

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

JANUARY 2005



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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>
UBB	–	<i>United Bulgarian Bank</i>
ZUNK	–	<i>Bulgarian abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)</i>

## BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In January 2005 the Ministry of Finance, according to its monthly calendar, issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010005000: three-month), one long-term tap treasury bonds issue (No. BG2040005212: ten-year) and one EUR-denominated long-term tap treasury bonds issue (No. BG2040403219: 15-year).

At the auctions primary dealers' bids totalled BGN 332,834.8 thousand: BGN 27,100 thousand for three-month government securities, BGN 130,600 thousand for ten-year, and BGN 175,134.8 thousand (EUR 89,545 thousand) for 15-year government securities (Chart 1). Approved bids totalled BGN 74,337.5 thousand nominal value, including three-month of BGN 20,000 thousand, ten-year of BGN 25,000 thousand and 15-year of BGN 29,337.5 (EUR 15,000 thousand; Charts 2 and 3). The average-weighted bid-to-cover ratio of the issues approved for sale in January accounted for 4.48: 1.36 on three-month, 5.22 on ten-year and 5.97 on 15-year (Chart 4).

Government securities issued in January decreased by BGN 75.3 million on the same period of 2004 (Chart 2).

Chart 1

### Government Securities Issue in January

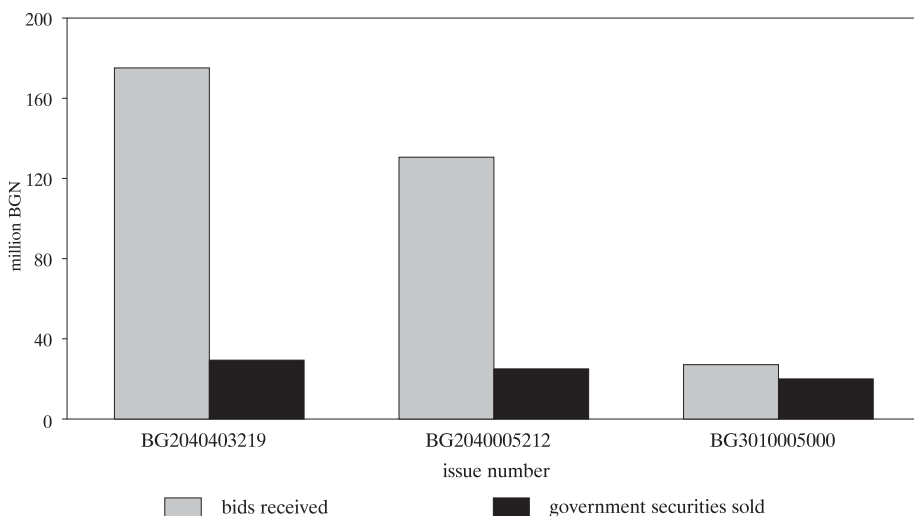


Chart 2

### Sales of Government Securities Issues

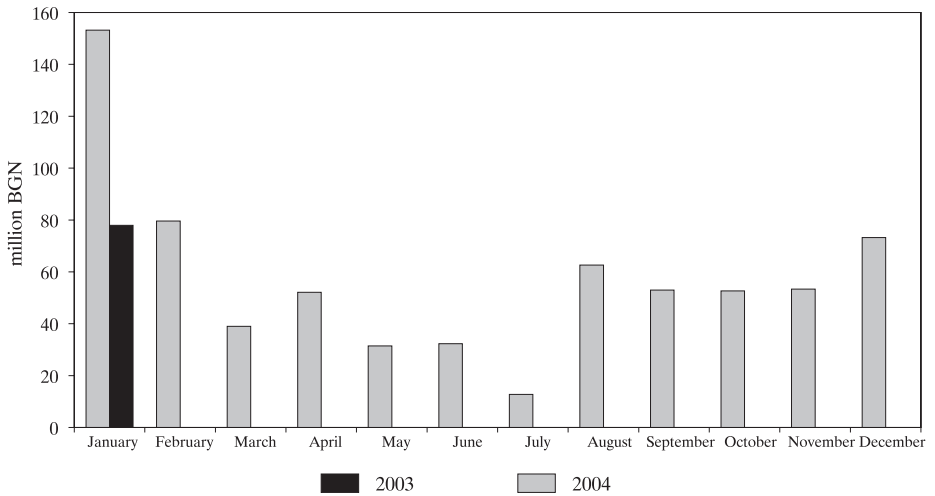
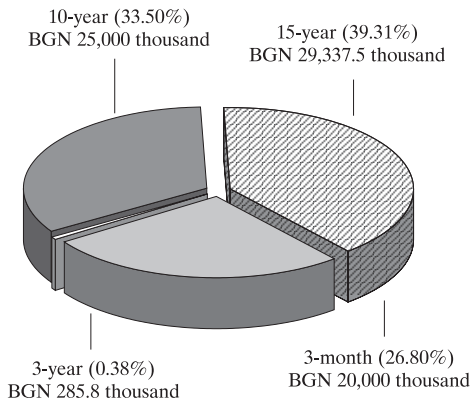


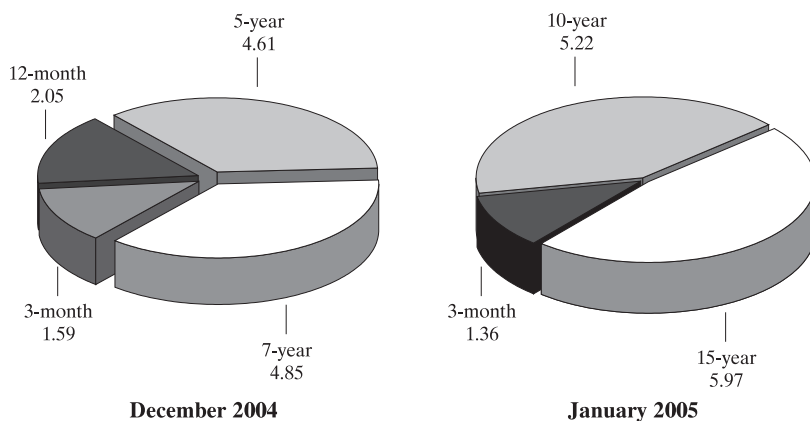
Chart 3

### Structure and Volume of Government Securities Issued for Budget Deficit Financing in January



**Note:** Including target government securities.

### Bid-to-Cover Ratios of Issues Sold

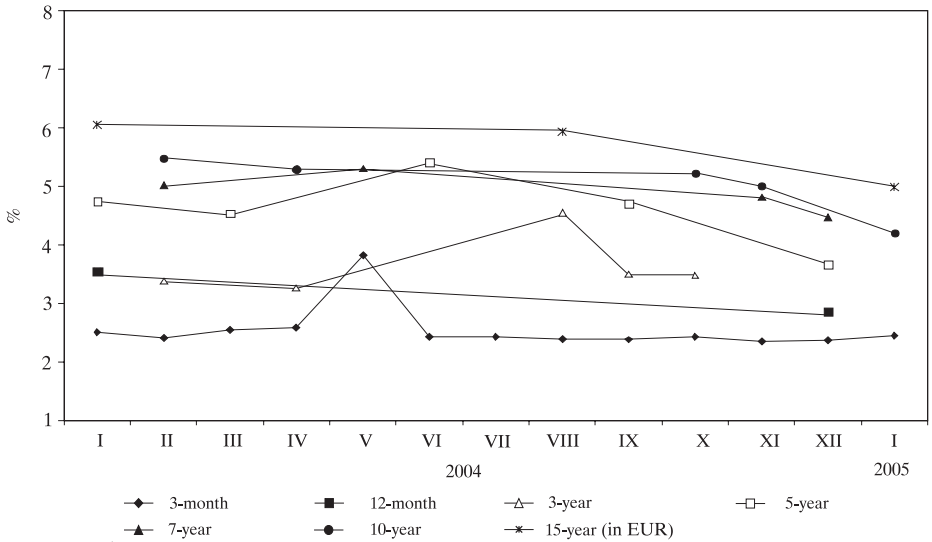


The yield attained in the primary market reflected downward trends mostly in long-term government securities. The yield of three-month treasury bills posted an eight basis points increase on the previous month and reached 2.45% from 2.37%. The yield of ten-year treasury bonds came to 4.21%, a decrease of 0.8 percentage points compared to November 2004 when the last government securities issue with a term of ten years was sold. In January the yield of 15-year treasury bonds fell from 5.94% to 4.99% upon the last opening (Charts 5, 6 and 8).

Two 2004 treasury bills issues matured in January (Nos. BG3011004002 and BG3010004003).

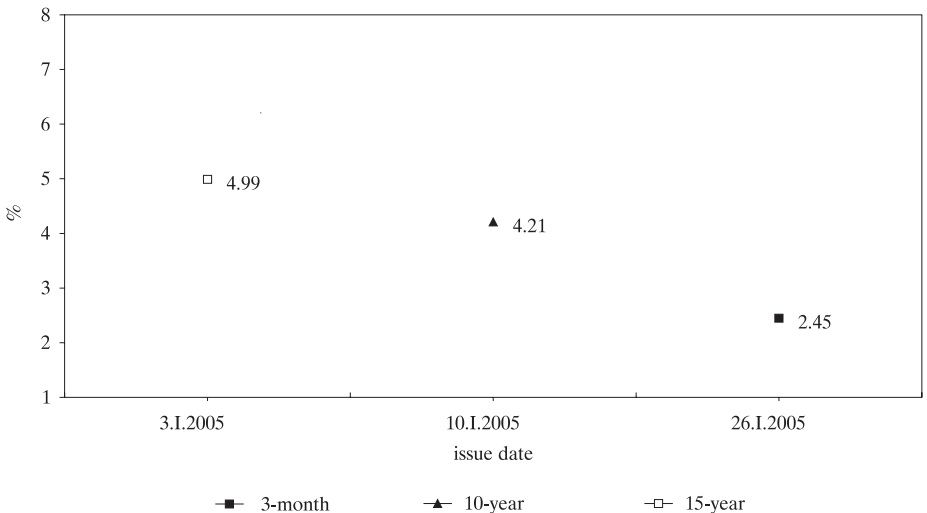
In January one three-year bond issue earmarked for individual investors was put in circulation: issue No. 600 of 5 January 2005, worth BGN 285.8 thousand (Chart 11). Reverse repurchased securities of this type accounted for BGN 499.2 thousand (Chart 12).

### Yield of Primary Market Government Securities



**Notes:** The yield is on an effective annual basis.  
 Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

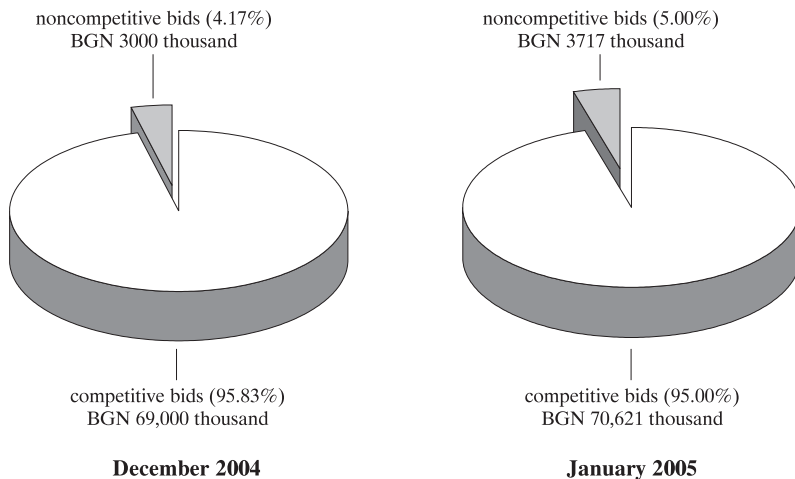
### Dynamics of the Average Annual Yield of Primary Market Government Securities



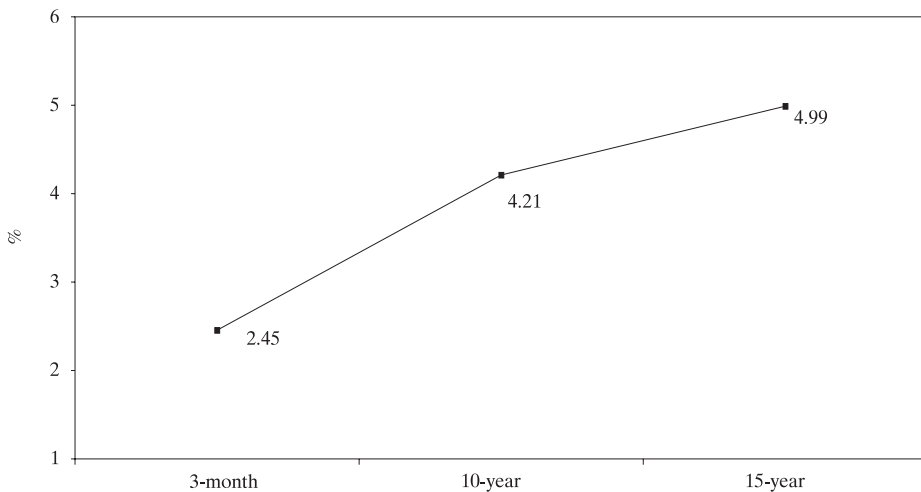
**Notes:** The ten- and 15-year government securities issues are tap issues. The above dates indicate the auction dates.  
 Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.



### Government Securities Bought in the Primary Market through Competitive and Noncompetitive Bids



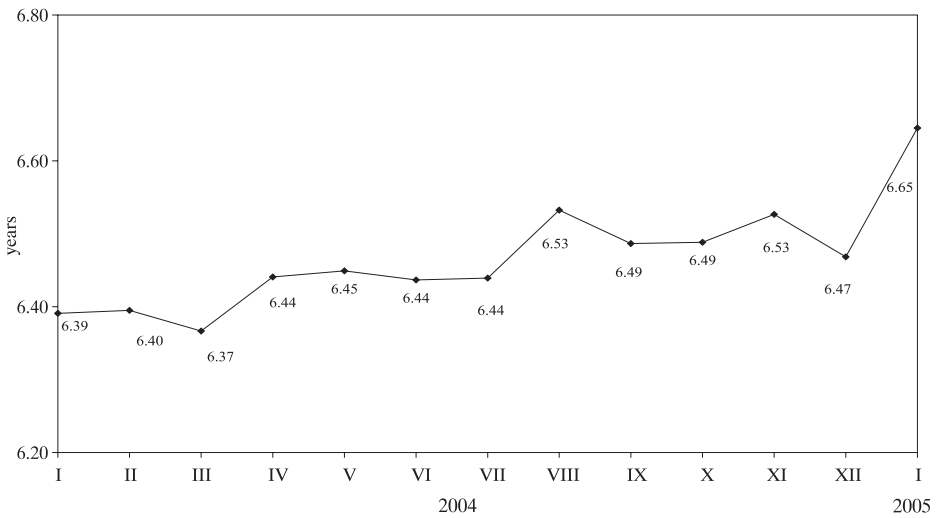
### Yield Curve of Primary Market Government Securities in January



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

Chart 9

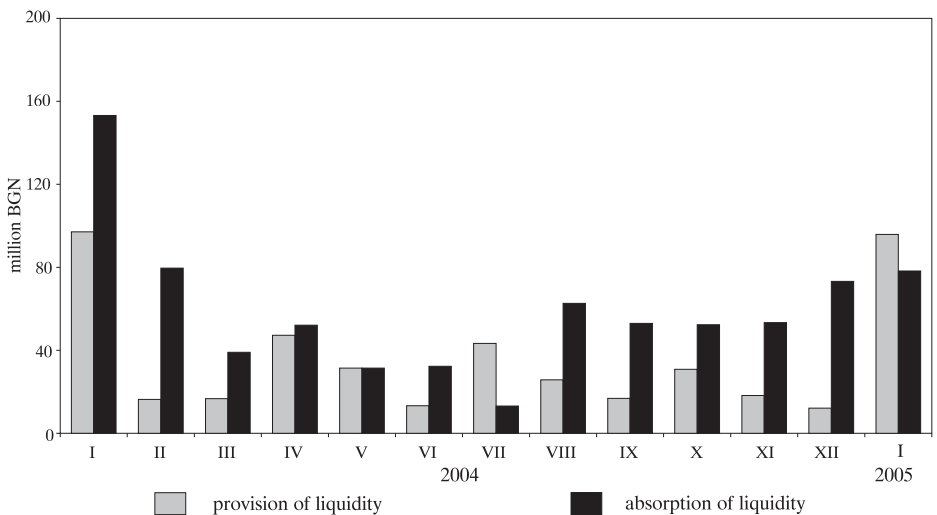
### An Average Term of Outstanding Government Securities Issues by Year



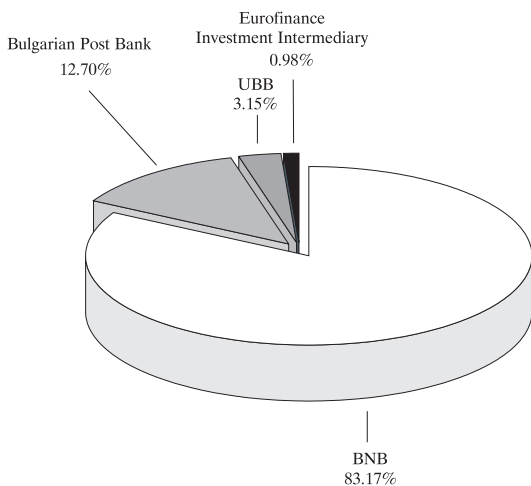
**Note:** The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Chart 10

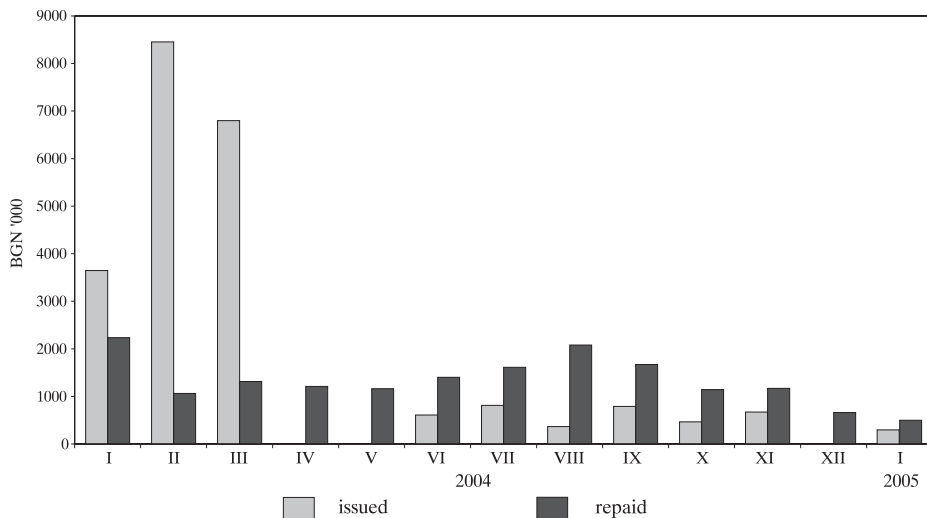
### Monthly Liquidity Regulation through Government Securities Maturities and Issues



### Primary Dealers' Direct Sales of Target Government Securities in January



### Issued and Repaid Target Government Securities



# Outstanding Government Securities

## Discount Treasury Bills

### 12-month government securities

### 3-month government securities

Issue No.	BG3011104000	BG3011304006	BG3010005000	BG3011204008
Issue date	24.11.2004	29.12.2004	26.01.2005	15.12.2004
Maturity date	24.02.2005	29.03.2005	26.04.2005	15.12.2005
Nominal value of the offer (BGN'000)	12 000.00	12 000.00	20 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	26 380.00	19 080.00	27 100.00	40 950.00
Total nominal value of the bids approved (BGN'000)	12 000.00	12 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.40	99.41	99.39	97.18
Average discount per BGN 100 (%)	0.60	0.59	0.61	2.82
Average annual yield (%)	2.36	2.37	2.45	2.86
Effective annual yield (%)	2.38	2.40	2.48	2.86
Bid-to-cover ratio	2.20	1.59	1.36	2.05

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

## Treasury Bonds

### 3-year government securities

Issue No.	BG2030102110 <sup>4</sup>			BG2030302116 <sup>3</sup>			BG2030402114 <sup>4</sup>		
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	First opening	Second opening	Total for the issue
Auction date	11.03.2002	10.06.2002		29.07.2002	28.10.2002	25.11.2002	09.09.2002	09.12.2002	
Issue date	13.03.2002	13.03.2002	13.03.2002	31.07.2002	31.07.2002	31.07.2002	11.09.2002	11.09.2002	11.09.2002
Maturity date	13.03.2005	13.03.2005	13.03.2005	31.07.2005	31.07.2005	31.07.2005	11.09.2005	11.09.2005	11.09.2005
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	50 000.00	25 000.00	25 000.00	33 100.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	72 750.00	44 151.00	116 901.00	24 200.00	44 150.00	92 265.70	33 700.00	66 700.00	100 400.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	50 000.00	16 900.00	25 000.00	33 100.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	101.62	101.68	101.65	98.83	98.67	99.57	99.13	100.80	99.97
Interest rate	6.50	6.50	6.50	5.75	5.75	5.75	6.00	6.00	6.00
Bid-to-cover ratio	2.91	1.77	2.34	0.97	1.77	2.79	1.35	2.67	2.01
Average annual yield (%)	5.90	5.88	5.89	6.18	6.24	5.91	6.32	5.71	6.01

(continued)

### 3-year government securities

(continued)

Issue No.	BG2030103118 <sup>4</sup>			BG2030104116 <sup>1</sup>			Total for the issue	Fifth opening	Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening			
Auction date	20.01.2003	21.04.2003	22.01.2003	16.02.2004	19.04.2004	09.08.2004	20.09.2004	11.10.2004	18.02.2004
Issue date	22.01.2003	22.01.2003	22.01.2003	18.02.2004	18.02.2004	18.02.2004	18.02.2004	18.02.2004	18.02.2004
Maturity date	22.01.2006	22.01.2006	22.01.2006	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)	25 000.00	25 000.00	50 000.00	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)	62 650.00	42 850.00	105 500.00	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)	25 000.00	25 000.00	50 000.00	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 (%)	101.57	101.01	101.29	99.76	100.11	100.08	100.03	100.08	100.00
Interest rate	5.50	5.50	5.50	3.30	3.30	4.58	3.51	3.51	3.68
Bid-to-cover ratio	2.51	1.71	2.11	4.69	2.41	2.30	2.18	2.70	2.86
Average annual yield (%)	4.93	5.13	5.03	3.39	3.26	4.55	3.50	3.48	3.68

(continued)

## 5-year government securities

(continued)

Issue No.	BG2030900117 <sup>3</sup>			BG2030101112 <sup>3</sup>				
	First opening	Second opening	Third opening	Total for the issue**	First opening	Second opening	Third opening	Total for the issue**
Auction date	09.10.2000	06.11.2000	11.12.2000		22.01.2001	26.02.2001	26.03.2001	
Issue date	11.10.2000	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	05.10.2005	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (BGN'000)	10 000.00	15 000.00	15 000.00	40 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (BGN'000)	46 780.00	35 511.11	31 074.00	113 365.10	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (BGN'000)	10 000.00	15 000.00	15 000.00	28 755.89	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	98.78	99.63	99.87	99.51	101.65	104.60	106.40	104.22
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	4.68	2.37	2.07	2.83	4.80	4.36	3.52	4.23
Average annual yield (%)	9.31	9.09	9.03	9.12	8.59	7.87	7.44	7.96

(continued)

## 5-year government securities

(continued)

Issue No.	BG2030301118 <sup>3</sup>			BG2030501113 <sup>3</sup>			Total for the issue
	First opening	Second opening	Third opening	Total for the issue**	First opening	Second 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	25.04.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	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	60 000.00	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	55 846.00	60 050.00	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90

(continued)



## 5-year government securities

(continued)

Issue No.	BG2030701119 <sup>3</sup>			BG2030002112 <sup>2</sup>			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	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	
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.	BG2030202118 <sup>2</sup>				BG2030003110 <sup>3</sup>				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	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	10.02.2003	02.06.2003		
Issue date	10.07.2002	10.07.2002	10.07.2002	10.07.2002	15.01.2003	15.01.2003	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	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	20 000.00		75 000.00
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	49 450.00		188 070.00
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	20 000.00		75 000.00
Average price of the bids approved per BGN 100 (%)	99.81	98.45	98.78	99.52	100.42	100.55	100.40		100.46
Interest rate	6.50	6.50	6.50	6.50	5.625	5.625	5.625		5.625
Bid-to-cover ratio	1.52	0.96	2.00	3.36	2.92	2.04	2.47		2.51
Average annual yield (%)	6.55	6.87	6.79	6.61	5.53	5.50	5.53		5.52

(continued)

## 5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
			BG2030203116 <sup>1</sup>			
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	Fourth opening	Fifth opening	Total for the issue
			<b>BG2030004118<sup>1</sup></b>			
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)

## 7-year government securities

(continued)

Issue No.	BG2040001211 <sup>4</sup>		BG2040002219 <sup>4</sup>		BG2040102217 <sup>3</sup>		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	First 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	16.01.2008	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	106 287.00	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	96.46	100.47	101.09	99.05	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	3.61	3.54	3.43	2.11	2.35	1.67	2.01
Average annual yield (%)	8.37	7.84	8.17	7.41	7.30	7.17	7.04	7.10	7.10

(continued)

## 7-year government securities

(continued)

Issue No.	BG2040302213 <sup>2</sup>				BG2040103215 <sup>1</sup>						
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
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	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	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	70 000.00	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	189 946.80	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	70 000.00	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	97.61	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	7.00	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	2.71	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

## 7-year government securities

(continued)

Issue No.	BG2040203213 <sup>4</sup>			BG2040104213 <sup>2</sup>			Total for the issue
	First opening	Second opening	Total for opening	First the issue	Second opening	Third opening	
Auction date	18.02.2003	10.03.2003		09.02.2004	03.05.2004	01.11.2004	07.12.2004
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	20 000,00
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	97 000,00
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	20 000,00
Average price of the bids approved per BGN 100 (%)	100,99	100,55	100,76	98,42	96,77	99,61	101,69
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	4.85
Average annual yield (%)	5.58	5.65	5.62	5.02	5.31	4.82	4.48
							4.91

(continued)

## 10-year government securities

(continued)

Issue No.	BG2040202215 <sup>2</sup>				BG2040003217 <sup>4</sup>			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		
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	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	
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	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	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	50 000.00	
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	104.08	105.18	104.52	
Interest rate	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	3.01	
Average annual yield (%)	7.77	7.97	8.10	8.44	6.93	6.78	6.87	

(continued)



## 10 -year government securities

(continued)

Issue No.	BG2040303211 <sup>4</sup>		BG2040004215 <sup>5</sup>				Total for the issue	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)

(continued)

## 10-year government securities

Issue No.	BG2040004215	Total for the issue
Auction date	10.01.2005	
Issue date	12.01.2005	13.01.2005
Maturity date	12.01.2015	13.01.2015
Nominal value of the offer (BGN'000)	25 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	130 600.00	130 600.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	100.68	100.68
Interest rate	4.25	4.25
Bid-to-cover ratio	5.22	5.22
Average annual yield (%)	4.17	4.17

(continued)

## 15-year government securities

(continued)

Issue No.	First opening	Second opening	BG2040403219 <sup>3*</sup> 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	85 000.00
Total nominal value of the bids received (BGN'000)	73 628.54	124 820.00	62 878.00	89 545.00	261 326.54
Total nominal value of the bids approved (BGN'000)	20 000.00	50 000.00	15 000.00	15 000.00	85 000.00
Average price of the bids approved per BGN 100 (%)	94.81	99.43	100.59	110.58	98.55
Interest rate	6.00	6.00	6.00	6.00	6.00
Bid-to-cover ratio	3.68	2.50	4.19	5.97	3.07
Average annual yield (%)	6.55	6.06	5.94	4.99	6.15

<sup>1</sup>The price indicated in the *Total for the issue* column is a result of the five auctions organised for sale of this issue.

<sup>2</sup>The price indicated in the *Total for the issue* column is a result of the four auctions organised for sale of this issue.

<sup>3</sup>The price indicated in the *Total for the issue* column is a result of the three auctions organised for sale of this issue.

<sup>4</sup>The price indicated in the *Total for the issue* column is a result of the two auctions organised 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 49,171.1 thousand.

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

## Government Securities Issued to Settle Nonperforming Credits 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
<b>Issue No.</b>	<b>BG 2000192224</b>	<b>BG 2009993226</b>	<b>BG 2009893228</b>	<b>BG 2009794228</b>	<b>BG 2009693222</b>	<b>BG 2040099223</b>
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 1651.04	BGN 1653.38	BGN 6028.76	USD 138,678.65	BGN 646.87	EUR 117,040.91
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 2040099223 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 31 January 2005.

## Pending Payments on Government Securities in March 2005

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3	4
bonds target issues				17.1	168.3
	7	8	9	10	11
target issues bonds	23.3				1 487.7
	14	15	16	17	18
target issues bonds	51 611.6			11.5	
	21	22	23	24	25
bills target issues	13.6		17.6		
		29	30	31	
bills	28	12 000.0			

**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 March 2005

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
07.03.2005*	12.01.2005	12.01.2015	10 years	25 000 000	
14.03.2005*	16.03.2005	16.03.2008	3 years	25 000 000	
28.03.2005	30.03.2005	30.06.2005	3 months	15 000 000	
<b>TOTAL, incl.</b>				<b>65 000 000</b>	
<b>bills</b>				<b>15 000 000</b>	
<b>bonds</b>				<b>50 000 000</b>	

\* Tap issue.

By end-January 2005 domestic debt totalled BGN 2,700,254.6 thousand in nominal terms. Budget deficit financing government securities comprised 83.4% (BGN 2,253,283.4 thousand) of overall debt and government securities issued for structural reform came to 16.6% (BGN 446,971.2 thousand, Chart 13).

Since early 2005 issued government securities have totalled 74,623.3 thousand, including BGN 285.8 thousand directly sold to individuals. Repaid government securities accounted for BGN 32,499.3 thousand, including BGN 32,000 thousand on short-term treasury bills. As a result of newly issued volumes, the share of three-month, ten-year and 15-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 1.9%, 12.9% and 8.7% at the expense of all other types of government securities whose shares decreased in January (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and eight months. By end-January government securities issued for structural reform decreased to BGN 446,971.2 thousand. Over the review period USD-denominated ZUNK bonds of USD 10,315.4 thousand and EUR-denominated ZUNK bonds of EUR 8360.1 thousand, as well as bonds of BGN 275.2 thousand issued under CM Decree No. 244 of 1991 were used for repaying obligations to the state.

In January debt foreign currency structure underwent slight changes owing both to government securities issued and repayments effected (Chart 15). The shares of government securities in euro and in US dollars decreased to 17.5% and 7.7% respectively, while government securities in levs rose to 74.9%. Debt maturity structure also experienced changes. Short-term and medium-term government securities decreased to 2.4% and 38.6% respectively at the expense of long-term securities which rose to 59% (Chart 16). Government securities with fixed interest coupons comprised 83.4% and government securities with floating interest coupons 16.6% (Chart 17).

Since early 2005 repaid interest and discounts on government securities issued in the domestic market have totalled BGN 32,539.9 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 28,459.9 thousand, or 87.5% of overall interest and discounts (Chart 19). Interest expenditure on five-year government bonds occupied the largest share (56.2%) due to the increasing volume of these issues, followed by interest payments on seven-year bonds 19% (Chart 18).

## Domestic Debt

(BGN'000/EUR'000/USD'000)

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 Jan. 2005
		increase	decrease	
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>				
1. Government securities issued in 2000	28 275.9	-	-	28 275.9
5-year	28 275.9	-	-	28 275.9
2. Government securities issued in 2001	221 328.9	-	-	221 328.9
2.1. Medium-term	191 328.9	-	-	191 328.9
5-year	191 328.9	-	-	191 328.9
2.2. Long-term	30 000.0	-	-	30 000.0
7-year	30 000.0	-	-	30 000.0
3. Government securities issued in 2002	674 670.0	-	-	674 670.0
3.1. Medium-term	349 750.0	-	-	349 750.0
3-year	175 000.0	-	-	175 000.0
5-year	174 750.0	-	-	174 750.0
3.2. Long-term	324 920.0	-	-	324 920.0
7-year	240 000.0	-	-	240 000.0
10-year	84 920.0	-	-	84 920.0
4. Government securities issued in 2003	829 290.6	29 337.5	428.6	858 199.4
4.1. Medium-term	252 682.9	-	428.6	252 254.3
3-year	77 682.9	-	428.6	77 254.3
5-year	175 000.0	-	-	175 000.0
4.2. Long-term	576 607.7	29 337.5	-	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	166 245.6	29 337.5	-	195 583.0
EUR-denominated (lev equivalent)	166 245.6	29 337.5	-	195 583.0
5. Government securities issued in 2004	457 593.9	-	32 070.6	425 523.4
5.1. Short-term	76 000.0	-	32 000.0	44 000.0
3-month	36 000.0	-	12 000.0	24 000.0
12-month	40 000.0	-	20 000.0	20 000.0
5.2. Medium-term	221 593.9	-	70.6	221 523.4
3-year	112 396.9	-	70.6	112 326.3
5-year	109 197.1	-	-	109 197.1
EUR-denominated (lev equivalent)	9 197.1	-	-	9 197.1
5.3. Long-term	160 000.0	-	-	160 000.0
7-year	80 000.0	-	-	80 000.0
10-year	80 000.0	-	-	80 000.0
6. Government securities issued in 2005	-	45 285.8	-	45 285.8
6.1. Short-term	-	20 000.0	-	20 000.0
3-month	-	20 000.0	-	20 000.0
6.2. Medium-term	-	285.8	-	285.8
3-year	-	285.8	-	285.8
6.3. Long-term	-	25 000.0	-	25 000.0
10-year	-	25 000.0	-	25 000.0
<b>TOTAL (I)</b>	<b>2 211 159.3</b>	<b>74 623.3</b>	<b>32 499.2</b>	<b>2 253 283.4</b>

(continued)

(continued)

(BGN'000/EUR'000/USD'000)

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 Jan. 2005
		increase	decrease	
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM				
A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	1 926.2		275.2	1 651.0
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 653.4			1 653.4
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 028.8			6 028.8
denominated in USD	148 994.1		10 315.4	138 678.7
lev equivalent	213 939.1			208 079.0
denominated in EUR	125 401.0		8 360.1	117 040.9
lev equivalent	245 263.0			228 912.1
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	646.9			646.9
TOTAL (II)	469 457.3			446 971.2
GOVERNMENT DEBT, TOTAL	2 680 616.6			2 700 254.6
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 680 616.6			2 700 254.6

**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 foreign debt are reported at nominal value.

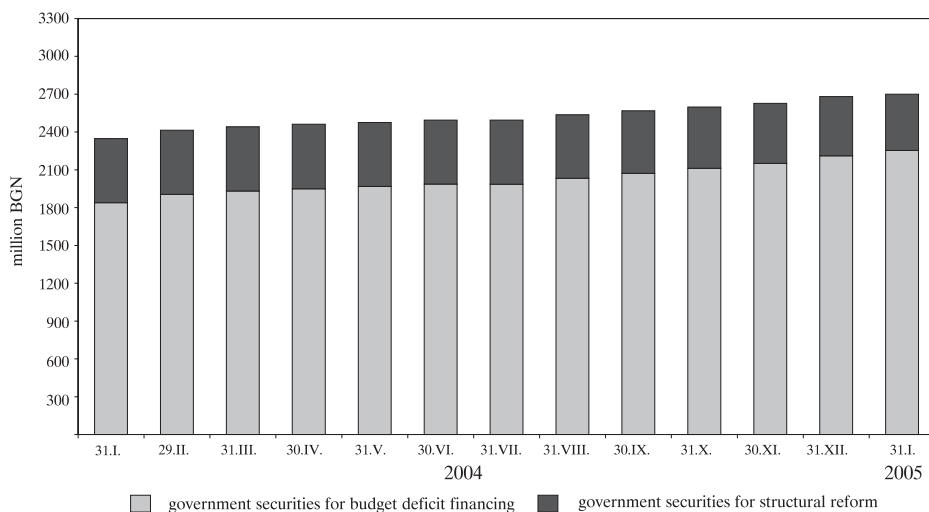
The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended by the BNB to the MF are reported as domestic government debt to the BNB, on the one hand, and foreign debt of the BNB to the IMF, on the other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

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

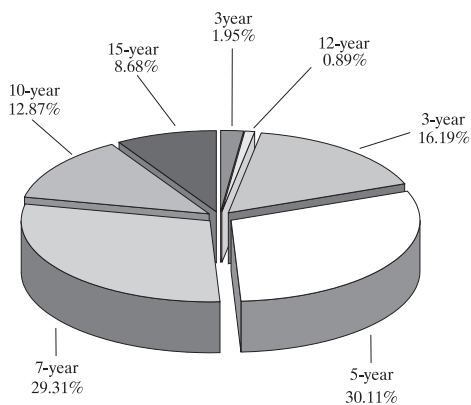
Debt recalculation in US dollars and euro is based on BNB exchange rate of the relevant currency against the lev for the last business day of the respective period.



### Changes in Domestic Government Debt

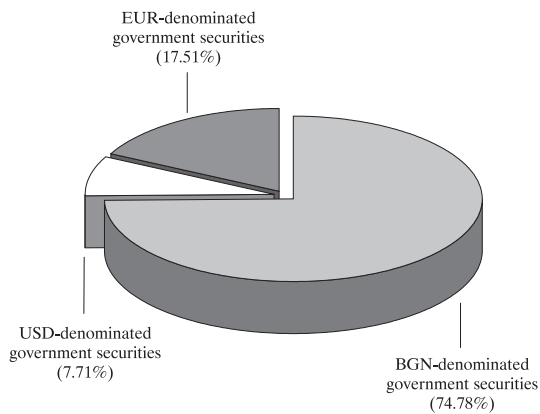


### Outstanding Government Securities Issued for Budget Deficit Financing as of 31 January

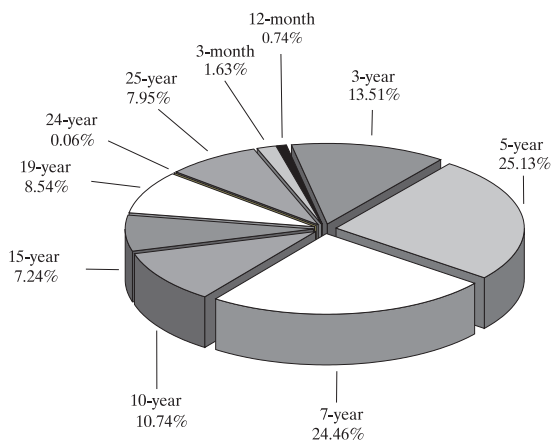


**Note:** The average-weighted maturity of government securities issued for budget deficit financing is six years and eight months.

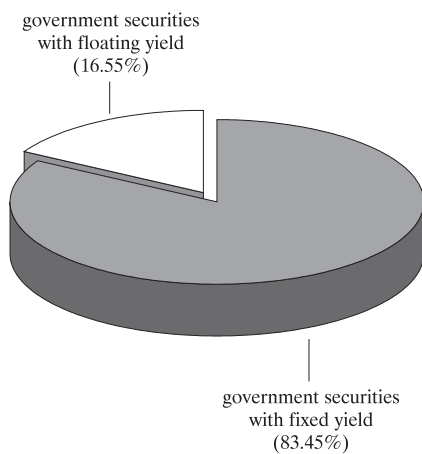
### Forex Composition of Outstanding Government Securities as of 31 January



### Maturity Structure of Outstanding Government Securities as of 31 January



### Shares of Outstanding Government Securities with Fixed and Floating Yield as of 31 January



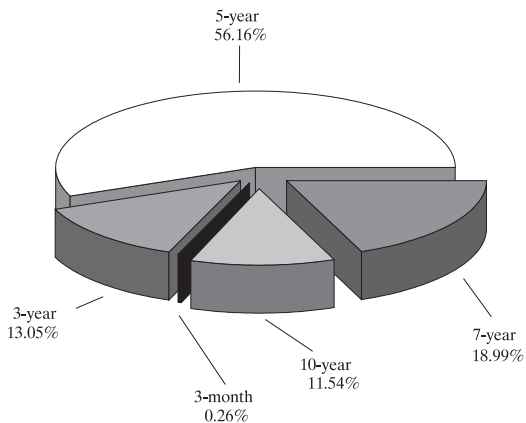
## Expenditure on Domestic Debt between 1 January and 31 January 2005

(BGN'000)

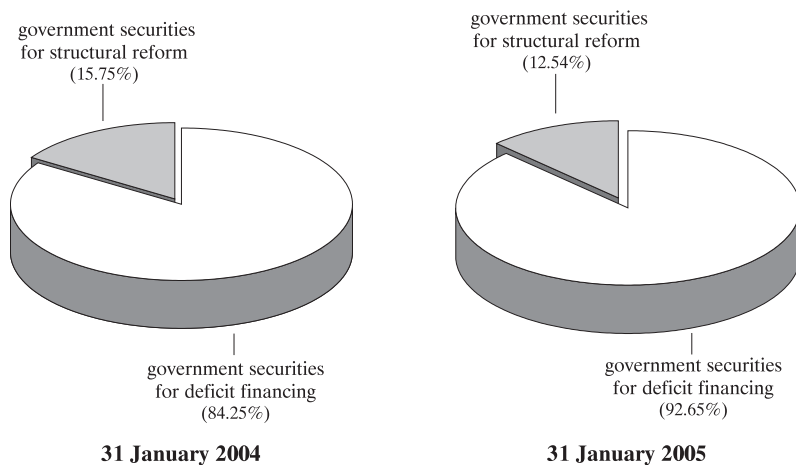
Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
1. Government securities issued in 2001	3 398.9
1.1. Medium-term*	3 398.9
5-year	3 398.9
2. Government securities issued in 2002	13 604.7
2.1. Medium-term*	8 118.2
3-year	2 174.0
5-year	5 944.2
2.2. Long-term	5 486.5
10-year	5 486.5
3. Government securities issued in 2003	8 810.3
3.1. Medium-term	5 901.1
3-year	1 385.7
5-year	4 515.4
3.2. Long-term	2 909.2
10-year	3 334.6
15-year	-425.4
EUR-denominated (lev equivalent)	1 671.8
4. Government securities issued in 2004	2 646.0
4.1. Short-term	74.5
3-month	74.5
12-month	695.1
4.2. Medium-term	2 571.5
3-year	208.7
5-year	2 362.8
<b>TOTAL (I)</b>	<b>28 459.9</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM</b>	
<b>A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks</b>	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	32.8
2. Bonds issued pursuant to CM Decree No. 186 of 1992	19.9
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	4 027.2
lev bonds	0.0
USD-denominated bonds (in BGN at the current exchange rate)	1 451.8
EUR-denominated bonds (in BGN at the fixed exchange rate)	2 575.4
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
<b>Total (A)</b>	<b>4 079.9</b>
<b>TOTAL (II)</b>	<b>4 079.9</b>
<b>EXPENDITURE ON GOVERNMENT DEBT, TOTAL</b>	<b>32 539.9</b>

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

### Structure of Expenditure on Government Securities Issued for Budget Deficit Financing



### Structure of Expenditure on Domestic Debt



By end-January 2005 foreign debt totalled EUR 5975.6 million. Government debt accounted for EUR 5522.4 million and government guaranteed debt amounted to EUR 453.2 million.

In January new foreign financing totalled BGN 19,437.3 thousand. Payments on the debt totalled BGN 1,733,954.4 thousand of which BGN 1,492,829.9 thousand principal repayments and BGN 241,124.5 thousand interest. Repayments were mainly made on Brady bonds (BGN 1,468,466.5 thousand), government investment loans (BGN 15,790.7 thousand) and called government guarantees (BGN 1,163.7 thousand). Interest was repaid mainly on other bonds (global bonds and eurobonds), BGN 200,890.2 thousand, Brady bonds, BGN 33,471.2, government investment loans, BGN 5274.1 thousand, and on government guaranteed debt, BGN 1282.8 thousand. By end-January net foreign financing was negative and totalled BGN -1,473,392.5 thousand.

In January 2005 IAB Brady bonds were repaid ahead of schedule. This, coupled with other payments, led to certain changes in forex debt composition. Debt denominated in US dollars decreased on December 2004 reaching 32.7%, while debt denominated in euro and other currencies increased to 48.9% and 18.4% respectively. Debt interest structure also reported a certain change. Debt with floating interest coupons decreased to 53.7% against debt with fixed interest coupons, 46.3%. The average-weighted residual term to maturity of the foreign debt was eight years and ten months.

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 34.5%, followed by debt on Brady bonds, 7.8%, to the World Bank, 15.8%, and to the IMF, 14.8%. Obligations to the European Union comprised 5.9% and to the Paris Club 3%, while government guaranteed loans amounted to 7.6%.

## Foreign Debt

(million EUR)

Structure	as of 31.XII.2004	as of 31.I.2005
<b>Government debt</b>	<b>6 140.6</b>	<b>5 522.4</b>
I. Bonds	3 182.4	2 526.3
1. Brady bonds	1 164.1	466.2
2. Other bonds	2 018.3	2 060.2
II. Credits	2 958.2	2 996.0
1. Paris Club	176.3	176.3
2. World Bank	930.6	942.9
2.1. World Bank	842.9	852.1
2.2. JBIC (JEXIM)	87.7	90.8
3. G24	34.6	35.3
4. European Union	350.0	350.0
5. IMF	868.7	885.0
6. Other	125.2	125.2
7. Government investment loans	428.8	437.1
7.1. World Bank	108.0	110.2
7.2. European Investment Bank	214.8	216.0
7.3. EBRD	22.8	20.0
7.4. Other	83.2	90.9
8. Called government guarantees	43.9	44.2
8.1. World Bank	36.4	36.5
8.2. European Investment Bank	1.3	1.2
8.3. Other	6.2	6.4
<b>Government guaranteed debt</b>	<b>444.0</b>	<b>453.2</b>
1. World Bank	96.0	99.5
2. European Investment Bank	9.2	9.2
3. EBRD	37.2	38.1
4. Other	301.7	306.4
<b>FOREIGN DEBT, TOTAL</b>	<b>6 584.6</b>	<b>5 975.6</b>
<b>FOREIGN DEBT, TOTAL (million USD)</b>	<b>8 969.0</b>	<b>7 789.2</b>

### Notes:

1. 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 foreign debt are reported at nominal value.
2. Credits 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 State Gazette, 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 credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign 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 foreign 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 January 2005.

## New Foreign Financing and Foreign Debt Payments as of 31 January

(BGN'000)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
<b>Government debt</b>	<b>17 541.2</b>	<b>1 492 829.9</b>	<b>239 841.7</b>
I. Bonds	-	1 468 466.5	234 361.4
1. Brady bonds	-	1 468 466.5	33 471.2
2. Other bonds	-	-	200 890.2
II. Credits	17 541.2	24 363.4	5 480.4
1. Paris Club	-	-	-
2. World Bank	-	-	-
2.1. World Bank	-	-	-
2.2. JBIC (JEXIM)	-	-	-
3. G24	-	-	-
4. European Union	-	-	-
5. IMF	-	7 409.0	-
6. Other	-	-	-
7. Government investment loans	17 541.2	15 790.7	5 274.1
7.1. World Bank	3 901.6	-	-
7.2. European Investment Bank	3 911.7	9 193.7	2 935.2
7.3. EBRD	-	6 597.0	917.1
7.4. Other	9 728.0	-	1 421.8
8. Called government guarantees	-	1 163.7	206.3
8.1. World Bank	-	825.5	111.2
8.2. European Investment Bank	-	338.1	95.1
8.3. Other	-	-	-
<b>Government guaranteed debt</b>	<b>1 896.1</b>	<b>-</b>	<b>1 282.8</b>
1. World Bank	1 355.6	-	-
2. European Investment Bank	-	-	-
3. EBRD	296.1	-	-
4. Other	244.3	-	1 282.8
<b>TOTAL</b>	<b>19 437.3</b>	<b>1 492 829.9</b>	<b>241 124.5</b>

**Notes:**

1. Lev equivalence of the new foreign 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.



Chart 20

### Forex Composition of the Foreign Debt as of 31 January

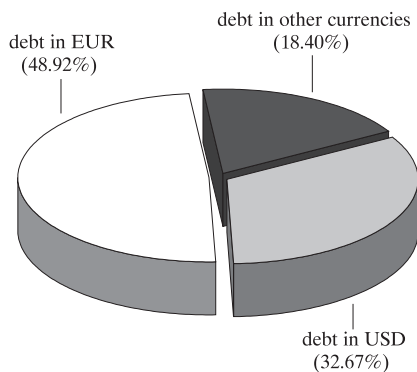
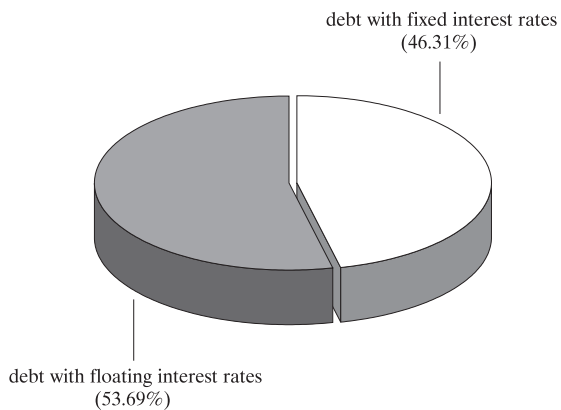
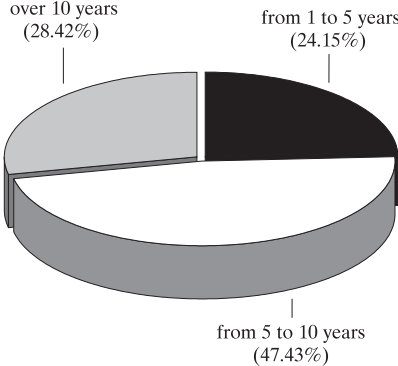


Chart 21

### Interest Rate Structure of the Foreign Debt as of 31 January



**Residual Term to Maturity of the Foreign Debt as of 31 January**



**Note:** The average-weighted residual term to maturity of the foreign debt is eight years and ten months.

By end-January 2005 government and government guaranteed debt totalled EUR 7,356.2 million, including domestic debt of EUR 1,380.6 million and foreign debt of EUR 5,975.6 million. The decrease in nominal terms was EUR 599 million on the previous month mainly due to repayment of IAB Brady bonds ahead of schedule.

By end-January the *debt to GDP* ratio was 34.8%, or a decrease of 6.1 percentage points on end-December 2004. The values of the domestic and the foreign debts accounted for 6.5% and 28.3% respectively.

Domestic debt occupied 18.8% in debt structure and foreign debt 81.2% (Chart 23).

By end-January 2005 forex debt composition experienced certain changes owing to repayment of IAB Brady bonds ahead of schedule. The share of the debt in US dollars reached 28%, in euro 43%, in levs 14% and in other currencies 15% (Chart 24).

Other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 28%, followed by domestic debt (government securities), 18.8%, debt to the World Bank, 12.8%, debt to the IMF, 12%, and Brady bonds, 6.3% (Chart 25).

By end-January debt interest structure reported a slight increase in the debt with fixed interest to 53.3%. Debt with floating interest comprised 46.7% (Chart 26).

Since early 2005 payments effected on government and government guaranteed debt have totalled BGN 1829.8 million, including domestic debt payments of BGN 95.9 million and foreign debt payments of BGN 1733.9 million (Chart 27). In January repayments on IAB Brady bonds (repaid ahead of schedule) comprised the most significant share, while the main repayments related to domestic debt were effected on government securities issued for budget deficit financing.

Since early 2005 payments in US dollars accounted for the biggest share in the forex composition of debt payments (recalculated in levs: BGN 1597.2 million) followed by payments in euro (BGN 135.4 million) and in levs (BGN 95.9 million, Chart 28).

## Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII.20034	as of 31.I.2005
<b>Domestic debt</b>	<b>1 370.6</b>	<b>1 380.6</b>
I. Government debt	1 370.6	1 380.6
1. Government securities issued for budget deficit financing	1 130.5	1 152.1
2. Government securities issued for structural reform	240.0	228.5
II. Government guaranteed debt	-	-
<b>Foreign debt</b>	<b>6 584.6</b>	<b>5 975.6</b>
I. Government debt	6 140.6	5 522.4
1. Bonds	3 182.4	2 526.3
2. Credits	2 958.2	2 996.0
Government investment loans	428.8	437.1
Called government guarantees	43.9	44.2
II. Government guaranteed debt	444.0	453.2
<b>Debt, total</b>	<b>7 955.2</b>	<b>7 356.2</b>
<b>Debt/GDP (%)</b>	<b>40.9</b>	<b>34.8</b>
Domestic debt/GDP (%)	7.0	6.5
Foreign debt/GDP (%)	33.8	28.3

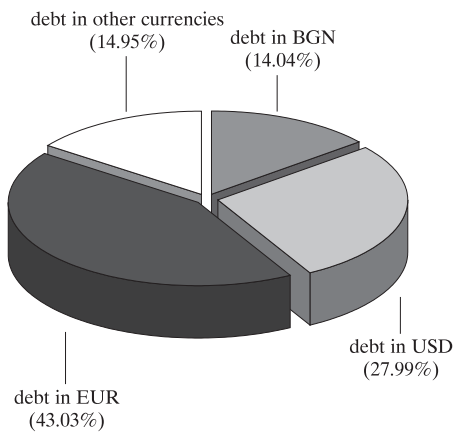
**Notes:**

1. Debt based on cash flows.
2. GDP projection for 2005: BGN 41,343 million. Revised GDP projection for 2004: BGN 38,082 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 foreign debt of the BNB to the IMF, on the other hand.  
Debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in the present issue of *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 January 2005.

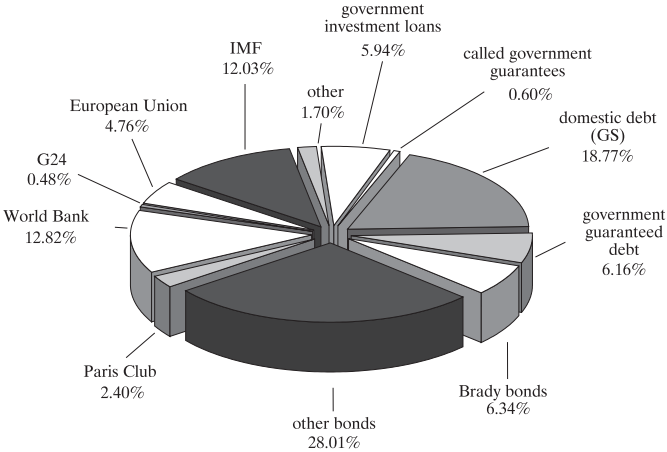
### Debt Structure as of 31 January



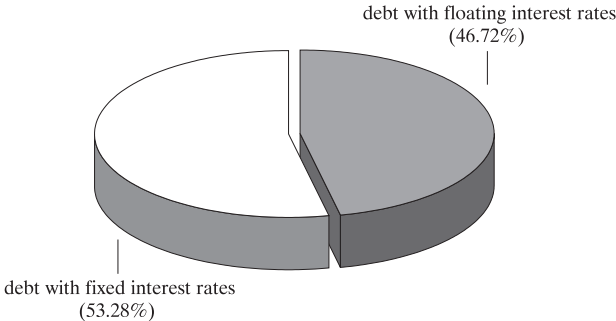
### Debt Forex Structure as of 31 January



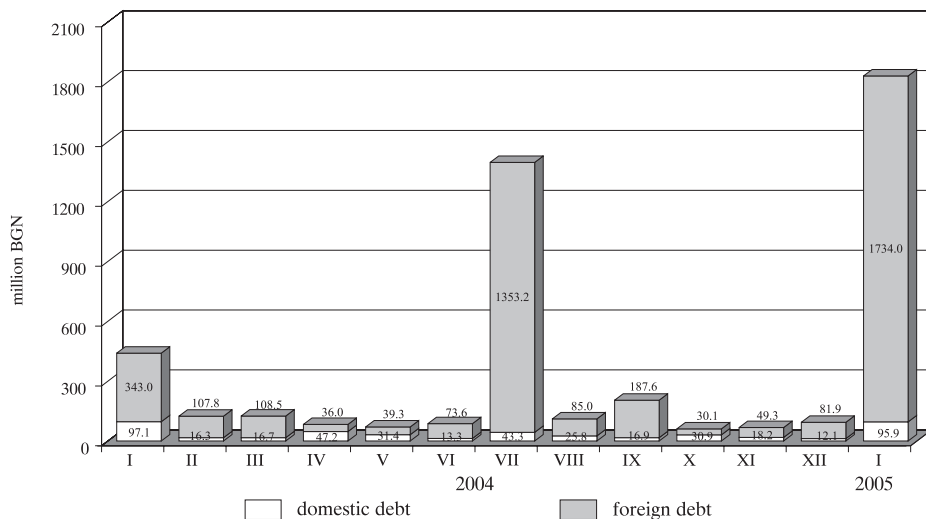
### Debt Structure by Creditor as of 31 January



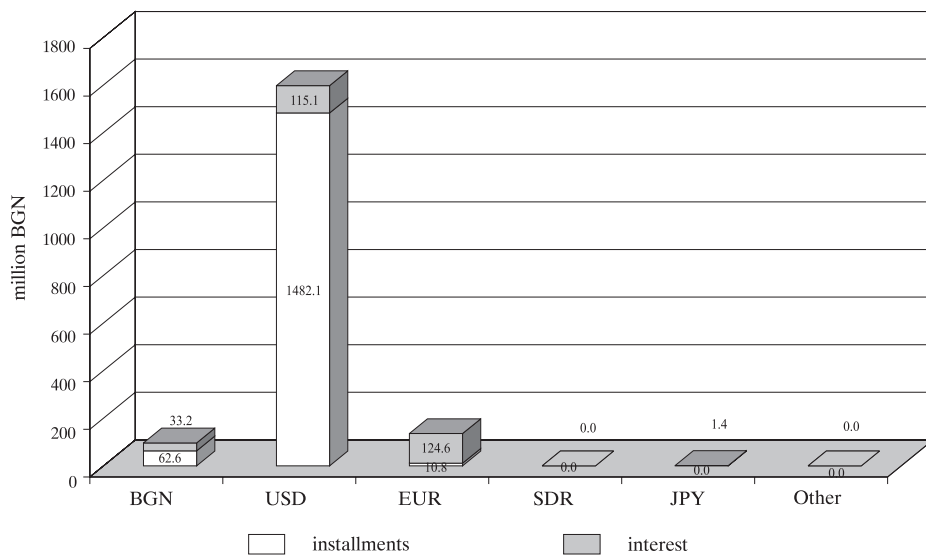
### Debt Interest Structure as of 31 January



### Government Debt Payments



### Currency Structure of Government Debt Payments as of 31 January



## Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	2004												
	31.XII.2003	31.I.	29.II.	31.III.	30.IV.	31.V.	30.VI.	31.VII.	31.VIII.	30.IX.	31.X.	30.XI.	31.XII.
Government securities issued for budget deficit financing	4 380.1	12 008.8	12 008.8	11 559.0	11 559.0	11 363.4	11 148.2	12 655.6	12 822.4	27 002.2	29 294.4	29 294.4	30 753.7
– in BGN	-	-	-	-	-	-	-	1 789.0	-	-	-	-	100.0
– 7 years and 3 months (in EUR)	194.6	-	-	-	-	-	-	-	-	-	-	-	1 955.8
– 15 years (in EUR)	4 185.5	12 008.8	12 008.8	11 559.0	11 559.0	11 363.4	11 148.2	10 866.6	12 822.4	27 002.2	29 294.4	29 294.4	28 697.9
Government securities issued for structural reform	4 455.9	4 182.9	4 182.9	4 185.8	4 186.2	4 186.2	4 186.9	4 188.7	4 104.9	4 130.8	4 127.5	4 119.2	4 119.2
– in USD	125.4	182.6	182.6	185.5	185.9	185.9	186.5	188.3	104.5	130.5	127.1	118.8	118.8
– in EUR	4 330.5	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4
<b>Total</b>	<b>8 835.9</b>	<b>16 191.7</b>	<b>16 191.7</b>	<b>15 744.8</b>	<b>15 745.2</b>	<b>15 549.6</b>	<b>15 335.1</b>	<b>16 844.3</b>	<b>16 927.3</b>	<b>31 133.0</b>	<b>33 421.9</b>	<b>33 413.6</b>	<b>34 872.9</b>

## Government Securities Issued in International Market and Held by Residents

(million USD)

Government securities type	2004												
	31.XII.2003	31.I.	29.II.	31.III.	30.IV.	31.V.	30.VI.	31.VII.	31.VIII.	30.IX.	31.X.	30.XI.	31.XII.
Brady bonds	66.0	92.8	96.4	108.6	123.7	108.3	89.2	92.0	100.0	107.5	112.4	108.8	112.5
Eurobonds	65.3	61.5	67.8	57.4	56.4	52.4	56.8	54.3	58.4	62.5	68.4	75.7	77.4
Global bonds	166.0	165.3	185.1	150.7	161.0	160.1	103.6	101.9	96.8	105.7	90.2	96.5	98.6
– in EUR	122.8	126.3	140.5	113.7	112.8	113.2	78.3	80.8	78.1	91.6	76.0	78.3	78.6
– in USD	43.3	39.0	44.6	37.1	48.2	46.9	25.3	21.1	18.7	14.2	14.3	18.2	20.1
<b>Total</b>	<b>297.3</b>	<b>319.6</b>	<b>349.3</b>	<b>316.7</b>	<b>341.1</b>	<b>320.8</b>	<b>249.6</b>	<b>248.2</b>	<b>255.3</b>	<b>275.8</b>	<b>271.0</b>	<b>281.0</b>	<b>288.5</b>



## MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

## Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	2004											
	as of 31.XII.2003	as of 31.I. as of 29.II.	as of 31.III. as of 30.IV.	as of 31.V. as of 30.VI.	as of 31.VII. as of 31.VIII.	as of 31.IX. as of 30.X.	as of 31.X. as of 30.XI.	as of 31.XII. as of 30.XIII.				
<b>I. Municipal debt</b>	66 075.0	69 542.3	68 633.3	66 908.2	67 175.8	74 122.0	71 146.2	72 479.9	77 596.0	74 203.1	87 887.7	87 708.8
<i>1. Domestic municipal debt</i>	45 949.8	48 660.9	47 445.6	45 683.2	46 054.6	52 965.8	48 366.4	49 481.8	54 607.5	51 253.3	51 700.5	48 890.5
1.1. Government securities issues (at nominal value as of corresponding period)	8 454.6	8 454.6	8 454.6	8 128.6	8 124.6	13 209.7	8 124.6	8 124.6	13 209.7	11 253.9	11 179.6	10 179.6
1.2. Loans from banks and other financial institutions	21 731.3	25 250.8	24 643.7	23 965.4	24 312.2	25 373.3	26 361.2	27 133.9	26 943.3	25 904.4	25 199.0*	24 850.3
1.3. Loans from the republican budget	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 730.0	2 764.0*	2 764.0
1.4. Loans from extrabudgetary accounts and funds	6 788.5	6 660.2	6 474.7	6 217.4	6 196.1	6 113.8	5 927.1	6 286.2	6 590.5	5 998.9	6 078.6*	5 481.6
1.5. Loans from other municipalities	-	-	-	-	-	-	-	-	-	-	-	-
1.6. Called municipal guarantees	5 745.4	5 565.3	5 142.6	4 641.8	4 691.7	5 338.9	5 223.5	5 157.1	5 223.9	5 368.1	6 470.3	6 614.9
1.7. Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>2. Foreign municipal debt</b>	20 625.2	20 881.4	21 187.8	21 225.0	21 121.2	21 156.3	22 779.8	23 048.1	22 898.6	22 949.8	36 187.3	38 813.3
2.1. Loans from banks and other financial institutions	14 251.4	14 251.4	14 251.4	14 251.4	14 251.4	14 251.4	15 758.8	15 758.8	15 758.8	15 758.8	15 848.6	18 863.0
2.2. Government guaranteed municipal debt	6 373.8	6 630.0	6 936.3	6 973.5	6 869.8	6 904.8	7 020.9	7 289.3	7 139.7	7 191.0	20 338.7	19 950.3
<b>II. Municipal guarantees</b>	95.0	955.0	892.1	866.5	845.1	822.1	796.2	774.5	768.0	746.6	725.1	735.4
<i>1. Domestic municipal guarantees</i>	95.0	955.0	892.1	866.5	845.1	822.1	796.2	774.5	768.0	746.6	725.1	735.4
<i>2. Foreign municipal guarantees</i>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Municipal debt and municipal guarantees, total</b>	67 070.0	70 497.3	69 525.4	67 774.7	68 020.9	74 942.4	71 942.4	73 254.4	78 364.0	74 907.7	88 612.9	88 439.3

## Notes:

- The loan extended by the Council of Europe Development Bank (CEB) to the Republic of Bulgaria under the *Building and Rehabilitation of Houses for Romi Families* project (utilized by the Sofia Municipality) represents foreign municipal debt and is reported under *1. Municipal debt*, *2. Foreign municipal debt*, *2.2. Government guaranteed municipal debt*. This loan has been guaranteed by the government and is reported in *Government and Government Guaranteed Debt* table, *Foreign Debt*, *II. Government guaranteed debt*.
- The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is a foreign municipal debt and is reported under *1. Municipal debt*, *2. Foreign municipal debt*, *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 *Government and Government Guaranteed Debt* table, *Foreign Debt*, *II. Government guaranteed debt*.
- 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

(thousand BGN)

Structure	2004												
	as of 31.XII. 2003	as of 31.I.	as of 29.II.	as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.	as of 31.VII.	as of 31.VIII.	as of 30.IX.	as of 31.X.	as of 30.XI.	as of 31.XII.
<b>Domestic debt</b>	<b>35 378.2</b>	<b>35 410.8</b>	<b>35 406.2</b>	<b>35 432.6</b>	<b>35 471.9</b>	<b>35 436.3</b>	<b>34 530.7</b>	<b>34 546.7</b>	<b>34 536.8</b>	<b>34 496.8</b>	<b>34 454.9</b>	<b>34 388.4</b>	<b>33 412.8</b>
I. National Insurance Institute	35 378.2	35 410.8	35 406.2	35 432.6	35 471.9	35 436.3	34 530.7	34 546.7	34 536.8	34 496.8	34 454.9	34 388.4	33 412.8
1. Other <sup>1</sup>	35 378.2	35 410.8	35 406.2	35 432.6	35 471.9	35 436.3	34 530.7	34 546.7	34 536.8	34 496.8	34 454.9	34 388.4	33 412.8
2. Loans from the republican budget	-	-	-	-	-	-	-	-	-	-	-	-	-
II. National Health Insurance Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Teachers' Pension Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign debt</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

<sup>1</sup> This loan was extended by the Ministry of Finance to the National Insurance Institute under a sub-loan 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

### Consolidated Government Debt Amount

Structure	(million EUR)												
	as of 31.XII. 2003	as of 31.I. as of 29.II.	as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.	as of 31.VII.	as of 31.VIII.	as of 30.IX.	as of 31.X.	as of 30.XI. as of 31.XII.		
	2004												
<b>I. Consolidated government debt</b>	<b>8 148.7</b>	<b>8 252.1</b>	<b>8 282.9</b>	<b>8 367.7</b>	<b>8 446.1</b>	<b>8 368.0</b>	<b>8 378.1</b>	<b>7 804.2</b>	<b>7 792.6</b>	<b>7 803.4</b>	<b>7 739.6</b>	<b>7 620.7</b>	<b>7 556.0</b>
1. Central government debt	8 114.9	8 216.5	8 247.5	8 332.6	8 411.9	8 333.7	8 340.2	7 768.2	7 756.2	7 763.8	7 701.7	7 575.8	7 511.2
2. Social security funds debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Municipal debt	33.8	35.6	35.4	35.1	34.2	34.3	37.9	35.9	36.4	39.7	37.9	44.9	44.8
<b>Debt/GDP, total (%)</b>	<b>46.32</b>	<b>42.38</b>	<b>42.54</b>	<b>42.97</b>	<b>43.38</b>	<b>42.98</b>	<b>43.03</b>	<b>40.08</b>	<b>40.02</b>	<b>40.08</b>	<b>39.75</b>	<b>39.14</b>	<b>38.81</b>

#### 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 foreign debt are reported at nominal value.
- GDP projection for 2004: BGN 38,082 million. 2003 GDP: BGN 34,410.2 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 foreign debt of the BNB to the IMF, on the other hand. Debt to the IMF is included in the foreign 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 sub-loan 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 a foreign municipal debt and is reported under *Consolidated government debt*, 3. *Municipal debt*. Pursuant to the Guarantee Agreement between the governments of Bulgaria and Japan, this loan is also guaranteed by the Bulgarian Government.

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