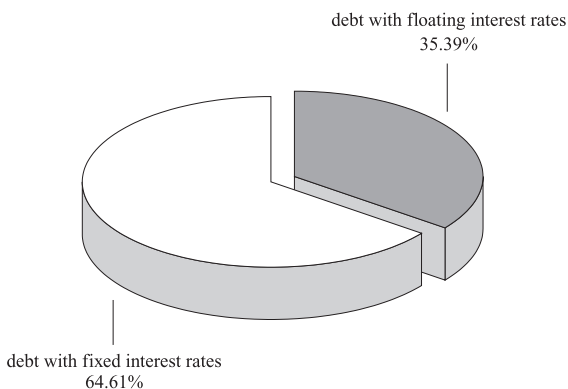
Debt Currency Structure as of 28 February



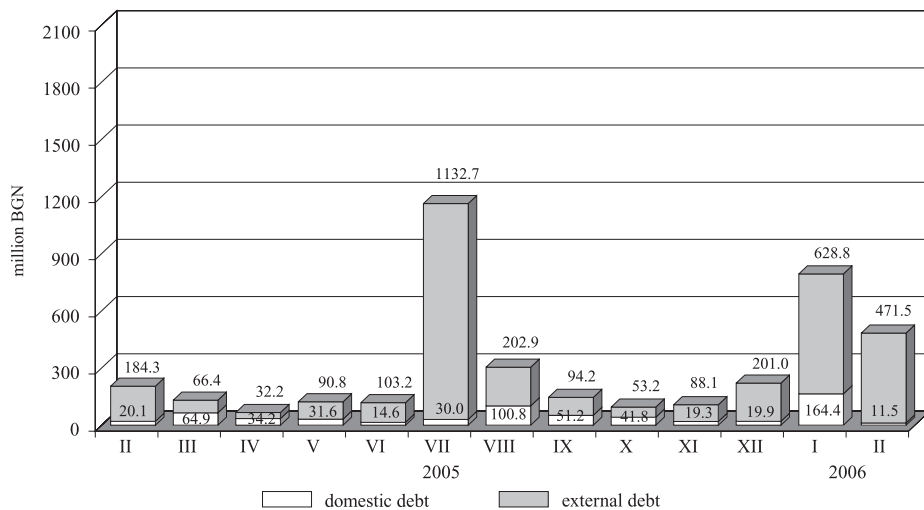
Debt Structure by Creditor as of 28 February

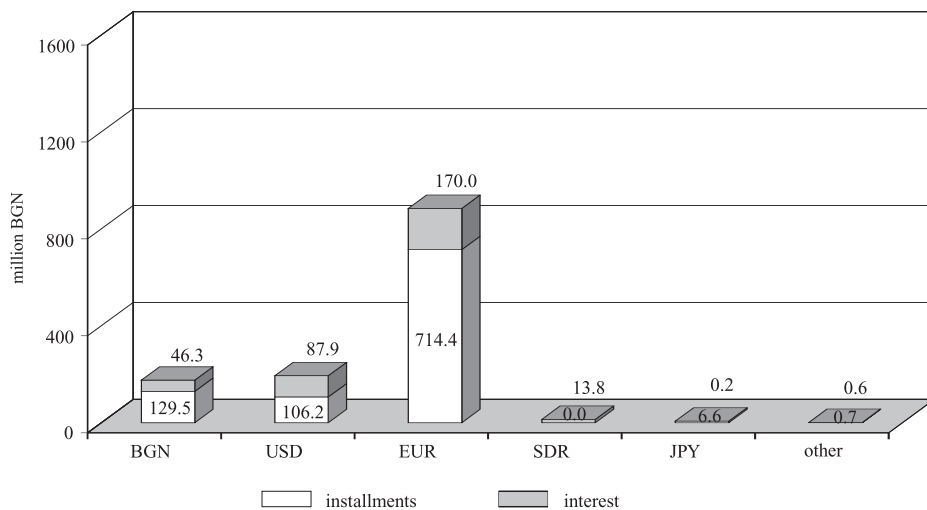


Debt Interest Rate Structure as of 28 February



Government Debt Payments



Currency Structure of Government Debt Payments as of 28 February

Government Securities Issued in Domestic Market and Held by Non-residents

(BGN'000)

Government securities type	31 Dec. 2005	31 Jan. 2006
Government securities issues	18 156.3	18 056.3
– in BGN	100.0	-
– in EUR	18 056.3	18 056.3
Government securities issued for structural reform	1 639.9	1 522.1
– in USD	103.2	95.2
– in EUR	1 536.7	1 426.9
Total	19 796.1	19 578.4

Government Securities Issued in International Markets and Held by Residents

(million EUR)

Government securities type	31 Dec. 2005	31 Jan. 2006
Eurobonds	121.6	120.6
Global bonds	324.0	323.0
– in EUR	148.2	155.2
– in USD	175.8	167.8
Total	445.6	443.5

Municipal Debt and Municipal Guarantees

(BGN'000)

Structure	31 Dec. 2005	31 Jan. 2006
I. Municipal debt	178 392.3	173 672.7
<i>1. Domestic municipal debt</i>	<i>120 052.3</i>	<i>116 072.2</i>
1.1. Government securities issues (at nominal value as of corresponding period)	27 823.6	27 823.6
1.2. Loans from banks and other financial institutions	71 553.6*	69 874.4
1.3. Loans from the republican budget	4 937.4	3 549.2
1.4. Loans from extrabudgetary accounts and funds	8 833.5	8 648.7
1.5. Loans from other municipalities	-	-
1.6. Called municipal guarantees	-	-
1.7. Other	6 904.2*	6 176.3
<i>2. External municipal debt</i>	<i>58 340.1</i>	<i>57 600.5</i>
2.1. Loans from banks and other financial institutions	26 806.5	26 806.5
2.2. Government guaranteed municipal debt	31 533.6	30 794.0
II. Municipal guarantees	61 530.6	61 509.1
<i>1. Domestic municipal guarantees</i>	<i>899.8</i>	<i>878.4</i>
<i>2. External municipal guarantees</i>	<i>60 630.7</i>	<i>60 630.7</i>
Municipal debt and municipal guarantees, total (I+II)	239 922.9	235 181.8

- Notes:**
1. The loan extended by the Council of Europe Development Bank (CEB) to the Republic of Bulgaria under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) represents external municipal debt and is reported under 2.2. *Government guaranteed municipal debt*. This loan has been guaranteed by the government and is reported in the *Government and Government Guaranteed Debt* table, *External Debt, II. Government guaranteed debt*.
 2. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is an external municipal debt and is reported under 2.2. *Government guaranteed municipal debt*. Pursuant to the Guarantee Agreement concluded between the Government of Bulgaria and the Government of Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government and is reported in the *Government and Government Guaranteed Debt* table, *External Debt, II. Government guaranteed debt*.
 3. Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.

* Revised data.

Social Security Funds Debt

(BGN'000)

Structure	31 Dec. 2005	31 Jan. 2006
Domestic debt	31 646.6	31 605.1
I. National Insurance Institute	31 646.6	31 605.1
1. Other*	31 646.6	31 605.1
2. Loans from the republican budget	-	-
II. National Health Insurance Fund	-	-
III. Teachers' Pension Fund	-	-
External debt	-	-

* This loan was extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis of the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project.

Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.

Consolidated Government Debt Amount

(million EUR)

Structure	31 Dec. 2005	31 Jan. 2006
I. Consolidated government debt	6 421.4	6 165.9
1. Central government debt	6330.2	6077.1
2. Social security funds debt	0.0	0.0
3. Municipal debt	91.2	88.8
Consolidated government debt/GDP, total (%)	30.4	26.4

- Notes:**
- As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and external debt are reported at nominal value.
 - GDP projection for 2005: BGN 41,343 million. 2004 GDP: BGN 38,082 million.
 - Debt recalculation in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.
 - The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and external debt of the BNB to the IMF, on the other hand. Debt to the IMF is included in the external debt structure and excluded from domestic debt structure in the *Government Debt Management* bulletin.
 - The loan extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis of the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project is excluded from *2. Social Security Funds Debt* and is reported under *1. Central government debt*.
 - The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement represents an external municipal debt and is reported under *Consolidated government debt, 3. Municipal debt*. Pursuant to the Guarantee Agreement concluded between the governments of Bulgaria and Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government.

APPENDIX

Outstanding Government Securities

Discount Treasury Bills

3-month government securities

Issue No.	BG3010006008
Issue date	27.01.2006
Maturity date	27.04.2006
Nominal value of the offer (BGN'000)	35 000.00
Total nominal value of the bids received (BGN'000)	59 700.00
Total nominal value of the bids approved (BGN'000)	35 000.00
Average price of the bids approved per BGN 100 (%)	99.44
Average discount per BGN 100 (%)	0.56
Average annual yield (%)	2.25
Effective annual yield (%)	2.27
Bid-to-cover ratio	1.71

Note: Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Treasury Bonds

3-year government securities

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
				BG2030104116 ⁵		
Auction date	16.02.2004	19.04.2004	09.08.2004	20.09.2004	11.10.2004	
Issue date	18.02.2004	18.02.2004	18.02.2004	18.02.2004	18.02.2004	18.02.2004
Maturity date	18.02.2007	18.02.2007	18.02.2007	18.02.2007	18.02.2007	18.02.2007
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	93 850.00	48 250.00	46 040.00	43 500.00	53 900.00	285 540.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	99.76	100.11	100.08	100.03	100.08	100.00
Interest rate	3.30	3.30	4.58	3.51	3.51	3.68
Bid-to-cover ratio	4.69	2.41	2.30	2.18	2.70	2.86
Average annual yield (%)	3.39	3.26	4.55	3.50	3.48	3.68

(continued)

3-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	BG2030005115 ⁶ Fourth opening	Fifth opening	Sixth opening	Total for the issue
Auction date	14.03.2005	04.04.2005	11.07.2005	12.09.2005	07.11.2005	05.12.2005	
Issue date	16.03.2005	16.03.2005	16.03.2005	16.03.2005	16.03.2005	16.03.2005	16.03.2005
Maturity date	16.03.2008	16.03.2008	16.03.2008	16.03.2008	16.03.2008	16.03.2008	16.03.2008
Nominal value of the offer (BGN'000)	25 000.00	20 000.00	40 000.00	25 000.00	20 000.00	20 000.00	150 000.00
Total nominal value of the bids received (BGN'000)	78 870.00	73 120.00	118 207.00	58 350.00	62 400.00	50 600.00	441 547.00
Total nominal value of the bids approved (BGN'000)	25 000.00	20 000.00	40 000.00	25 000.00	20 000.00	20 000.00	150 000.00
Average price of the bids approved per BGN 100 (%)	101.06	101.03	101.89	102.14	101.26	101.13	101.49
Interest rate	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Bid-to-cover ratio	3.15	3.66	2.96	2.33	3.12	2.53	2.94
Average annual yield (%)	3.16	3.16	2.79	2.63	2.97	3.01	2.93

(continued)

5-year government securities

(continued)

Issue No.	BG2030301118 ³			BG2030501113 ³			Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening	
Auction date	23.04.2001	21.05.2001	25.06.2001	23.07.2001	20.08.2001	24.09.2001	
Issue date	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (BGN'000)	55 846.00	60 050.00	49 500.00	51 650.00	41 950.00	46 470.00	140 070.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	100.79	100.10	100.40	100.43
Interest rate	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.58	2.10	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.81	6.98	6.90	6.90

(continued)

5-year government securities

(continued)

Issue No.	BG20307011193			BG20300021124			Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening			
Auction date	22.10.2001	26.11.2001	21.12.2001	07.01.2002	11.02.2002	08.04.2002	07.05.2002		
Issue date	24.10.2001	24.10.2001	24.10.2001	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002
Maturity date	24.10.2006	24.10.2006	24.10.2006	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	25 000.00	20 000.00	25 000.00	20 000.00	20 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	43 400.00	55 400.00	28 750.00	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	25 000.00	20 000.00	25 000.00	20 000.00	20 000.00	90 000.00
Average price of the bids approved per BGN 100 (%)	100.22	100.36	100.20	100.71	101.98	102.01	102.07	101.66	
Interest rate	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.17	2.77	1.44	2.51	3.62	1.88	1.81	2.43	
Average annual yield (%)	6.95	6.91	6.95	6.83	6.53	6.52	6.51	6.60	

(continued)

5-year government securities

(continued)

Issue No.	BG2030003110 ³				Total for the issue	Total for the issue
	First opening	Second opening	Third opening	Fourth opening		
Auction date	08.07.2002	12.08.2002	07.10.2002	11.11.2002	13.01.2003	02.06.2003
Issue date	10.07.2002	10.07.2002	10.07.2002	10.07.2002	15.01.2003	15.01.2003
Maturity date	10.07.2007	10.07.2007	10.07.2007	10.07.2007	15.01.2008	15.01.2008
Nominal value of the offer (BGN'000)	25 000.00	20 000.00	25 000.00	20 000.00	30 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	38 080.00	19 100.00	49 950.00	67 184.70	87 720.00	50 900.00
Total nominal value of the bids approved (BGN'000)	25 000.00	14 750.00	25 000.00	20 000.00	30 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	99.81	98.45	98.78	99.52	100.42	100.55
Interest rate	6.50	6.50	6.50	6.50	5.625	5.625
Bid-to-cover ratio	1.52	0.96	2.00	3.36	2.92	2.04
Average annual yield (%)	6.55	6.87	6.79	6.61	5.53	5.50

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
			BG2030203116 ⁵			
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003	
Issue date	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003
Maturity date	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008
Nominal value of the offer (BGN'000)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	47 300.00	37 150.00	43 600.00	56 500.00	60 750.00	245 300.00
Total nominal value of the bids approved (BGN'000)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	99.12	98.33	98.25	99.22	99.48	98.92
Interest rate	4.75	4.75	4.75	4.75	4.75	4.75
Bid-to-cover ratio	1.89	2.48	2.18	2.83	3.04	2.45
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87	5.00

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	BG2030004118 ⁵ Fourth opening	Fifth opening	Total for the issue
Auction date	05.01.2004	01.03.2004	07.06.2004	13.09.2004	20.12.2004	
Issue date	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004
Maturity date	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	84 450.00	60 120.00	35 850.00	76 600.00	92 285.00	284 855.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	99.79	100.72	96.88	99.94	103.98	100.26
Interest rate	4.70	4.70	4.70	4.70	4.70	4.70
Bid-to-cover ratio	4.22	3.01	1.79	3.83	4.61	2.85
Average annual yield (%)	4.75	4.54	5.42	4.71	3.67	4.62

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	BG2030105113 ⁴ Third opening	Fourth opening	Total for the issue	BG2030006113 ¹ First opening	Total for the issue
Auction date	14.02.2005	09.05.2005	15.08.2005	10.10.2005		23.01.2006	
Issue date	16.02.2005	16.02.2005	16.02.2005	16.02.2005	16.02.2005	25.01.2006	25.01.2006
Maturity date	16.02.2010	16.02.2010	16.02.2010	16.02.2005	16.02.2010	25.01.2011	25.01.2011
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00	100 000.00	45 000.00	45 000.00
Total nominal value of the bids received (BGN'000)	108 300.00	98 810.00	105 900.00	71 100.00	384 110.00	125 710.00	125 710.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00	100 000.00	45 000.00	45 000.00
Average price of the bids approved per BGN 100 (%)	101.43	102.36	103.17	103.09	102.51	98.37	98.37
Interest rate	3.75	3.75	3.75	3.75	3.75	3.00	3.00
Bid-to-cover ratio	4.33	3.95	4.24	2.84	3.84	2.79	2.79
Average annual yield (%)	3.46	3.24	3.01	3.01	3.18	3.38	3.38

(continued)

7-year government securities

(continued)

Issue No.	BG2040001211 ²		BG2040002219 ²		BG2040102217 ³		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second opening			
Auction date	29.10.2001	30.11.2001	14.01.2002	21.01.2002	18.02.2002	18.03.2002	13.05.2002		
Issue date	31.10.2001	31.10.2001	16.01.2002	16.01.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002
Maturity date	31.10.2008	31.10.2008	16.01.2009	16.01.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009
Nominal value of the offer (BGN'000)	30 000.00	11 070.00	30 000.00	30 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	53 672.00	54 615.00	106 295.00	99 331.00	63 350.00	58 812.00	58 300.00	180 462.00	
Total nominal value of the bids approved (BGN'000)	18 930.00	11 070.00	30 000.00	50 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Average price of the bids approved per BGN 100 (%)	95.45	98.19	100.47	101.46	99.05	99.77	99.44	99.40	99.40
Interest rate	7.50	7.50	7.50	7.50	7.50	7.00	7.00	7.00	7.00
Bid-to-cover ratio	1.79	4.93	3.54	3.31	2.11	2.35	1.67	1.67	2.01
Average annual yield (%)	8.37	7.84	7.41	7.23	7.17	7.04	7.10	7.10	7.10

(continued)

7-year government securities

(continued)

Issue No.	BG2040302213 ⁴				BG2040103215 ⁵				Total for the issue	
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Fourth opening		Fifth opening
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003	
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	05.02.2010	06.02.2010	05.02.2010	05.02.2010	05.02.2010	05.02.2010
Nominal value of the offer (BGN'000)	20 000.00	15 000.00	20 000.00	15 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Total nominal value of the bids received (BGN'000)	29 863.50	24 239.00	48 880.30	86 964.00	77 850.00	49 650.00	34 800.00	46 260.00	68 030.00	276 590.00
Total nominal value of the bids approved (BGN'000)	20 000.00	15 000.00	20 000.00	15 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	7.00	7.00	7.00	7.00	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	1.49	1.62	2.44	5.80	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	7.30	7.68	7.63	7.17	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

7-year government securities

(continued)

Issue No.	BG2040203213 ^{2*}			BG2040104213 ⁴			Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	
Auction date	18.02.2003	10.03.2003		09.02.2004	03.05.2004	01.11.2004	
Issue date	24.02.2003	24.02.2003	24.02.2003	11.02.2004	11.02.2004	11.02.2004	11.02.2004
Maturity date	24.05.2010	24.05.2010	24.05.2010	11.02.2011	11.02.2011	11.02.2011	11.02.2011
Nominal value of the offer (BGN'000)	50 000.00	25 000.00	75 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (BGN'000)	139 990.00	76 475.00	216 465.00	76 850.00	39 060.00	90 400.00	206 310.00
Total nominal value of the bids approved (BGN'000)	50 000.00	55 000.00	105 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	100.99	100.55	100.76	98.42	96.77	99.61	99.12
Interest rate	5.75	5.75	5.75	4.75	4.75	4.75	4.75
Bid-to-cover ratio	2.80	3.06	2.89	3.84	1.95	4.52	3.44
Average annual yield (%)	5.58	5.65	5.62	5.02	5.31	4.82	4.91

(continued)

10-year government securities

(continued)

Issue No.	BG204020215 ⁴				BG2040003217 ²			Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Total for the issue	
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	06.01.2003	31.03.2003	06.01.2003	08.01.2003
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	08.01.2003	08.01.2003	08.01.2003	08.01.2003
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	08.01.2013	08.01.2013	08.01.2013	08.01.2013
Nominal value of the offer (BGN'000)	15 000.00	25 000.00	25 000.00	25 000.00	30 000.00	20 000.00	30 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	72 080.00	59 589.60	42 338.50	28 859.30	94 289.80	56 355.00	94 289.80	150 644.80
Total nominal value of the bids approved (BGN'000)	15 000.00	25 000.00	25 000.00	19 920.00	30 000.00	20 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	104.08	105.18	104.08	104.52
Interest rate	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	3.14	2.82	3.14	3.01
Average annual yield (%)	7.77	7.97	8.10	8.44	6.93	6.78	6.93	6.87

(continued)

10-year government securities

(continued)

Issue No.	BG2040303211 ²		BG2040004215 ⁴				Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	First opening	Second opening	Third opening	Fourth opening			
Auction date	30.06.2003	29.09.2003	02.02.2004	13.04.2004	04.10.2004	15.11.2004			
Issue date	02.07.2003	02.07.2003	04.02.2004	04.02.2004	04.02.2004	04.02.2004	04.02.2004	04.02.2004	
Maturity date	02.07.2013	02.07.2013	04.02.2014	04.02.2014	04.02.2014	04.02.2014	04.02.2014	04.02.2014	
Nominal value of the offer (BGN'000)	20 000.00	30 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00	
Total nominal value of the bids received (BGN'000)	69 350.00	78 753.00	85 300.00	82 680.00	86 010.00	78 128.00	167 980.00		
Total nominal value of the bids approved (BGN'000)	20 000.00	30 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00	
Average price of the bids approved per BGN 100 (%)	98.82	97.71	97.85	99.20	99.75	101.47	99.57		
Interest rate	5.75	5.75	5.20	5.20	5.20	5.20	5.20	5.20	
Bid-to-cover ratio	3.47	2.63	4.27	4.13	4.30	3.91	4.20		
Average annual yield (%)	5.91	6.06	5.48	5.30	5.23	5.01	5.26		

(continued)

10-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	Total for the issue
				BG2040005212⁶			
Auction date	10.01.2005	07.03.2005	06.06.2005	04.07.2005	19.09.2005	03.10.2005	
Issue date	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005
Maturity date	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	15 000.00	35 000.00	25 000.00	25 000.00	150 000.00
Total nominal value of the bids received (BGN'000)	130 600.00	102 150.00	86 325.00	158 625.00	79 707.00	80 350.00	637 757.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	15 000.00	35 000.00	25 000.00	25 000.00	150 000.00
Average price of the bids approved per BGN 100 (%)	100.68	101.09	103.74	105.00	106.40	106.20	103.94
Interest rate	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Bid-to-cover ratio	5.22	4.09	5.76	4.53	3.19	3.21	4.25
Average annual yield (%)	4.21	4.16	3.82	3.66	3.47	3.49	3.79

(continued)

10-year government securities

(continued)

Issue No.	First opening	BG2040006210 ² Second opening	Total for the issue
Auction date	03.01.2006	20.02.2006	
Issue date	04.01.2006	04.01.2006	04.01.2006
Maturity date	04.01.2016	01.01.4016	04.01.2016
Nominal value of the offer (BGN'000)	50 000.00	30 000.00	80 000.00
Total nominal value of the bids received (BGN'000)	96 350.00	107 905.00	204 255.00
Total nominal value of the bids approved (BGN'000)	50 000.00	30 000.00	80 000.00
Average price of the bids approved per BGN 100 (%)	98.26	97.61	99.47
Interest rate	3.50	3.50	3.50
Bid-to-cover ratio	1.93	3.60	2.55
Average annual yield (%)	3.74	3.83	3.60

(continued)

Issue No.	First opening	Second opening	BG2040403219** Third opening	Fourth opening	Total for the issue
Auction date	03.11.2003	19.01.2004	02.08.2004	03.01.2005	
Issue date	12.11.2003	12.11.2003	12.11.2003	12.11.2003	12.11.2003
Maturity date	11.10.2018	11.10.2018	11.10.2018	11.10.2018	11.10.2018
Nominal value of the offer (BGN'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	73 628.54	124 820.00	62 878.00	89 545.00	350 871.54
Total nominal value of the bids approved (BGN'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	94.81	99.43	100.59	110.58	100.35
Interest rate	6.00	6.00	6.00	6.00	6.00
Bid-to-cover ratio	3.68	2.50	4.19	5.97	3.51
Average annual yield (%)	6.55	6.06	5.94	4.99	5.96

¹The price indicated in the *Total for the issue* column is a result of the one auction organized for sale of this issue.

²The price indicated in the *Total for the issue* column is a result of the two auctions organized for sale of this issue.

³The price indicated in the *Total for the issue* column is a result of the three auctions organized for sale of this issue.

⁴The price indicated in the *Total for the issue* column is a result of the four auctions organized for sale of this issue.

⁵The price indicated in the *Total for the issue* column is a result of the five auctions organized for sale of this issue.

⁶The price indicated in the *Total for the issue* column is a result of the six auctions organized for sale of this issue.

* Issues Nos. BG2040203213 and BG2040403219 are denominated in euro and all related values are also in euro.

** In 2003 reverse repurchases totalled BGN 49,171.10 thousand.

Note: Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Government Securities Issued to Settle Non-performing Loans of State-owned Companies to Banks

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	§ 10 of TFP of SBL/99
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 2040009223
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	01.07.1999
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	01.01.2019
Maturity (years)	19	24	25	25	25	19.5
Grace period (years)	4	4	5	5	5	
Redemption term (years)	15	20	20	20	20	19.5
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	BGN 1375.87	BGN 1526.20	BGN 5598.14	USD 128,581.61	BGN 600.66	EUR 108,590.13
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR	EURIBOR**

* Six-month LIBOR of the US dollar for the preceding interest period; the amount of the interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

** Six-month EURIBOR for the preceding interest period; the amount of the interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

EUR-denominated issue BG 2040009223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, negotiated prior to 31 December 1990, CM Decrees No. 244 of 1991, No. 186 of 1993 and No. 3 of 1994 may use them as legal tender in privatization transactions.

Pursuant to CM Decree No. 22 of 1995, long-term government bonds issued under ZUNK may be used to repay obligations of state-owned enterprises, firms and commercial companies to the government, transformed under Article 10 of ZUNK. In meeting these obligations, long-term government bonds are valued at their nominal for the bonds denominated in US dollars, and 80% for those denominated in levs.

Principals are based on actual data as of 28 February 2006.

L I S T

of Financial Institutions Approved by the Ministry of Finance and the Governor of the Bulgarian National Bank to Act as Government Securities Primary Dealers between 1 January and 30 June 2006

No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
1	DSK BANK 19 Moskovska Str. 1036 Sofia tel. (+359 2) 9391220	SSBG 01-03	DSKB	www.dskbank.bg
2	BNP PARIBAS (BULGARIA) 2 Tsar Osvoboditel Blvd. 1000 Sofia, PB 11 tel. (+359 2) 9218640	BSBD 01-03		www.bulgaria.bnpparibas.com
3	BULBANK 7 Sveta Nedelya Sq. 1000 Sofia tel. (+359 2) 9232111	BGTB 01-03		www.bulbank.bg
4	BULGARIAN POST BANK 14 Tsar Osvoboditel Blvd. 1048 Sofia tel. (+359 2) 8166000	BPBB 01-03		www.postbank.bg
5	DZI BANK 4-6 Dondukov Blvd. 1000 Sofia tel. (+359 2) 9307136	REBS 01-03		www.dzibank.bg
6	PURAEUS EVROBANK 43 Cherni Vrah Blvd. 1407 Sofia tel. (+359 2) 9690760	EBSF 01-03		www.eurobank.bg
7	HVB BANK BIOCHIM 1 Ivan Vazov Str. 1026 Sofia тел: (+359 2) 9269210	CBBB 01-03	CBBB	www.biochim.com
8	INVESTBANK 83A Bulgaria Blvd. 1404 Sofia tel. (+359 2) 8186124	OBGB 01-03		www.ibank.bg
9	ING BANK N. V. – SOFIA BRANCH 12 Emil Bersinski Str. 1408 Sofia tel. (+359 2) 9176400	INBS 01-03		www.ing.bg
10	INTERNATIONAL ASSET BANK 81-83 Todor Alexandrov Blvd. 1303 Sofia tel. (+359 2) 8120111	EIBG 01-03		www.iabank.bg

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No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
11	CORPORATE COMMERCIAL BANK 10 Graf Ignatiev Str. 1000 Sofia tel. (+359 2) 9809362	BGIB 01-03		www.corpbank.bg
12	UNITED BULGARIAN BANK 5 Sveta Sofia Str. 1040 Sofia tel. (+359 2) 8112800	UBBB 01-03		www.ubb.bg
13	MUNICIPAL BANK 6 Vrabcha Str. 1000 Sofia tel. (+359 2) 9300111	SMBK 01-03		www.municipalbank.bg
14	FIRST INVESTMENT BANK 10 Stefan Karadzha Str. 1000 Sofia tel.: (+359 2) 91001	BFIB 01-03		www.fibank.bg
15	RAIFFEISENBANK (BULGARIA) 18–20 Nikolay Gogol Str. 1504 Sofia tel. (+359 2) 91985101	RBBS 01-03		www.raiffeisen.bg
16	SOCIETE GENERALE EXPRESSBANK 92 Vladislav Varnenchik Blvd. 9000 Varna tel. (+359 52) 686100	EBVB 01-03		www.sgexpressbank.bg
17	CITIBANK N. A. – SOFIA BRANCH 2 Knyaginya Maria-Louisa Blvd., TSUM, fifth floor 1000 Sofia tel. (+359 2) 9175100	CSOF 01-03		www.citibank.com/bulgaria/
18	ECONOMIC AND INVESTMENT BANK 2 Slavyanska Str. 1000 Sofia TEL: (+359 2) 9399240	RIBB 01-03		www.eibank.bg
19	ALLIANZ BULGARIA COMMERCIAL BANK 79 Knyaginya Maria-Louisa Blvd. 1202 Sofia tel. (+359 2) 9215404	BGIN 01-03		www.bank.allianz.bg
20	D COMMERCIAL BANK 8 Tsar Osvoboditel Blvd. 1000 Sofia tel.: (+359 2) 9894444	DBBG 01-03		www.dbank.bg

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No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
21	CENTRAL COOPERATIVE BANK 103 Rakovski Str. 1000 Sofia tel. (+359 2) 9266266	SCCB 01-03		www.ccbank.bg
22	UNIONBANK 10–12 Damyán Gruev Str. 1606 Sofia tel. (+359 2) 9153333	UNBS 01-03		www.unionbank.bg
23	BULBROKERS 30 Ivan Vazov Str. 1000 Sofia tel. (+359 2) 9376200	BULB 01-03		www.bulbrokers.com
24	EUROFINANCE 84 Patriarh Evtimii Blvd. 1463 Sofia tel. (+359 2) 9805657	EUFI 01-03		www.euro-fin.com
25	ELANA TRADING INVESTMENT INTERMEDIARY 49 Bulgaria Blvd. 1404 Sofia tel. (+359 2) 8100000	ELAN 01-03		www.elana.net

Credit Ratings Range for Bulgaria

		Moody's	S&P	Fitch	
		Aaa	AAA	AAA	
		Aa1	AA+	AA+	
		Aa2	AA	AA	
		Aa3	AA-	AA-	
		A1	A+	A+	
		A2	A	A	
		A3	A-	A-	
Investment grade		Baa1	BBB+	BBB+	27 October 2005
		Baa2	BBB	BBB	17 August 2005
		Baa3	BBB-	BBB-	1 March 2006
Subinvestment grade		Ba1	BB+	BB+	
		Ba2	BB	BB	
		Ba3	BB-	BB-	
		B1	B+	B+	
		B2	B	B	
		B3	B-	B-	27 September 1996
		Caa	CCC+	CCC	
		
	C	D	D		

Long-term government securities: foreign currency



Long-term government securities: local currency

