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Abbreviations

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

BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

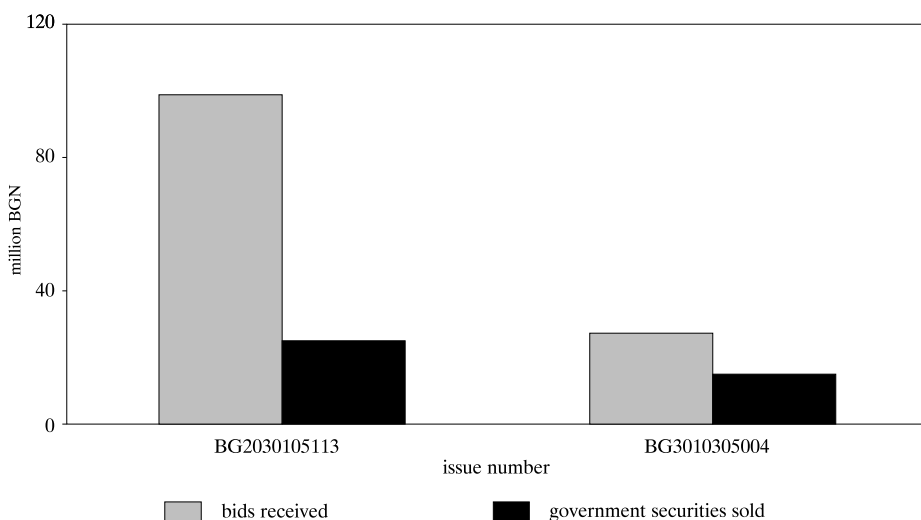
In May the Ministry of Finance issued through an auction organized by the BNB one short-term treasury bills issue and one medium-term treasury bonds issue. The issues were of three-month government securities (No. BG3010305004) and five-year tap government securities (No. BG2030105113) respectively.

At the auction for three-month government securities primary dealers' bids totaled BGN 27,300 thousand (Chart 1). Approved bids totaled BGN 15,000 thousand nominal value (Charts 2 and 3). Coverage coefficient of the three-month issue approved for sale in May accounted for 1.82 (Chart 4).

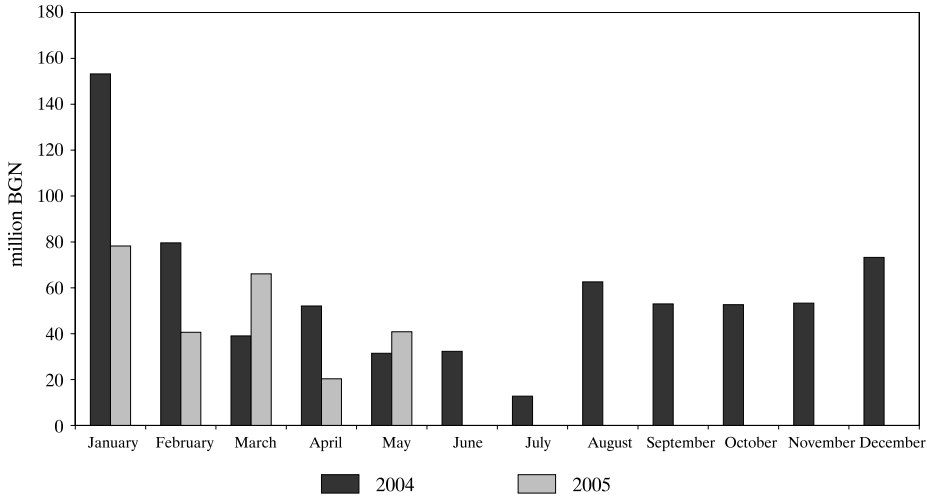
At the May auction for five-year tap treasury bonds bids totaled BGN 98,810 thousand (Chart 1). Approved bids came to BGN 25,000 thousand nominal value (Charts 2 and 3). Coverage coefficient of the five-year issue accounted for 3.95 (Chart 4).

Chart 1

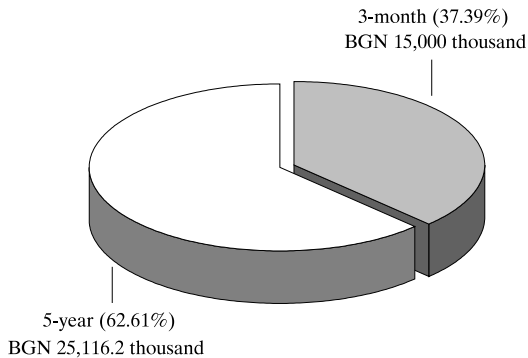
Government Securities Issue in May



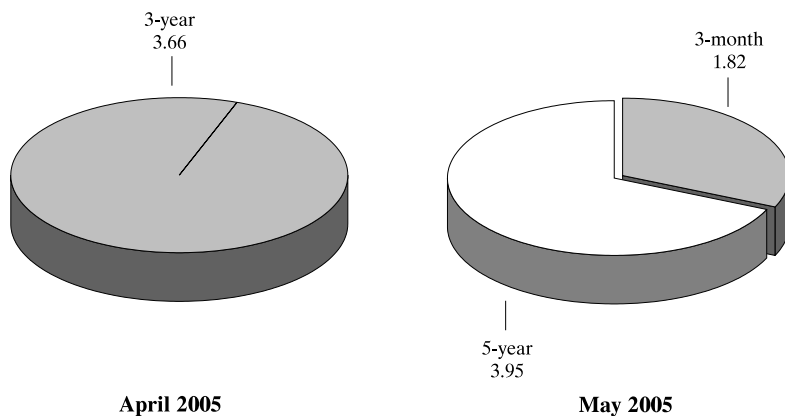
Sales of Government Securities Issues



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



Note: Including target government securities.

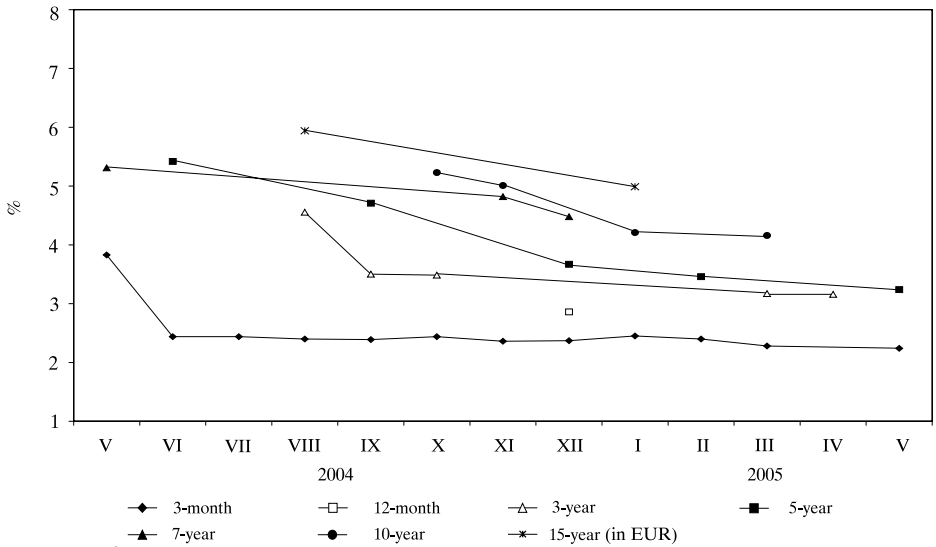
Bid-to-Cover Ratios of Issues Sold

Government securities issued in May increased by BGN 9.4 million on a year earlier basis (Chart 2).

In the review period the yield attained in the primary market showed a gradual downward trend. The yield on the offered three-month treasury bills decreased by 4 basis points compared with the three-month government securities issued in March, reaching values of 2.28% to 2.24%. The yield on the offered five-year treasury bonds was 3.24% which is a decrease of 0.22 on February 2005 when this issue was opened for the first time (Charts 5, 6 and 8).

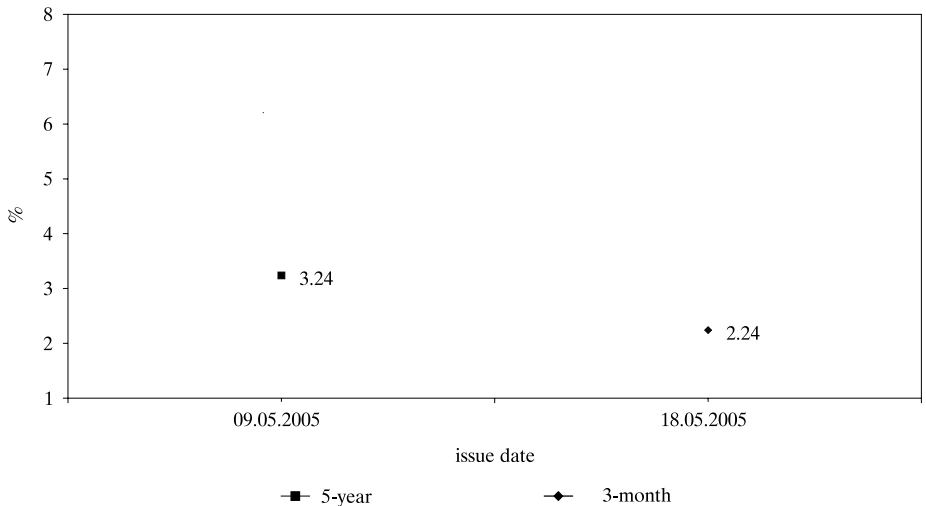
In the review period one EUR-denominated five-year treasury bonds issue earmarked for direct sale to individuals was put in circulation: issue No. 605 of 05 May 2005. The issue is still in circulation (Chart 11). During the period under review reverse repurchases accounted for BGN 129.3 thousand (Chart 12).

Yield of Primary Market Government Securities



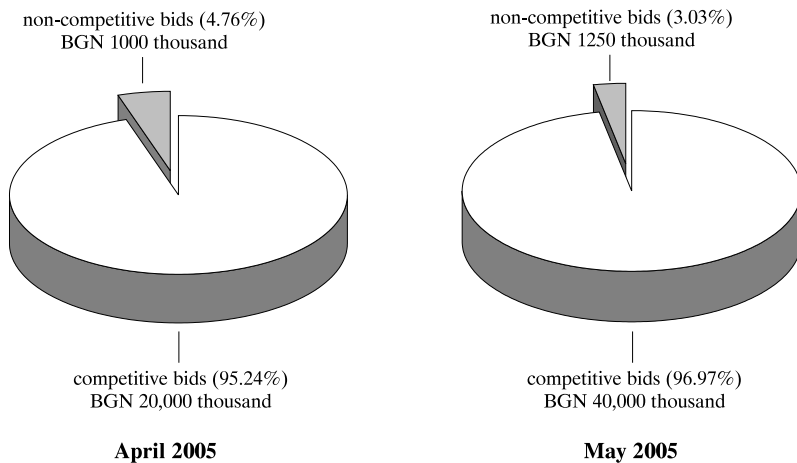
Note: Yield on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities

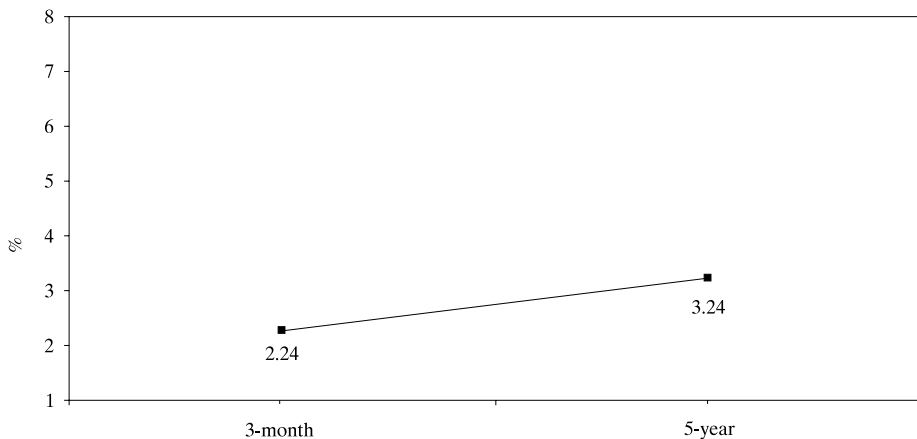


Note: The five-year government securities issue is a tap issue. The above date indicates the auction date.

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



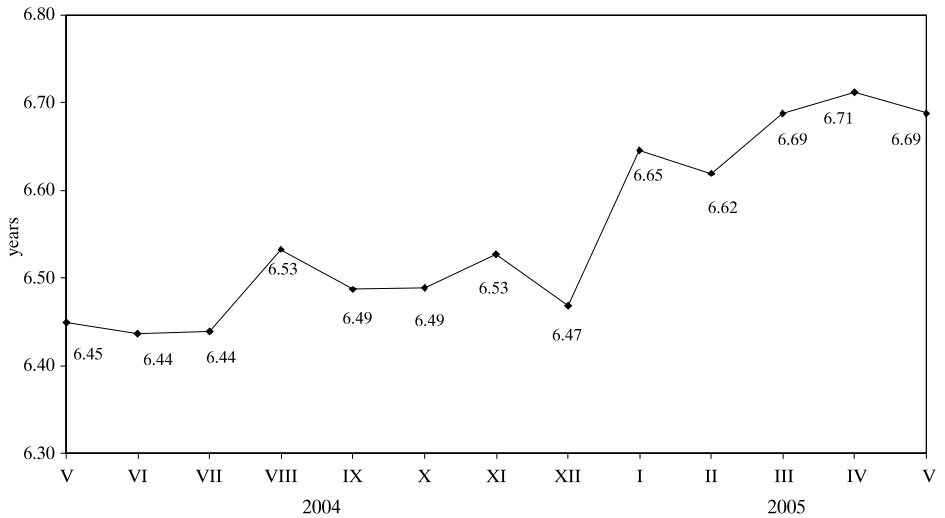
Yield Curve of Primary Market Government Securities in May



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

Chart 9

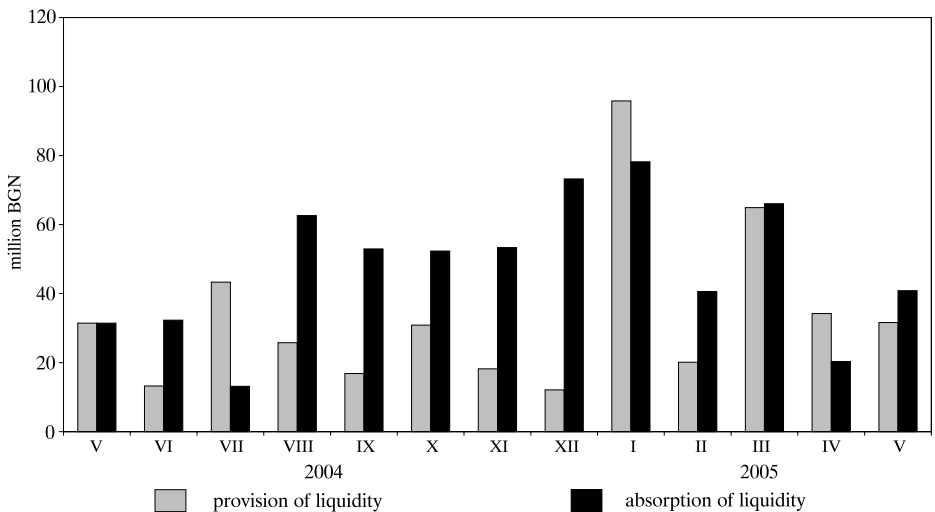
Average Term of Outstanding Government Securities Issues by Year



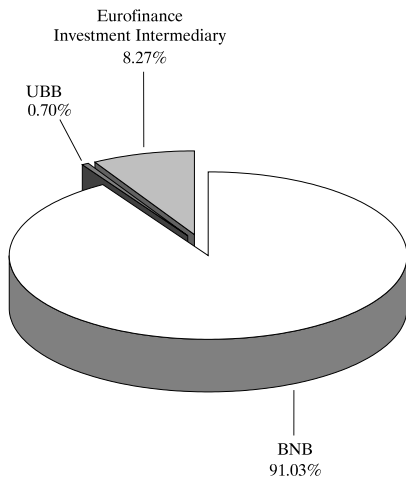
Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Chart 10

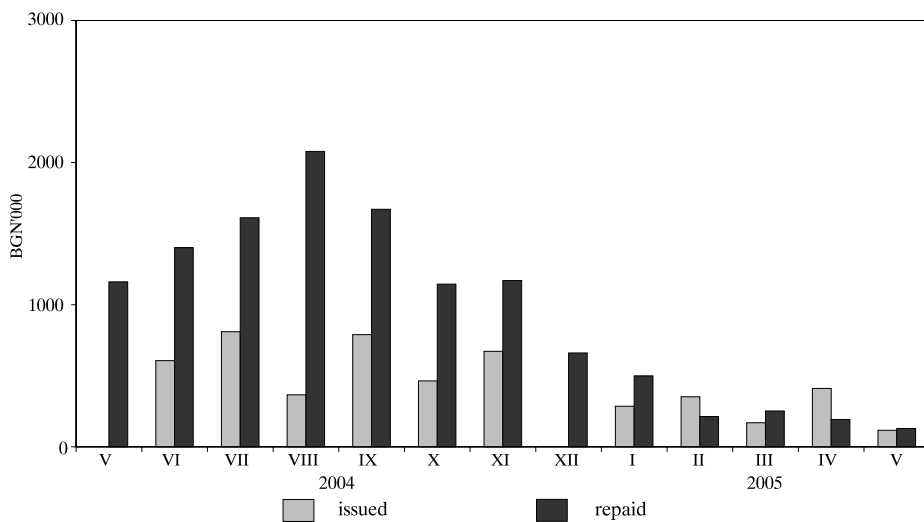
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Target Government Securities in May



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

3-month government securities

12-month government securities

Issue No.	BG3010205006	BG3010305004	BG3011204008
Issue date	30.03.2005	18.05.2005	15.12.2004
Maturity date	30.06.2005	18.08.2005	15.12.2005
Nominal value of the offer (BGN'000)	15 000.00	15 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	29 330.00	27 300.00	40 950.00
Total nominal value of the bids approved (BGN'000)	15 000.00	15 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.42	99.43	97.18
Average discount per BGN 100 (%)	0.58	0.57	2.82
Average annual yield (%)	2.28	2.24	2.86
Effective annual yield (%)	2.30	2.26	2.86
Bid-to-cover ratio	1.96	1.82	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					
	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)

3-year government securities

(continued)

Issue No.	BG2030005115 ⁴		Total for the issue
	First opening	Second opening	
Auction date	14.03.2005	04.04.2005	
Issue date	16.03.2005	16.03.2005	16.03.2005
Maturity date	16.03.2008	16.03.2008	16.03.2008
Nominal value of the offer (BGN'000)	25 000.00	20 000.00	45 000.00
Total nominal value of the bids received (BGN'000)	78 870.00	73 120.00	151 990.00
Total nominal value of the bids approved (BGN'000)	25 000.00	20 000.00	45 000.00
Average price of the bids approved per BGN 100 (%)	101.06	101.03	101.04
Interest rate	3.50	3.50	3.50
Bid-to-cover ratio	3.15	3.66	3.38
Average annual yield (%)	3.16	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	Second 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	09.05.2005	
Issue date	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	16.02.2005	11.05.2005	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	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	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	98 810.00	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	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	102.36	101.43
Interest rate	4.70	4.70	4.70	4.70	4.70	4.70	3.75	3.75	3.75
Bid-to-cover ratio	4.22	3.01	1.79	3.83	4.61	2.85	4.33	3.95	4.33
Average annual yield (%)	4.75	4.54	5.42	4.71	3.67	4.62	3.46	3.24	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*}			BG2040104213 ²				Total for the issue
	First opening	Second opening	Total for the issue	First 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		
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002		06.01.2003	31.03.2003	
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	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.	BG2040004215		BG2040005212	
	First opening	Total for the issue	First opening	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 organized for sale of this issue.

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

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

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

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

** In 2003 reverse repurchases totalled BGN 49,171.1 thousand.

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

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

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	§10 of TFP of SBL/99
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 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 May 2005.

Pending Payments on Government Securities in July 2005

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
target issues ZUNK, USD ZUNK, EUR CMD 244 CMS 234					2 396.23 2 510.66 27.65 146.6
	4	5	6	7	8
target issues bonds	1 425.7	5.5		96.7 2 330.7	40.2 1 859.6
	11	12	13	14	15
target issues bonds	13.8 8 211.3	2 107.5			2 092.0
	18	19	20	21	22
target issues bonds	5 405.2				25.9 1 363.7
	25	26	27	28	29
target issues bonds	15.8 3 346.9			17.3	

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 July 2005

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
04.07.2005*	12.01.2005	12.01.2015	10 years	35 000 000	
11.07.2005*	16.03.2005	16.03.2008	3 years	40 000 000	
Total, incl.:				75 000 000	
bonds				75 000 000	

* Tap issue.

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

By end-May 2005 domestic debt totaled BGN 2,767,997.9 thousand in nominal terms. Share of the debt on government securities issued for budget deficit financing was 83.4% (BGN 2,309,518 thousand) and that on government securities issued for structural reform, 16.6% (BGN 458,479.9 thousand (Chart 13).

Between January and May 2005 issued government securities accounted for BGN 240,643.9 thousand; of this, BGN 1306.5 thousand were directly sold to individuals. Government securities repaid in May accounted for BGN 142,285.2 thousand, including short-term treasury bills of BGN 91,000 thousand. As a result of newly issued volumes, the share of five-year government securities issued for budget deficit financing increased to 31.6% at the expense of the other medium-term and long-term bond which decreased; all other types of government securities remained almost unchanged (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and eight months. Government securities issued for structural reform comprised BGN 458.5 thousand by the end of the review period.

Debt foreign exchange structure in May changed slightly as a result of issued government securities and effected repayments (Chart 15). The share of government securities in US dollars increased reaching 7.9% at the expense of the decrease in the share of government securities in euro, 17.1%, while the share of government securities in levs stayed close to its previous level: 75.05%. Debt maturity structure also changed. Long-term securities decreased to 58.9% at the expense of medium-term securities which increased to 39.3%. The share of short-term government securities remained unchanged, 1.8% (Chart 16). Government securities with fixed interest coupons comprised 83.4% and government securities with floating interest coupons, 16.6% (Chapter 17).

Since early-2005 repaid interest and discounts on government securities issued on the domestic market have totaled BGN 70,171.4 thousand. Interest and discounts on government securities for budget deficit financing of BGN 66,009.1 thousand, or 94.1% of the total repaid interest and discounts, were repaid in May (Chart 19). Interest paid on seven-year bonds occupied the largest share, 38.3%, followed by five-year bonds, 30.1% (Chart 18).

Domestic Debt

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 May 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	759.3	857 868.8
4.1. Medium-term	252 682.9	-	759.3	251 923.6
3-year	77 682.9	-	759.3	76 923.6
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	-	56 519.9	401 074.1
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	-	519.9	221 074.1
3-year	112 396.9	-	383.5	112 013.4
5-year	109 197.1	-	136.3	109 060.7
EUR-denominated (lev equivalent)	9 197.1	-	136.3	9 060.7
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	-	211 306.5	35 006.1	176 300.4
6.1. Short-term	-	65 000.0	35 000.0	30 000.0
3-month	-	65 000.0	35 000.0	30 000.0
6.2. Medium-term	-	96 306.5	6.1	96 300.4
3-year	-	45 548.7	6.1	45 542.6
5-year	-	50 757.8	-	50 757.8
EUR-denominated (lev equivalent)	-	757.8	-	757.8
6.3. Long-term	-	50 000.0	-	50 000.0
10-year	-	50 000.0	-	50 000.0
TOTAL (I)	2 211 159.3	240 643.9	142 285.2	2 309 518.0

(continued)

(continued)

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

Structure	Amount as of 31 Dec. 2004	Change in 2005		Amount as of 31 May 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			219 778.8
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			458 479.9
GOVERNMENT DEBT, TOTAL	2 680 616.6			2 767 997.9
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 680 616.6			2 767 997.9

Notes:

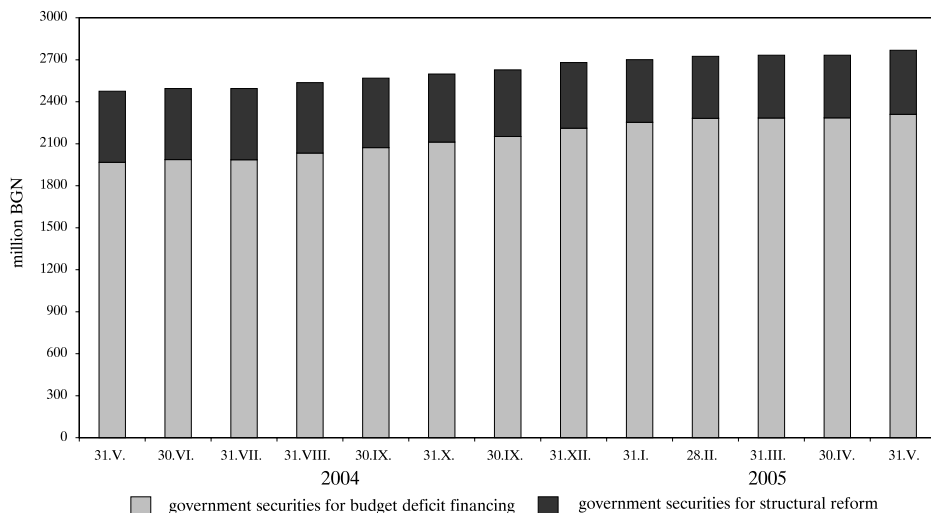
As of 1 May 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in the stock of domestic and external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

The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the 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.

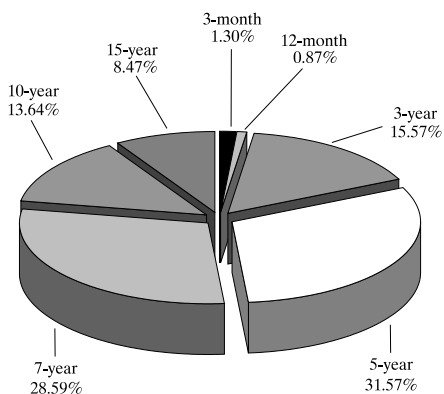
In the *Government Debt Management* bulletin, debt to the IMF is included in the external debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

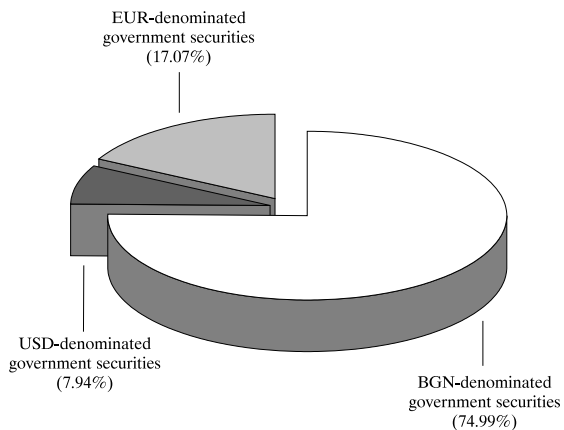


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 May

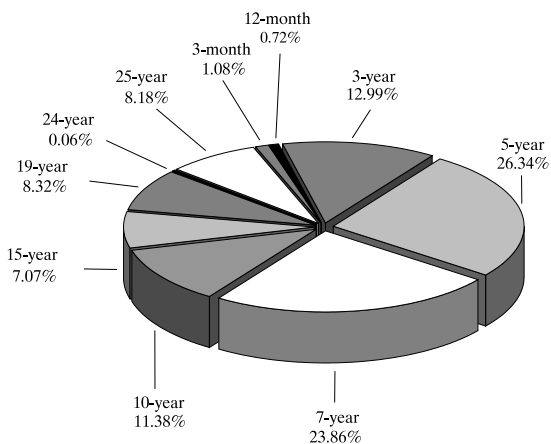


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and eight months.

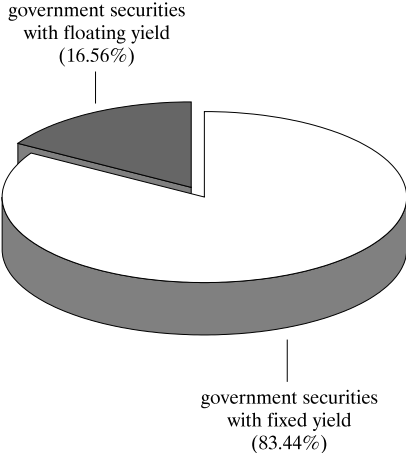
Forex Composition of Outstanding Government Securities as of 31 May



Maturity Structure of Outstanding Government Securities as of 31 May



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



Expenditure on Domestic Debt between 1 January and 31 May 2005

(BGN'000)

Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 2000	1 268.9
1.1. Medium-term	1 268.9
5-year	1 268.9
2. Government securities issued in 2001	7 208.5
2.1. Medium-term*	7 208.5
5-year	7 208.5
2.2. Long-term	
5-year	1 115.8
3. Government securities issued in 2002	23 003.9
3.1. Medium-term	11 217.5
3-year	5 273.3
5-year	5 944.2
3.2. Long-term	11 786.4
7-year	8 610.6
10-year	3 175.8
4. Government securities issued in 2003	27 110.8
4.1. Medium-term	6 545.6
3-year	2 030.2
5-year	4 515.4
4.2. Long-term	20 565.2
7-year	14 909.6
10-year	3 334.6
15-year	2 321.1
5. Government securities issued in 2004	9 574.4
5.1. Short-term	913.3
3-month	218.3
12-month	695.1
5.2. Medium-term	4 659.3
3-year	2 115.8
5-year	2 543.5
5.3. Long-term	4 001.7
7-year	1 910.4
10-year	2 091.4
6. Government securities issued in 2005	-2 157.5
6.1. Short-term	122.5
3-month	122.5
6.2. Medium-term	-1 675.1
3-year	-512.7
5-year	-1 162.4
6.3. Long-term	-604.9
10-year	-604.9
TOTAL (I)	66 009.1

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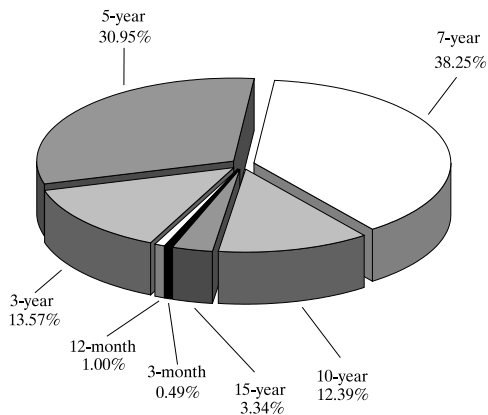
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(BGN'000)

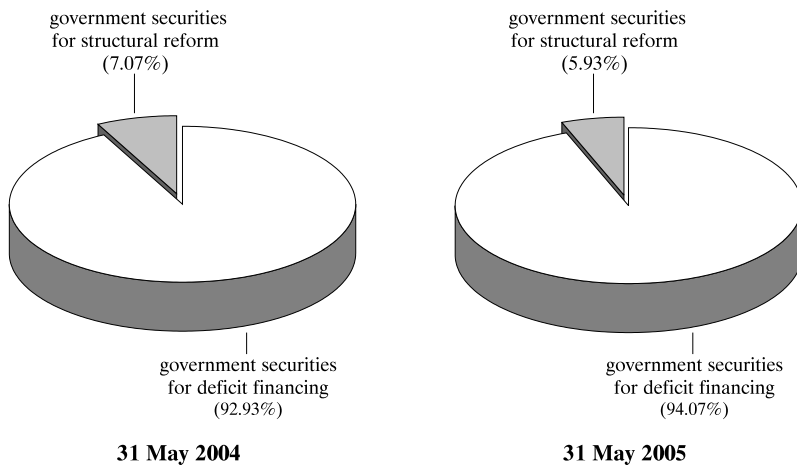
Structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle non-performing loans of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	32.8
2. Bonds issued pursuant to CM Decree No. 186 of 1992	19.9
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	4 109.6
lev bonds	82.4
USD-denominated bonds (in BGN at the current exchange rate)	1 451.9
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)	4 162.4
TOTAL (II)	4 162.4
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	70 171.4

* 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-May external debt totaled EUR 6067.9 million. Government debt accounted for EUR 5573.6 million and government guaranteed debt amounted to EUR 494.4 million.

In May new external financing totaled BGN 37,461.7 thousand. Debt payments totaled BGN 90,820.9 thousand, of which BGN 66,370.7 thousand principal repayments and BGN 24,450.2 thousand interest payments. The bulk of repayments was made to the IMF (BGN 54,472 thousand), on called government guarantees (BGN 10,516.7 thousand) and on government investment loans (BGN 1382 thousand). Interest payments were made primarily to the IMF (BGN 14,089.6 thousand), on government guaranteed loans (BGN 8016.6 thousand) and on government investment loans (BGN 1927.6 thousand). In May net external financing was negative, totaling BGN -28,909.

Since early-2005 received loans have totaled BGN 201,734, of which BGN 72,718.1 thousand from tranches on government guaranteed loans. Debt payments have amounted to BGN 2,110,188.3 thousand, including principal repayments of BGN 1,763,368.7. The largest amounts were repaid on Brady bonds (BGN 1,470,843 thousand), to the IMF (BGN 135,083 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 34,025.5 thousand). Debt interest rate structure also changed. Debt with floating interest coupons decreased to 52.9% against that with fixed interest coupons which accounted to 47.1%. The average-weighted residual term of the external debt was eight years and eight months.

Certain changes occurred in debt currency structure as a result of effected payments. Debt denominated in US dollars increased on the previous month, reaching 33.7% by end-May. The ratio between the debt denominated in euro and that in other currencies went down to reach 48.6% and 17.6% respectively.

The external debt structure by type of creditor was as follows: debt on other bonds (Global bonds and Eurobonds) accounted for 34.9%, to the World Bank, 15.5%, to the IMF, 13.9%, and on Brady bonds, 8.1%. Obligations to the European Union accounted for 5.3%, to the Paris Club 2.8%, and those on government guaranteed loans 8.1%.

External Debt

(million EUR)

Structure	as of 31.XII.2004	as of 31.III.2005	as of 30.IV.2005	as of 31.V.2005
Government debt	6 140.6	5 470.6	5 475.2	5 573.6
I. Bonds	3 182.4	2 534.2	2 535.0	2 608.6
1. Brady bonds	1 164.1	468.7	469.0	492.8
2. Other bonds	2 018.3	2 065.5	2 066.1	2 115.8
II. Loans	2 958.2	2 936.3	2 940.1	2 964.9
1. Paris Club	176.3	170.0	170.0	170.0
2. World Bank	930.6	929.2	930.7	943.0
2.1. World Bank	842.9	844.1	844.2	854.7
2.2. JBIC (JEXIM)	87.7	85.1	86.5	88.3
3. G24	34.6	35.4	35.4	36.2
4. European Union	350.0	318.8	318.8	318.8
5. IMF	868.7	855.4	850.4	840.7
6. Other	125.2	125.2	125.2	125.2
7. Government investment loans	428.8	459.5	466.9	492.8
7.1. World Bank	108.0	118.2	121.6	123.2
7.2. European Investment Bank	214.8	221.7	223.4	242.4
7.3. EBRD	22.8	20.1	20.1	20.4
7.4. Other	83.1	99.5*	101.7	106.7
8. Called government guarantees	43.9	42.8	42.8	38.3
8.1. World Bank	36.4	35.1	35.1	30.2
8.2. European Investment Bank	1.3	1.2	1.2	1.3
8.3. Other	6.2	6.5	6.5	6.8
Government guaranteed debt	444.0	457.3	484.2	494.4
1. World Bank	96.0	98.0	99.0*	102.3
2. European Investment Bank	9.2	9.2	9.2	9.2
3. EBRD	37.2	41.3	41.4*	42.7
4. Other	301.7	308.8	334.6*	340.1
EXTERNAL DEBT, TOTAL	6 584.6	5 927.8	5 959.4	6 067.9
EXTERNAL DEBT, TOTAL (million USD)	8 968.9	7 684.9	7 721.5	7 482.3

Notes:

1. Debt based on cash flows. External debt based on cash flows as of 1 January 2003.
2. Loans in the *Government investment loans* and *Government guaranteed debt* items have been rearranged according to the provisions of the Law on the Government Debt (published in the 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 May 2005.

* Revised data.

New Foreign Financing and External Debt Payments as of 31 May

(BGN'000)

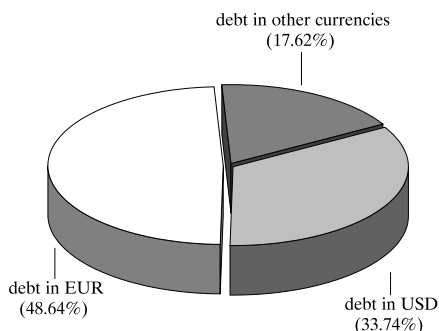
Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
Government debt	129 016.4	1 754 403.8	333 373.8
I. Bonds	-	1 470 843.0	269 865.0
1. Brady bonds	-	1 470 843.0	33 525.4
2. Other bonds	-	-	236 339.6
II. Loans	129 016.4	283 560.7	63 508.8
1. Paris Club	-	12 314.3	5 861.6
2. World Bank	-	26 352.4	10 392.6
2.1. World Bank	-	19 546.3	9 921.4
2.2. JBIC (JEXIM)	-	6 806.1	471.1
3. G24	-	-	453.6
4. European Union	-	61 119.7	3 833.0
5. IMF	-	135 083.8	27 834.6
6. Other	-	-	-
7. Government investment loans	129 016.4	34 025.5	13 960.2
7.1. World Bank	29 907.5	1 042.5	493.4
7.2. European Investment Bank	62 586.6	25 539.7	10 480.8
7.3. EBRD	-	7 443.3	1 099.6
7.4. Other	36 522.3	-	1 886.4
8. Called government guarantees	-	14 665.0	1 173.2
8.1. World Bank	-	14 326.9	1 078.1
8.2. European Investment Bank	-	338.1	95.1
8.3. Other	-	-	-
Government guaranteed debt	72 718.1	8 964.9	13 445.8
1. World Bank	4 381.6	5 150.1	1 457.0
2. European Investment Bank	-	-	102.2
3. EBRD	9 652.9	2 427.5	845.1
4. Other	58 683.7	1 387.2	11 041.7
TOTAL	201 734.5	1 763 368.7	346 819.6

Notes:

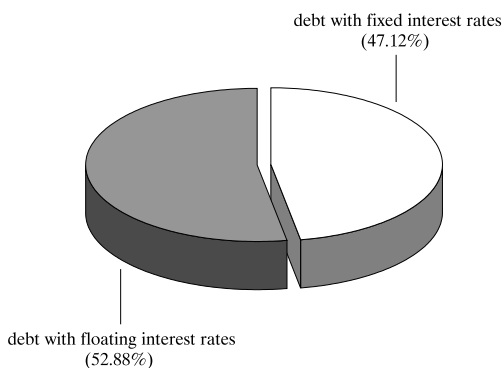
1. Lev equivalence of the new foreign financing received and payments effected is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.

2. Preliminary data.

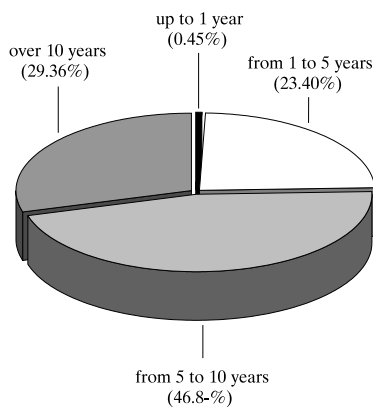
Currency Composition of the External Debt as of 31 May



Interest Rate Structure of the External Debt as of 31 May



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



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

By end-May government and government guaranteed debt totaled EUR 7483.2 million, including domestic debt of EUR 1415.3 million and external debt of EUR 6067.9 million. The increase in nominal terms was EUR 126.8 million on the previous month mainly due to exchange rate fluctuations and financing received in the review period.

By end-April the *debt to GDP ratio* was 35.4%, up 0.6 percentage points on end-March 2005. Domestic debt and external debt accounted for 6.7% and 28.7% respectively.

Domestic debt occupied 18.9% in debt structure and external debt 81.1% (Chart 23).

Debt currency composition experienced certain changes owing to the payments effected in May. By end-May the share of the debt in US dollars reached 28.9%, in euro 42.7%, in levs 14.2% and in other currencies 14.3% (Chart 24).

In the structure of external debt by type of creditor, other bonds (Global bonds and Eurobonds) occupied the largest share, totaling 28.1%, followed by domestic debt (government securities), 18.9%, obligations to the World Bank, 13%, to the IMF, 11.2%, on government guaranteed debt, 6.6% and on Brady bonds, 6.6% (Chart 25).

By end-May debt interest rate structure reflected the increase in the debt with fixed interest rates to 54%. Debt with floating interest rates comprised 46% (Chart 26).

Since early 2005 payments effected on government and government guaranteed debt have totaled BGN 2356.9 million, including domestic debt payments of BGN 246.7 million and external debt payments of BGN 2110.2 million (Chart 27). In May payments to the IMF and those on called government guarantees comprised the most significant shares, while the main repayments on domestic debt were on government securities issued for budget deficit financing.

Since early 2005 payments in US dollars (recalculated in levs: BGN 1639.5 million) accounted for the biggest share in the currency composition of debt payments, followed by payments in euro (BGN 360.8 million) and in levs (BGN 246.7 million, Chart 28).

Government and Government Guaranteed Debt

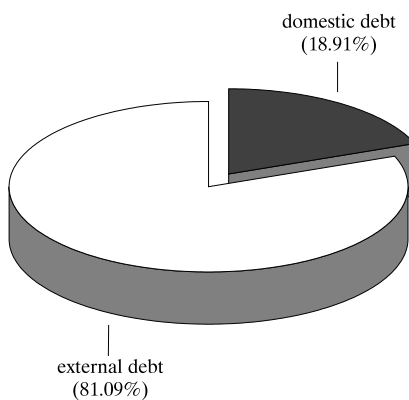
(million EUR)

Structure	as of 31.XII.2004	as of 31.III.2005	as of 30.IV.2005	as of 31.V.2005
Domestic debt	1 370.6	1 396.9	1 397.1	1 415.3
I. Government debt	1 370.6	1 396.9	1 397.1	1 415.3
1. Government securities issued for budget deficit financing	1 130.5	1 168.0	1 168.1	1 180.8
2. Government securities issued for structural reform	240.0	228.9	229.0	234.4
II. Government guaranteed debt	-	-	-	
External debt	6 584.6	5 927.3	5 959.4	6 067.9
I. Government debt	6 140.6	5 470.0	5 475.2	5 573.6
1. Bonds	3 182.4	2 534.2	2 535.0	2 608.6
2. Loans	2 958.2	2 935.8	2 940.1	2 964.9
Government investment loans	428.8	458.9	466.9	492.8
Called government guarantees	43.9	42.8	42.8	38.3
II. Government guaranteed debt	444.0	457.3	484.2*	494.4
Debt, total	7 955.2	7 324.1	7 356.4	7 483.2
Debt/GDP (%)	40.9	34.6	34.8	35.4
Domestic debt/GDP (%)	7.0	6.6	6.6	6.7
External debt/GDP (%)	33.8	28.0	28.2	28.7

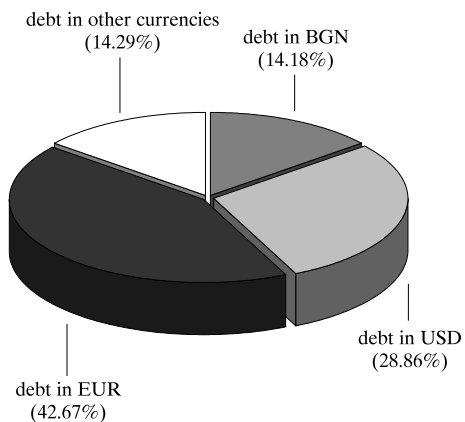
Notes:

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 the *Government Debt Management* bulletin.
 4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.
 5. Preliminary data for May 2005.
- * Revised data.

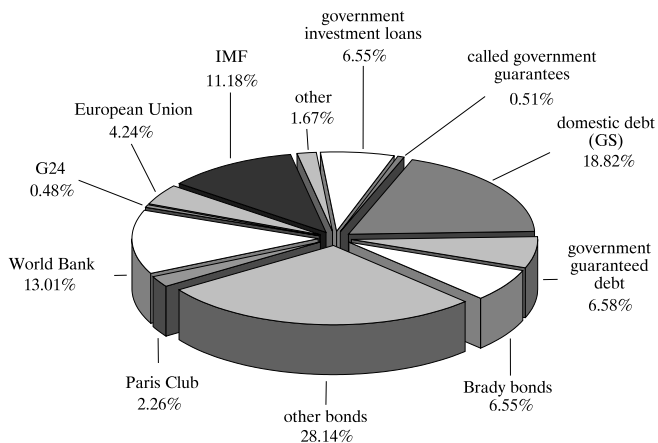
Debt Structure as of 31 May



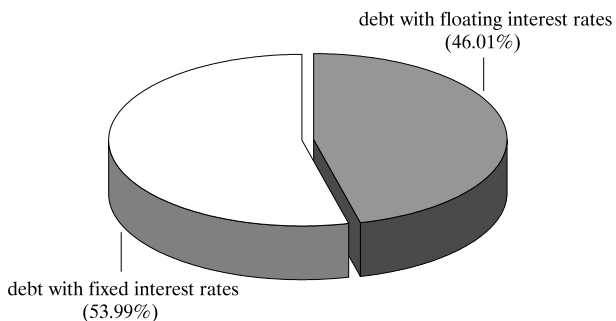
Debt Currency Structure as of 31 May



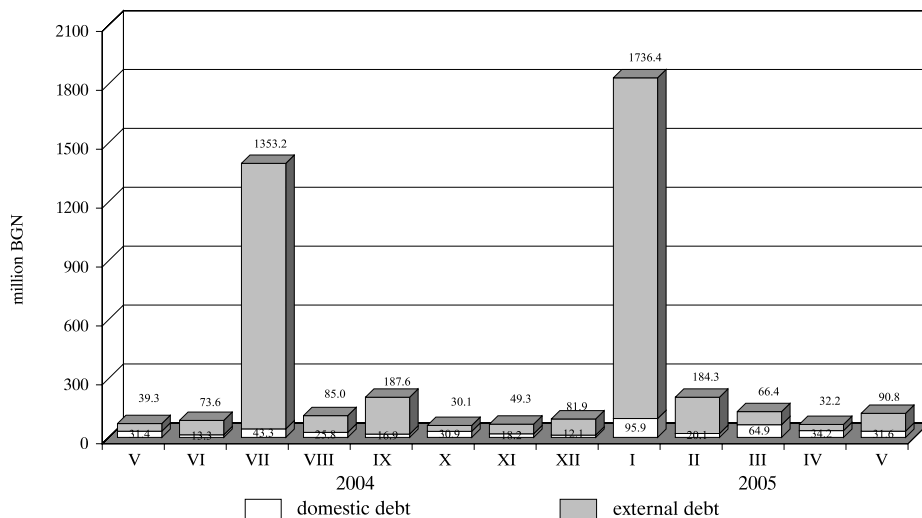
Debt Structure by Creditor as of 31 May



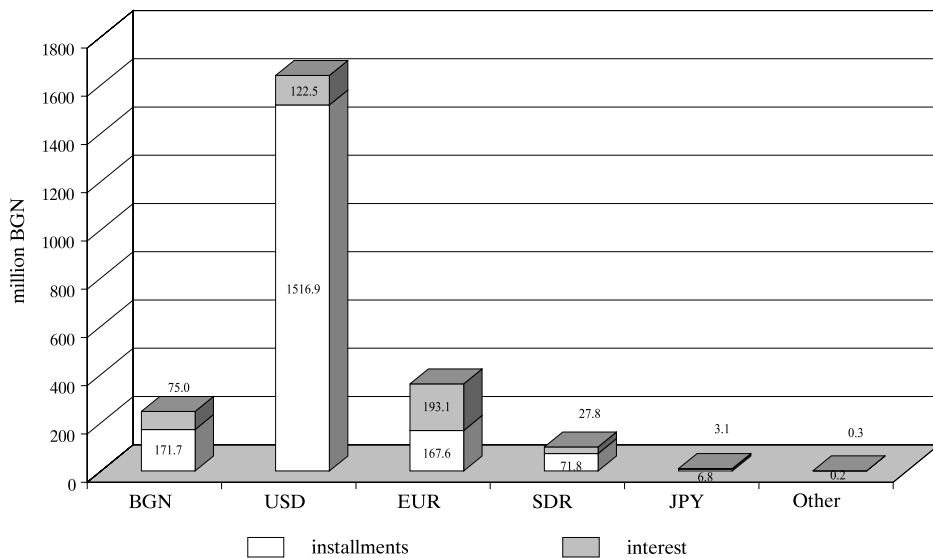
Debt Interest Rate Structure as of 31 May



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 May



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

(BGN'000)

Government securities type	31.XII. 2004	2005	
		31.III.	30.IV.
Government securities issued for budget deficit financing	30 753.7	28 211.1	28 211.2
– in BGN	100.0	100.0	100.0
– in EUR	30 653.7	28 111.1	28 111.2
Government securities issued for structural reform	4 119.2	3 849.8	3 854.5
– in USD	118.8	94.0	98.7
– in EUR	4 000.4	3 755.8	3 755.8
Total	34 872.9	32 060.9	32 065.7

Government Securities Issued in International Market and Held by Residents

(million EUR)

Government securities type	31.XII. 2004	2005	
		31.III.	30.IV.
Brady bonds	112.5	83.0	88.0
Eurobonds	77.4	85.2	87.2
Global bonds	98.6	122.5	128.7
– in EUR	78.6	80.6	80.8
– in USD	20.1	41.9	47.9
Total	288.5	290.6	303.9

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS DEBT

Municipal Debt and Municipal Guarantees

(BGN'000)

Structure	as of 31.XII.2004	as of 31.III.2005	as of 30.IV.2005
I. Municipal debt	90 699.8	94 181.4	95 745.7
<i>1. Domestic municipal debt</i>	<i>51 886.4</i>	<i>54 848.3</i>	<i>55 044.6</i>
1.1. Government securities issues (at nominal value as of corresponding period)	10 179.6	14 179.6*	14 434.7
1.2. Loans from banks and other financial institutions	26 025.6	25 414.3*	25 550.1
1.3. Loans from the republican budget	2 764.0	2 764.0	2 764.0
1.4. Loans from extrabudgetary accounts and funds	6 276.7	6 052.1	5 825.8
1.5. Loans from other municipalities	-	-	-
1.6. Called municipal guarantees	-	-	-
1.7. Other	6 640.5	6 438.3*	6 469.9
<i>2. External municipal debt</i>	<i>38 813.3</i>	<i>39 333.2</i>	<i>40 701.2</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	20 470.1	21 838.1
II. Municipal guarantees	703.7	642.8	618.9
<i>1. Domestic municipal guarantees</i>	<i>703.7</i>	<i>642.8</i>	<i>618.9</i>
<i>2. External municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total (I+II)	91 403.5	94 824.2	96 364.6

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 2.2. *Government guaranteed municipal debt*. This loan has been guaranteed by the government and is reported in the *Government and Government Guaranteed Debt* table, *External Debt, II. Government guaranteed debt*.
- The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is an external municipal debt and is reported under 2.2. *Government guaranteed municipal debt*. Pursuant to the Guarantee Agreement concluded between the Government of Bulgaria and the Government of Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government and is reported in the *Government and Government Guaranteed Debt* table, *External Debt, II. Government guaranteed debt*.
- Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.

* Revised data.

Social Security Funds Debt

(BGN'000)

Structure	as of 31.XII.2004	as of 31.III.2005	as of 30.IV.2005
Domestic debt	33 412.8	33 485.8	33 486.7
I. National Insurance Institute	33 412.8	33 485.8	33 486.7
1. Other*	33 412.8	33 485.8	33 486.7
2. Loans from the republican budget	-	-	-
II. National Health Insurance Fund	-	-	-
III. Teachers' Pension Fund	-	-	-
External debt	-	-	-

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

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

Consolidated Government Debt Amount

(million EUR)

Structure	as of 31.XII.2004	as of 31.III.2005	as of 30.IV.2005
I. Consolidated government debt	7 557.5	6 915.0	6 921.2
1. Central government debt	7 511.2	6 866.9	6 872.2
2. Social security funds debt	0.0	0.0	0.0
3. Municipal debt	46.4	48.2*	49.0
Consolidated government debt/GDP, total (%)	38.8	32.7	32.7

Notes:

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

* Revised data.