



REPUBLIC OF BULGARIA
MINISTRY OF FINANCE

GOVERNMENT DEBT MANAGEMENT

MONTHLY BULLETIN

OCTOBER 2008

REPUBLIC OF BULGARIA
MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

OCTOBER 2008

ISSN 1311 – 0047

This issue includes materials and data received prior to 26 November 2008.

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

Website: www.minfin.bg

Ministry of Finance address in Reuters: MFBG01

Subscriptions: tel. 9145 1351

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

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Abbreviations

BGN	–	<i>The abbreviation of the Redenominated Bulgarian Lev</i>
BIR	–	<i>Base Interest Rate</i>
BNB	–	<i>Bulgarian National Bank</i>
CB	–	<i>Commercial Banks</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
EIB	–	<i>Economic and Investment Bank</i>
GDP	–	<i>Gross Domestic Product</i>
GS	–	<i>Government Securities</i>
IMF	–	<i>International Monetary Fund</i>
JBIC	–	<i>Japan Bank for International Cooperation</i>
LBNB	–	<i>Law on the Bulgarian National Bank</i>
LSPDACB	–	<i>Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings</i>
MF	–	<i>Ministry of Finance</i>
SBL of RB	–	<i>State Budget Law of the Republic of Bulgaria</i>
SDR	–	<i>Special Drawing Rights</i>
TFP	–	<i>Transitional and Final Provisions</i>
ZUNK	–	<i>Bulgarian abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 30 September 1990 (LSNC)</i>

In October the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Ordinance No. 5, including one medium-term tap treasury bonds issue (five-year, No. BG2030008119) and one long-term tap treasury bonds issue (ten-year, No. BG2040008216).

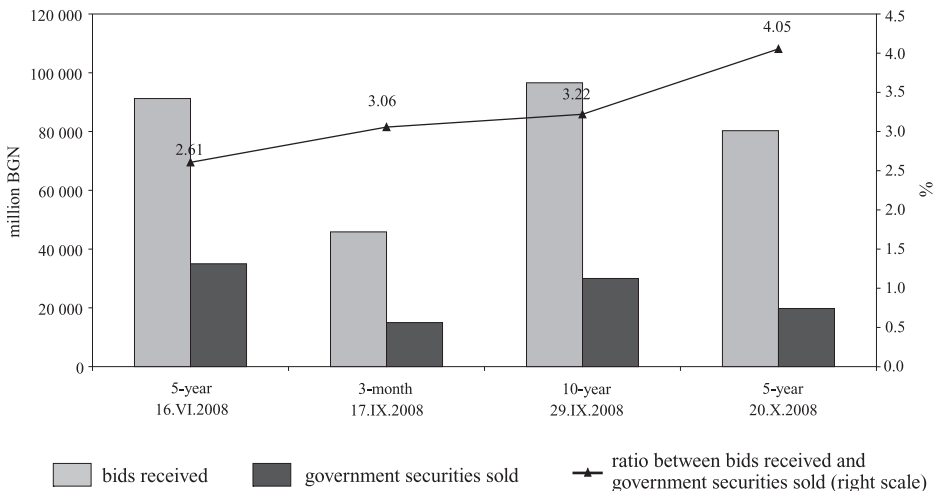
At the auctions primary dealers' bids totaled BGN 176,875.0 thousand: BGN 80,275.0 thousand for five-year government securities and BGN 96,600.0 thousand for ten-year government securities (Chart 1). Approved bids comprised BGN 49,800.0 thousand: BGN 19,800.0 thousand for five-year government securities and BGN 30,000.0 thousand for ten-year government securities (Charts 1 and 2). Coverage coefficient of the issues approved for sale in October accounted for 3.55:4.05 for the five-year government securities and 3.22 for the ten-year government securities.

Government securities issued in October increased by BGN 14.4 million on the same period of 2007 (Chart 2).

In the review period the yield attained in the primary market as a whole reflected the demand and the preferences in the market for government securities with various maturities. The yield on the five-year treasury bonds increased by 1.3 basis points compared with the previous opening of the issue with the same

Chart 1

Bids Received and Government Securities Sold at Auctions



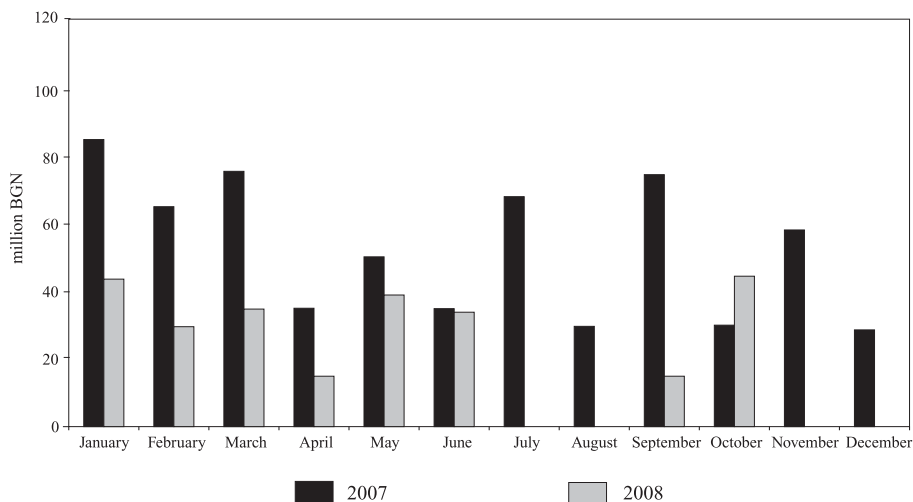
Note: The five- and ten-year government securities issues are tap issues. The above dates indicate the auction dates.

maturity launched in June, reaching 6.9 per cent. The ten-year tap bonds showed a trend similar to that of the five-year bonds. In October 2008 the yield on the ten-year bonds reached 6.1 per cent (up by 0.9 basis points) (Charts 3, 4 and 5).

In the month under review reverse repurchased securities earmarked for direct sale to individuals accounted for BGN 49.7 thousand.

Chart 2

Sales of Government Securities Issues



Prices of Issues Sold per BGN 100 Nominal Value

SEPTEMBER 2008

3-month BG3010208000	
-------------------------	--

Minimum	98.92
Average-weighted	98.96
Maximum	99.07

OCTOBER 2008

	5-year BG2030008119	10-year BG2040008216
--	------------------------	-------------------------

Minimum	89.76	88.11
Average-weighted	90.73	89.20
Maximum	93.02	91.02

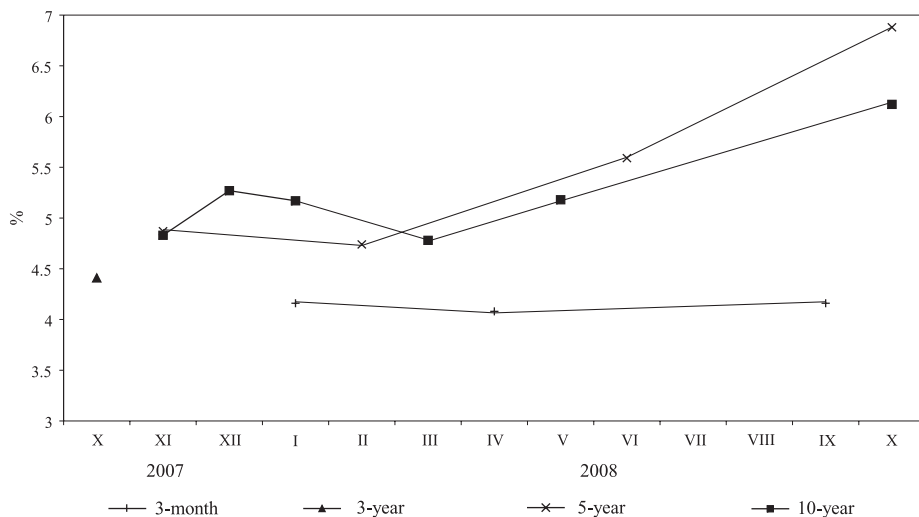
Chart 3

Dynamics of the Average Annual Yield of Primary Market Government Securities



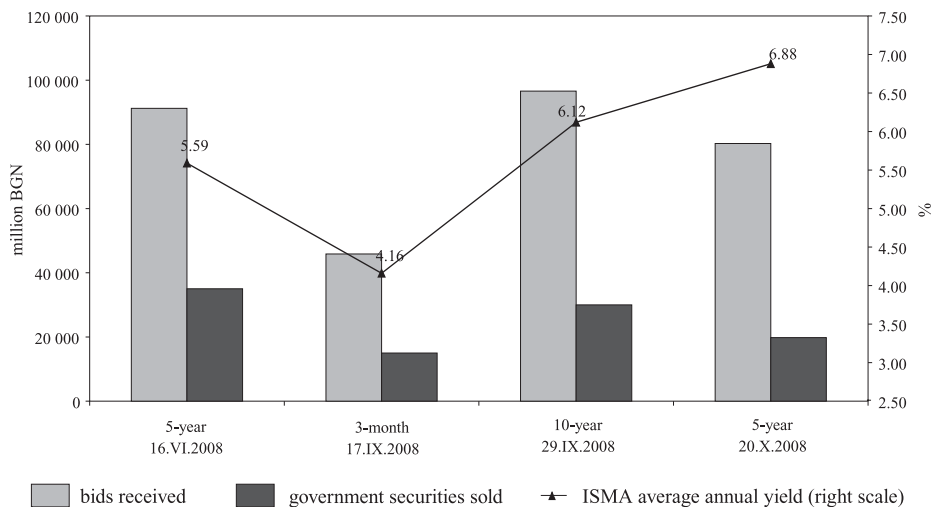
Chart 4

Yield of Primary Market Government Securities by Type



Note: Yield on an effective annual basis.

Yield and Sales of Government Securities



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

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

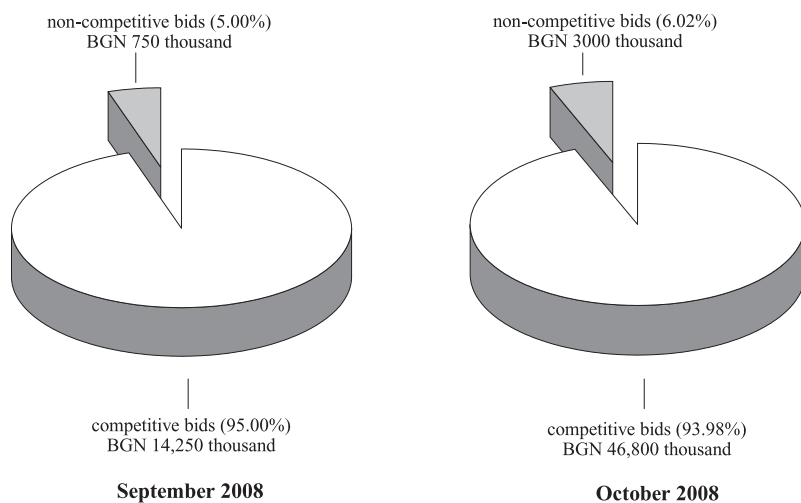
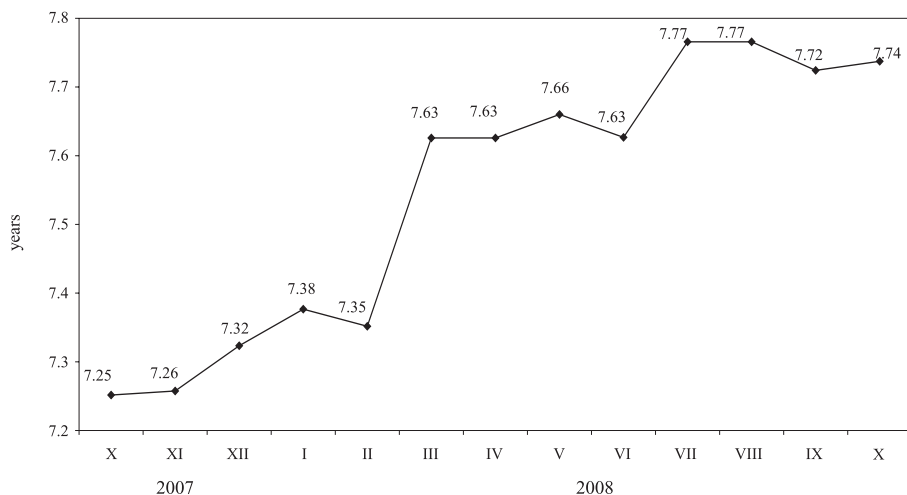


Chart 7

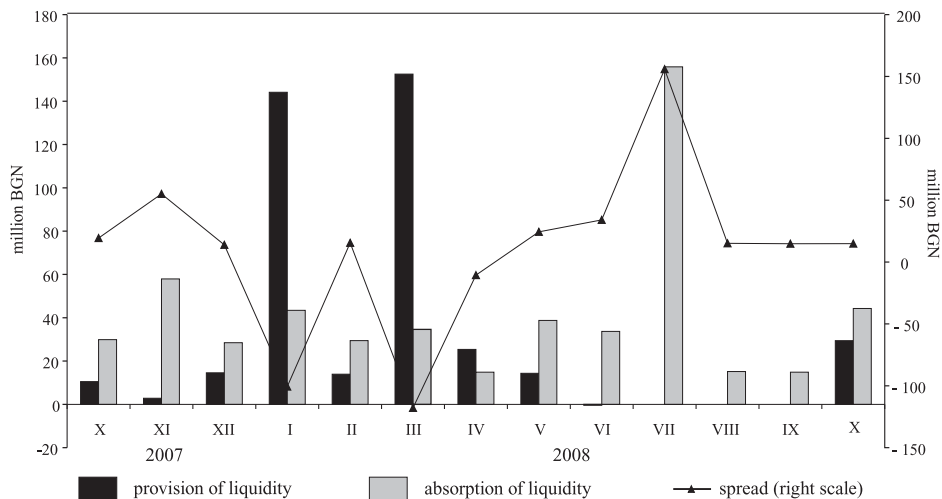
Average Term of Outstanding Government Securities Issues by Year



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

Chart 8

Liquidity Provision and Absorption through Government Securities Maturities and Issues



Pending Payments on Government Securities in December 2008

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3	4	5
CMD Bonds Target issues	71.71				
	8	9	10	11	12
Bonds Target issues					
	15	16	17	18	19
Bills Bonds Target issues				15,000.00	
	22	23	24	25	26
Bonds Target issues		6.41			
	29	30	31		
Bonds Target issues		4.66			

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

Calendar of Government Securities Issues in December 2008

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)
08.12.2008*	10.12.2008	16.01.2018	10-year	30 000 000
TOTAL Bonds				30 000 000 30 000 000

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

* Tap issue.

By end-October 2008 domestic government debt totaled BGN 3,070,692.9 thousand in nominal terms. The share of government securities issues in total debt was 88.5 per cent (BGN 2,717,424.9 thousand) and that of government securities issued for structural reform 11.5 per cent (BGN 353,268.0 thousand) (Chart 9).

Government securities issued since early 2008 amounted to BGN 264,800.0 thousand. Redeemed government securities accounted for BGN 385,650.2 thousand. Issued government securities and effected payments led to a change in the maturity structure of the five- and ten-year government securities: their shares increased to 23.1 per cent and 35.7 per cent respectively at the expense of the other government securities whose shares decreased (Chart 10). The average-weighted maturity of government securities issues was seven years and nine months. Government securities issued for structural reform amounted to BGN 353,268.0 thousand by the end of the review month.

Debt currency structure experienced slight changes in October (Chart 11). The shares of government securities in euro and in levs decreased to 19.2 per cent and 75.4 per cent respectively, while the share of government securities in US dollars increased to 5.4 per cent on the previous month. Short- and long-term government securities decreased to 0.5 per cent and 70.0 per cent respectively at the expense of medium-term government securities which increased to 29.5 per cent (Chart 12). Government securities with fixed interest coupons comprised 88.5 per cent and government securities with floating interest coupons 11.5 per cent.

Since early-2008 interest and discounts paid on government securities issued on the domestic market totaled BGN 150,095.2 thousand. Payments on government securities issues amounted to BGN 133,933.4 thousand or 89.2 per cent of the total repaid interest and discounts (Chart 16). Interest paid on ten-year bonds occupied the largest share, 30.9 per cent, followed by interest payments on seven-year bonds, 29.2 per cent (Chart 15).

Domestic Government Debt

(BGN'000)

Structure	Amount as of 31 Dec. 2007	Change in 2008		Amount as of 31 Oct. 2008
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUES				
1. Government securities issued in 2001	30 000.0	-	30 000.0	-
1.1. Long-term	30 000.0	-	30 000.0	-
7-year	30 000.0	-	30 000.0	-
2. Government securities issued in 2002	324 920.0	-	-	324 920.0
2.1. Long-term	324 920.0	-	-	324 920.0
7-year	240 000.0	-	-	240 000.0
10-year	84 920.0	-	-	84 920.0
3. Government securities issued in 2003	780 945.2	-	175 000.0	605 945.2
3.1. Medium-term	175 000.0	-	175 000.0	-
5-year	175 000.0	-	175 000.0	-
3.2. Long-term	605 945.2	-	-	605 945.2
7-year	310 362.2	-	-	310 362.2
EUR-denominated (lev equivalent)	205 362.2	-	-	205 362.2
10-year	100 000.0	-	-	100 000.0
15-year	195 583.0	-	-	195 583.0
EUR-denominated (lev equivalent)	195 583.0	-	-	195 583.0
4. Government securities issued in 2004	268 414.9	-	142.7	268 272.1
4.1. Medium-term	108 414.9	-	142.7	108 272.1
5-year	108 414.9	-	142.7	108 272.1
EUR-denominated (lev equivalent)	8 414.9	-	142.7	8 272.1
4.2. Long-term	160 000.0	-	-	160 000.0
7-year	80 000.0	-	-	80 000.0
10-year	80 000.0	-	-	80 000.0
5. Government securities issued in 2005	401 265.1	-	150 507.5	250 757.6
5.1. Medium-term	251 265.1	-	150 507.5	100 757.6
3-year	150 461.7	-	150 461.7	-0.0
5-year	100 803.4	-	45.8	100 757.6
EUR-denominated (lev equivalent)	803.4	-	45.8	757.6
5.2. Long-term	150 000.0	-	-	150 000.0
10-year	150 000.0	-	-	150 000.0
6. Government securities issued in 2006	452 730.0	-	-	452 730.0
6.1. Medium-term	282 730.0	-	-	282 730.0
3-year	127 730.0	-	-	127 730.0
5-year	155 000.0	-	-	155 000.0
6.2. Long-term	170 000.0	-	-	170 000.0
10-year	170 000.0	-	-	170 000.0
7. Government securities issued in 2007	580 000.0	-	-	580 000.0
7.1. Medium-term	330 000.0	-	-	330 000.0
3-year	150 000.0	-	-	150 000.0
5-year	180 000.0	-	-	180 000.0
7.2. Long-term	250 000.0	-	-	250 000.0
10-year	250 000.0	-	-	250 000.0
8. Government securities issued in 2008	-	264 800.0	30 000.0	234 800.0
8.1. Short-term	-	45 000.0	30 000.0	15 000.0
3-month	-	45 000.0	30 000.0	15 000.0
8.2. Medium-term	-	84 800.0	-	84 800.0
5-year	-	84 800.0	-	84 800.0
8.3. Long-term	-	135 000.0	-	135 000.0
10-year	-	135 000.0	-	135 000.0
TOTAL (I)	2 838 275.1	264 800.0	385 650.2	2 717 424.9

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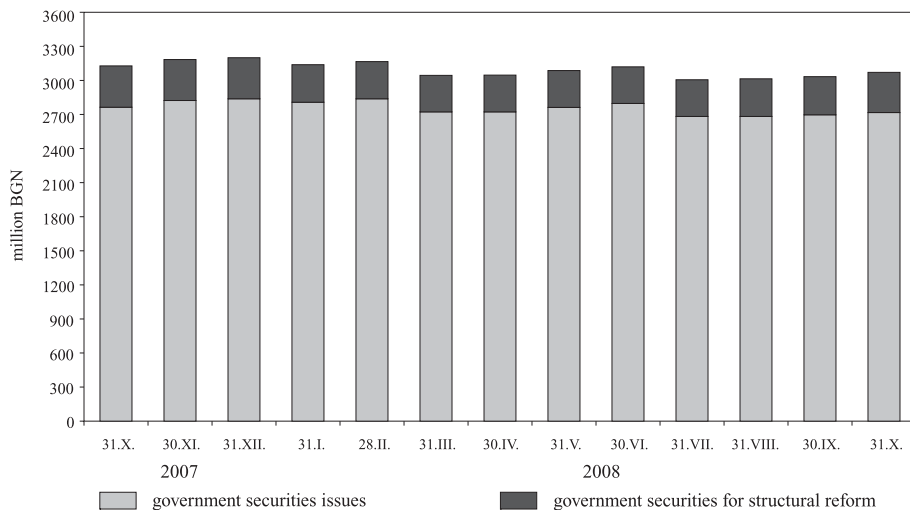
(BGN'000)

Structure	Amount as of 31 Dec. 2007	Change in 2008		Amount as of 31 Oct. 2008
		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	1 100.7	-	275.2	825.5
2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 271.8		127.2	1 144.6
3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	4 736.9	-	430.6	4 306.3
denominated in USD	118 668.3		9 889.0	108 779.3
lev equivalent	157 973.6			166 773.9
denominated in EUR	100 237.0	-	8 353.1	91 884.0
lev equivalent	196 046.6			179 709.4
4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	508.2	-		508.2
TOTAL (II)	361 637.9			353 268.0
DOMESTIC GOVERNMENT DEBT, TOTAL	3 199 913.0			3 070 692.8

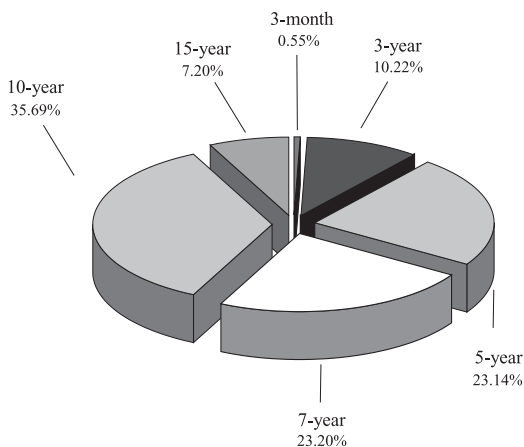
Notes: 1. Data at nominal value.

2. The lev equivalent of the debt denominated in foreign currency 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

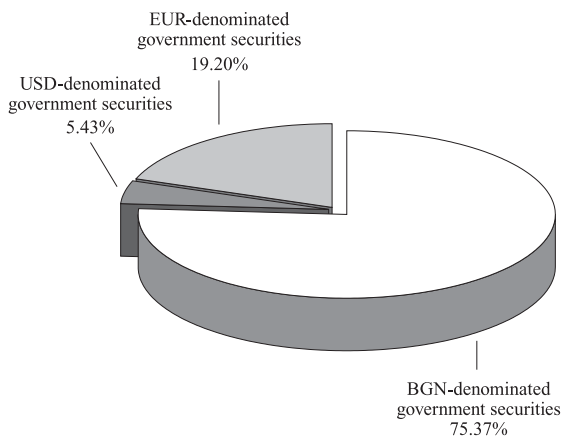


Outstanding Government Securities Issues as of 31 October

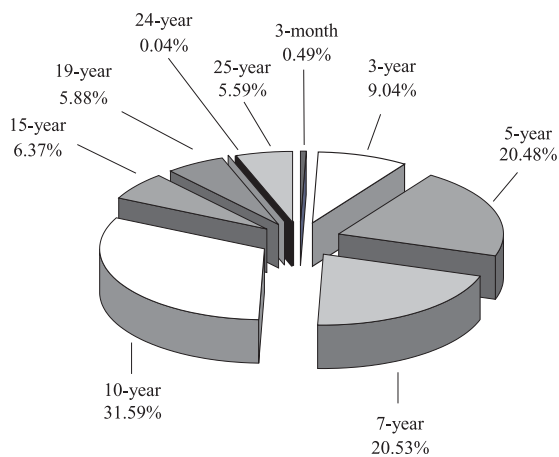


Note: The average-weighted maturity of government securities issues is seven years and nine months.

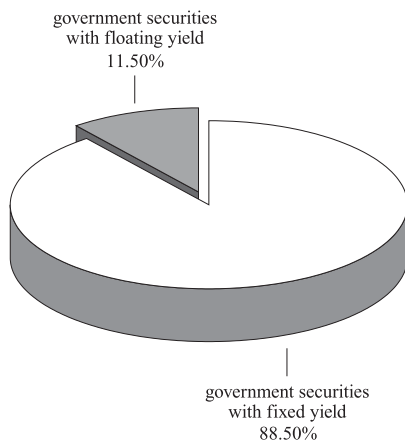
Currency Composition of Outstanding Government Securities as of 31 October



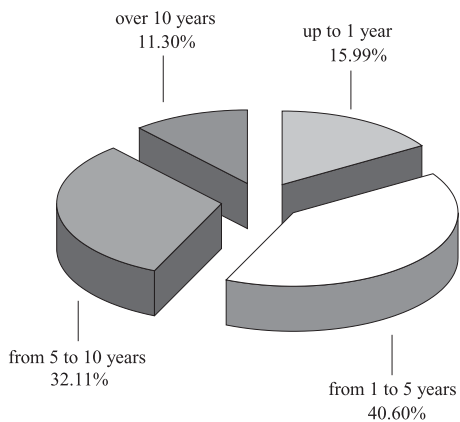
Maturity Structure of Outstanding Government Securities as of 31 October



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



Residual Maturity of Domestic Government Debt as of 31 October



Expenditure on Domestic Debt between 1 January and 31 October 2008

(BGN'000)

Debt structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUES	
1. Government securities issued in 2001	3 312.4
1.1. Long-term	3 312.4
7-year	3 312.4
2. Government securities issued in 2002	20 418.8
2.1. Long-term	14 041.1
7-year	14 041.1
10-year	6 377.7
3. Government securities issued in 2003	44 309.6
3.1. Medium-term	7 958.8
5-year	7 958.8
3.2. Long-term	36 350.7
7-year	17 985.6
10-year	6 630.2
15-year	11 735.0
4. Government securities issued in 2004	13 147.8
4.1. Medium-term	5 176.8
5-year	5 176.8
4.2. Long-term	7 971.0
7-year	3 805.2
10-year	4 165.7
5. Government securities issued in 2005	12 796.5
5.1. Medium-term	6 412.7
3-year	2 622.8
5-year	3 789.9
5.2. Long-term	6 383.8
10-year	6 383.8
6. Government securities issued in 2006	14 132.0
6.1. Short-term	1 770.7
3-month	1 770.7
6.2. Medium-term	6 403.1
3-year	1 746.7
5-year	4 656.4
6.3. Long-term	5 958.2
10-year	5 958.2
7. Government securities issued in 2007	23 557.4
7.1. Short-term	2 873.4
3-month	2 873.4
7.2. Medium-term	10 044.3
3-year	2 834.4
5-year	7 209.9
7.3. Long-term	10 639.6
10-year	10 639.6
8. Government securities issued in 2008	2 259.0
8.1. Short-term	309.7
3-month	309.7
8.2. Medium-term	746.2
5-year	746.2
8.3. Long-term	1 203.1
10-year	1 203.1
TOTAL (I)	133 933.4

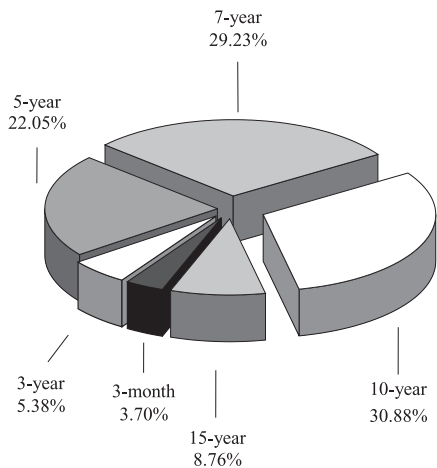
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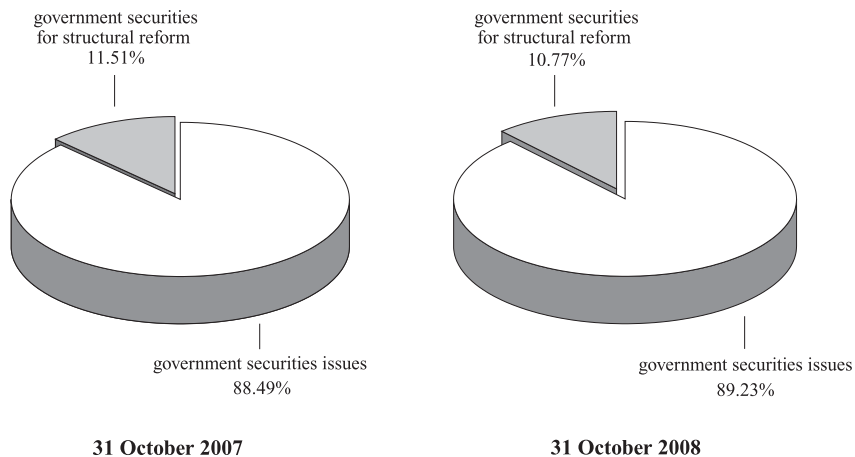
(BGN'000)

Debt structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR 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	50.3
2. Bonds issued pursuant to CM Decree No. 234 of 1992	57.5
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	16 054.0
lev bonds	200.8
USD-denominated bonds (in BGN at the current exchange rate)	7 707.2
EUR-denominated bonds (in BGN at the fixed exchange rate)	8 146.0
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	16 161.8
TOTAL (II)	16 161.8
EXPENDITURE ON GOVERNMENT DOMESTIC DEBT, TOTAL	150 095.2

Structure of Expenditure on Government Securities Issues as of 31 October



Structure of Expenditure on Domestic Government Debt



By end-October external government debt totaled EUR 3389.9 million in nominal terms.

During the period under review new external financing came to BGN 178,214.0 thousand. Payments on the debt totaled BGN 1,161,311.3 thousand, including principal payments of BGN 793,212.9 thousand and interest payments of BGN 368,098.4 thousand. The bulk of payments was made on government loans from the World Bank (BGN 587,508.5 thousand) and to the European Union (BGN 90,457.1 thousand), and on government investment loans (BGN 70,778.9 thousand). Interest was paid mainly on bonds (BGN 256,583.4 thousand), on government loans from the World Bank (BGN 52,921.8 thousand) and on government investment loans (BGN 38,053.7 thousand).

Certain changes occurred in debt currency structure as a result of effected payments. Debt in euro decreased on the previous month reaching 64.2 per cent. The shares of debt denominated in US dollars and in other currencies increased to 31.1 per cent and 4.7 per cent respectively by the close of October. Debt interest structure also changed. Debt with floating interest rates reached 26.5 per cent against 73.5 per cent of debt with fixed interest rates. The average-weighted residual term to maturity of the external debt was eight years and three months.

The structure of external debt by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) comprised 54.0 per cent, to the World Bank 17.1 per cent and on government investment loans 21.5 per cent. Obligations to the European Union accounted for 2.4 per cent and to the Paris Club 3.7 per cent.

External Government Debt

(million EUR)

Structure	as of 31.X 2007	2008			
		as of 31.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
I. Bonds	1 700.3	1 639.0	1 641.4	1 723.8	1 831.4
1. Bonds	1 700.3	1 639.0	1 641.4	1 723.8	1 831.4
II. Credits	1 826.5	1 541.8	1 499.4	1 514.6	1 558.5
1. Paris Club	138.5	132.2	132.2	125.9	125.9
2. World Bank	870.5	604.4	570.7	573.3	578.8
2.1. World Bank	817.7	548.7	546.3	546.3	546.3
2.2. JBIC (JEXIM)	52.8	55.7	24.4	26.9	32.4
3. European Union	127.5	96.3	96.3	81.3	81.3
4. Other	31.6	31.6	25.3	25.3	25.3
5. Government investment loans	637.4	658.3	656.0	691.4	729.4
5.1. World Bank	185.7	188.7	191.6	206.4	208.5
5.2. European Investment Bank	314.5	329.8	333.4	340.3	351.1
5.3. EBRD	2.2	2.0	0.8	0.9	1.0
5.4. Other	135.0	137.9	130.2	143.9	168.8
6. Called government guarantees	21.0	19.0	19.0	17.5	17.9
6.1. World Bank	21.0	19.0	19.0	17.5	17.9
EXTERNAL GOVERNMENT DEBT	3 526.7	3 180.8	3 140.8	3 238.4	3 389.9

Notes: 1. Debt reported at nominal value.

2. 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.

3. Preliminary data for the last month.

New External Financing and External Government Debt Payments as of 31 October

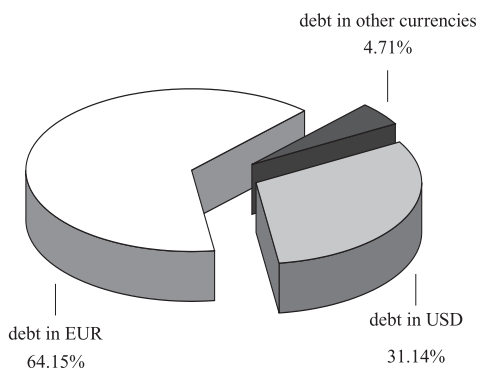
(BGN'000)

Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
External government debt	178 214.0	793 212.9	368 098.4
I. Bonds	-	-	256 583.4
1. Bonds	-	-	256 583.4
II. Loans	178 214.0	793 212.9	111 515.1
1. Paris Club	-	24 628.6	8 999.4
2. World Bank	-	587 508.5	52 921.8
2.1. World Bank	-	529 886.7	51 960.5
2.2. JBIC (JEXIM)	-	57 621.8	961.3
3. G24	-	-	-
4. European Union	-	90 457.1	7 945.2
5. IMF	-	-	-
6. Other	-	12 355.7	1 645.3
7. Government investment loans	178 214.0	70 778.9	38 053.7
7.1. World Bank	56 793.0	13 185.2	10 195.2
7.2. European Investment Bank	103 322.4	43 649.6	20 446.4
7.3. EBRD	-	2 417.4	118.0
7.4. Other	18 098.7	11 526.7	7 294.0
8. Called government guarantees	-	7 484.0	1 949.7
8.1. World Bank	-	7 484.0	1 949.7
8.2. European Investment Bank	-	-	-
8.3. Other	-	-	-

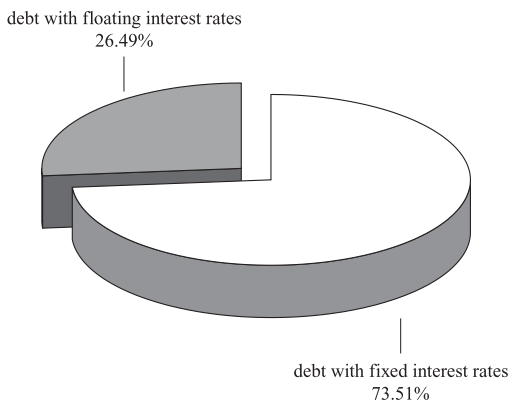
Notes: 1. Lev equivalence of the new external financing received and payments effected is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

Chart 17

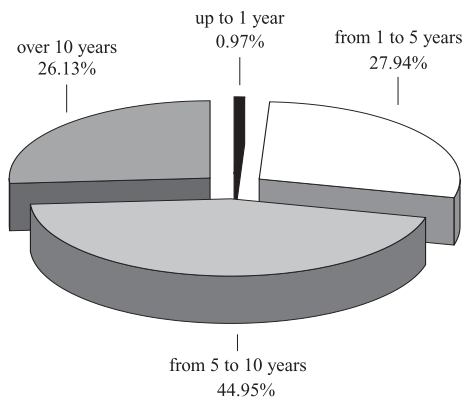
Currency Composition of the External Government Debt as of 31 October



Interest Rate Structure of the External Government Debt as of 31 October



Residual Maturity of the External Government Debt as of 31 October



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

By end-October 2008 government debt totaled EUR 4959.9 million in nominal terms, including domestic debt of EUR 1570.0 million and external debt of EUR 3389.9 million. The increase in nominal terms came to some EUR 170.6 million on the previous month. The government debt went up debt due mainly to exchange rate fluctuations.

By end-October the *government debt to GDP* ratio came to 15.7 per cent: up by 0.5 per cent on end-September. The value of this indicator for domestic government debt and external government debt accounted for 5.0 per cent and 10.7 per cent respectively (Chart 20).

Domestic government debt occupied 31.6 per cent and external government debt 68.4 per cent in the debt structure (Chart 21).

By end-October debt in US dollars reached 23.0 per cent, in euro 49.9 per cent, in levs 23.9 per cent and in other currencies 3.2 per cent (Chart 22).

In the structure of debt by type of creditor bonds (global bonds and eurobonds) occupied the largest share, totaling 36.9 per cent, followed by domestic debt (government securities) 31.6 per cent, obligations to the World Bank 11.7 per cent and government investment loans 14.7 per cent (Chart 23).

By end-October debt interest structure also experienced changes: debt with fixed interest rates reached 78.3 per cent and debt with floating interest rates comprised 21.7 per cent (Chart 24).

Since early-2008 payments on government debt have totaled BGN 1725.0 million, including domestic debt payments of BGN 563.6 million and external debt payments of BGN 1161.4 million (Chart 25). Payments on domestic government debt and on government investment loans occupied the largest relative share in October.

Payments in euro (recalculated in levs: BGN 937.0 million) dominated the currency composition of debt payments, followed by payments in levs (BGN 539.4 million) and in US dollars (BGN 175.5 million) (Chart 26).

Government Debt Amount

(million EUR)

Structure	as of 31.XII. 2007	2008			
		as of 31.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
Domestic government debt	1 636.1	1 556.7	1 595.1	1 550.9	1 570.0
1. Debt on government securities issues	1 451.2	1 392.2	1 430.5	1 379.3	1 389.4
2. Government securities issued for structural reform	184.9	164.4	164.6	171.6	180.6
External government debt	3 526.7	3 180.8	3 140.8	3 238.4	3 389.9
1. Bonds	1 700.3	1 639.0	1 641.4	1 723.8	1 831.4
2. Loans	1 826.5	1 541.8	1 499.4	1 514.6	1 558.5
Government investment loans	637.4	658.3	656.0	691.4	729.4
Called government guarantees	21.0	19.0	19.0	17.5	17.9
Debt, total	5 162.8	4 737.5	4 736.0	4 789.3	4 959.9
Debt/GDP (%)	17.9	15.0	15.0	15.2	15.7
Domestic government debt/GDP (%)	5.7	4.9	5.1	4.9	5.0
External government debt/GDP (%)	12.2	10.1	10.0	10.3	10.7

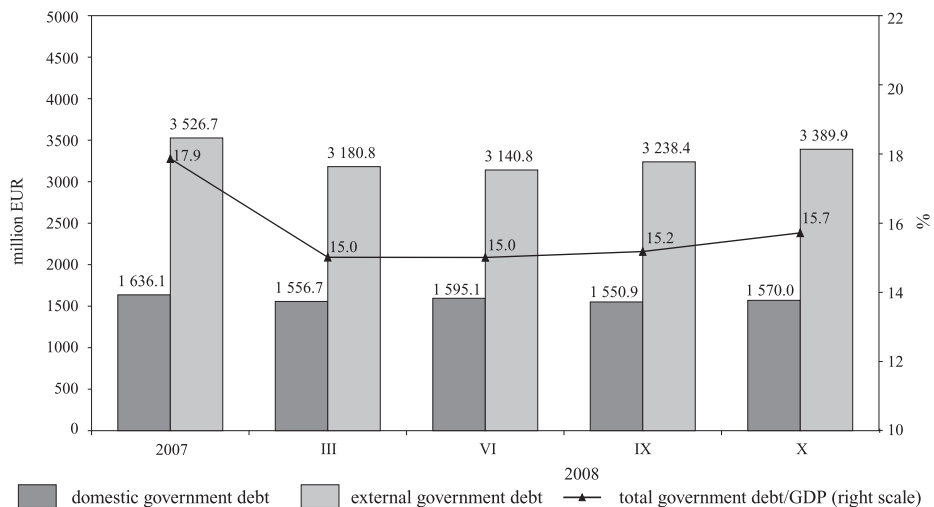
Notes: 1. Debt at nominal value.

2. Revised GDP projection for 2008: BGN 61,711 million. Revised GDP projection for 2007: BGN 56,519.8 million.

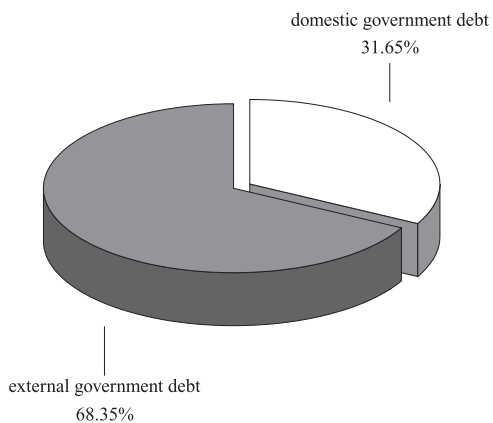
3. Debt recalculation in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of each period.

4. Preliminary data for the last month.

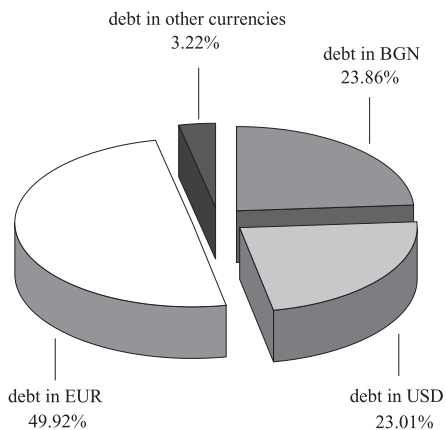
Dynamics of Domestic and External Government Debt



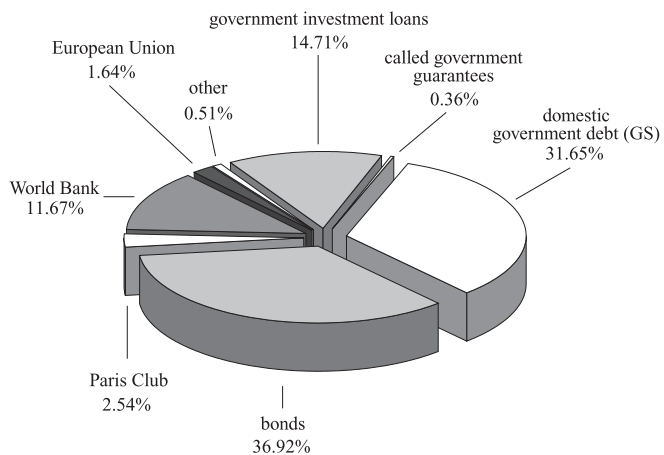
Government Debt Structure as of 31 October



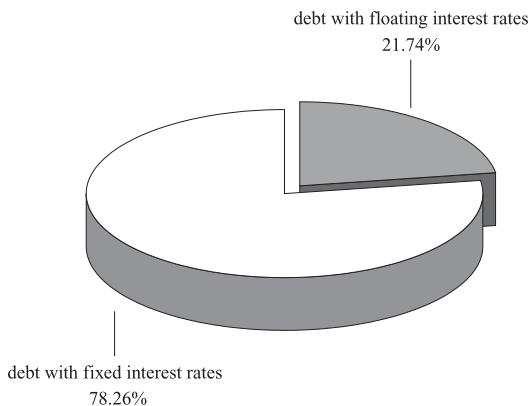
Government Debt Currency Structure as of 31 October



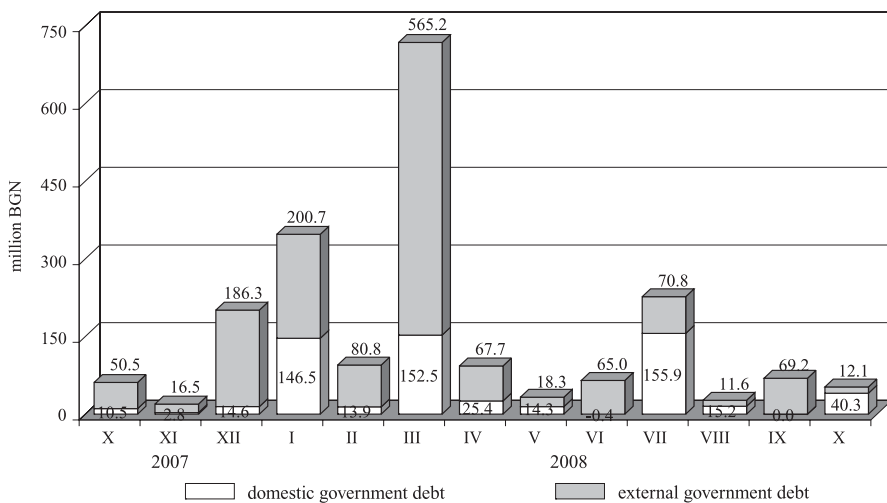
Government Debt Structure by Creditor as of 31 October



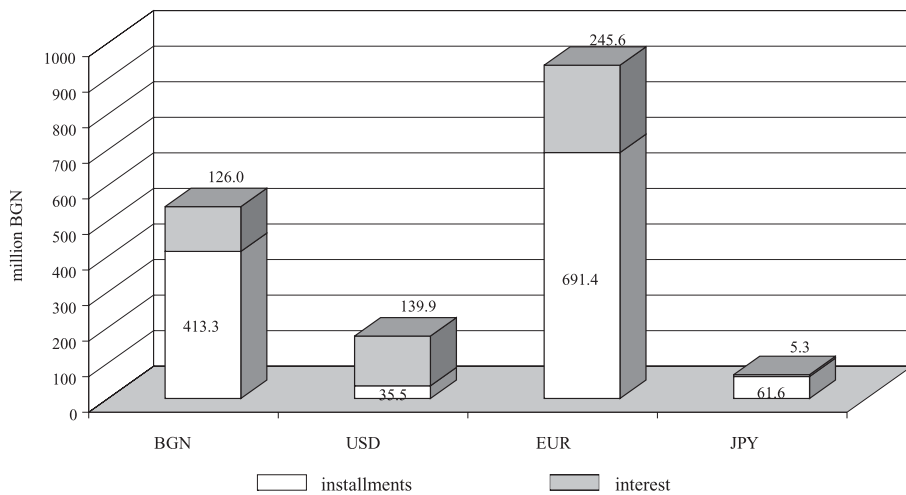
Government Debt Interest Rate Structure as of 31 October



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 October



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

(BGN'000)

Government securities type	31.XII.2007	31.III.2008	30.VI.2008	30.IX.2008
Government securities issues	17 133.1	55 386.6	32 093.5	28 478.2
– in BGN	-	38 253.5	14 691.1	11 075.8
– in EUR	17 133.1	17 133.1	17 402.4	17 402.4
Government securities issued for structural reform	1 380.2	1 261.1	1 224.9	1 226.6
– in EUR	1 317.2	1 207.4	1 207.4	1 207.4
– in USD	63.0	53.7	17.5	19.3
Total	18 513.3	56 647.7	33 318.4	29 704.9

Government Securities Issued in International Markets and Held by Residents

(million EUR)

Government securities type	31.XII.2007	31.III.2008	30.VI.2008	30.IX.2008
Eurobonds				
Global bonds	487.3	435.1	469.3	551.7
– in EUR	304.1	269.7	276.2	333.6
– in USD	183.2	165.4	193.1	218.2
Total	487.3	435.1	469.3	551.7

By end-October government guaranteed debt totaled EUR 639.4 million nominal value. The increase in nominal terms came to some EUR 28.9 million on the previous month. The debt went up due mainly to exchange rate fluctuations and received tranches.

By end-October the *government guaranteed debt to GDP* ratio came to 2.0 per cent: up by 0.1 per cent on end-September.

Used amounts came to BGN 10,176.9 thousand while payments on the debt totaled BGN 5571.6 thousand, including principal payments of BGN 3280.1 thousand and interest payments of BGN 2291.5 thousand.

The currency structure of government guaranteed debt experienced certain changes due to effected operations. By end-October debt in euro reached 47.3 per cent and in other currencies 40.7 per cent, while that in US dollars remained unchanged (12.1 per cent) (Chart 27).

By end-October debt interest structure also experienced changes: debt with fixed interest rates reached 48.1 per cent and debt with floating interest rates comprised 51.9 per cent (Chart 28).

In the structure of government guaranteed debt by sector *energy* occupied the largest share (73.7 per cent), followed by *transport* (16.4 per cent) and *other industries* (9.9 per cent) (Chart 29).

Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2007	2008			
		as of 31.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
Government guaranteed debt	546.9	567.1	567.4	610.5	639.4
I. Domestic government guaranteed debt	-	-	-	-	-
II. External government guaranteed debt	546.9	567.1	567.4	610.5	639.4
1. World Bank	82.3	77.8	76.3	77.3	81.3
2. European Investment Bank	5.9	5.9	5.4	5.4	5.4
3. EBRD	42.4	38.2	39.4	37.9	37.1
4. Other	416.3	445.2	446.3	490.0*	515.5
GOVERNMENT GUARANTEED DEBT/GDP (%)	1.9	1.8	1.8	1.9	2.0

- Notes:**
1. Debt at nominal value.
 2. Debt recalculation 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.
 3. Preliminary data for the last month.
 - * Revised data.

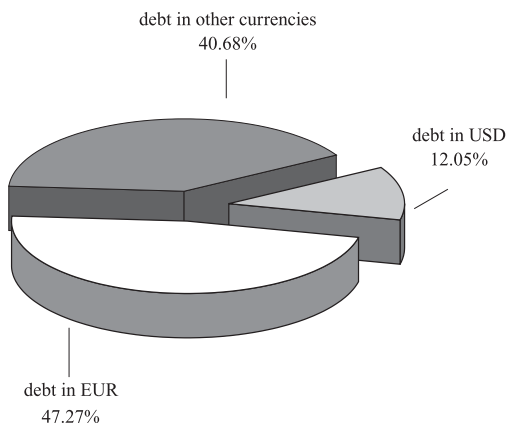
New External Financing and Government Guaranteed Debt Payments as of 31 October

(BGN'000)

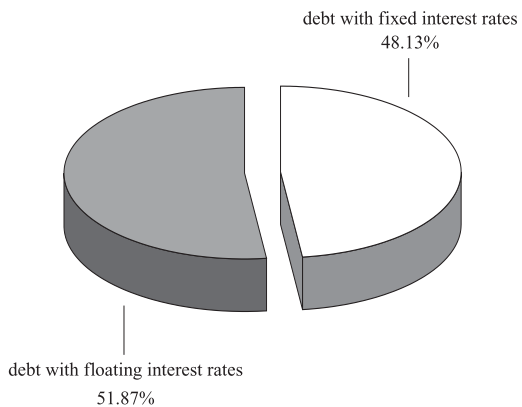
Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
I. Domestic government guaranteed debt	-	-	-
II. External government guaranteed debt	154 187.5	120 923.9	43 872.1
1. World Bank	2 545.9	16 793.8	5 751.6
2. European Investment Bank		1 068.0	423.4
3. EBRD	7 937.6	20 172.6	4 400.6
4. Other	143 704.1	82 889.5	33 296.4
GOVERNMENT GUARANTEED DEBT	154 187.5	120 923.9	43 872.1

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

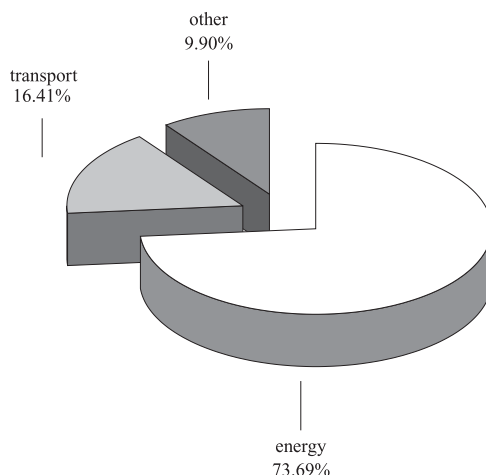
Government Guaranteed Debt Currency Structure as of 31 October



Government Guaranteed Debt Interest Rate Structure as of 31 October



Government Guaranteed Debt by Sector as of 31 October



Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2007	2008			
		as of 31.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
Domestic debt	1 636.1	1 556.7	1 595.1	1 550.9	1 570.0
I. Domestic government debt	1 636.1	1 556.7	1 595.1	1 550.9	1 570.0
II. Domestic government guaranteed debt	-	-	-	-	-
External government debt	4 073.6	3 747.9	3 708.3	3 848.9	4 029.3
I. External government debt	3 526.7	3 180.8	3 140.8	3 238.4	3 389.9
II. External government guaranteed debt	546.9	567.1	567.4	610.5*	639.4
Debt, total	5 709.7	5 304.5	5 303.4	5 399.8	5 599.3
Debt/GDP (%)	19.8	16.8	16.8	17.1	17.7
Domestic government debt/GDP (%)	5.7	4.9	5.1	4.9	5.0
External government debt/GDP (%)	14.1	11.9	11.8	12.2	12.8

Notes: 1. Debt at nominal value.

2. Revised GDP projection for 2008: BGN 61,711 million. Revised GDP projection for 2007: BGN 56,519.8 million.

3. Debt recalculation 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.

4. Preliminary data for the last month.

Municipal Debt and Municipal Guarantees

(BGN'000)

Structure	2007		2008	
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 30.IX.
I. Domestic municipal debt and municipal guarantees (1+2)	233 781 059.00	252 940 121.00	252 149 889.00	250 992 406.00
<i>I. Municipal debt</i>				
<i>(1.1+1.2+1.3+1.4+1.5+1.6+1.7)</i>	<i>232 921 080.00</i>	<i>252 119 804.00</i>	<i>251 358 551.00</i>	<i>250 217 891.00</i>
1.1. Government securities issues (at nominal value as of corresponding period)	56 494 571.00	60 215 892.00	59 080 248.00	57 241 934.00
1.2. Debt under municipal land contracts	151 263 311.00	163 219 506.00	161 175 923.00	162 521 634.00
1.3. Debt of municipal enterprises under Article 52 of the Law on Municipal Property	-	-	-	-
1.4. Callable municipal guarantees	-	-	-	-
1.5. Noninterest-bearing loans, extended under Article 43, paragraph 1 of the Law on the Structure of the State Budget for financing temporary municipal budget deficit	-	-	-	105 667.00
1.6. Central budget noninterest-bearing loans, extended for financing expenditure till its recovery under programs co-financed by the EU	21 990 704.00	25 917 244.00	27 101 185.00	25 994 073.00
1.7. Obligations under commercial loan and financial leasing contracts of over two years	3 172 494.00	2 767 162.00	4 001 195.00	4 354 583.00
2. Municipal guarantees	859 979.00	820 317.00	791 338.00	774 515.00
II. External municipal debt and municipal guarantees (1+2)	164 106 136.59	180 492 109.87	117 059 309.73	147 439 010.13
<i>I. Municipal debt (1.1+1.2+1.3)</i>	<i>111 199 761.59</i>	<i>127 585 734.87</i>	<i>117 059 309.73</i>	<i>147 439 010.13</i>
in original currency	-	-	-	-
1.1. Government securities issues (at nominal value as of corresponding period) in original currency	-	-	-	-
1.2. Debt under municipal land contracts	111 199 761.59	127 585 734.87	117 059 309.73	147 439 010.13
in USD	3 000 000.00	3 000 000.00	3 000 000.00	2 880 000.00
in JPY	4 746 379 999.00	5 289 969 907.15	5 289 969 960.00	7 146 217 216.36
in EUR	14 539 946.00	19 008 425.00	15 739 173.00	15 739 173.00
1.3. Callable municipal guarantees in original currency	-	-	-	-
2. Municipal guarantees (lev equivalent) in EUR	52 906 375.00	52 906 375.00	-	-
	27 050 600.00	27 050 600.00	-	-
III. Municipal debt and municipal guarantees, total (I+II)	397 887 195.59	433 432 230.87	369 209 198.73	398 431 416.13

- Notes:
- The table has been structured according to Article 3 of the Law on the Municipal Debt.
 - 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 1.2. *Debt under municipal land contracts. II. External municipal debt and municipal guarantees.* 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 1.2. *Debt under municipal land contracts. II. External municipal debt and municipal guarantees.* 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.

Social Security Funds Debt

(BGN'000)

Structure	2007	2008		
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 30.IX.
Domestic debt	26 971.5	26 894.9	25 714.5	25 941.7
I. National Insurance Institute	26 971.5	26 894.9	25 714.5	25 941.7
1. Other*	26 971.5	26 894.9	25 714.5	25 941.7
2. Loans from the republican budget	-	-	-	-
II. National Health Insurance Fund	-	-	-	-
III. Teachers' Pension Fund	-	-	-	-
External debt	-	-	-	-

Note: 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.

*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.

7

CONSOLIDATED GOVERNMENT DEBT AMOUNT

(million EUR)

Structure	2007	2008		
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 30.IX.
I. Consolidated government debt	5 338.8	4 931.6	4 922.9	4 992.6
1. Central government debt	5 162.8	4 737.5	4 736.0	4 789.3
2. Social security funds debt	0.0	0.0	0.0	0.0
3. Municipal debt	175.9	194.1	187.0	203.3
Consolidated government debt/GDP (%)	18.5	15.6	15.6	15.8

- Notes:** 1. As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and external debt are reported at nominal value.
2. Revised GDP projection for 2008: BGN 61,711 million. GDP projection for 2007: BGN 56,519.8 million.
3. 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.
4. 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*.
5. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement represents an external municipal debt and is reported under *Consolidated government debt*, 3. *Municipal debt*. Pursuant to the Guarantee Agreement concluded between the governments of Bulgaria and Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government.

APPENDICES

Outstanding Government Securities

Discount Treasury Bills

3-month government securities

Issue No.	BG3010208000
Issue date	17.09.2008
Maturity date	17.12.2008
Nominal value of the offer (BGN'000)	15 000.00
Total nominal value of the bids received (BGN'000)	45 849.50
Total nominal value of the bids approved (BGN'000)	15 000.00
Average price of the bids approved per BGN 100 (%)	98.96
Average discount per BGN 100 (%)	1.04
Average annual yield (%)	4.16
Effective annual yield (%)	4.22
Bid-to-cover ratio	3.06

Treasury Bonds

3-year government securities

Issue No.	BG2030106111 ⁴					BG2030107119 ⁵					
	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	06.02.2006	10.04.2006	19.06.2006	23.10.2006		05.02.2007	16.04.2007	04.06.2007	06.08.2007	22.10.2007	
Issue date	08.02.2006	08.02.2006	08.02.2006	08.02.2006	08.02.2006	07.02.2007	07.02.2007	07.02.2007	07.02.2007	07.02.2007	07.02.2007
Maturity date	08.02.2009	08.02.2009	08.02.2009	08.02.2009	08.02.2009	07.02.2010	07.02.2010	07.02.2010	07.02.2010	07.02.2010	07.02.2010
Nominal value of the offer (BGN'000)	35 000.00	40 000.00	45 000.00	20 000.00	140 000.00	35 000.00	35 000.00	20 000.00	30 000.00	30 000.00	150 000.00
Total nominal value of the bids received (BGN'000)	87 800.00	48 950.00	32 730.00	64 720.00	234 200.00	112 250.00	82 500.00	75 800.00	67 300.00	71 400.00	409 250.00
Total nominal value of the bids approved (BGN'000)	35 000.00	40 000.00	32 730.00	20 000.00	127 730.00	35 000.00	35 000.00	20 000.00	30 000.00	30 000.00	150 000.00
Average price of the bids approved per BGN 100 (%)	98.74	97.20	96.19	97.38	97.39	99.16	98.91	98.27	98.42	98.78	98.76
Interest rate	2.75	2.75	2.75	2.75	2.75	3.80	3.80	3.80	3.80	3.80	3.80
Bid-to-cover ratio	2.51	1.22	0.73	3.24	1.67	3.21	2.36	3.79	2.24	2.38	2.73
Average annual yield (%)	3.23	3.85	4.35	4.00	3.83	4.14	4.26	4.54	4.52	4.41	4.35

(continued)

5-year government securities

(continued)

Issue No.	BG2030105113 ⁴				BG2030006113 ⁴				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	
Auction date	14.02.2005	09.05.2005	15.08.2005	10.10.2005	16.02.2005	23.01.2006	20.03.2006	29.05.2006	13.11.2006
Issue date	16.02.2005	16.02.2005	16.02.2005	16.02.2005	16.02.2005	25.01.2006	25.01.2006	25.01.2006	25.01.2006
Maturity date	16.02.2010	16.02.2010	16.02.2010	16.02.2005	16.02.2010	25.01.2011	25.01.2011	25.01.2011	25.01.2011
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00	100 000.00	45 000.00	45 000.00	45 000.00	20 000.00
Total nominal value of the bids received (BGN'000)	108 300.00	98 810.00	105 900.00	71 100.00	384 110.00	125 710.00	75 100.00	72 870.00	77 450.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00	100 000.00	45 000.00	45 000.00	45 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	101.43	102.36	103.17	103.09	102.51	98.37	96.82	95.47	96.12
Interest rate	3.75	3.75	3.75	3.75	3.75	3.00	3.00	3.00	3.00
Bid-to-cover ratio	4.33	3.95	4.24	2.84	3.84	2.79	1.67	1.62	3.87
Average annual yield (%)	3.46	3.24	3.01	3.01	3.18	3.38	3.76	4.12	4.05

(continued)

5-year government securities

(continued)

Issue No.	BG20300071111 ⁶						BG2030008119 ³				
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	22.01.2007	05.03.2007	21.05.2007	23.07.2007	24.09.2007	26.11.2007		18.02.2008	16.06.2008	20.10.2008	
Issue date	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007	20.02.2008	20.02.2008	20.02.2008	20.02.2008
Maturity date	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012	20.02.2013	20.02.2013	20.02.2013	20.02.2013
Nominal value of the offer (BGN'000)	35 000.00	30 000.00	25 000.00	35 000.00	25 000.00	30 000.00	180 000.00	30 000.00	35 000.00	19 800.00	84 800.00
Total nominal value of the bids received (BGN'000)	101 600.00	94 000.00	88 950.00	92 402.20	72 650.00	43 350.00	492 952.20	84 775.00	91 229.00	80 275.00	256 279.00
Total nominal value of the bids approved (BGN'000)	35 000.00	30 000.00	25 000.00	35 000.00	25 000.00	30 000.00	180 000.00	30 000.00	35 000.00	19 800.00	84 800.00
Average price of the bids approved per BGN 100 (%)	99.22	99.71	98.29	97.55	97.96	96.97	98.30	98.09	94.88	90.73	95.05
Interest rate	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25
Bid-to-cover ratio	2.90	3.13	3.56	2.64	2.91	1.45	2.74	2.83	2.61	4.05	3.02
Average annual yield (%)	4.22	4.11	4.46	4.66	4.57	4.87	4.48	4.74	5.59	6.88	5.59

(continued)

7-year government securities

(continued)

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

(continued)

7-year government securities

(continued)

Issue No.	BG2040302213 ⁴				BG2040103215 ⁵						
	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	05.02.2010	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.	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue	
	BG2040203213 ^{2*}			BG2040104213 ⁴					
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	80 000.00	
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	303 310.00	
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	80 000.00	
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	3.79	
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 ⁴				BG2040003217 ²			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	17.04.2002	06.01.2003	31.03.2003	08.01.2003
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2012	08.01.2003	08.01.2003	08.01.2013
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.	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue
	30.06.2003	29.09.2003	02.07.2003	02.02.2004	13.04.2004	04.10.2004	15.11.2004	04.02.2004
	02.07.2003	02.07.2003	02.07.2003	04.02.2004	04.02.2004	04.02.2004	04.02.2004	04.02.2004
	02.07.2013	02.07.2013	02.07.2013	04.02.2014	04.02.2014	04.02.2014	04.02.2014	04.02.2014
Auction date	30.06.2003	29.09.2003	02.07.2003	02.02.2004	13.04.2004	04.10.2004	15.11.2004	04.02.2004
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	80 000.00
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	332 118.00
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	80 000.00
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	4.15
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	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	Total for the issue
				BG2040005212⁶			
Auction date	10.01.2005	07.03.2005	06.06.2005	04.07.2005	19.09.2005	03.10.2005	
Issue date	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005	12.01.2005
Maturity date	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015	12.01.2015
Nominal value of the offer (BGN'000)	25 000,00	25 000,00	15 000,00	35 000,00	25 000,00	25 000,00	150 000,00
Total nominal value of the bids received (BGN'000)	130 600,00	102 150,00	86 325,00	158 625,00	79 707,00	80 350,00	637 757,00
Total nominal value of the bids approved (BGN'000)	25 000,00	25 000,00	15 000,00	35 000,00	25 000,00	25 000,00	150 000,00
Average price of the bids approved per BGN 100 (%)	100,68	101,09	103,74	105,00	106,40	106,20	103,94
Interest rate	4,25	4,25	4,25	4,25	4,25	4,25	4,25
Bid-to-cover ratio	5,22	4,09	5,76	4,53	3,19	3,21	4,25
Average annual yield (%)	4,21	4,16	3,82	3,66	3,47	3,49	3,79

(continued)

10-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
			BG2040006210 ⁵			
Auction date	03.01.2006	20.02.2006	25.04.2006	24.07.2006	18.12.2006	
Issue date	04.01.2006	04.01.2006	04.01.2006	04.01.2006	04.01.2006	04.01.2006
Maturity date	04.01.2016	04.01.2016	04.01.2016	04.01.2016	04.01.2016	04.01.2016
Nominal value of the offer (BGN'000)	50 000.00	30 000.00	50 000.00	20 000.00	20 000.00	170 000.00
Total nominal value of the bids received (BGN'000)	96 350.00	107 905.00	97 410.00	67 765.00	87 500.00	456 930.00
Total nominal value of the bids approved (BGN'000)	50 000.00	30 000.00	50 000.00	20 000.00	20 000.00	170 000.00
Average price of the bids approved per BGN 100 (%)	98.26	97.61	92.02	91.00	95.36	95.11
Interest rate	3.50	3.50	3.50	3.50	3.50	3.50
Bid-to-cover ratio	1.93	3.60	1.95	3.39	4.38	2.69
Average annual yield (%)	3.74	3.83	4.58	4.74	4.16	4.17

(continued)

10-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	Seventh opening	Eighth opening	Total for the issue
					BG2040007218 ⁸				
Auction date	08.01.2007	19.02.2007	12.03.2007	07.05.2007	09.07.2007	17.09.2007	12.11.2007	03.12.2007	
Issue date	10.01.2007	10.01.2007	10.01.2007	10.01.2007	10.01.2007	10.01.2007	10.01.2007	10.01.2007	10.01.2007
Maturity date	10.01.2017	10.01.2017	10.01.2017	10.01.2017	10.01.2017	10.01.2017	10.01.2017	10.01.2017	10.01.2017
Nominal value of the offer (BGN'000)	35 000.00	30 000.00	30 000.00	25 000.00	35 000.00	35 000.00	30 000.00	30 000.00	250 000.00
Total nominal value of the bids received (BGN'000)	133 640.00	120 700.00	98 700.00	93 600.00	87 600.00	69 050.00	53 700.00	59 050.00	716 040.00
Total nominal value of the bids approved (BGN'000)	35 000.00	30 000.00	30 000.00	25 000.00	35 000.00	35 000.00	30 000.00	30 000.00	250 000.00
Average price of the bids approved per BGN 100 (%)	99.94	99.72	100.18	99.05	95.95	98.27	96.22	93.24	97.81
Interest rate	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Bid-to-cover ratio	3.82	4.02	3.29	3.74	2.50	1.97	1.79	1.97	2.86
Average annual yield (%)	4.31	4.34	4.28	4.43	4.85	4.54	4.83	5.27	4.61

(continued)

10-year government securities

(continued)

Issue No.	First opening	Second opening	BG2040008216 ⁴ Third opening	Fourth opening	Total for the issue
Auction date	14.01.2008	10.03.2008	19.05.2008	29.09.2008	
Issue date	16.01.2008	16.01.2008	16.01.2008	16.01.2008	16.01.2008
Maturity date	16.01.2018	16.01.2018	16.01.2018	16.01.2018	16.01.2018
Nominal value of the offer (BGN'000)	30 000.00	35 000.00	40 000.00	30 000.00	135 000.00
Total nominal value of the bids received (BGN'000)	70 000.00	97 135.00	88 775.00	96 600.00	352 510.00
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	40 000.00	30 000.00	135 000.00
Average price of the bids approved per BGN 100 (%)	95.29	98.21	95.36	89.20	94.71
Interest rate	4.50	4.50	4.50	4.50	4.50
Bid-to-cover ratio	2.33	2.78	2.22	3.22	2.61
Average annual yield (%)	5.17	4.78	5.28	6.12	5.28

(continued)

15-year government securities

(continued)

Issue No.	First opening	Second opening	BG2040403219 ^{4*} Third opening	Fourth opening	Total for the issue
Auction date	03.11.2003	19.01.2004	02.08.2004	03.01.2005	
Issue date	12.11.2003	12.11.2003	12.11.2003	12.11.2003	12.11.2003
Maturity date	11.10.2018	11.10.2018	11.10.2018	11.10.2018	11.10.2018
Nominal value of the offer (BGN'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	73 628.54	124 820.00	62 878.00	89 545.00	350 871.54
Total nominal value of the bids approved (BGN'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	94.81	99.43	100.59	110.58	100.35
Interest rate	6.00	6.00	6.00	6.00	6.00
Bid-to-cover ratio	3.68	2.50	4.19	5.97	3.51
Average annual yield (%)	6.55	6.06	5.94	4.99	5.96

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

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

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

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

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

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

⁸The price indicated in the *Total for the issue* column is a result of the eight auctions organized for sale of this issue.

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

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 825.52	BGN 1144.65	BGN 4306.26	USD 108,779.30	BGN 508.25	EUR 91,883.96
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, CM Decrees No. 244 of 1991, No. 186 of 1993 and No. 3 of 1994 may use them as legal tender in privatisation 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 October 2008.

LIST

of Financial Institutions Approved by the Ministry of Finance and the Governor of the Bulgarian National Bank to Act as Government Securities Primary Dealers between 1 April 2008 and 31 December 2008

No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
1	DSK BANK 19 Moskovska Str., 1036 Sofia tel. (+359 2) 9391220	SSBG 01-03	DSKB	www.dskbank.bg
2	UNICREDIT BULBANK 7 Sveta Nedelya Sq., 1000 Sofia tel. (+359 2) 9232111	BGTB 01-03		www.bulbank.bg
3	EUROBANK EFG BULGARIA 14 Tsar Osvoboditel Blvd., 1048 Sofia tel. (+359 2) 8166000	BPBB 01-03		www.postbank.bg
4	PURAEUS BANK BULGARIA 3 Vitosha Blvd., 1000 Sofia tel. (+359 2) 9805654	EBSF 01-03		www.eurobank.bg
5	INVESTBANK 83A Bulgaria Blvd., 1404 Sofia tel. (+359 2) 8186119	OBBG 01-03		www.ibank.bg
6	CORPORATE COMMERCIAL BANK 10 Graf Ignatiev Str., 1000 Sofia tel. (+359 2) 9809362	BGIB 01-03		www.corpbank.bg
7	UNITED BULGARIAN BANK 5 Sveta Sofia Str., 1040 Sofia tel. (+359 2) 2811+extension	UBBB 01-03		www.ubb.bg
8	MUNICIPAL BANK 6 Vrabcha Str., 1000 Sofia tel. (+359 2) 9300111	SMBK 01-03		www.municipalbank.bg
9	FIRST INVESTMENT BANK 37 Dragan Tsankov Blvd., 1797 Sofia tel.: (+359 2) 8171100	BFIB 01-03		www.fibank.bg
10	RAIFFEISENBANK (BULGARIA) 18-20 Nikolay Gogol Str., 1504 Sofia tel. (+359 2) 91985101	RBBS 01-03		www.raiffeisen.bg
11	SOCIETE GENERALE EXPRESSBANK – Varna 92 Vladislav Varnenchik Blvd., 9000 Varna tel. (+359 52) 686100	EBVB 01-03		www.sgexpressbank.bg

(continued)

(continued)

No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
12	ECONOMIC AND INVESTMENT BANK 2 Slavjanska Str., 1000 Sofia тел: (+359 2) 9399240	RIBB 01-03		www.eibank.bg
13	ALLIANZ BANK BULGARIA 79 Knyaginya Maria-Louisa Blvd., 1202 Sofia tel. (+359 2) 9215404	BGIN 01-03		www.bank.allianz.bg
14	CENTRAL COOPERATIVE BANK 103 Rakovski Str., 1000 Sofia tel. (+359 2) 9266107	SCCB 01-03		www.ccbank.bg

Credit Ratings Range for Bulgaria

	Moody's	S&P	Fitch	JCRA	
	Aaa	AAA	AAA	AAA	
	Aa1	AA+	AA+	AA+	
	Aa2	AA	AA	AA	
	Aa3	AA-	AA-	AA-	
	A1	A+	A+	A+	
	A2	A	A	A	
	A3	A-	A-	A-	10 Nov. 2008
Investment grade	Baa1	BBB+	BBB+	BBB+	30 Oct. 2008
	Baa2	BBB	BBB	BBB	25 Sept. 2008
	Baa3	BBB-	BBB-	BBB-	7 Aug. 2008
	Ba1	BB+	BB+	BB+	
Subinvestment grade	Ba2	BB	BB	BB	
	Ba3	BB-	BB-	BB-	
	B1	B+	B+	B+	
	B2	B	B	B	
	B3	B-	B-	B-	27 Sept. 1996
	Caa	CCC+	CCC	CCC	
...		
	C	D	D	D	

Long-term government securities: foreign currency



Long-term government securities: local currency

