

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

MARCH 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 March 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. BG3010205006), one medium-term bonds issue (three-year, No. BG2030005115) and one long-term tap treasury bonds issue (ten-year, No. BG2040005212).

At the auctions primary dealers' bids totaled BGN 210,350 thousand: BGN 29,330 thousand for three-month government securities, BGN 78,870 thousand for three-year government securities and BGN 102,150 thousand for ten-year government securities (Chart 1). Approved bids totaled BGN 65,000 thousand nominal value, including three-month of BGN 15,000 thousand, three-year of BGN 25,000 thousand and ten-year of BGN 25,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in March accounted for 3.24: 1.96 on three-month, 3.15 on three-year and 4.09 on ten-year (Chart 4).

Chart 1

Government Securities Issue in March

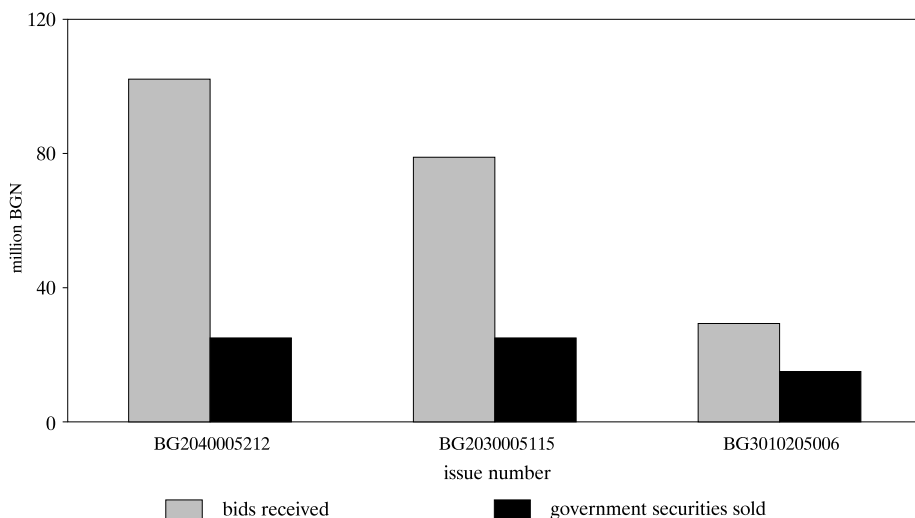


Chart 2

Sales of Government Securities Issues

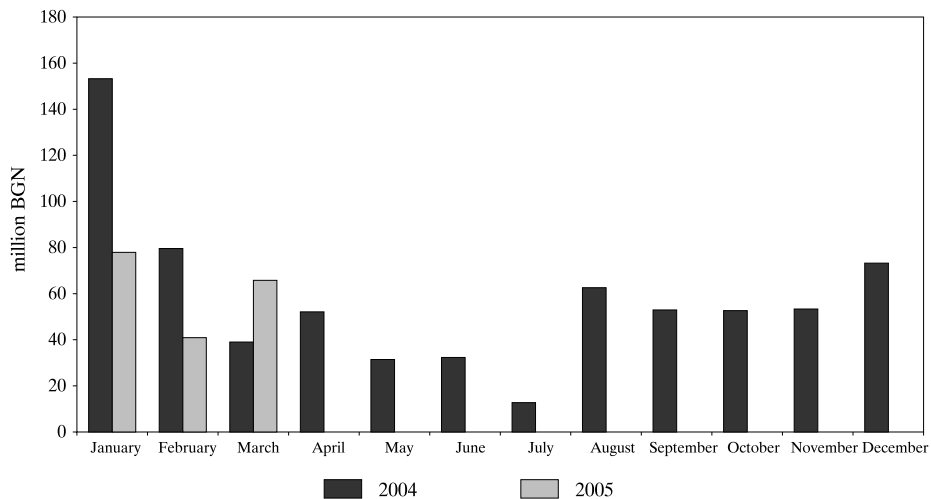
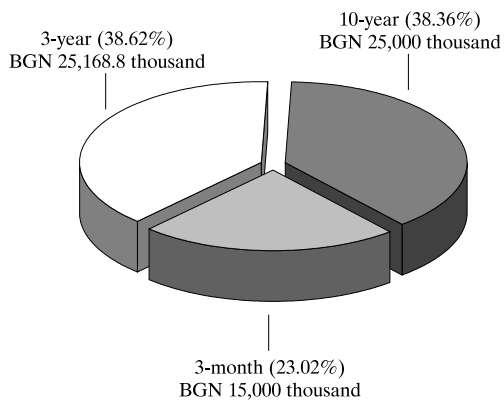


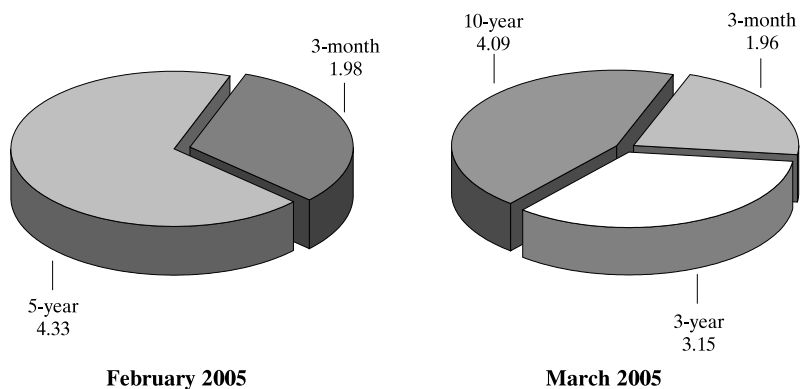
Chart 3

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



Note: Including target government securities.

Bid-to-Cover Ratios of Issues Sold



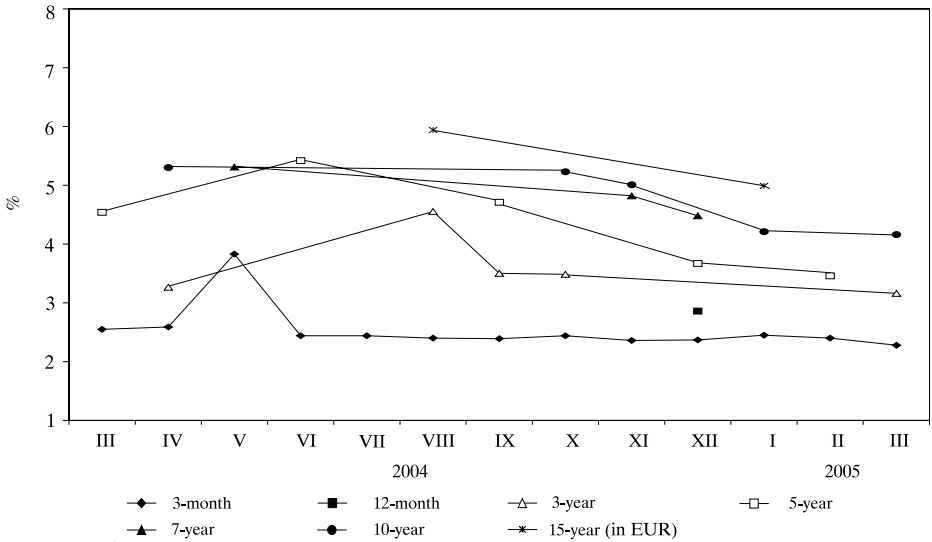
Government securities issued in March increased by BGN 26.8 million on the same period of 2004 (Chart 2).

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 2.4% to 2.28%, posting a decrease of 12 basis points compared to the previous month. The yield of three-year treasury bonds was 3.16%, while that of ten-year treasury bonds 4.16%: a 0.05 percentage points decrease compared with January 2005 when the last government securities issue with ten-year maturity was sold (Charts 5, 6 and 8).

One 2004 treasury bills issue (No. BG3011304006) and one 2002 treasury bonds issue (No. BG2030102110) matured in March.

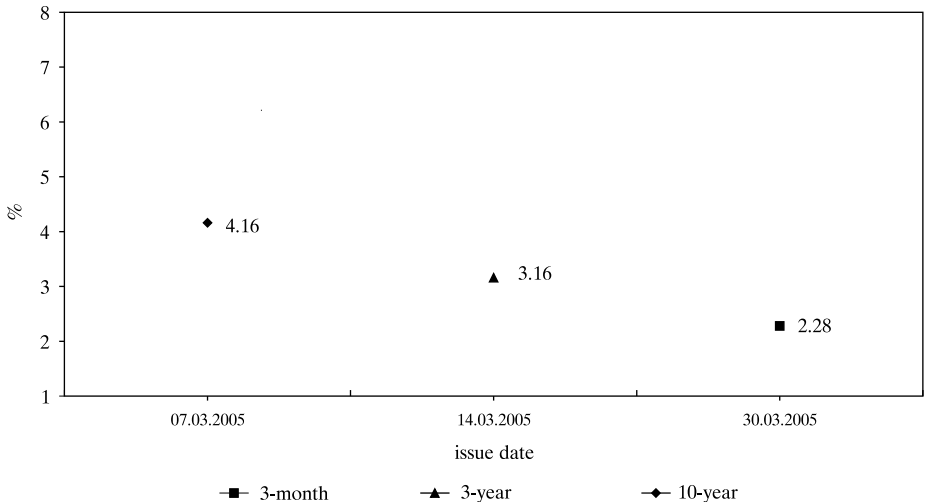
In the reporting period one issue of three-year treasury bonds earmarked for direct sale to individuals was put in circulation: issue No. 602 of 2 March 2005 with a nominal value of BGN 168.8 thousand (Chart 11). Reverse repurchases accounted for BGN 251.7 thousand (Chart 12).

Yield of Primary Market Government Securities



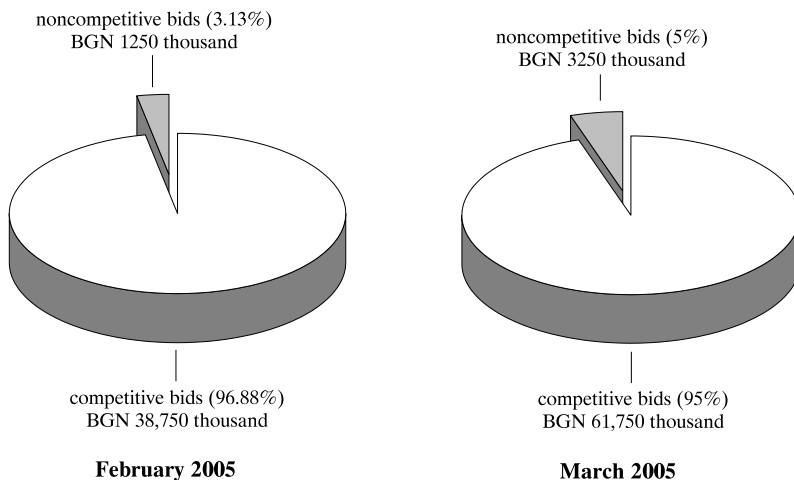
Notes: The yield is on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities

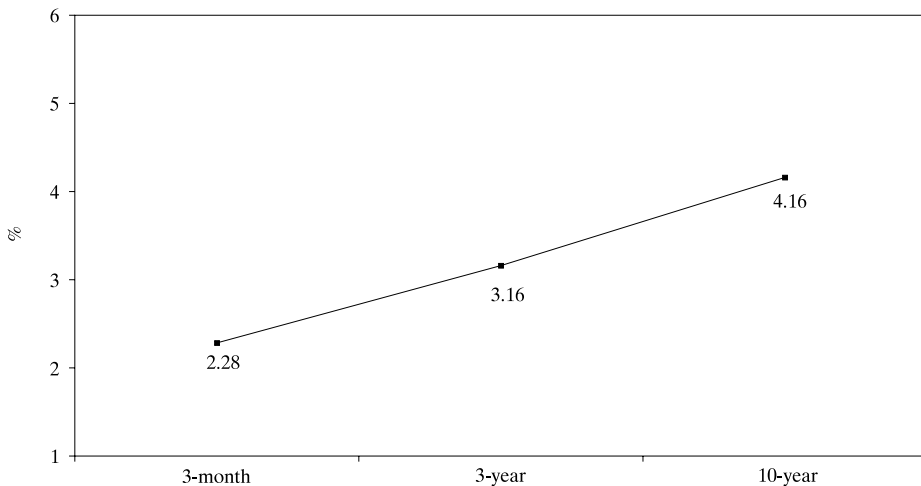


Notes: The three- and ten-year government securities issues are tap issues. The above dates indicate the auction dates.

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



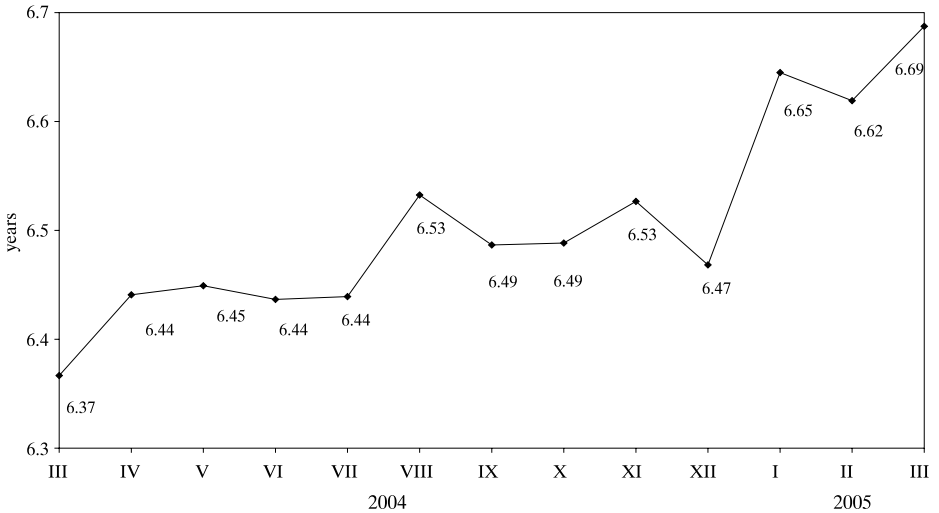
Yield Curve of Primary Market Government Securities in March



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

Chart 9

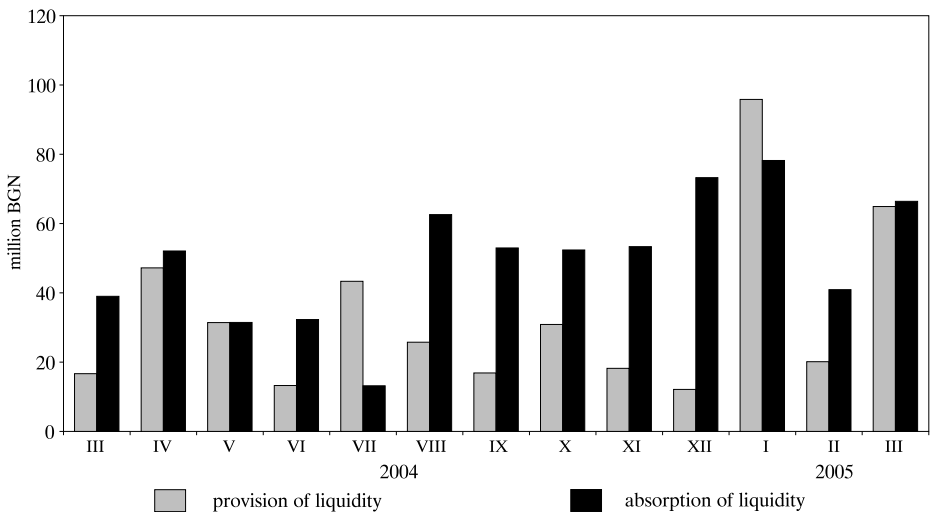
An Average Term of Outstanding Government Securities Issues by Year



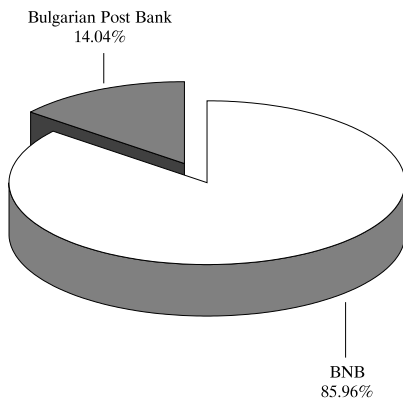
Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Chart 10

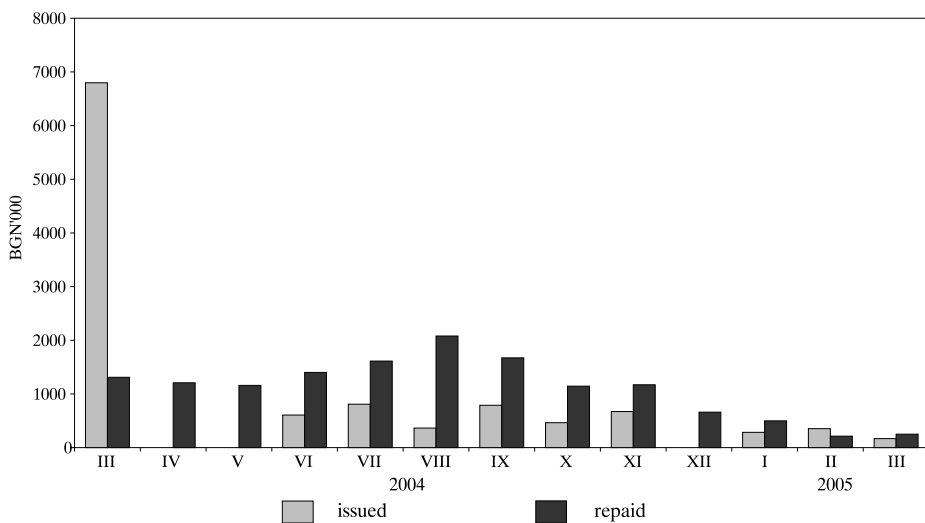
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Target Government Securities in March



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

3-month government securities

12-month government securities

Issue No.	BG3010005000	BG3010105008	BG3010205006	BG3011204008
Issue date	26.01.2005	23.02.2005	30.03.2005	15.12.2004
Maturity date	26.04.2005	23.05.2005	30.06.2005	15.12.2005
Nominal value of the offer (BGN'000)	20 000.00	15 000.00	15 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	27 100.00	29 700.00	29 330.00	40 950.00
Total nominal value of the bids approved (BGN'000)	20 000.00	15 000.00	15 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.39	99.41	99.42	97.18
Average discount per BGN 100 (%)	0.61	0.59	0.58	2.82
Average annual yield (%)	2.45	2.40	2.28	2.86
Effective annual yield (%)	2.48	2.42	2.30	2.86
Bid-to-cover ratio	1.36	1.98	1.96	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.	BG2030302116 ³				BG2030402114 ⁴		
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	29.07.2002	28.10.2002	25.11.2002		09.09.2002	09.12.2002	
Issue date	31.07.2002	31.07.2002	31.07.2002	31.07.2002	11.09.2002	11.09.2002	11.09.2002
Maturity date	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	33 100.00	83 100.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	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)	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 (%)	98.83	98.67	99.57	99.10	99.13	100.80	99.97
Interest rate	5.75	5.75	5.75	5.75	6.00	6.00	6.00
Bid-to-cover ratio	0.97	1.77	2.79	1.93	1.35	2.67	2.01
Average annual yield (%)	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					BG2030005115		
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue	First 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		14.03.2005	
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	16.03.2005	16.03.2005
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	16.03.2008	16.03.2008
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	25 000.00	25 000.00
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	78 870.00	78 870.00
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	25 000.00	25 000.00
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	101.06	101.06
Interest rate	5.50	5.50	5.50	3.30	3.30	4.58	3.51	3.51	3.68	3.50	3.50
Bid-to-cover ratio	2.51	1.71	2.11	4.69	2.41	2.30	2.18	2.70	2.86	3.15	3.15
Average annual yield (%)	4.93	5.13	5.03	3.39	3.26	4.55	3.50	3.48	3.68	3.16	3.16

(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				
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth 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	
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
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
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
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
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
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
Interest rate	5.75	5.75	5.75	5.20	5.20	5.20	5.20	5.20
Bid-to-cover ratio	3.47	2.63	2.96	4.27	4.13	4.30	3.91	4.20
Average annual yield (%)	5.91	6.06	6.00	5.48	5.30	5.23	5.01	5.26

(continued)

10-year government securities

(continued)

Issue No.	First opening	BG2040004215 Total for the issue	First opening	BG2040005212 Total for the issue
Auction date	10.01.2005		07.03.2005	
Issue date	12.01.2005	13.01.2005	12.01.2005	12.01.2005
Maturity date	12.01.2015	13.01.2015	12.01.2015	12.01.2015
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	130 600.00	130 600.00	102 150.00	102 150.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	100.68	100.68	101.09	101.09
Interest rate	4.25	4.25	4.25	4.25
Bid-to-cover ratio	5.22	5.22	4.09	4.09
Average annual yield (%)	4.17	4.17	4.16	4.16

(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 138,564.65	BGN 646.87	EUR 116,943.22
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 March 2005.

Pending Payments on Government Securities in May 2005

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
	2	3	4	5	6
target issues					
	9	10	11	12	13
target issues bonds				222.1	
	16	17	18	19	20
target issues bonds	12.8	14.0	888.3		3 124.1
	23	24	25	26	27
bills target issues bonds	15 000.0	11 808.3		73.1	
	30	31			
bills target issues	14.0				

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 May 2005

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
09.05.2005*	16.02.2005	16.02.2010	5-year	25 000 000	
16.05.2005	18.05.2005	18.08.2005	3-month	15 000 000	
TOTAL, incl.:				40 000 000	
bills				15 000 000	
bonds				25 000 000	

* Tap issue.

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

By end-March 2005 domestic debt totaled BGN 2,732,087.8 thousand in nominal terms. The share of budget deficit financing government securities was 83.6% (BGN 2,284,339.8 thousand) in overall debt and that of government securities issued for structural reform, 16.4% (BGN 447,748.1 thousand) (Chart 13).

Between January and March 2005 issued government securities accounted for BGN 180,144.1 thousand; of this, BGN 806.7 thousand were directly sold to individuals. Repaid government securities accounted for BGN 106,963.7 thousand, including BGN 56,000 thousand on short-term bills. As a result of newly issued volumes, the share of three-month and ten-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 2.2% and 13.8% respectively at the expense of all other types of government securities whose shares decreased in March (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing was six years and eight months. By end-March government securities issued for structural reform reached BGN 477.7 thousand. In the review period USD-denominated ZUNK bonds amounting to USD 112 thousand and EUR-denominated ZUNK bonds totaling EUR 109 thousand were used for repayment of obligations to the state under ZUNK. USD-denominated ZUNK bonds were replaced by EUR-denominated ZUNK bonds of EUR 11.3 thousand.

In March the forex structure of debt experienced slight changes owing both to government securities issues and effected repayments (Chart 15). The shares of government securities in euro and leva decreased to 17.3% and 75% respectively, while government securities in US dollars rose to 7.7%. Debt maturity structure also experienced some changes. Short-term and long-term government securities increased to 2.6% and 59.2% respectively at the expense of medium-term securities which decreased to 38.2% (Chart 16). Government securities with fixed interest coupons comprised 83.6% and government securities with floating interest coupons, 16.4% (Chapter 17).

Since early 2005 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 40,822.5 thousand. Interest and discounts on government securities for budget deficit financing came to BGN 36,739.6 thousand, or 90% of the total amount (Chart 19). Interest expenditure on five-year government bonds occupied the largest share, 39.9%, due to the growing volume of these issues, followed by interest payments on seven-year bonds, 25.3% (Chart 18).

Domestic Debt

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 March 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	-	50 000.0	624 670.0
3.1. Medium-term	349 750.0	-	50 000.0	299 750.0
3-year	175 000.0	-	50 000.0	125 000.0
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	566.1	858 062.0
4.1. Medium-term	252 682.9	-	566.1	252 116.8
3-year	77 682.9	-	566.1	77 116.8
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	-	56 397.6	401 196.3
5.1. Short-term	76 000.0	-	56 000.0	20 000.0
3-month	36 000.0	-	36 000.0	-
12-month	40 000.0	-	20 000.0	20 000.0
5.2. Medium-term	221 593.9	-	397.6	221 196.3
3-year	112 396.9	-	299.0	112 097.9
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	-	150 806.7	-	150 806.7
6.1. Short-term	-	50 000.0	-	50 000.0
3-month	-	50 000.0	-	50 000.0
6.2. Medium-term	-	50 806.7	-	50 806.7
3-year	-	25 454.6	-	25 454.6
5-year	-	25 352.1	-	25 352.1
EUR-denominated (lev equivalent)	-	352.1	-	352.1
6.3. Long-term	-	50 000.0	-	50 000.0
10-year	-	50 000.0	-	50 000.0
TOTAL (I)	2 211 159.3	180 144.1	106 963.7	2 284 339.8

(continued)

(continued)

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 March 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		10 429.4	138 564.7
lev equivalent	213 939.1			209 046.9
denominated in EUR	125 401.0	11.3	8 469.1	116 943.2
lev equivalent	245 263.0			228 721.1
4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	646.9			646.9
TOTAL (II)	469 457.3			447 748.1
GOVERNMENT DEBT, TOTAL	2 680 616.6			2 732 087.8
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 680 616.6			2 732 087.8

Notes:

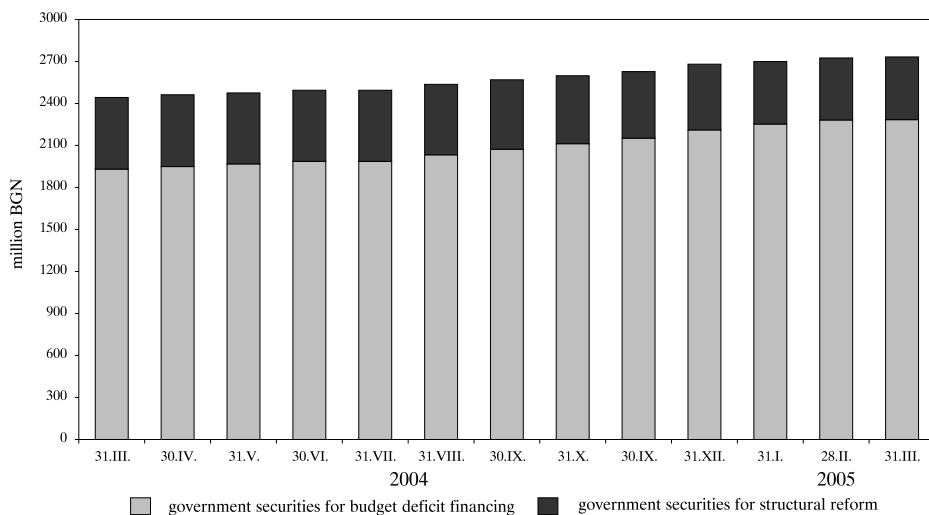
As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and external debt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

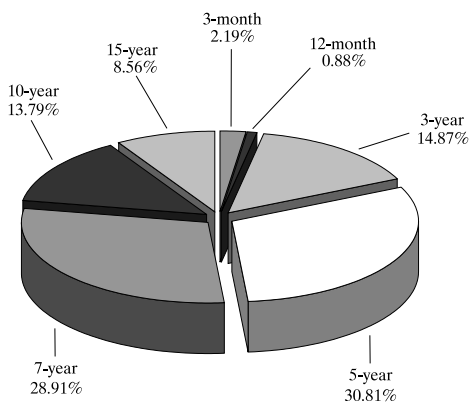
In the *Government Debt Management* bulletin, debt to the IMF is included in the external debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

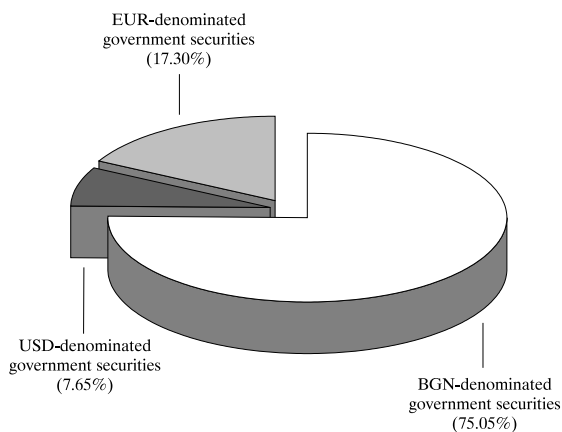


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 March

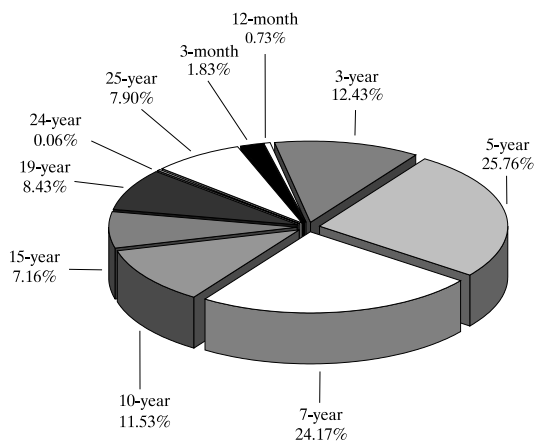


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and eight months.

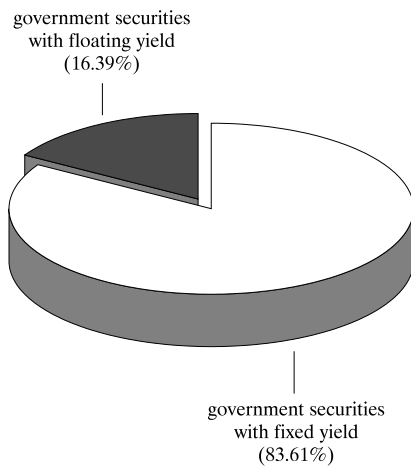
Forex Composition of Outstanding Government Securities as of 31 March



Maturity Structure of Outstanding Government Securities as of 31 March



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



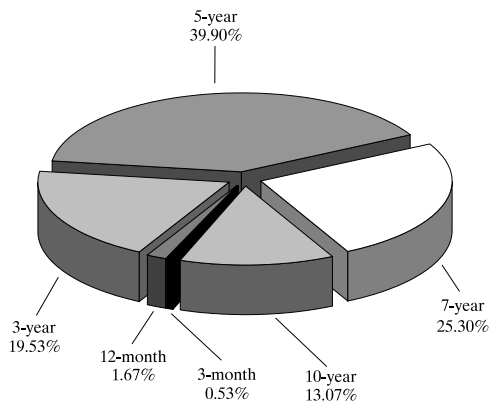
Expenditure on Domestic Debt between 1 January and 31 March 2005

(BGN'000)

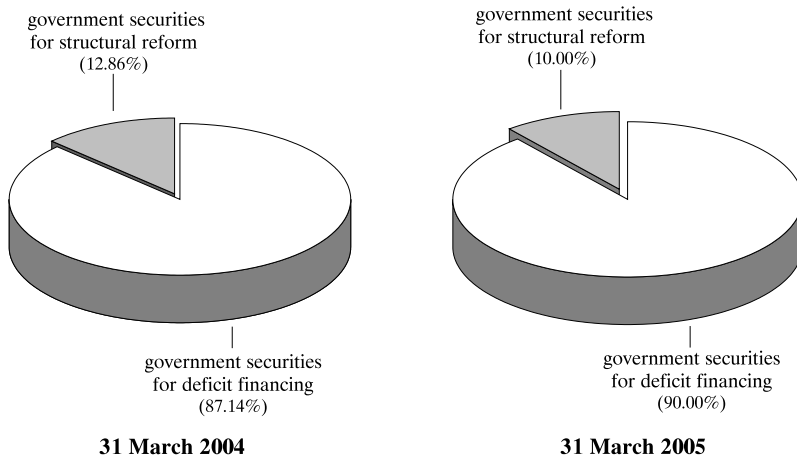
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 2001	3 398.9
1.1. Medium-term*	3 398.9
5-year	3 398.9
2. Government securities issued in 2002	16 704.0
2.1. Medium-term*	11 217.5
3-year	5 273.3
5-year	5 944.2
2.2. Long-term	5 486.5
7-year	5 486.5
3. Government securities issued in 2003	9 039.6
3.1. Medium-term	6 134.1
3-year	1 618.7
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	8 826.1
4.1. Short-term	913.3
3-month	218.3
12-month	695.1
4.2. Medium-term	3 911.0
3-year	1 212.8
5-year	2 698.2
4.3. Long-term	4 001.7
7-year	1 910.4
10-year	2 091.4
5. Government securities issued in 2005	-1 229.0
5.1. Medium-term	-624.1
3-year	-266.0
5-year	-358.1
5.2. Long-term	-604.9
10-year	-604.9
TOTAL (I)	36 739.6
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	4 030.2
lev bonds	0.0
USD-denominated bonds (in BGN at the current exchange rate)	1 454.9
EUR-denominated bonds (in BGN at the fixed exchange rate)	2 575.3
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	4 082.9
TOTAL (II)	4 082.9
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	40 822.5

* 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-March external debt totaled EUR 5,924.4 million in nominal terms. Government debt accounted for EUR 5,469 million and government guaranteed debt amounted to EUR 455.4 million.

In March new foreign financing amounted to BGN 34,577.6 thousand. Debt payments totaled BGN 66,404.8 thousand, including principal repayments of BGN 50,454.1 thousand and interest payments of BGN 15,950.7 thousand. The bulk of payments, worth BGN 29,547.7 thousand, were made to the IMF, followed by those to the Paris Club, BGN 12,314.3 thousand, and on government investment loans, BGN 7,664.5 thousand. Interest was repaid mainly to the Paris Club, BGN 5,861.6 thousand, on government investment loans, BGN 3,911.4 thousand, to the World Bank, BGN 3,773.2 thousand, the European Unit, BGN 1,270.9 thousand and on government guaranteed debt, BGN 1,133.6 thousand. By end-March net foreign financing was negative (BGN -15,876.4 thousand).

Since early 2005 loans drawn have totaled BGN 82,071.3 thousand, including BGN 11,931.9 thousand receipts from tranches on government guaranteed loans. Debt payments have amounted to BGN 1,987,122.5 thousand including BGN 1,669,434.3 thousand principal repayments. The largest amounts were repaid on Brady bonds (BGN 1,470,843 thousand), to the IMF (BGN 63,285.9 thousand), to the European Union (BGN 61,119.7 thousand), to the World Bank (BGN 26,352.4 thousand) and on government investment loans (BGN 26,032.7 thousand).

Payments effected in the review period led to certain changes in debt forex structure. By end-March debt denominated in EUR and other currencies decreased on the previous month, reaching 49% and 18.1% respectively. The proportions of debt in US dollars increased to 32.9%. Debt interest rate structure also changed. The debt with floating interest coupons decreased to 53.2% while debt with fixed interest coupons reached 46.8%. The average-weighted residual term to maturity of the external debt was eight years and nine months.

The structure of external debt by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) accounting for 34.9%, to the World Bank, 15.7%, to the IMF 14.4% and on Brady bonds 7.9%. Obligations to the European Union comprised 5.4%, to the Paris Club 2.9% and on 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	as of 31.III.2005
Government debt	6 140.6	5 523.5	5 429.5	5 469.0
I. Bonds	3 182.4	2 526.3	2 502.2	2 534.2
1. Brady bonds	1 164.1	466.2	458.4	468.7
2. Other bonds	2 018.3	2 060.2	2 043.9	2 065.5
II. Credits	2 958.2	2 997.2	2 927.3	2 934.7
1. Paris Club	176.3	176.3	176.3	170.0
2. World Bank	930.6	942.9	925.3	929.2
2.1. World Bank	842.9	852.1	839.9	844.1
2.2. JBIC (JEXIM)	87.7	90.8	85.3	85.1
3. G24	34.6	35.3	35.1	35.4
4. European Union	350.0	350.0	318.8	318.8
5. IMF	868.7	885.0	863.4	855.4
6. Other	125.2	125.2	125.2	125.2
7. Government investment loans	428.8	438.3	441.0	457.9
7.1. World Bank	108.0	110.2	113.0	117.1
7.2. European Investment Bank	214.8	216.0	218.2	221.7
7.3. EBRD	22.8	20.0	19.8	20.1
7.4. Other	83.1	92.1	89.9*	98.9
8. Called government guarantees	43.9	44.2	42.4	42.8
8.1. World Bank	36.4	36.5	34.8	35.1
8.2. European Investment Bank	1.3	1.2	1.2	1.2
8.3. Other	6.2	6.4	6.3	6.5
Government guaranteed debt	444.0	455.4	452.3	455.4
1. World Bank	96.0	99.5	96.6*	98.0
2. European Investment Bank	9.2	9.2	9.2	9.2
3. EBRD	37.2	40.3	40.8*	41.3
4. Other	301.7	306.4*	305.7	306.9
FOREIGN DEBT, TOTAL	6 584.6	5 978.9	5 881.8	5 924.4
FOREIGN DEBT, TOTAL (million USD)	8 968.9	7 793.5	7 798.4	7 680.3

Notes:

- Debt based on cash flows. External debt based on cash flows as of 1 January 2003.
- 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).
- 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.
- 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.
- Preliminary data for March 2005.

* Revised data.

New Foreign Financing and External Debt Payments as of 31 March

(BGN'000)

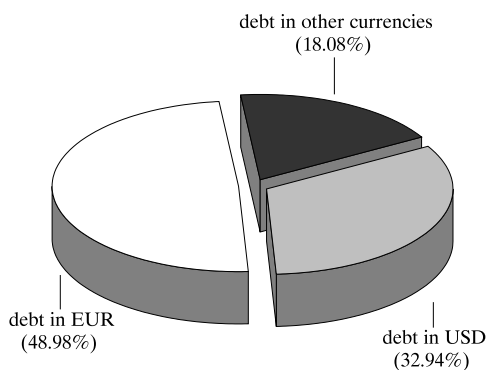
Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	70 139.5	1 664 096.4	313 227.5
I. Bonds	-	1 470 843.0	269 865.0
1. Brady bonds	-	1 470 843.0	33 525.4
2. Other bonds	-	-	236 339.6
II. Credits	70 139.5	193 253.3	43 362.6
1. Paris Club	-	12 314.3	5 861.6
2. World Bank	-	26 352.4	7 757.7
2.1. World Bank	-	19 546.3	7 286.6
2.2. JBIC (JEXIM)	-	6 806.1	471.1
3. G24	-	-	142.9
4. European Union	-	61 119.7	3 833.0
5. IMF	-	63 285.9	13 745.0
6. Other	-	-	-
7. Government investment loans	70 139.5	26 032.7	10 954.9
7.1. World Bank	18 380.8	1 042.5	493.4
7.2. European Investment Bank	23 470.0	18 393.2	7 831.6
7.3. EBRD	-	6 597.0	917.1
7.4. Other	28 288.7	-	1 712.7
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	11 931.9	5 337.9	4 460.7
1. World Bank	2 422.2	5 150.1	1 405.0
2. European Investment Bank	-	-	102.2
3. EBRD	6 186.9	-	224.5
4. Other	3 322.8	187.8	2 729.1
TOTAL	82 071.3	1 669 434.3	317 688.3

Notes:

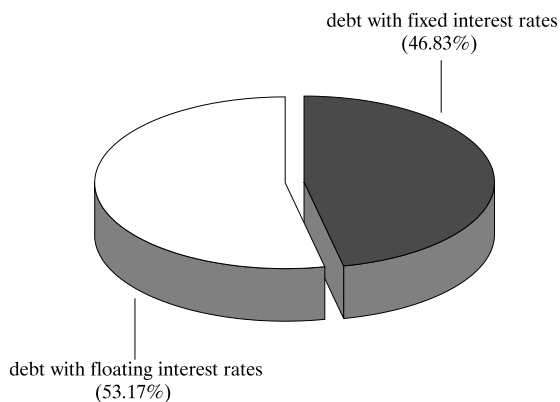
1. Lev equivalence of the new foreign financing received and payments effected is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.

2. Preliminary data.

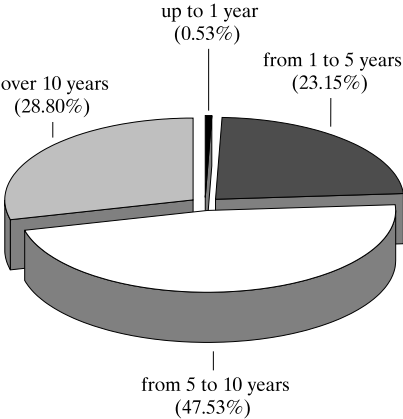
Forex Composition of the External Debt as of 31 March



Interest Rate Structure of the External Debt as of 31 March



Residual Term to Maturity of the External Debt as of 31 March



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

By end-March government and government guaranteed debt totaled EUR 7,321.3 million, including domestic debt of EUR 1,396.9 million and external debt of EUR 5,924.4 million. The increase in nominal terms was EUR 46.2 million on the previous month due mainly to exchange rate fluctuations in the review period.

By end-March the *debt to GDP* ratio was 34.6 %, an increase of 0.2 percentage points on the February 2005 level. The values of the domestic and the external debts accounted for 6.6% and 28% respectively.

Domestic debt occupied 19.1% in debt structure and external debt 80.9% (Chart 23).

Debt forex structure experienced slight changes owing to effected repayments. By end-March the share of USD-denominated debt comprised 28.1%, EUR-denominated debt 42.9%, BGN-denominated debt 14.3% and that denominated in other currencies 14.6% (Chart 24).

In the structure of external debt by type of creditor other bonds (global bonds and eurobonds) occupied the largest share, totaling 28.2%, followed by domestic debt (government securities), 19.1%, obligations to the World Bank, 12.7%, to the IMF, 11.7%, and Brady bonds, 6.4% (Chart 25).

By end-March debt interest rate structure also experienced some changes: the debt with fixed interest increased to 53.8% and that with floating interest comprised 46.2% (Chart 26).

Since early 2005 payments effected on government and government guaranteed debt have totaled BGN 2,168 million, including domestic debt payments of BGN 180.9 million and external debt payments of BGN 1,987.1 million (Chart 27). In March payments to the Paris Club and the IMF made up the largest share. The bulk of domestic debt payments were made on government securities issued for budget deficit financing.

Between January and March 2005 the forex composition of debt payments suggests that payments in US dollars accounted for the biggest share (recalculated in levs: BGN 1,621.8 million), followed by payments in euro (BGN 342.4 million) and in levs (BGN 180.9 million, Chart 28).

Government and Government Guaranteed Debt

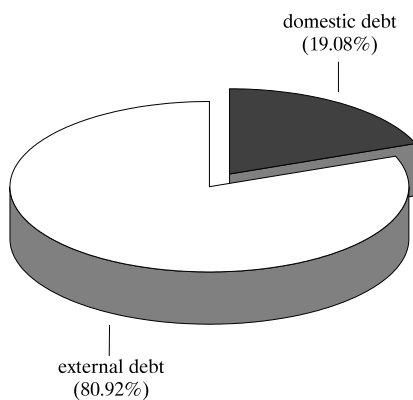
(million EUR)

Structure	as of 31.XII.2004	as of 31.I.2005	as of 28.II.2005	as of 31.III.2005
Domestic debt	1 370.6	1 380.6	1 393.2	1 396.9
I. Government debt	1 370.6	1 380.6	1 393.2	1 396.9
1. Government securities issued for budget deficit financing	1 130.5	1 152.1	1 166.5	1 168.0
2. Government securities issued for structural reform	240.0	228.5	226.8	228.9
II. Government guaranteed debt	-	-	-	-
External debt	6 584.6	5 977.6	5 881.8	5 924.4
I. Government debt	6 140.6	5 522.4	5 429.5	5 469.0
1. Bonds	3 182.4	2 526.3	2 502.2	2 534.2
2. Credits	2 958.2	2 996.0	2 927.3*	2 934.7
Government investment loans	428.8	437.1	441.0*	457.9
Called government guarantees	43.9	44.2	42.4	42.8
II. Government guaranteed debt	444.0	455.2	452.3*	455.4
Debt, total	7 955.2	7 358.2	7 275.0	7 321.3
Debt/GDP (%)	40.9	34.8	34.4	34.6
Domestic debt/GDP (%)	7.0	6.5	6.6	6.6
External debt/GDP (%)	33.8	28.3	27.8	28.0

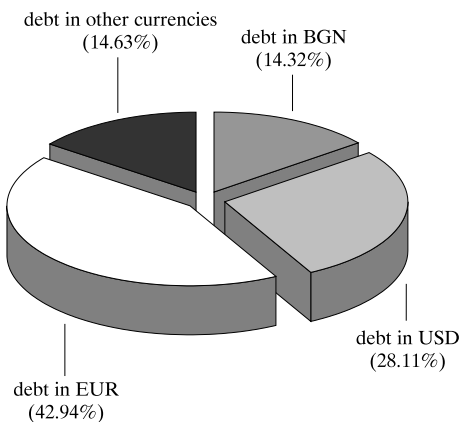
Notes:

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 March 2005.
- * Revised data.

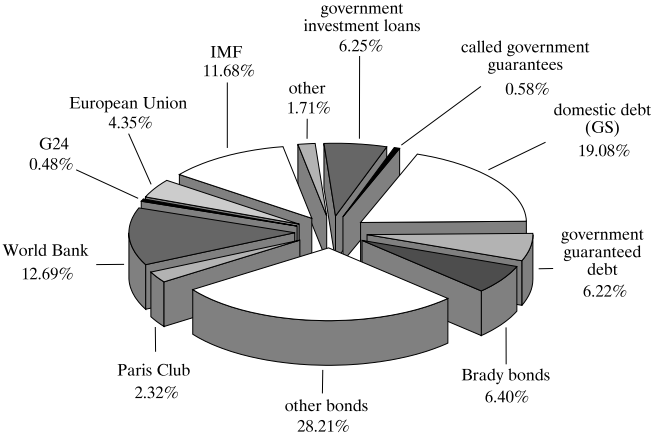
Debt Structure as of 31 March



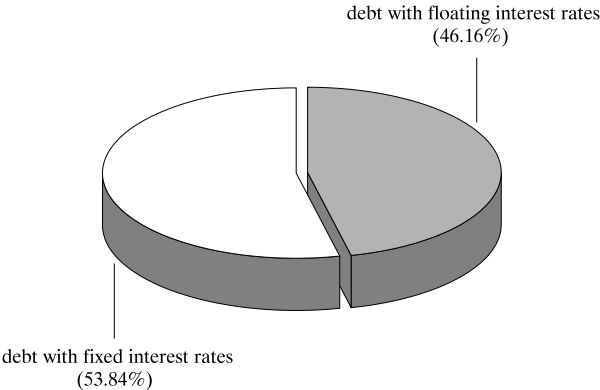
Debt Forex Structure as of 31 March



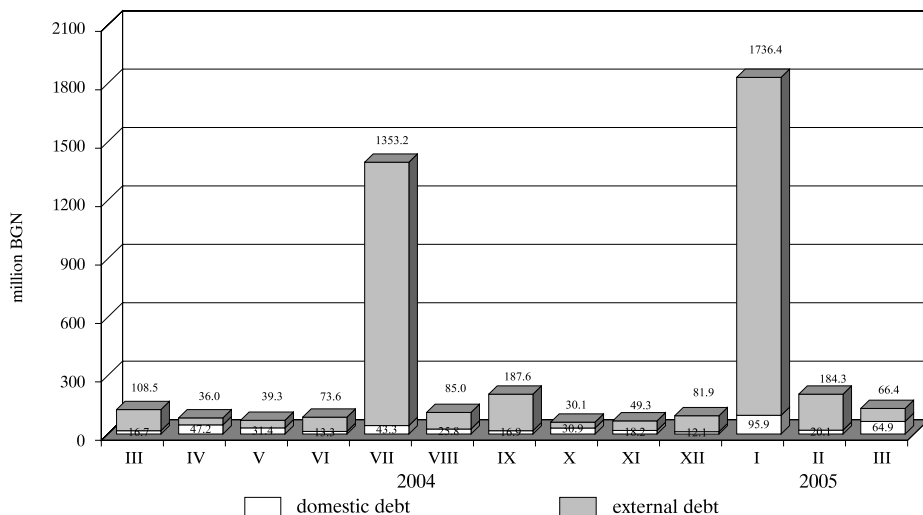
Debt Structure by Creditor as of 31 March



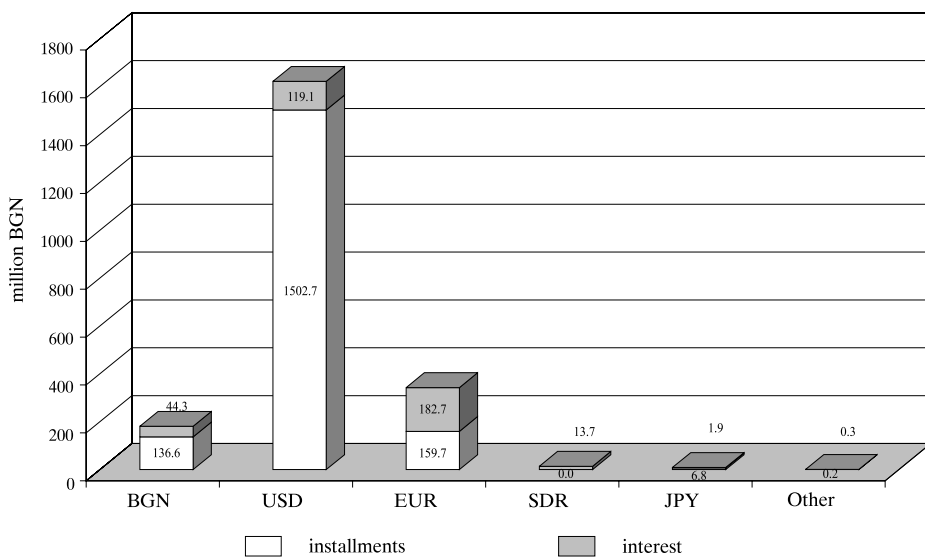
Debt Interest Rate Structure as of 31 March



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 March



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

(BGN'000)

Government securities type	31.XII. 2004	2005	
		31.I.	28.II.
Government securities issued for budget deficit financing	30 753.7	29 775.8	28 211.1
– in BGN	100.0	100.0	100.0
– in EUR	30 653.7	29 675.8	28 111.1
Government securities issued for structural reform	4 119.2	3 849.6	3 847.6
– in USD	118.8	115.9	114.0
– in EUR	4 000.4	3 733.7	3 733.7
Total	34 872.9	33 625.4	32 058.8

Government Securities Issued in International Market and Held by Residents

(million EUR)

Government securities type	31.XII. 2004	2005	
		31.I.	28.II.
Brady bonds	112.5	61.2	80.1
Eurobonds	77.4	76.1	79.5
Global bonds	98.6	105.9	115.4
– in EUR	78.6	77.3	82.6
– in USD	20.1	28.6	32.7
Total	288.5	243.2	275.0

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	as of 28.II.2005
I. Municipal debt	91 132.1	91 632.5	91 184.6
<i>1. Domestic municipal debt</i>	<i>52 318.8</i>	<i>52 098.1</i>	<i>51 982.2</i>
1.1. Government securities issues (at nominal value as of corresponding period)	10 179.6	10 179.6	10 179.6
1.2. Loans from banks and other financial institutions	26 244.8*	25 841.2*	26 057.0
1.3. Loans from the republican budget	2 764.0	2 764.0	2 764.0
1.4. Loans from extra-budgetary accounts and funds	6 276.7	6 759.6*	6 565.6
1.5. Loans from other municipalities	-	-	-
1.6. Called municipal guarantees	-	-	-
1.7. Other	6 853.7*	6 553.6	6 416.1
<i>2. External municipal debt</i>	<i>38 813.3</i>	<i>39 534.5</i>	<i>39 202.4</i>
2.1. Loans from banks and other financial institutions	18 863.0	18 863.0	18 863.0
2.2. Government guaranteed municipal debt	19 950.3	20 671.4	20 339.3
II. Municipal guarantees	703.7	682.2	657.2
<i>1. Domestic municipal guarantees</i>	<i>703.7</i>	<i>682.2</i>	<i>657.2</i>
<i>2. External municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total (I+II)	91 835.8	92 314.8	91 841.8

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 external 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 *I. 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	as of 28.II.2005
Domestic debt	33 412.8	33 477.6	33 452.4
I. National Insurance Institute	33 412.8	33 477.6	33 452.4
1. Other ¹	33 412.8	33 477.6	33 452.4
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	as of 28.II.2005
I. Consolidated government debt	7 556.6	6 948.2	6 869.4
1. Central government debt	7 511.2	6 903.0	6 822.7
2. Social security funds debt	0.0	0.0	0.0
3. Municipal debt	45.4	45.2	46.6
Consolidated government debt/GDP, total (%)	38.81	32.87	32.50

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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