

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

FEBRUARY 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

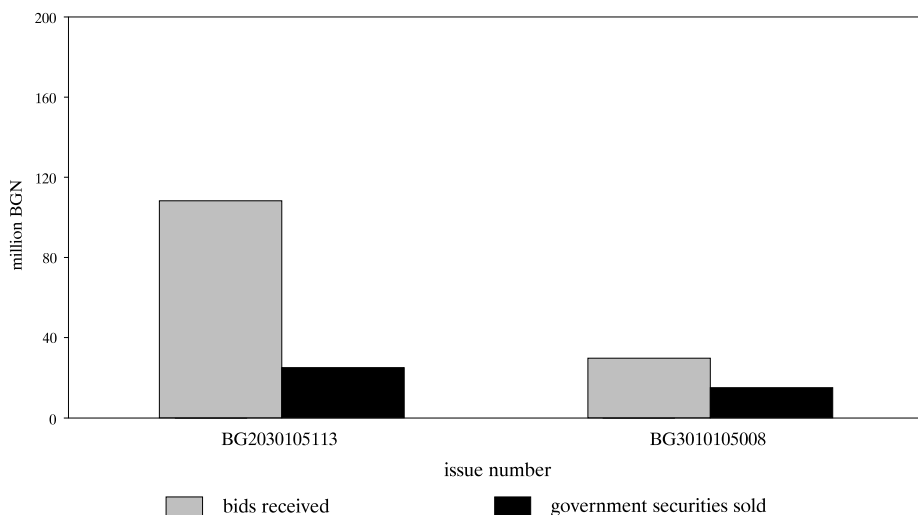
According to the monthly auction calendar, in February the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Ordinance No. 5, including one short-term discount treasury bills issue (three-month, No. BG3010105008) and one medium-term tap treasury bonds issues (five-year, No. BG2030105113).

At the auctions primary dealers' bids totaled BGN 138,000 thousand: BGN 29,700 thousand for three-month government securities and BGN 108,300 thousand for five-year government securities (Chart 1). Approved bids totaled BGN 40,000 thousand nominal value, including three-month of BGN 15,000 thousand and five-year of BGN 25,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in February accounted for 3.45: 1.98 on three-month and 4.33 on five-year (Chart 4).

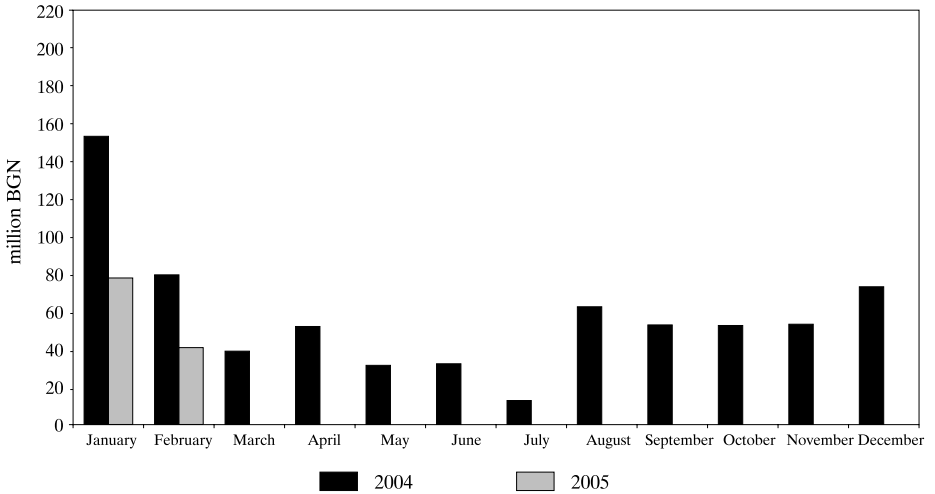
Government securities issued in February decreased by BGN 36.7 million on the same period of 2004 (Chart 2).

Chart 1

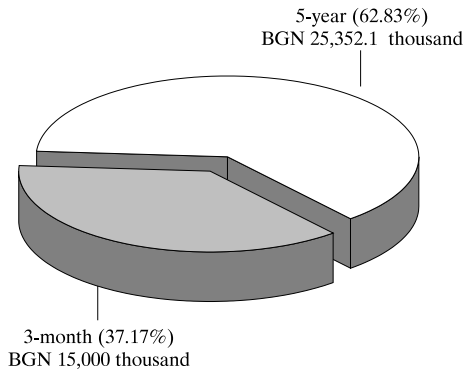
Government Securities Issue in February



Sales of Government Securities Issues

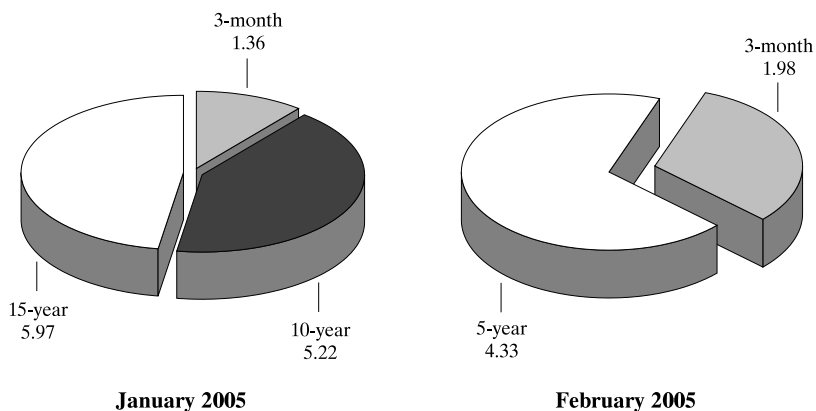


Structure and Volume of Government Securities Issued for Budget Deficit Financing in February



Note: Including target government securities.

Bid-to-Cover Ratios of Issues Sold



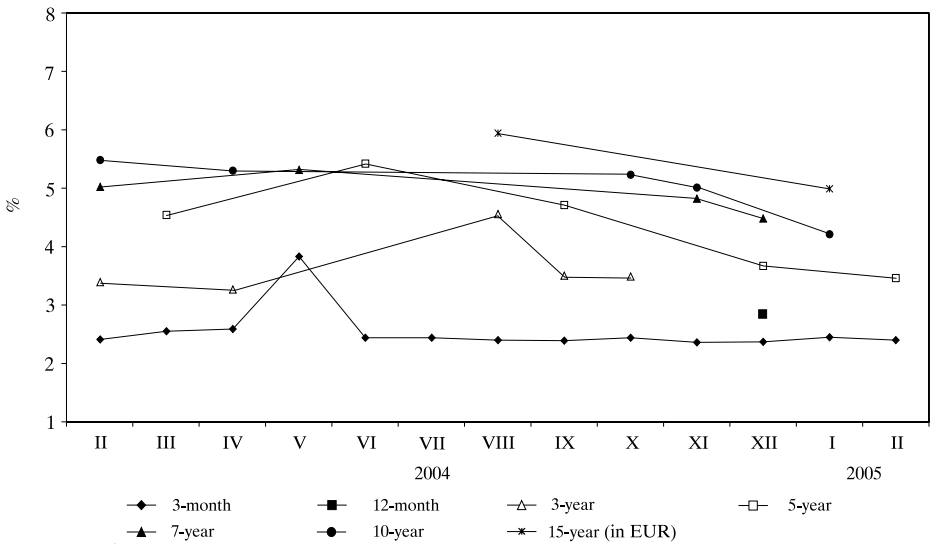
In the review period the yield attained in the primary market continued to follow a gradual downward trend. The yield of three-month treasury bills fell from 2.45% to 2.40%, posting a decrease of 5 basis points compared to the previous month. The yield of five-year treasury bonds was 3.46%, a decrease of 0.21 percentage points on December 2004 when the last government securities issue with five-year maturity was sold (Charts 5, 6 and 8).

One 2004 treasury bills issue matured in February (No. BG3011104000).

In the reporting period one issue of EUR-denominated five-year treasury bonds earmarked for direct sale to individuals was put in circulation: issue No. 601 of 2 February 2005 with a nominal value of BGN 352.1 thousand (EUR 180 thousand) (Chart 11). Reverse repurchases accounted for BGN 212.8 thousand (Chart 12).

Chart 5

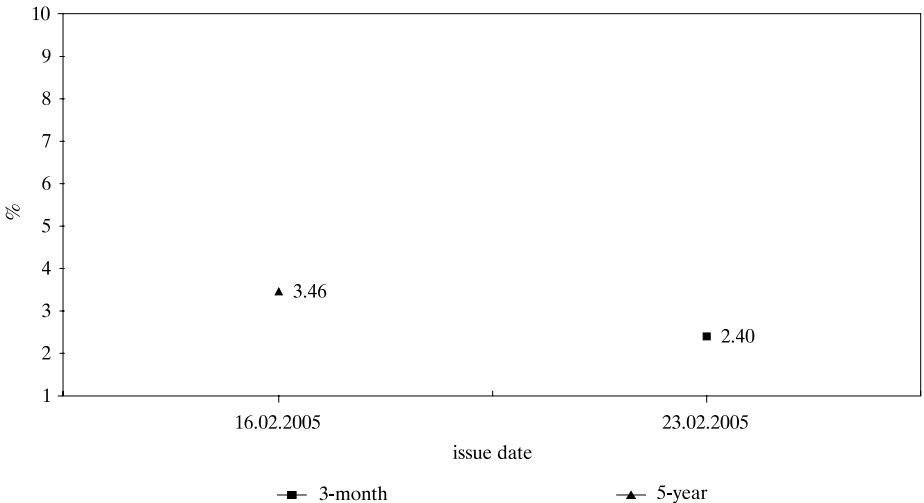
Yield of Primary Market Government Securities



Notes: The yield is on an effective annual basis.

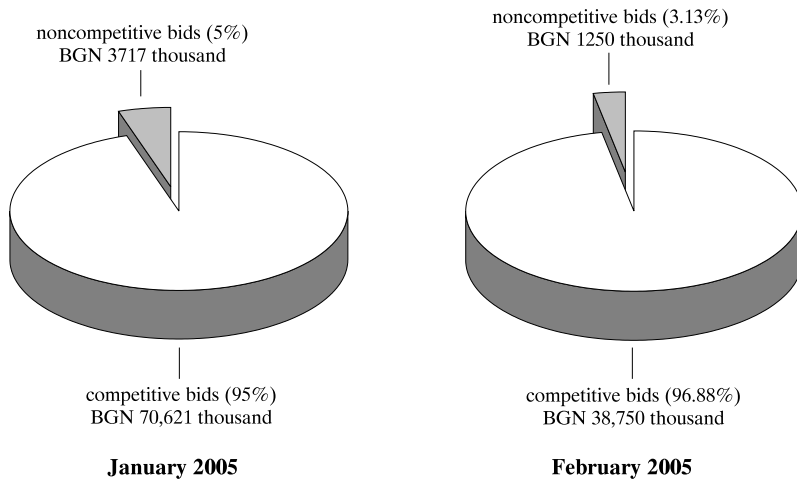
Chart 6

Dynamics of the Average Annual Yield of Primary Market Government Securities

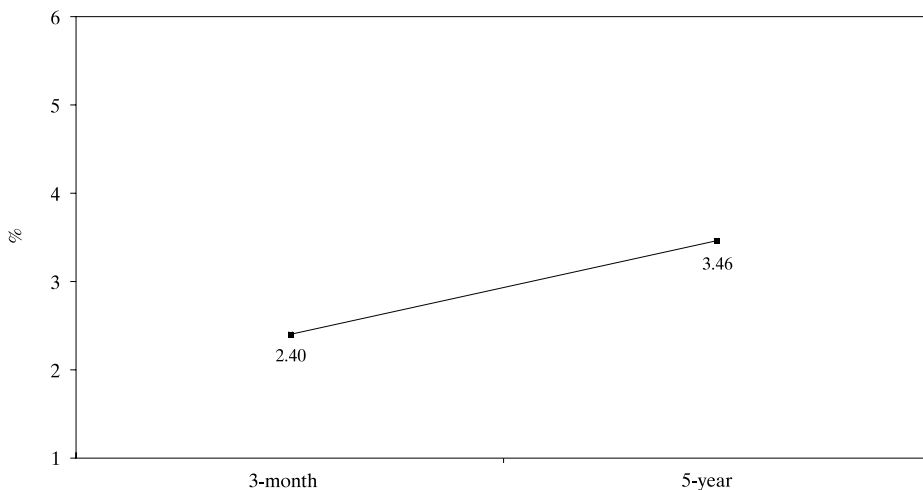


Notes: The 5-year government securities issue ia tap issue. The above date indicates the auction date.

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



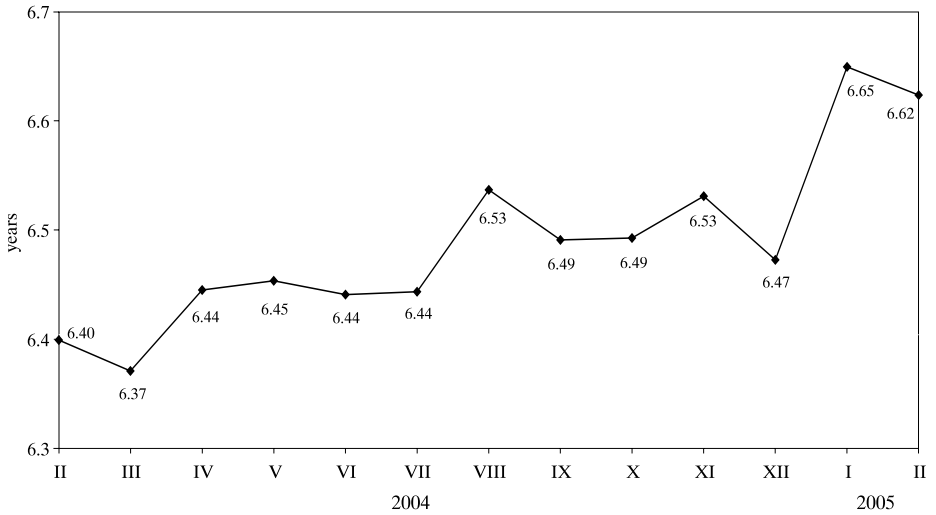
Yield Curve of Primary Market Government Securities in February



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

Chart 9

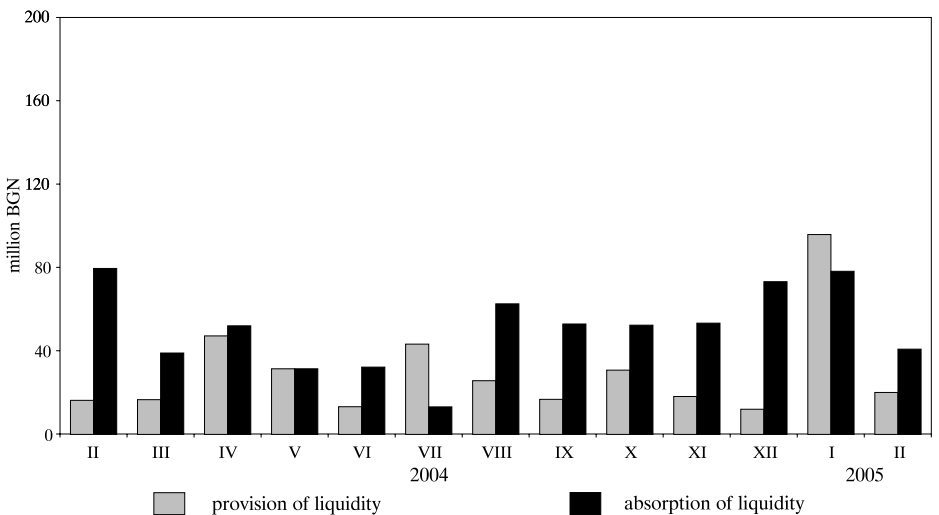
An Average Term of Outstanding Government Securities Issues by Year



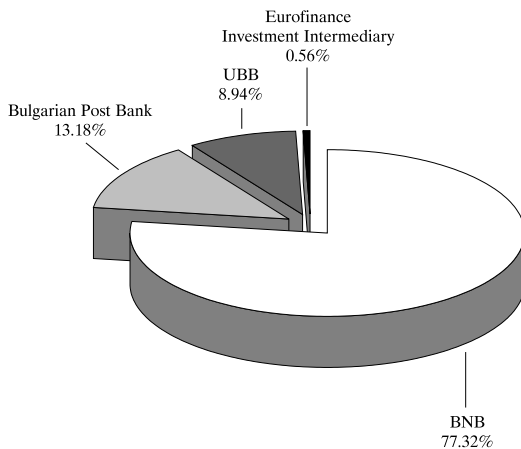
Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Chart 10

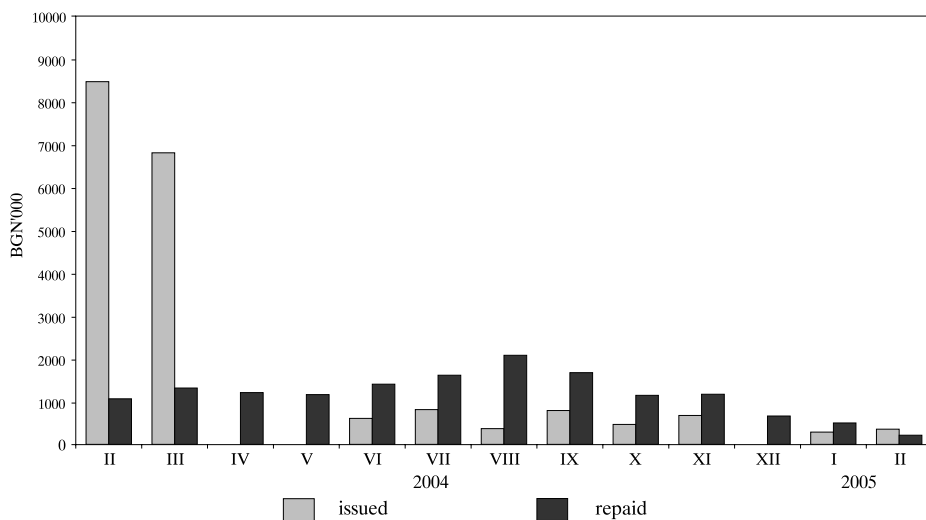
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Target Government Securities in February



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

3-month government securities

12-month government securities

Issue No.	BG3011304006	BG3010005000	BG3010105008	BG3011204008
Issue date	29.12.2004	26.01.2005	23.02.2005	15.12.2004
Maturity date	29.03.2005	26.04.2005	23.05.2005	15.12.2005
Nominal value of the offer (BGN'000)	12 000.00	20 000.00	15 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	19 080.00	27 100.00	29 700.00	40 950.00
Total nominal value of the bids approved (BGN'000)	12 000.00	20 000.00	15 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.41	99.39	99.41	97.18
Average discount per BGN 100 (%)	0.59	0.61	0.59	2.82
Average annual yield (%)	2.37	2.45	2.40	2.86
Effective annual yield (%)	2.40	2.48	2.42	2.86
Bid-to-cover ratio	1.59	1.36	1.98	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 ⁴			BG2030302116 ³			BG2030402114 ⁴			
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue	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	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	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	83 100.00	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	160 615.70	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	75 000.00	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	99.10	99.13	100.80	99.97
Interest rate	6.50	6.50	6.50	5.75	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	1.93	1.35	2.67	2.01
Average annual yield (%)	5.90	5.88	5.89	6.18	6.24	5.91	6.08	6.32	5.71	6.01

(continued)

3-year government securities

(continued)

Issue No.	BG2030103118 ⁴			BG2030104116 ¹					
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
Auction date	20.01.2003	21.04.2003		16.02.2004	19.04.2004	09.08.2004	20.09.2004	11.10.2004	
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 ³			Total for the issue**	BG2030101112 ³			Total for the issue**
	First opening	Second opening	Third opening		First opening	Second opening	Third opening	
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 ³			BG2030501113 ³				
	First opening	Second opening	Third opening	Total for the issue**	First opening	Second opening	Third opening	Total for the issue
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	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	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	60 000.00
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	140 070.00
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	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.40	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90	6.90

(continued)

5-year government securities

(continued)

Issue No.	BG2030701119 ³				BG2030002112 ²				
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue
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	24.10.2001	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	24.10.2006	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	60 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	43 400.00	55 400.00	28 750.00	127 550.00	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	60 000.00	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	100.29	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	2.13	2.51	3.62	1.88	1.81	2.43
Average annual yield (%)	6.95	6.91	6.95	6.93	6.83	6.53	6.52	6.51	6.60

(continued)

5-year government securities

(continued)

Issue No.	BG2030202118 ²					BG2030003110 ³			
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
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	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	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	90 000.00	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	174 314.70	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	84 750.00	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	99.20	100.42	100.55	100.40	100.46
Interest rate	6.50	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	1.94	2.92	2.04	2.47	2.51
Average annual yield (%)	6.55	6.87	6.79	6.61	6.69	5.53	5.50	5.53	5.52

(continued)

5-year government securities

(continued)

Issue No.	BG2030203116 ¹					Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	
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.	BG2030004118 ¹					BG2030105113		
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue	First opening	Total for the issue
Auction date	05.01.2004	01.03.2004	07.06.2004	13.09.2004	20.12.2004		14.02.2005	
Issue date	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	16.02.2005	16.02.2005
Maturity date	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009	16.02.2010	16.02.2010
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	25 000.00	25 000.00
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	108 300.00	108 300.00
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	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	99.79	100.72	96.88	99.94	103.98	100.26	101.43	101.43
Interest rate	4.70	4.70	4.70	4.70	4.70	4.70	3.75	3.75
Bid-to-cover ratio	4.22	3.01	1.79	3.83	4.61	2.85	4.33	4.33
Average annual yield (%)	4.75	4.54	5.42	4.71	3.67	4.62	3.46	3.46

(continued)

7-year government securities

(continued)

Issue No.	BG2040001211 ⁴			BG2040002219 ⁴			BG2040102217 ³			
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
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	31.10.2001	16.01.2002	16.01.2002	16.01.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002
Maturity date	31.10.2008	31.10.2008	31.10.2008	16.01.2009	16.01.2009	16.01.2009	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	60 000.00	30 000.00	25 000.00	35 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	53 672.00	54 615.00	108 287.00	106 295.00	99 331.00	205 626.00	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	30 000.00	50 000.00	80 000.00*	30 000.00	25 000.00	35 000.00	90 000.00
Average price of the bids approved per BGN 100 (%)	95.45	98.19	96.46	100.47	101.46	101.09	99.05	99.77	99.44	99.40
Interest rate	7.50	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	3.31	3.43	2.11	2.35	1.67	2.01
Average annual yield (%)	8.37	7.84	8.17	7.41	7.23	7.30	7.17	7.04	7.10	7.10

(continued)

7-year government securities

(continued)

Issue No.	BG2040302213 ²					BG2040103215 ¹					
	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 ^{4*}			First the issue	BG2040104213 ²			Total for the issue
	First opening	Second opening	Total for opening		Second opening	Third opening	Fourth 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	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	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	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	97 000.00	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	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	101.69	99.12
Interest rate	5.75	5.75	5.75	4.75	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	3.44
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 ²					BG2040003217 ⁴		Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	
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	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	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	90 000.00	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	202 867.40	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	84 920.00	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	96.06	104.08	105.18	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	2.25	3.14	2.82	3.01
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.93	6.78	6.87

(continued)

10-year government securities

(continued)

Issue No.	BG2040303211 ⁴			BG2040004215 ²				BG2040004215		
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Total for the issue
Auction date	30.06.2003	29.09.2003		02.02.2004	13.04.2004	04.10.2004	15.11.2004		10.01.2005	
Issue date	02.07.2003	02.07.2003	02.07.2003	04.02.2004	04.02.2004	04.02.2004	04.02.2004	04.02.2004	12.01.2005	13.01.2005
Maturity date	02.07.2013	02.07.2013	02.07.2013	04.02.2014	04.02.2014	04.02.2014	04.02.2014	04.02.2014	12.01.2015	13.01.2015
Nominal value of the offer (BGN'000)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00	25 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	69 350.00	78 753.00	148 103.00	85 300.00	82 680.00	86 010.00	78 128.00	167 980.00	130 600.00	130 600.00
Total nominal value of the bids approved (BGN'000)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	98.82	97.71	98.15	97.85	99.20	99.75	101.47	99.57	100.68	100.68
Interest rate	5.75	5.75	5.75	5.20	5.20	5.20	5.20	5.20	4.25	4.25
Bid-to-cover ratio	3.47	2.63	2.96	4.27	4.13	4.30	3.91	4.20	5.22	5.22
Average annual yield (%)	5.91	6.06	6.00	5.48	5.30	5.23	5.01	5.26	4.17	4.17

(continued)

15-year government securities

(continued)

Issue No.	BG2040403219 ^{2*}				
	First opening	Second opening	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

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

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

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

⁴ 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
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 2040099223
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 28 February 2005.

Pending Payments on Government Securities in April 2005

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
ZUNK bonds target issues					82.4 18.4
	4	5	6	7	8
target issues bonds	12.2		1268.9		
	11	12	13	14	15
target issues bonds	5851.4				16.1
	18	19	20	21	22
bills target issues bonds	15.8 3175.8		9.2		
	25	26	27	28	29
bills bonds target issues	3809.7	20 000.0			1115.8 25.8

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 2005

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
04.04.2005*	16.03.2005	16.03.2008	3 years	20 000 000	
TOTAL, incl.:				20 000 000	
bonds				20 000 000	

* Tap issue.

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

By end-February 2004 domestic debt totaled BGN 2,724,907.4 thousand in nominal terms. The share of budget deficit financing government securities was 83.7% (BGN 2,281,422.8 thousand) in overall debt and that of government securities issued for structural reform, 16.3% (BGN 443,484.6 thousand) (Chart 13).

Government securities issued in January and February 2005 accounted for BGN 114,975.3 thousand; of this, BGN 638 thousand were directly sold to individuals. Repaid government securities accounted for BGN 44,712 thousand, including BGN 44,000 thousand on short-term treasury bills. As a result of newly issued volumes, the share of three-month and five-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 2.1% and 30.9% respectively at the expense of all other types of government securities whose shares decreased (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and seven months. By end-February government securities issued for structural reform decreased to BGN 443.5 thousand. In the review period USD-denominated ZUNK bonds amounting to USD 2000 were used for repayment of obligations to the state under ZUNK.

In February the forex structure of debt experienced a slight change owing both to government securities issues and effected repayments (Chart 15). The shares of government securities in euro and US dollars decreased to 17.4% and 7.5% respectively, while government securities in levs rose to 75.1%. Debt maturity structure also experienced some changes. Short-term and medium-term government securities increased to 2.5% and 39.2% respectively at the expense of long-term securities which fell to 58.3% (Chart 16). Government securities with fixed interest coupons comprised 83.7% and government securities with floating interest coupons, 16.3% (Chart 17).

Since early 2005 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 37,932.1 thousand. Interest and discounts on government securities for budget deficit financing came to BGN 33,852.2 thousand, or 89.2% of the total amount (Chart 19). Interest expenditure on five-year government bonds occupied the largest share, 43.2%, due to the higher volume of these issues, followed by interest payments on seven-year bonds, 27.7% (Chart 18).

Domestic Debt

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 28 Feb. 2005
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
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	483.9	858 144.2
4.1. Medium-term	252 682.9	-	483.9	252 199.0
3-year	77 682.9	-	483.9	77 199.0
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	-	44 228.1	413 365.8
5.1. Short-term	76 000.0	-	44 000.0	32 000.0
3-month	36 000.0	-	24 000.0	12 000.0
12-month	40 000.0	-	20 000.0	20 000.0
5.2. Medium-term	221 593.9	-	228.1	221 365.8
3-year	112 396.9	-	129.5	112 267.4
5-year	109 197.1	-	98.6	109 098.4
EUR-denominated (lev equivalent)	9 197.1	-	98.6	9 098.4
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	-	85 638.0	-	85 638.0
6.1. Short-term	-	35 000.0	-	35 000.0
3-month	-	35 000.0	-	35 000.0
6.2. Medium-term	-	25 638.0	-	25 638.0
3-year	-	285.8	-	285.8
5-year	-	25 352.2	-	25 352.2
EUR-denominated (lev equivalent)	-	352.2	-	352.2
6.3. Long-term	-	25 000.0	-	25 000.0
10-year	-	25 000.0	-	25 000.0
TOTAL (I)	2 211 159.3	114 975.4	44 712.0	2 281 422.8

(continued)

(continued)

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 28 Feb. 2005
		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	1 926.2		275.2	1 651.0
2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 653.4			1 653.4
3. 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		10 317.4	138 676.7
lev equivalent	213 939.1			204 592.4
denominated in EUR	125 401.0		8 360.1	117 040.9
lev equivalent	245 263.0			228 912.1
4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	646.9			646.9
TOTAL (II)	469 457.3			443 484.6
GOVERNMENT DEBT, TOTAL	2 680 616.6			2 724 907.4
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 680 616.6			2 724 907.4

Notes:

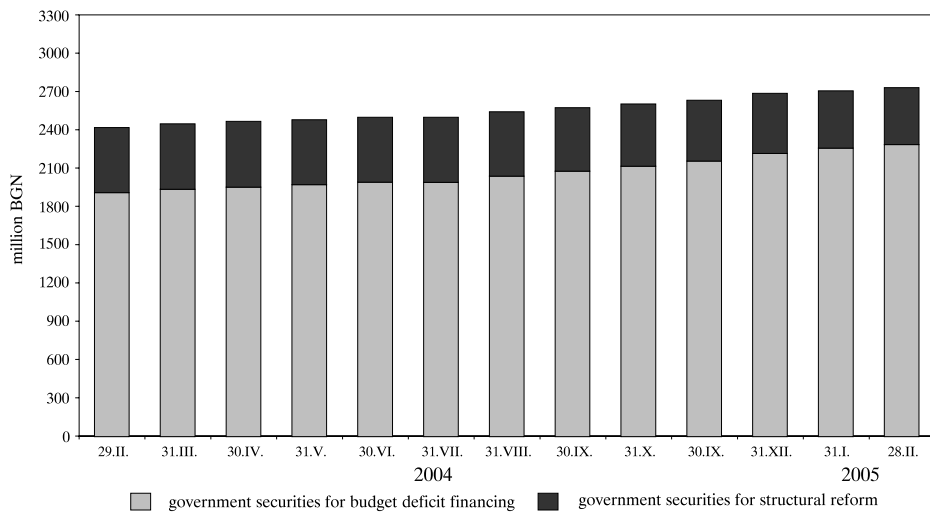
As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and external debt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

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 external debt of the BNB to the IMF, on the other hand.

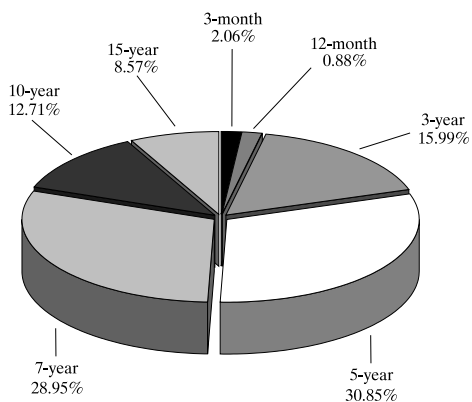
In the *Government Debt Management* bulletin, debt to the IMF is included in the external debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

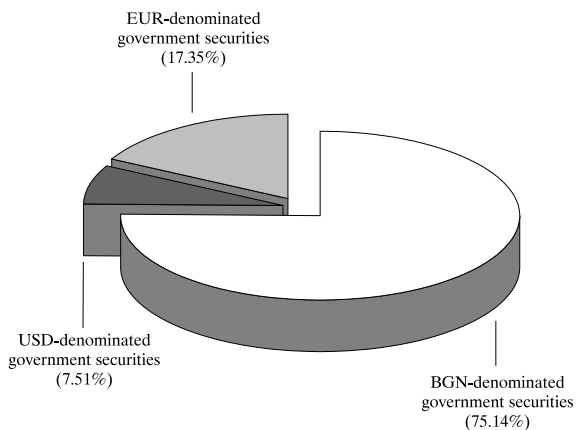


Outstanding Government Securities Issued for Budget Deficit Financing as of 28 February

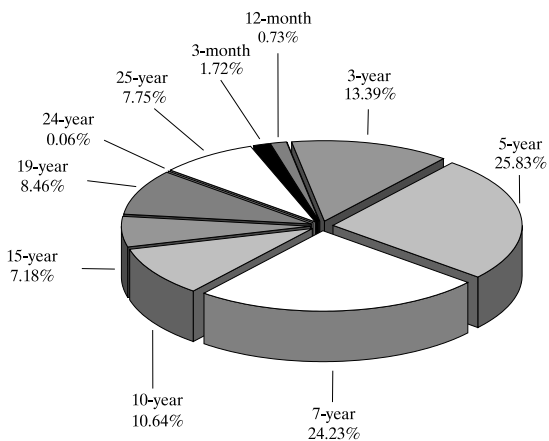


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and seven months.

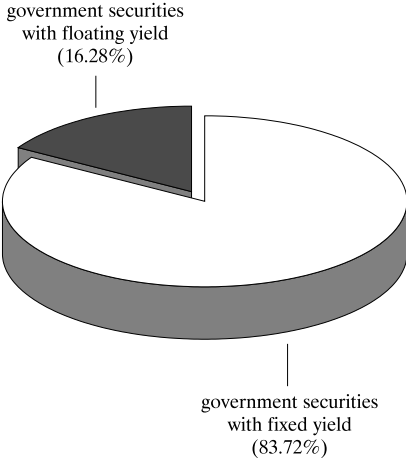
Forex Composition of Outstanding Government Securities as of 28 February



Maturity Structure of Outstanding Government Securities as of 28 February



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



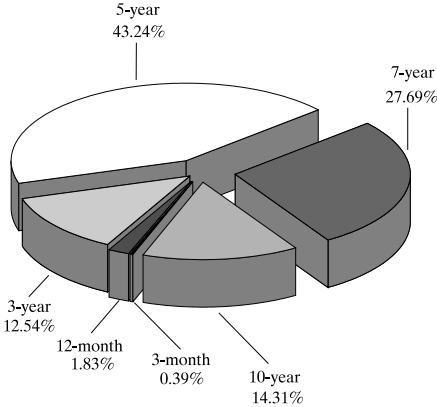
Expenditure on Domestic Debt between 1 January and 28 February 2005

(BGN'000)

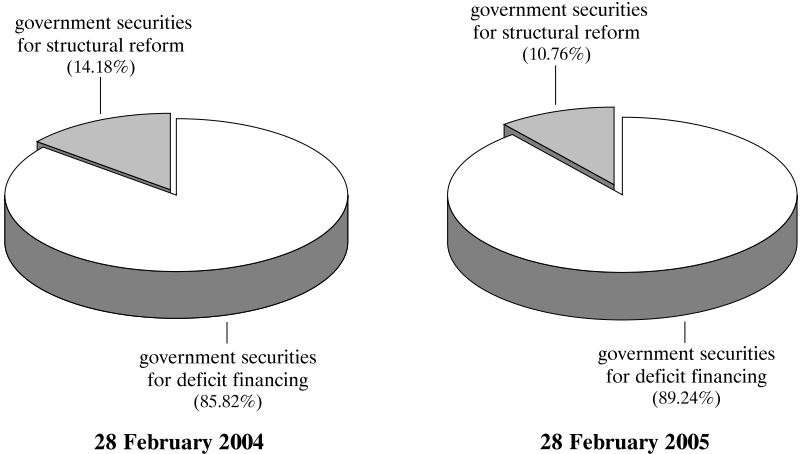
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 2001	3 398.9
1.1. Medium-term*	3 398.9
5-year	3 398.9
2. Government securities issued in 2002	13 604.7
2.1. Medium-term*	8 118.2
3-year	2 174.0
5-year	5 944.2
2.2. Long-term	5 486.5
7-year	5 486.5
3. Government securities issued in 2003	8 807.0
3.1. Medium-term	5 901.6
3-year	1 386.2
5-year	4 515.4
3.2. Long-term	2 905.4
7-year	3 101.2
10-year	3 334.6
15-year	-3 530.4
4. Government securities issued in 2004	8 570.1
4.1. Short-term	842.1
3-month	147.0
12-month	695.1
4.2. Medium-term	3 726.3
3-year	1 192.3
5-year	2 534.0
4.3. Long-term	4 001.7
7-year	1 910.4
10-year	2 091.4
5. Government securities issued in 2004	-528.6
5.1. Medium-term	-528.6
5-year	-357.9
10-year	-170.6
TOTAL (I)	33 852.2
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
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
Total (A)	4 079.9
TOTAL (II)	4 079.9
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	37 932.1

* 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-February external debt totaled EUR 5872.6 million in nominal value. Government debt accounted for EUR 5423.3 million and government guaranteed debt amounted to EUR 449.3 million.

In January new foreign financing amounted to BGN 5,756,000. Debt payments totaled BGN 149,286.4 thousand, including principal repayments of BGN 124,822.4 thousand and interest payments of BGN 24,464 thousand. The bulk of payments, worth BGN 61,119.7 thousand, were to the European Union, followed by those to the IMF of BGN 26,329.2 thousand, to the World Bank BGN 25,612.6 thousand, on government guaranteed loans BGN 5150.1 thousand and on government investment loans, worth BGN 3626.2 thousand. Interest was repaid mainly to the IMF (BGN 13,745 thousand), to the World Bank (BGN 3984.5 thousand), to the European Union (BGN 2562.1 thousand), on government investment loans (BGN 1763.3 thousand) and on government guaranteed debt (BGN 1405 thousand). In February net foreign financing was negative: BGN -119,066.2 thousand.

Payments effected in the review period prompted changes in debt currency structure. In February the debt denominated in US dollars and in other currencies dropped on the previous month, reaching 32.5% and 18.2% at the end of February. Euro-denominated debt rose to 49.3%. Debt interest rate structure also experienced a change. The share of the debt with floating interest coupons fell to 53.4% against the debt with fixed interest coupons of 46.6%. The average-weighted residual term to maturity of the external debt reached eight years and nine months.

External debt structure by type of creditor included: debt on other bonds (global bonds and eurobonds) accounted for 34.8%, on Brady bonds 7.8%, to the World Bank 15.8%. Obligations to the IMF comprised 14.7%, to the European Union 5.4%, to the Paris Club 3%, and government guaranteed loans 7.7%.

External Debt

(million EUR)

Structure	as of 31.XII.2004	as of 31.I.2005	as of 28.II.2005
Government debt	6 140.6	5 522.4	5 423.3
I. Bonds	3 182.4	2 526.3	2 502.2
1. Brady bonds	1 164.1	466.2	458.4
2. Other bonds	2 018.3	2 060.2	2 043.9
II. Credits	2 958.2	2 996.0	2 921.1
1. Paris Club	176.3	176.3	176.3
2. World Bank	930.6	942.9	925.3
2.1. World Bank	842.9	852.1	839.9
2.2. JBIC (JEXIM)	87.7	90.8	85.3
3. G24	34.6	35.3	35.1
4. European Union	350.0	350.0	318.8
5. IMF	868.7	885.0	863.4
6. Other	125.2	125.2	125.2
7. Government investment loans	428.8	437.1	434.8
7.1. World Bank	108.0	110.2	113.0
7.2. European Investment Bank	214.8	216.0	213.2
7.3. EBRD	22.8	20.0	19.8
7.4. Other	83.1*	90.9	88.7
8. Called government guarantees	43.9	44.2	42.4
8.1. World Bank	36.4	36.5	34.8
8.2. European Investment Bank	1.3	1.2	1.2
8.3. Other	6.2	6.4	6.3
Government guaranteed debt	444.0	455.2	449.3
1. World Bank	96.0	99.5*	96.1
2. European Investment Bank	9.2	9.2	9.2
3. EBRD	37.2	40.3*	40.0
4. Other	301.7	306.3*	304.0
FOREIGN DEBT, TOTAL	6 584.6	5 977.6	5 872.6
FOREIGN DEBT, TOTAL (million USD)	8 968.9	7 791.8	7 785.3

Notes:

1. Debt based on cash flows. External debt based on cash flows as of 1 January 2003.
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 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 February 2005.

* Revised data.

New Foreign Financing and External Debt Payments as of 28 February

(BGN'000)

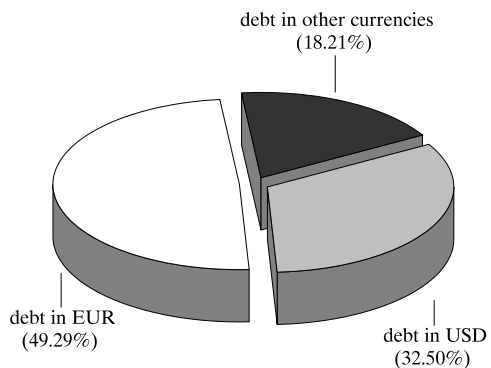
Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	23 195.7	1 614 878.7	262 955.0
I. Bonds	-	1 470 843.0	234 415.5
1. Brady bonds	-	1 470 843.0	33 525.4
2. Other bonds	-	-	200 890.2
II. Credits	23 195.7	144 035.7	28 539.4
1. Paris Club	-	-	-
2. World Bank	-	25 612.6	3 984.5
2.1. World Bank	-	18 806.5	3 513.3
2.2. JBIC (JEXIM)	-	6 806.1	471.1
3. G24	-	-	142.9
4. European Union	-	61 119.7	2 562.1
5. IMF	-	33 738.2	13 745.0
6. Other	-	-	-
7. Government investment loans	23 195.7	19 416.8	7 037.4
7.1. World Bank	9 556.0	-	-
7.2. European Investment Bank	3 911.7	11 771.2	4 466.8
7.3. EBRD	-	6 597.0	917.1
7.4. Other	9 728.0	1 048.6	1 653.5
8. Called government guarantees	-	4 148.3	1 067.5
8.1. World Bank	-	3 810.2	972.4
8.2. European Investment Bank	-	338.1	95.1
8.3. Other	-	-	-
Government guaranteed debt	5 942.8	5 150.1	2 687.8
1. World Bank	1 355.6	5 150.1	1 405.0
2. European Investment Bank	-	-	-
3. EBRD	4 587.1	-	-
4. Other	-	-	1 282.8
TOTAL	29 138.4	1 620 028.8	265 642.7

Notes:

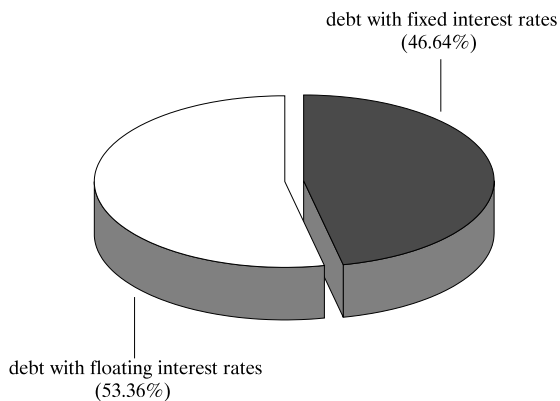
1. Lev equivalence of the new foreign financing received and payments effected is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.

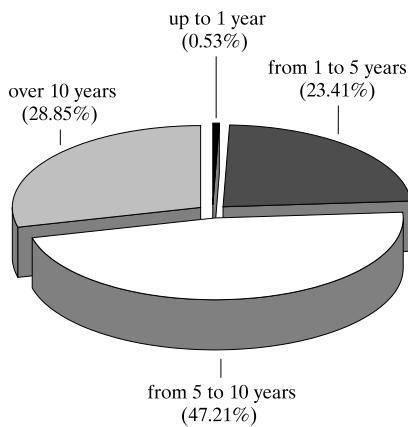
2. Preliminary data.

Forex Composition of the External Debt as of 28 February



Interest Rate Structure of the External Debt as of 28 February



Residual Term to Maturity of the External Debt as of 28 February

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

By end-February government and government guaranteed debt totaled EUR 7265.8 million nominal value, including domestic debt of EUR 1393.2 million and external debt of EUR 5872.6 million. The decrease in nominal terms was EUR 92.4 million on the end of the previous month, reflecting mainly repayments in February.

By end-February the *debt to GDP* ratio was 34.4%, a decrease of 0.4 percentage points on end-January 2005. Domestic and external debts accounted for 6.6% and 27.8% respectively.

Domestic debt occupied 19.2% in debt structure and external debt 80.8% (Chart 23).

Following the payments effected during the month, debt currency structure underwent certain changes. By end-February the share of USD-denominated debt accounted for 27.7%, EUR-denominated debt 43.2%, BGN-denominated debt 14.4% and debt in other currencies 14.7% (Chart 24).

The *Other bonds* item (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 28.1%, followed by domestic debt (government securities) 19.2%, the World Bank 12.7%, the IMF 11.9%, and Brady bonds 6.3% (Chart 25).

By end-February debt interest rate structure also underwent changes: debt with fixed interest rates increased to 53.8% and that with floating interest rates comprised 46.2% (Chart 26).

Since early 2005 payments effected on government and government guaranteed debt have totaled BGN 2001.6 million, including domestic debt payments of BGN 116 million and external debt payments of BGN 1885.7 million (Chart 27). In February payments to the World Bank and the IMF made up the largest share. The bulk of domestic debt payments were made on government securities issued for budget deficit financing.

Since early 2005 the foreign currency structure of debt payments have shown that payments in US dollars accounted for the largest share (recalculated in levs: BGN 1606.6 million), followed by payments in euro (BGN 225.4 million) and in levs (BGN 116 million), Chart 28.

Government and Government Guaranteed Debt

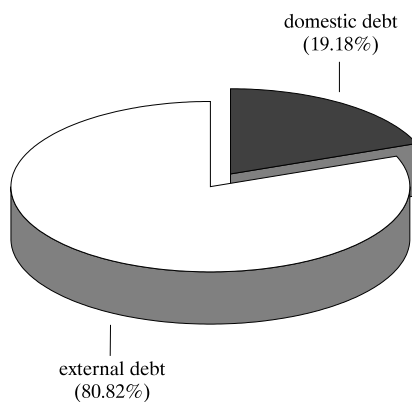
(million EUR)

Structure	as of 31.XII.2004	as of 31.I.2005	as of 28.II.2005
Domestic debt	1 370.6	1 380.6	1 393.2
I. Government debt	1 370.6	1 380.6	1 393.2
1. Government securities issued for budget deficit financing	1 130.5	1 152.1	1 166.5
2. Government securities issued for structural reform	240.0	228.5	226.8
II. Government guaranteed debt	-	-	-
External debt	6 584.6	5 977.6	5 872.6
I. Government debt	6 140.6	5 522.4	5 423.3
1. Bonds	3 182.4	2 526.3	2 502.2
2. Credits	2 958.2*	2 996.0	2 921.1
Government investment loans	428.8*	437.1	434.8
Called government guarantees	43.9	44.2	42.4
II. Government guaranteed debt	444.0	455.2*	449.3
Debt, total	7 955.2	7 358.2	7 265.8
Debt/GDP (%)	40.9	34.8	34.4
Domestic debt/GDP (%)	7.0	6.5	6.6
External debt/GDP (%)	33.8	28.3	27.8

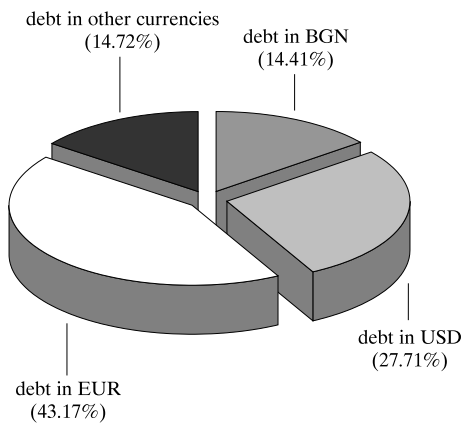
Notes:

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 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 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 February 2005.
- * Revised data.

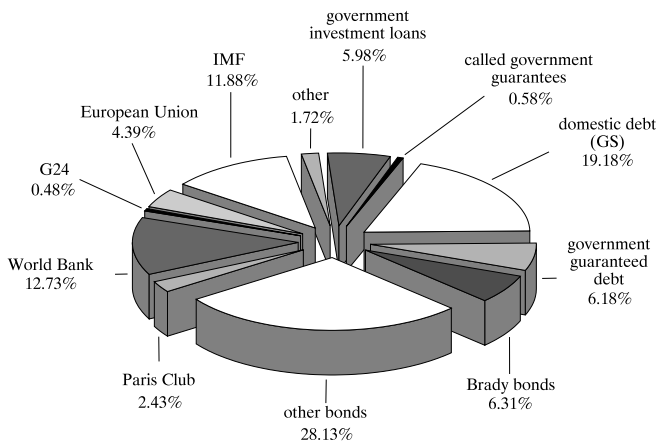
Debt Structure as of 28 February



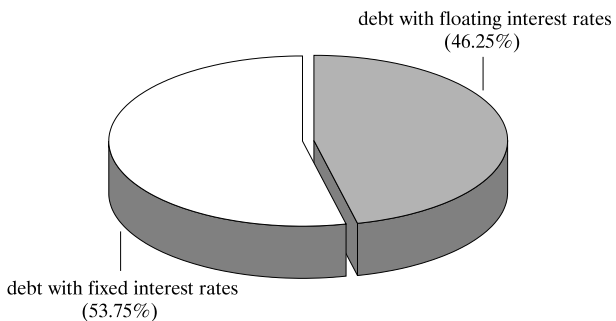
Debt Forex Structure as of 28 February



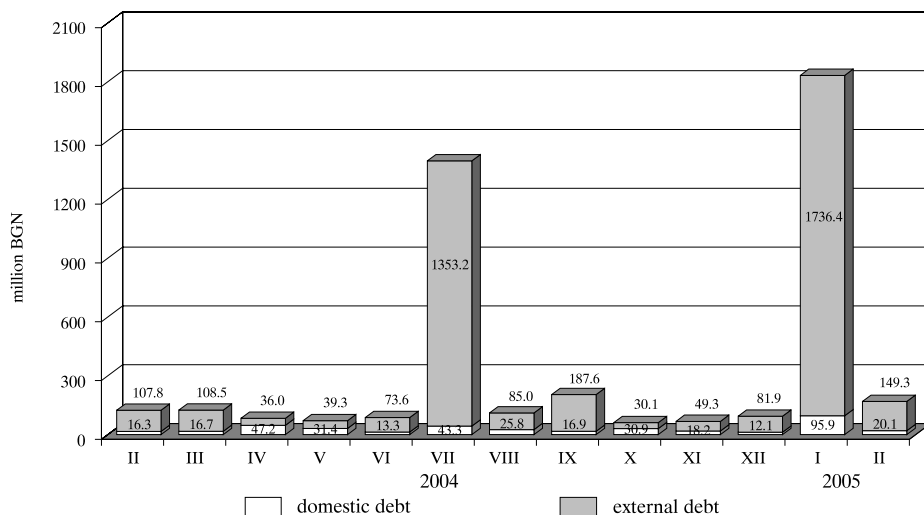
Debt Structure by Creditor as of 28 February



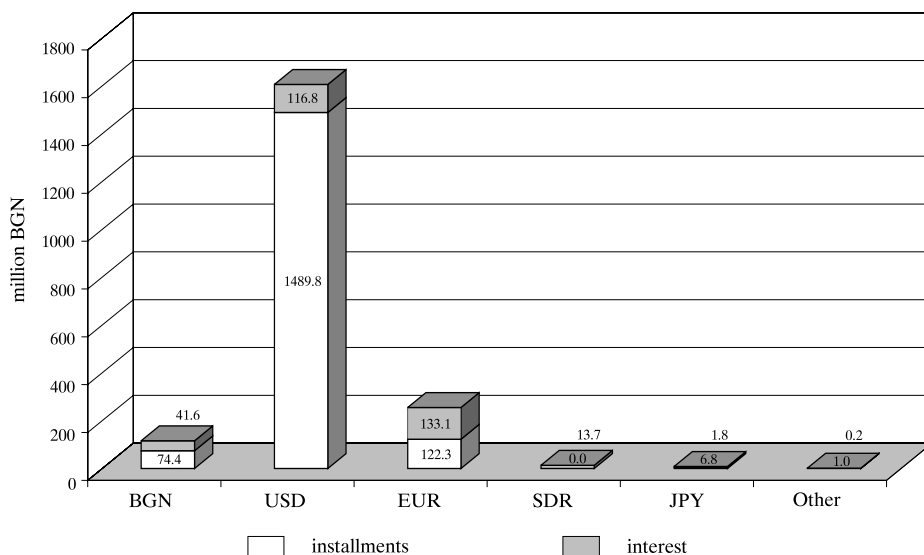
Debt Interest Rate Structure as of 28 February



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.XII.2004	31.I.2005
Government securities issued for budget deficit financing	30 753.7	29 775.8
– in BGN	100.0	100.0
– in EUR	30 653.7	29 675.8
Government securities issued for structural reform	4 119.2	3 849.6
– in USD	118.8	115.9
– in EUR	4 000.4	3 733.7
Total	34 872.9	33 625.4

Government Securities Issued in International Market and Held by Residents

(million EUR)

Government securities type	31.XII.2004	31.I.2005
Brady bonds	112.5	61.2
Eurobonds	77.4	76.1
Global bonds	98.6	105.9
– in EUR	78.6	77.3
– in USD	20.1	28.6
Total	288.5	243.2

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS DEBT

Municipal Debt and Municipal Guarantees

(BGN'000)

Structure	as of 31.XII.2004	as of 31.I.2005
I. Municipal debt	88 882.9	88 406.0
<i>1. Domestic municipal debt</i>	<i>50 069.6</i>	<i>48 871.5</i>
1.1. Government securities issues (at nominal value as of corresponding period)	10 179.6	10 179.6
1.2. Loans from banks and other financial institutions	24 644.8	24 010.2
1.3. Loans from the republican budget	2 764.0	2 764.0
1.4. Loans from extra-budgetary accounts and funds	5 832.5	5 569.1
1.5. Loans from other municipalities	-	-
1.6. Called municipal guarantees	-	-
1.7. Other	6 648.7	6 348.6
<i>2. External municipal debt</i>	<i>38 813.3</i>	<i>39 534.5</i>
2.1. Loans from banks and other financial institutions	18 863.0	18 863.0
2.2. Government guaranteed municipal debt	19 950.3	20 671.4
II. Municipal guarantees	703.7	682.2
<i>1. Domestic municipal guarantees</i>	<i>703.7</i>	<i>682.2</i>
<i>2. External municipal guarantees</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total (I+II)	89 586.6	89 088.2

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 Rom Families* project (utilized by the Sofia Municipality) represents foreign municipal debt and is reported under *I. Municipal debt, 2. External 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, External 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 an external municipal debt and is reported under *1. Municipal debt, 2. External 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, External 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.

Social Security Funds Debt

(BGN'000)

Structure	as of 31.XII.2004	as of 31.I.2005
Domestic debt	33 412.8	33 477.6
I. National Insurance Institute	33 412.8	33 477.6
1. Other ¹	33 412.8	33 477.6
2. Loans from the republican budget	-	-
II. National Health Insurance Fund	-	-
III. Teachers' Pension Fund	-	-
External debt	-	-

¹ 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 Amount

(million EUR)

Structure	as of 31.XII.2004	as of 31.I.2005
I. Consolidated government debt	7 556.6	6 948.2
1. Central government debt	7 511.2	6 903.0
2. Social security funds debt	0.0	0.0
3. Municipal debt	45.4	45.2
Consolidated government debt/GDP, total (%)	38.81	32.87

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 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 an external 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 guaranteed by the Bulgarian Government.

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