



REPUBLIC OF BULGARIA  
MINISTRY OF FINANCE

GOVERNMENT DEBT  
MANAGEMENT

MONTHLY BULLETIN

AUGUST 2010



REPUBLIC OF BULGARIA  
MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

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## Abbreviations

AEAF	<i>Agency for Economic Analyses and Forecasts</i>
BGN	<i>The abbreviation of the Redenominated Bulgarian Lev</i>
BIR	<i>Base Interest Rate</i>
BNB	<i>Bulgarian National Bank</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>
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 Non-performing Credits Negotiated prior to 30 September 1990 (LSNC)</i>

In August the Ministry of Finance issued through auctions organized by the BNB one medium-term government securities issue (two years and six months) under Ordinance No 5 (No BG2030010115).

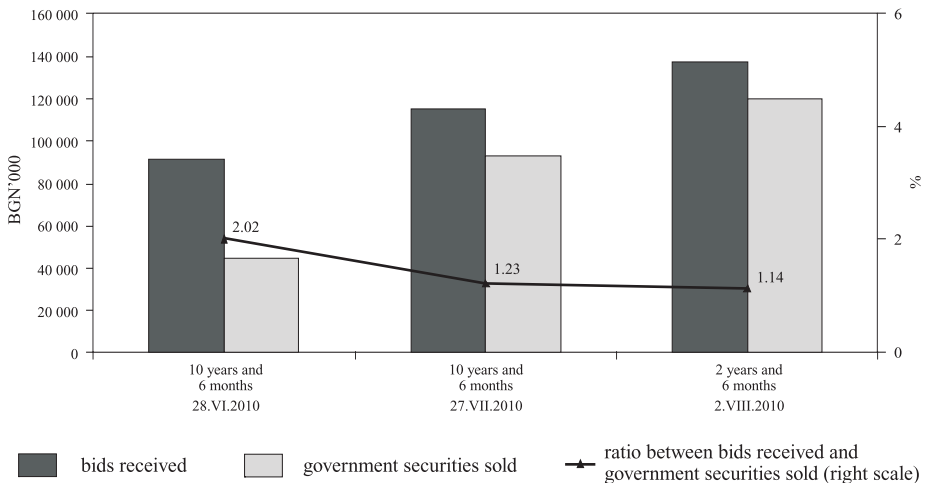
At the auction, primary dealers' bids totalled BGN 137,152.6 thousand (EUR 70,125.0 thousand, Chart 1). The nominal value of approved bids was BGN 120,332.4 thousand (EUR 61,525.0 thousand, Charts 1 and 5). Bid-to-cover ratio of the two year and six month issue accounted for 4.68 (see the Appendices).

Government securities issued in August increased by BGN 117.7 million on the same period of 2009 (Chart 2). This was mainly due to the greater number of newly issued government debt instruments.

In the review period the yield attained in the primary market broadly reflected government securities market demand for and preferences of instruments with a various maturity structure. The yield of the bonds with a maturity of two years and six months decreased to 3.15 per cent compared with the previous opening in April (Charts 3, 4 and 5).

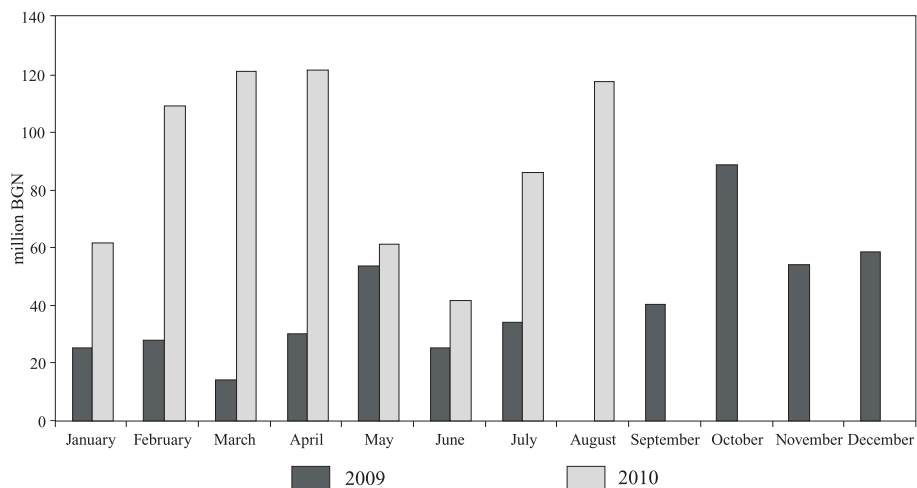
Chart 1

### Bids Received and Government Securities Sold at Auctions



**Note:** The issues of government securities with a maturity of 2 years and 6 months and 10 years and 6 months are tap issues. The above dates indicate the auction dates.

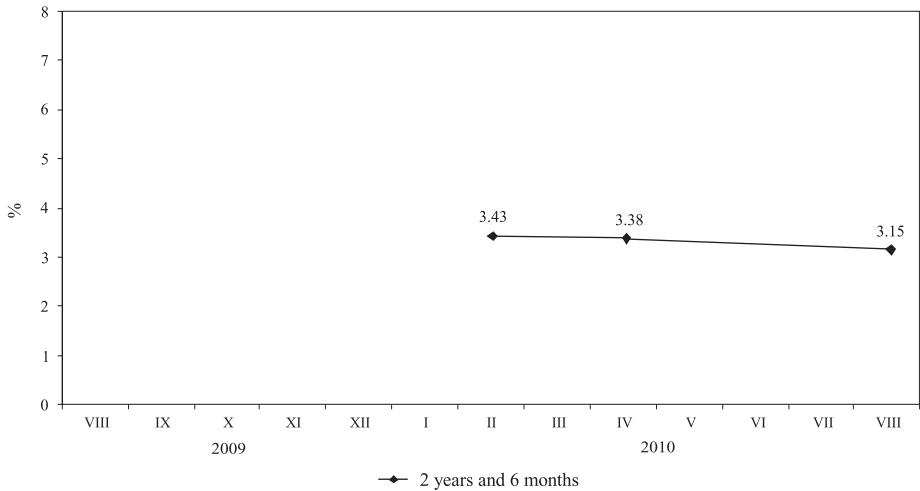
## Sales of Government Securities Issues

Prices of Issues Sold *per* BGN 100 Nominal Value

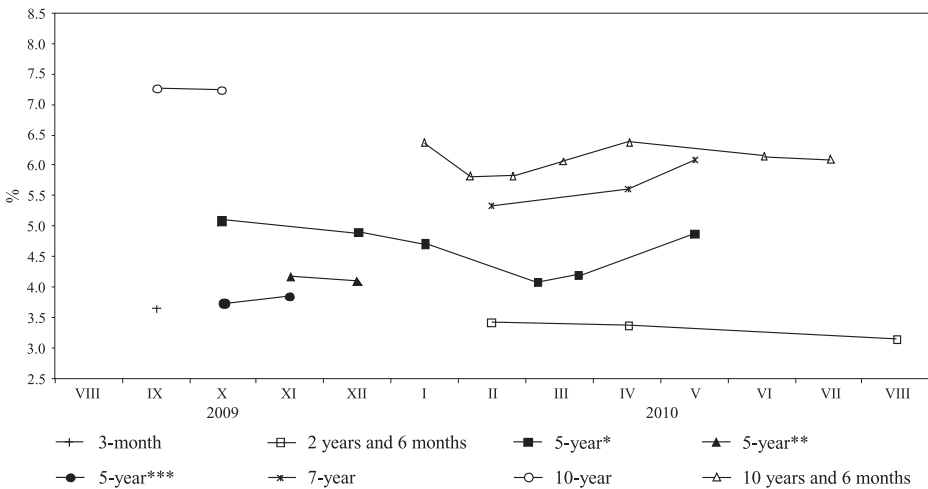
	JULY 2010	AUGUST 2010
	10 years and 6 months BG2040010212	10 years and 6 months BG2030010115
Minimum	91.18	97.47
Average-weighted	92.56	97.84
Maximum	94.20	98.31



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



### Yield of Primary Market Government Securities by Type



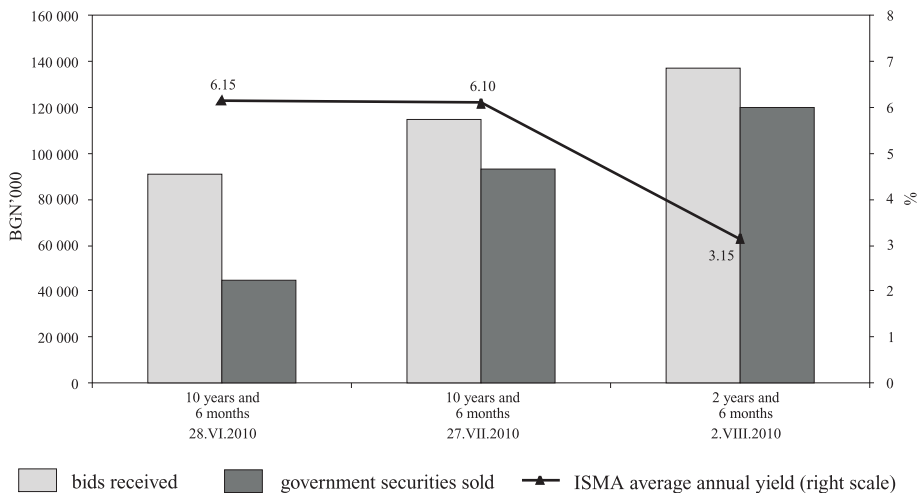
**Note:** Effective annual yield.

\* The issue is with an original maturity of five years; its residual maturity is approximately 3 years and 9 months as of 12 May 2010.

\*\* The issue is with an original maturity of five years; its residual maturity is approximately 2 years and 1 month as of 7 December 2009.

\*\*\* The issue is with an original maturity of five years; its residual maturity is approximately 1 year and 2 months as of 16 November 2009.

### Yield and Sales of Government Securities



**Note:** The issues of government securities with a maturity of 2 years and 6 months and 10 years and 6 months are tap issues. The above dates indicate the auction dates.

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

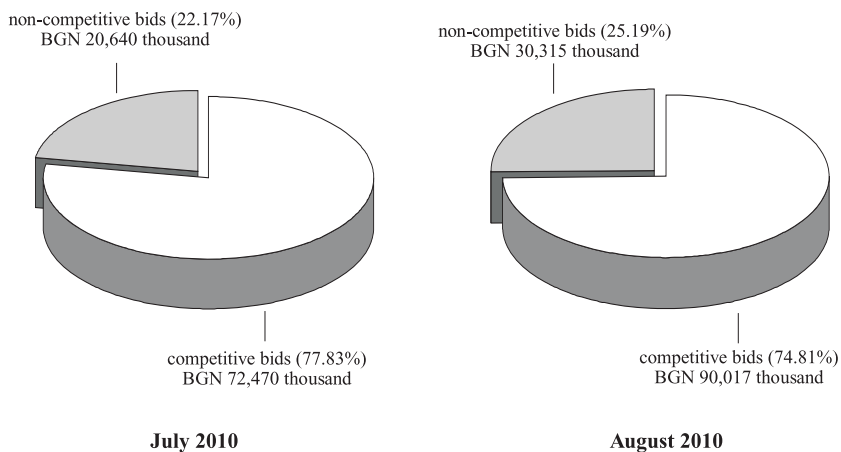
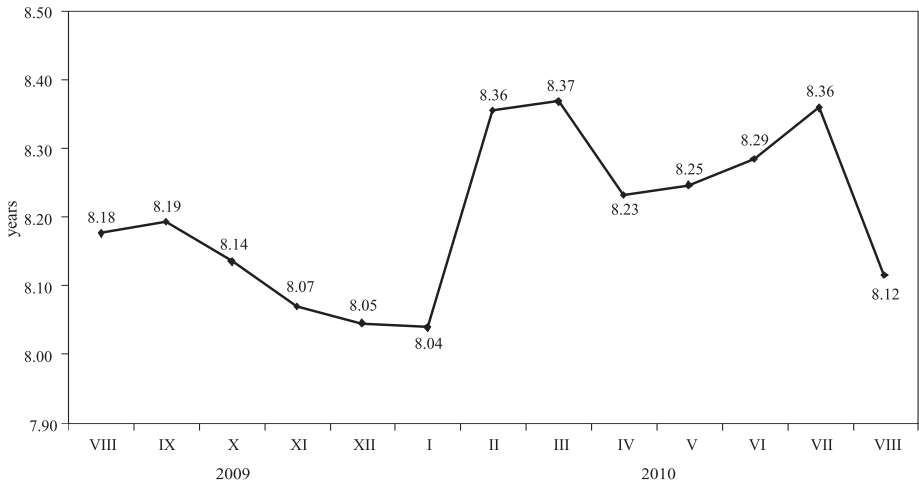


Chart 7

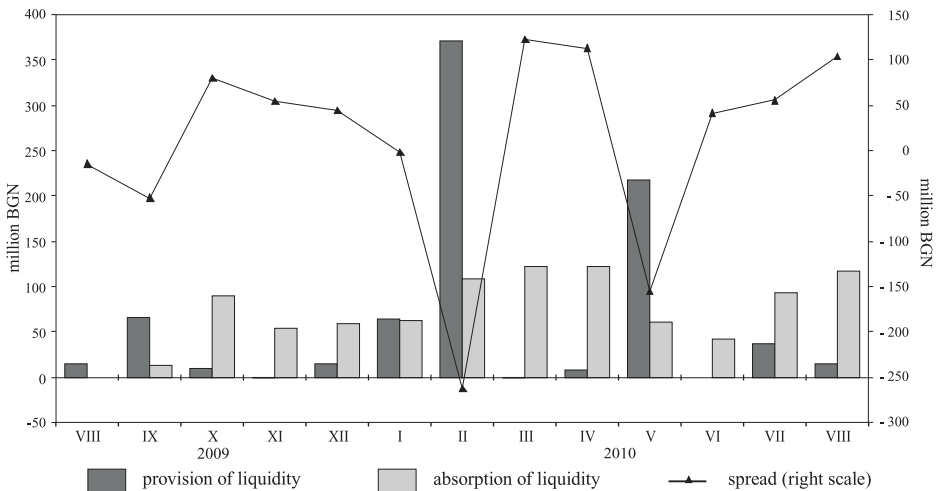
### Average Term of Outstanding Government Securities Issues by Year



**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 October 2010

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
					<b>1</b>
ZUNK Bonds					441.87
	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Bills Bonds Target issues					
	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
Bills Bonds Target issues	5 883.57				
	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>
Bills Bonds Target issues	3 193.22				
	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>
Bills Bonds Target issues					

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

## Calendar of Government Securities Issues in October 2010

(BGN)

Auction date	Issue date	Maturity date	Issue term	Currency	Scheduled volume
11.10.2010	03.02.2010	03.08.2012	2 years and 6 months	EUR BGN	15 000 000 29 337 450
25.10.2010	17.02.2010	17.02.2017	7 years	BGN	30 000 000
<b>TOTAL Bonds</b>					<b>59 337 450</b> <b>59 337 450</b>

**Note:** The Ministry of Finance reserves its right to make relevant adjustments in the calendar where necessary.

By end-August 2010 domestic government debt totalled BGN 3,189,791.5 thousand in nominal terms. The share of government securities issues in total debt was 90.9 per cent (BGN 2,900,095.2 thousand) and that of government securities issued for structural reform 9.1 per cent (BGN 289,696.2 thousand, Chart 9).

Government securities issued since early 2010 amounted to BGN 755,792.2 thousand. As a result of government securities issued and payments effected over the review month, the share of ten year and six month government securities increased in the maturity structure of government securities issues. Their share reached 9.2 per cent at the expense of the other government securities types whose shares marked a decrease (Chart 10). The average-weighted maturity of government securities issues was eight years and one month. Government securities issued for structural reform amounted to BGN 289,696.2 thousand by the end of the review month.

The debt currency structure experienced a slight change in August (Chart 11). The share of government securities in euro increased to 18.2 per cent, while the shares of bonds in levs and in US dollars decreased on the previous month to 77.5 per cent and 4.3 per cent respectively. Long-term government securities declined to 66.3 per cent at the expense of medium-term government securities which rose to 33.7 per cent (Chart 12). Government securities with fixed interest rates comprised 90.9 per cent and those with floating interest coupons 9.1 per cent. Compared with the previous month, the volume of debt with a residual term of up to one year and from five to ten years decreased to 9.6 per cent and 50.8 per cent, while that of debt with a residual term of one to five years increased to 39.7 per cent (Chart 14).

Since early 2010 interest and discounts paid on government securities issued in the domestic market totalled BGN 121,278.6 thousand, including BGN 117,419.1 thousand on government securities issues, or 96.8 per cent of the total domestic debt expenses (Chart 16). Interest paid on ten-year bonds occupied the largest share at 44.5 per cent, followed by interest payments on five-year bonds at 25.7 per cent (Chart 15).

## Domestic Government Debt

(BGN'000)

Structure	Amount as of 31 Dec. 2009	Change in 2010		Amount as of 31 Dec. 2010
		increase	decrease	
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUES</b>				
1. Government securities issued in 2002	84 920.0	-	-	84 920.0
1.1. Long-term	84 920.0	-	-	84 920.0
10-year	84 920.0	-	-	84 920.0
2. Government securities issued in 2003	605 945.2	-	310 362.2	295 583.0
2.1. Long-term	605 945.2	-	310 362.2	295 583.0
7-year	310 362.2	-	105 000.0	-
7 years and 3 months	205 362.2	-	205 362.2	-
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
3. Government securities issued in 2004	160 000.0	-	-	160 000.0
3.1. Long-term	160 000.0	-	-	160 000.0
7-year	80 000.0	-	-	80 000.0
10-year	80 000.0	-	-	80 000.0
4. Government securities issued in 2005	250 667.4	-	100 667.4	150 000.0
4.1. Medium-term	100 667.4	-	100 667.4	-
5-year	100 667.4	-	100 667.4	-
EUR-denominated (lev equivalent)	667.4	-	667.4	-
4.2. Long-term	150 000.0	-	-	150 000.0
10-year	150 000.0	-	-	150 000.0
5. Government securities issued in 2006	360 000.0	-	-	360 000.0
5.1. Medium-term	190 000.0	-	-	190 000.0
5-year	190 000.0	-	-	190 000.0
5.2. Long-term	170 000.0	-	-	170 000.0
10-year	170 000.0	-	-	170 000.0
6. Government securities issued in 2007	675 000.0	-	150 000.0	525 000.0
6.1. Medium-term	425 000.0	-	150 000.0	275 000.0
3-year	150 000.0	-	150 000.0	-
5-year	275 000.0	-	-	275 000.0
6.2. Long-term	250 000.0	-	-	250 000.0
10-year	250 000.0	-	-	250 000.0
7. Government securities issued in 2008	253 300.0	-	-	253 300.0
7.1. Medium-term	84 800.0	-	-	84 800.0
5-year	84 800.0	-	-	84 800.0
7.2. Long-term	168 500.0	-	-	168 500.0
10-year	168 500.0	-	-	168 500.0
8. Government securities issued in 2009	315 500.0	100 000.0	-	415 500.0
8.1. Medium-term	158 000.0	100 000.0	-	258 000.0
5-year	158 000.0	100 000.0	-	258 000.0
8.2. Long-term	157 500.0	-	-	157 500.0
10-year	157 500.0	-	-	157 500.0

(continued)

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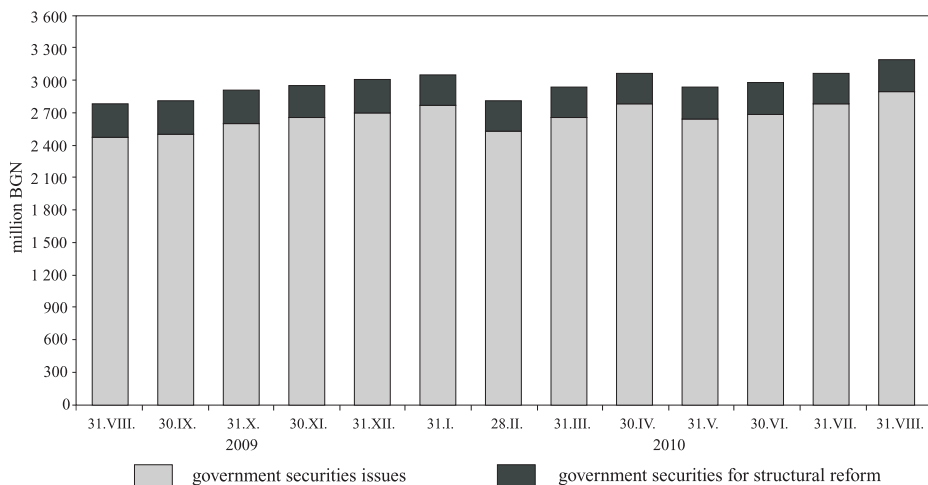
(BGN'000)

Structure	Amount as of 31 Dec. 2009	Change in 2010		Amount as of 31 Dec. 2010
		increase	decrease	
9. Government securities issued in 2010	-	655 792.2	-	655 792.2
9.1. Medium-term	-	267 682.2	-	267 682.2
2 years and 6 months	-	267 682.2	-	267 682.2
EUR-denominated (lev equivalent)	-	237 682.2	-	237 682.2
5-year	-	30 000.0	-	30 000.0
9.2. Long-term	-	388 110.0	-	388 110.0
7-year	-	100 000.0	-	100 000.0
10 years and 6 months	-	288 110.0	-	288 110.0
<b>TOTAL (I)</b>	<b>2 705 332.6</b>	<b>755 792.2</b>	<b>561 029.6</b>	<b>2 900 095.2</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM</b>				
1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	550.4	-	275.2	275.2
2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 017.5	-	127.2	890.3
3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	3 875.6	-	-	3 875.6
denominated in USD	98 890.3		9 938.1	88 952.2
lev equivalent	134 895.2			137 204.3
denominated in EUR	83 530.9	-	8 353.1	75 177.8
lev equivalent	163 372.2			147 035.0
4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	415.8	-	-	415.8
<b>TOTAL (II)</b>	<b>304 126.7</b>			<b>289 696.2</b>
<b>DOMESTIC GOVERNMENT DEBT, TOTAL</b>	<b>3 009 459.3</b>			<b>3 189 791.5</b>

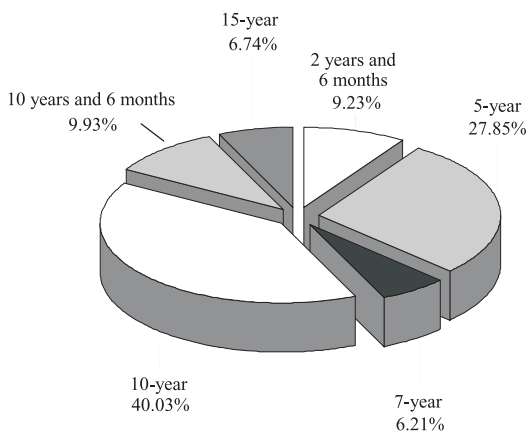
Notes: 1. Data at nominal value.

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



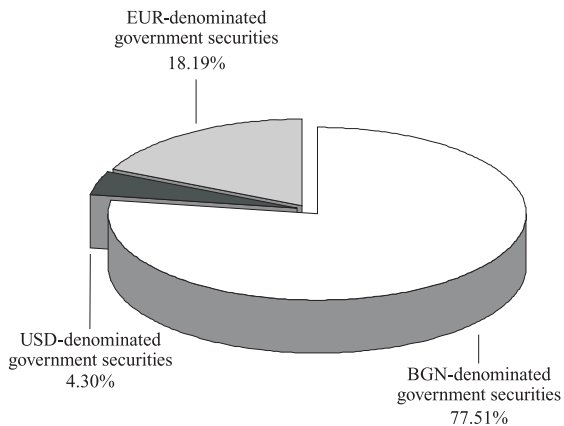
### Outstanding Government Securities Issues as of 31 August



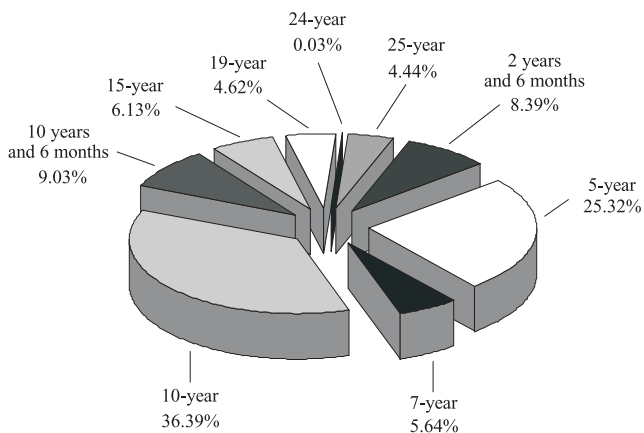
**Note:** The average-weighted maturity of government securities issues is eight years and one month.



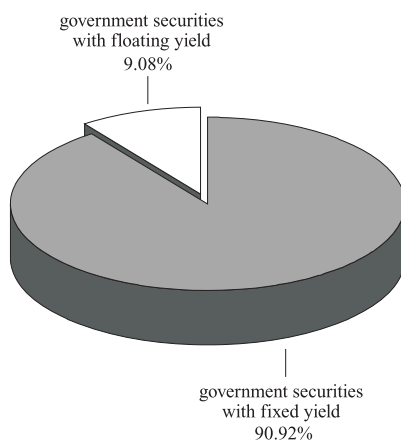
### Currency Structure of Outstanding Government Securities as of 31 August



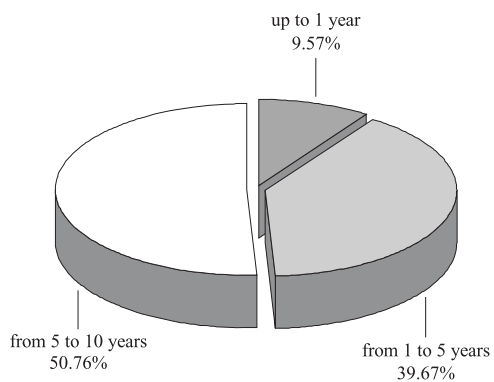
### Maturity Structure of Outstanding Government Securities as of 31 August



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



### Residual Maturity of Domestic Government Debt as of 31 August



## Expenditure on Domestic Government Debt between 1 January and 31 August 2010

(BGN'000)

Debt structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUES</b>	
1. Government securities issued in 2002	3 175.8
1.1. Long-term	3 175.8
10-year	3 175.8
2. Government securities issued in 2003	28 002.9
2.1. Long-term	28 002.9
7-year	3 718.2
7 years and 3 months	11 808.3
10-year	6 625.0
15-year	5 851.4
3. Government securities issued in 2004	7 960.0
3.1. Long-term	7 960.0
7-year	3 800.0
10-year	4 160.0
4. Government securities issued in 2005	8 285.4
4.1. Medium-term	1 910.4
5-year	1 910.4
4.2. Long-term	6 375.0
10-year	6 375.0
5. Government securities issued in 2006	12 700.0
5.1. Medium-term	6 750.0
3-year	6 750.0
5.2. Long-term	5 950.0
10-year	5 950.0
6. Government securities issued in 2007	27 158.7
6.1. Medium-term	16 533.7
3-year	4 733.7
5-year	11 800.0
6.2. Long-term	10 625.0
10-year	10 625.0
7. Government securities issued in 2008	11 186.5
7.1. Medium-term	3 604.0
5-year	3 604.0
7.2. Long-term	7 582.5
10-year	7 582.5
8. Government securities issued in 2009	13 917.0
8.1. Medium-term	6 120.7
5-year	6 120.7
8.2. Long-term	7 796.2
10-year	7 796.2
9. Government securities issued in 2010	5 032.8
9.1. Medium-term	891.7
2 years and 6 months	891.7
9.2. Long-term	4 141.1
7-year	1 665.0
10 years and 6 months	2 476.1
<b>TOTAL (I)</b>	<b>117 419.1</b>

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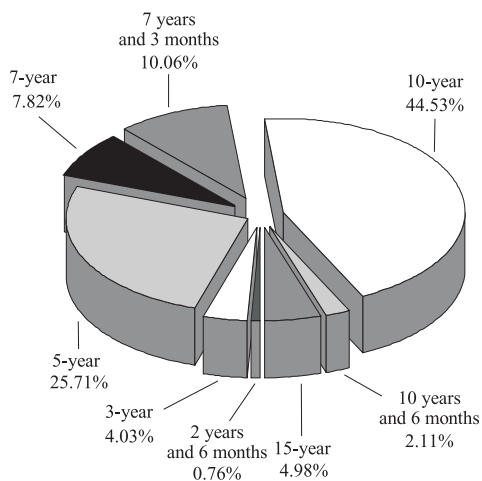
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(BGN'000)

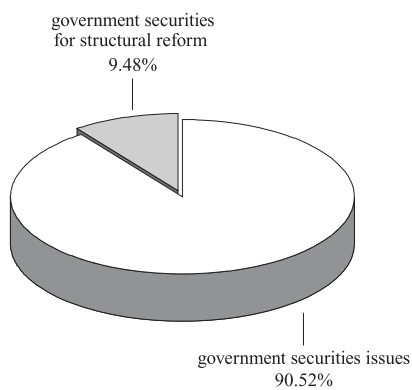
Debt structure	Amount of repaid interest (discount)
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM</b>	
<b>A. Debt on government securities issued to settle non-performing loans of state-owned companies to banks</b>	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	7.8
2. Bonds issued pursuant to CM Decree No. 234 of 1992	8.1
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	3 843.6
lev bonds	44.0
USD-denominated bonds (in BGN at the current exchange rate)	1 538.1
EUR-denominated bonds (in BGN at the fixed exchange rate)	2 261.6
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
<b>Total (A)</b>	<b>3 859.5</b>
<b>TOTAL (II)</b>	<b>3 859.5</b>
<b>EXPENDITURE ON DOMESTIC GOVERNMENT DEBT, TOTAL</b>	<b>121 278.6</b>

Chart 15

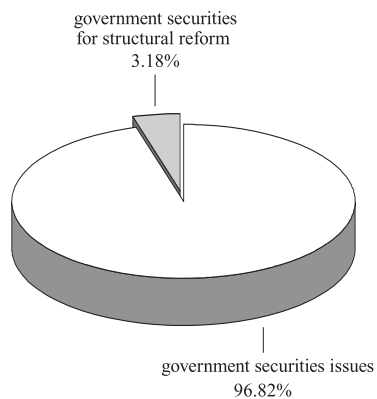
### Structure of Expenditure on Government Securities Issues as of 31 August



### Structure of Expenditure on Domestic Government Debt



**31 August 2009**



**31 August 2010**

By end-August external government debt totalled EUR 3386.7 million in nominal terms.

External financing since the beginning of 2010 amounted to BGN 63,778.4 thousand. Over the same period payments on the debt totalled BGN 436,692.1 thousand, including principal payments of BGN 146,445.0 thousand and interest payments of BGN 290,247.1 thousand. The bulk of payments was made on government investment loans (BGN 69,364.8 thousand), followed by those to the World Bank (BGN 34,846.9 thousand). Interest was paid mainly on bonds (BGN 249,556.5 thousand) and on government investment loans (BGN 27,131.1 thousand).

In August slight changes occurred in the debt currency structure as a result of utilized amounts and effected payments. Debt in US dollars and in other currencies increased to 26.5 per cent and 4.6 per cent respectively on the previous month. The ratio of euro-denominated debt decreased to 68.9 per cent by end-August. The interest rate structure also changed. Debt with floating interest rates reached 29.2 per cent and that with fixed interest rates 70.8 per cent. The average-weighted residual term to maturity of the external debt was seven years and eleven months.

In the structure of the external debt by type of creditor, global bonds occupied the largest share at 49.5 per cent, followed by government investment loans at 23.6 per cent and obligations to the World Bank at 23.1 per cent. Obligations to the European Union came to 0.4 per cent and to the Paris Club 3.2 per cent.

## External Government Debt

(million EUR)

Structure	as of 31.XII. 2009	as of 31.III. 2010	as of 30.VI. 2010	as of 31.VII. 2010	as of 31.VIII. 2010
I. Bonds	1 576.1	1 624.4	1 703.8	1 652.3	1 675.2
1. EUR-denominated Bulgarian global bonds maturing in 2013	818.5	818.5	818.5	818.5	818.5
2. USD-denominated Bulgarian global bonds maturing in 2015	757.7	806.0	885.3	833.9	856.7
II. Loans	1 713.6	1 726.4	1 718.5	1 707.7	1 711.4
1. Paris Club	113.3	107.0	107.0	107.0	107.0
2. World Bank	793.6	785.8	781.4	780.3	781.8
2.1. World Bank	767.3	758.2	751.2	751.2	751.2
2.2. JBIC (JEXIM)	26.2	27.6	30.1	29.1	30.6
3. European Union	15.0	15.0	15.0	15.0	15.0
4. Other	6.3	6.3	-	-	-
5. Government investment loans	771.9	800.6	803.2	793.6	798.0
5.1. World Bank	210.5	216.3	210.4	210.8	210.9
5.2. European Investment Bank	406.8	426.3	420.9	416.6	416.2
5.3. EBRD	0.3	0.4	0.2	0.2	0.2
5.4. Other	154.2	157.6	171.7	166.0	170.7
6. Called government guarantees	13.6	11.6	11.9	11.7	9.6
6.1. World Bank	13.6	11.6	11.9	11.7	9.6
<b>EXTERNAL GOVERNMENT DEBT</b>	<b>3 289.8</b>	<b>3 350.8</b>	<b>3 422.2</b>	<b>3 360.0</b>	<b>3 386.7</b>

**Notes:** 1. Debt reported at nominal value.

2. Debt recalculation in euro is made using the end-of-period BNB central exchange rates of the relevant currencies against the Bulgarian lev.

3. Preliminary data for the last month.

## New External Financing and External Government Debt Payments as of 31 August

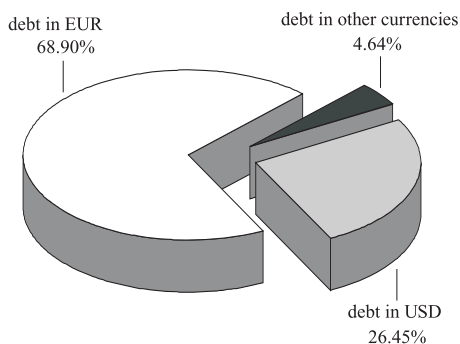
(BGN'000)

Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
External government debt	63 778.4	146 445.0	290 247.1
I. Bonds	-	-	249 556.5
1. EUR-denominated Bulgarian global bonds maturing in 2013	-	-	120 058.4
2. USD-denominated Bulgarian global bonds maturing in 2015	-	-	129 498.1
II. Loans	63 778.4	146 445.0	40 690.6
1. Paris Club	-	12 314.3	3 768.2
2. World Bank	-	34 846.9	9 103.4
2.1. World Bank	-	31 398.1	8 380.2
2.2. JBIC (JEXIM)	-	3 448.8	723.2
3. G24	-	-	-
4. European Union	-	-	143.1
5. Other	-	12 355.7	93.1
6. Government investment loans	63 778.4	69 364.8	27 131.1
6.1. World Bank	14 882.6	14 764.6	2 518.6
6.2. European Investment Bank	48 895.8	38 628.7	18 964.8
6.3. EBRD	-	3 040.7	460.6
6.4. Other	-	12 930.9	5 187.1
7. Called government guarantees	-	17 563.3	451.7
7.1. World Bank	-	13 837.8	451.7
7.2. European Investment Bank	-	-	-
7.3. EBRD	-	3 725.5	-
7.4. 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.

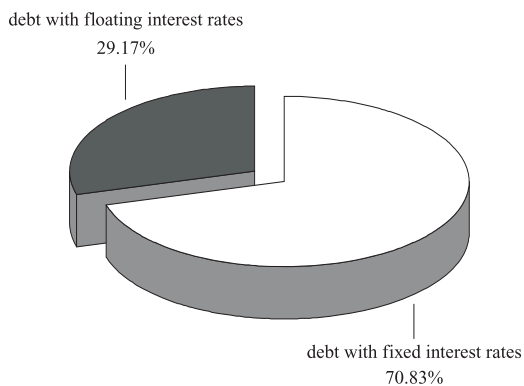
Chart 17

### Currency Composition of the External Government Debt as of 31 August

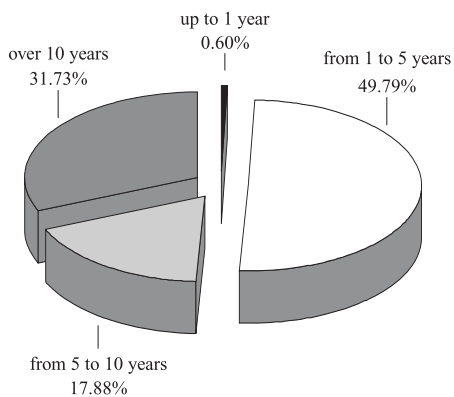




### Interest Rate Structure of the External Government Debt as of 31 August

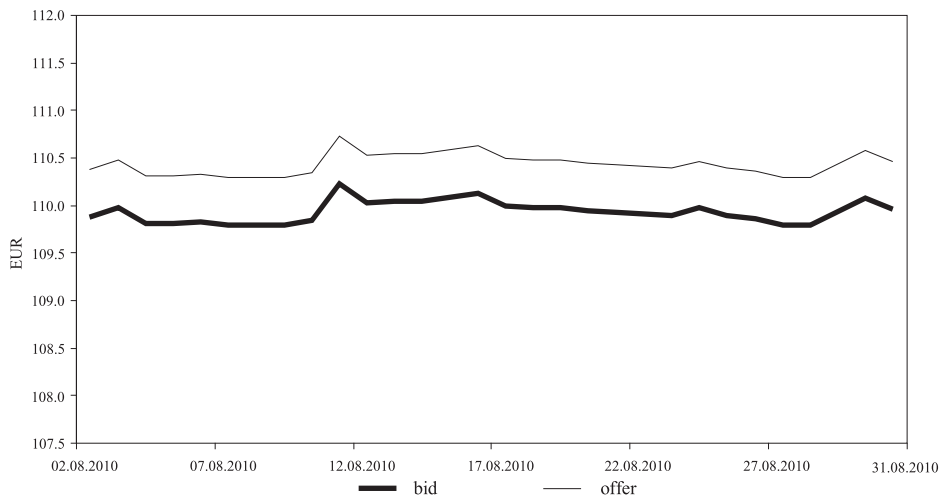


### Residual Maturity of the External Government Debt as of 31 August



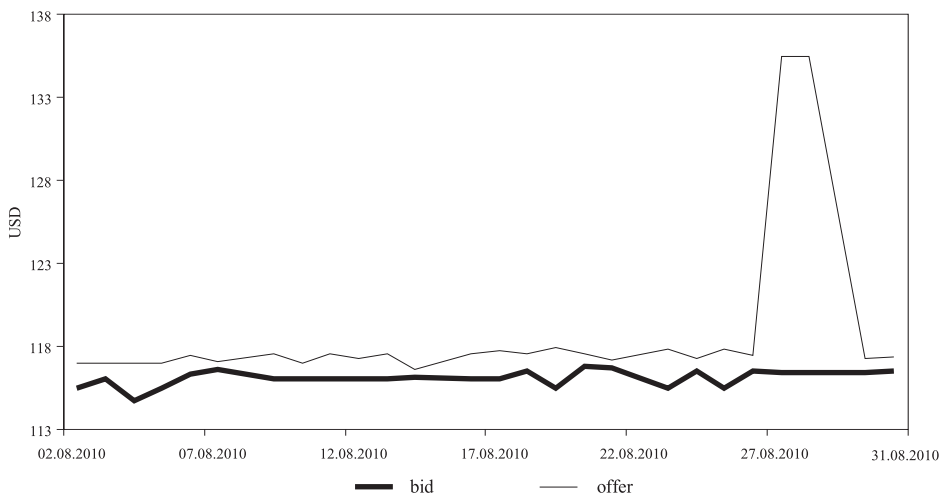
**Note:** The average-weighted residual maturity of the external government debt is 7 years and 11 months.

### Bid and Offer Quotations of EUR-denominated Bulgarian Global Bonds with a Fixed Interest Rate of 7.50% Maturing in 2013



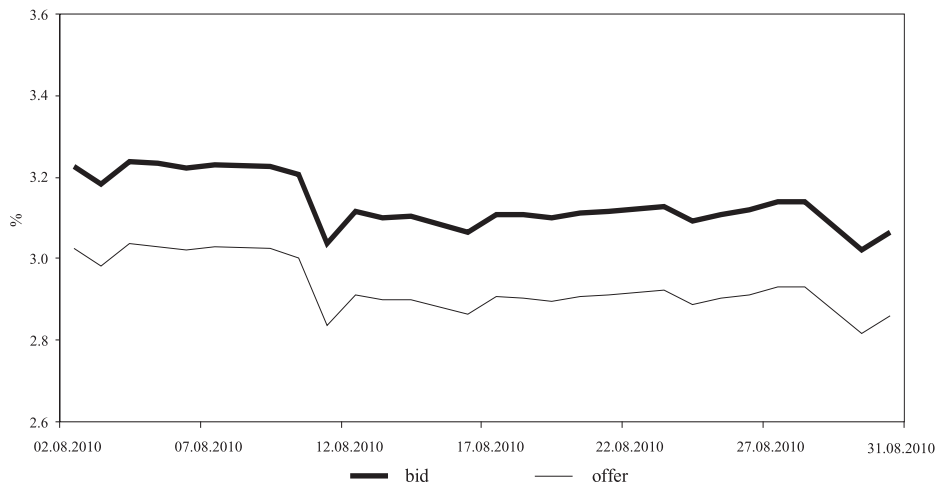
Source: Bloomberg.

### Bid and Offer Quotations of USD-denominated Bulgarian Global Bonds with a Fixed Interest Rate of 8.25% Maturing in 2015



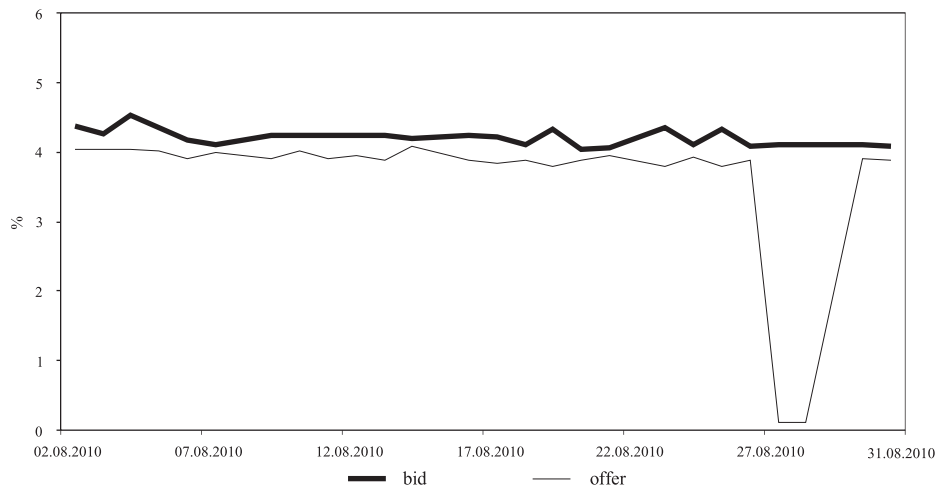
Source: Bloomberg.

**Yield Based on Bid and Offer Quotations of EUR-denominated Bulgarian Global Bonds with a Fixed Interest Rate of 7.50% Maturing in 2013**



Source: Bloomberg.

**Yield Based on Bid and Offer Quotations of USD-denominated Bulgarian Global Bonds with a Fixed Interest Rate of 8.25% Maturing in 2015**



Source: Bloomberg.

By end-August 2010 government debt totalled EUR 5017.6 million in nominal terms, including domestic debt of EUR 1630.9 million and external debt of EUR 3386.7 million. In nominal terms, government debt posted an increase of some EUR 90.0 million compared with the end of the previous month. This was mainly due to the increase in domestic debt, reflecting newly issued government securities and valuation adjustments.

By end-August the government debt to GDP ratio came to 14.4 per cent: up 0.2 percentage points on the previous month (Chart 24). The ratios of domestic and external government debts accounted for 4.7 per cent and 9.7 per cent respectively.

Domestic government debt occupied 32.5 per cent and external government debt 67.5 per cent in the debt structure (Chart 25).

By end-August debt in US dollars reached 19.3 per cent, in euro 52.4 per cent, in levs 25.2 per cent and in other currencies 3.1 per cent (Chart 26).

In the structure of the debt by type of creditor, global bonds occupied the largest relative share at 33.4 per cent, followed by domestic debt (government securities) at 32.5 per cent, obligations to the World Bank at 15.6 per cent and government investment loans at 15.9 per cent (Chart 27).

By end-August the debt interest rate structure also experienced changes: the share of debt with fixed interest rates reached 77.4 per cent and that of debt with floating interest rates comprised 22.6 per cent (Chart 28).

Government debt payments in August amounted to BGN 25.5 million (Chart 29). Since early 2010 payments in euro have dominated the currency structure of debt payments (recalculated in levs: BGN 491.0 million), followed by payments in levs (BGN 485.5 million) and payments in US dollars (BGN 149.4 million, Chart 30).

## Government Debt Amount

(million EUR)

Structure	as of 31.XII. 2009	as of 31.III. 2010	as of 30.VI. 2010	as of 31.VII. 2010	as of 31.VIII. 2010
<b>Domestic government debt</b>	<b>1 538.7</b>	<b>1 500.9</b>	<b>1 524.2</b>	<b>1 567.6</b>	<b>1 630.9</b>
1. Debt on government securities issues	1 383.2	1 356.9	1 373.7	1 421.3	1 482.8
2. Government securities issued for structural reform	155.5	144.1	150.6	146.3	148.1
<b>External government debt</b>	<b>3 289.8</b>	<b>3 350.8</b>	<b>3 422.2</b>	<b>3 360.0</b>	<b>3 386.7</b>
I. Bonds	1 576.1	1 624.4	1 703.8	1 652.3	1 675.2
1. EUR-denominated Bulgarian global bonds maturing in 2013	818.5	818.5	818.5	818.5	818.5
2. USD-denominated Bulgarian global bonds maturing in 2015	757.7	806.0	885.3	833.9	856.7
II. Government loans	1 713.6	1 726.3	1 718.5	1 707.7	1 711.4
1. Paris Club	113.3	107.0	107.0	107.0	107.0
2. World Bank	793.6	785.8	781.4	780.3	781.8
2. 1. World Bank	767.3	758.2	751.2	751.2	751.2
2. 2. JBIC (JEXIM)	26.2	27.6	30.1	29.1	30.6
3. European Union	15.0	15.0	15.0	15.0	15.0
4. Other	6.3	6.3	-	-	-
5. Government investment loans	771.9	800.6	803.2	793.6	798.0
6. Called government guarantees	13.6	11.6	11.9	11.7	9.6
<b>Debt, total</b>	<b>4 828.5</b>	<b>4 851.7</b>	<b>4 946.5</b>	<b>4 927.6</b>	<b>5 017.6</b>
<b>Debt/GDP (%)</b>	<b>14.3</b>	<b>13.9</b>	<b>14.2</b>	<b>14.2</b>	<b>14.4</b>
Domestic government debt/GDP (%)	4.5	4.3	4.4	4.5	4.7
External government debt/GDP (%)	9.7	9.6	9.8	9.7	9.7

- Notes:**
1. Debt at nominal value.
  2. Revised GDP projection for 2009: BGN 66,256.2 million. GDP projection for 2010: BGN 68,061.0 million.
  3. Debt recalculation in euro is made using the end-of-period BNB central exchange rates of the relevant currencies against the Bulgarian lev.
  4. Preliminary data for the last month.

Chart 24

### Dynamics of Domestic and External Government Debt

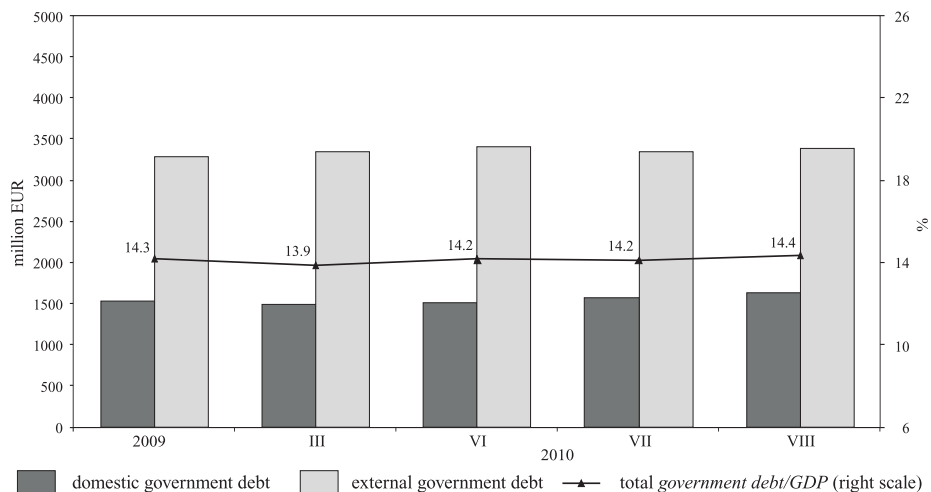
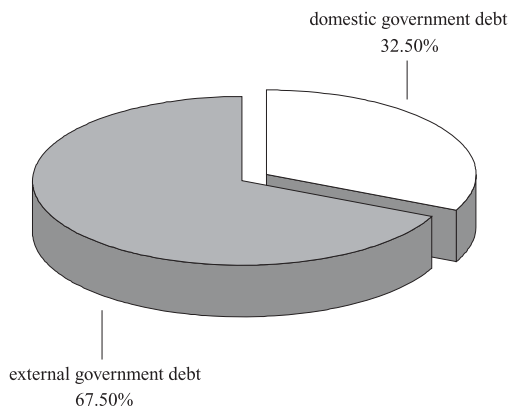
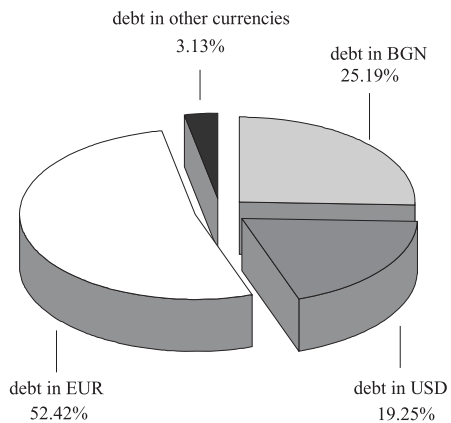


Chart 25

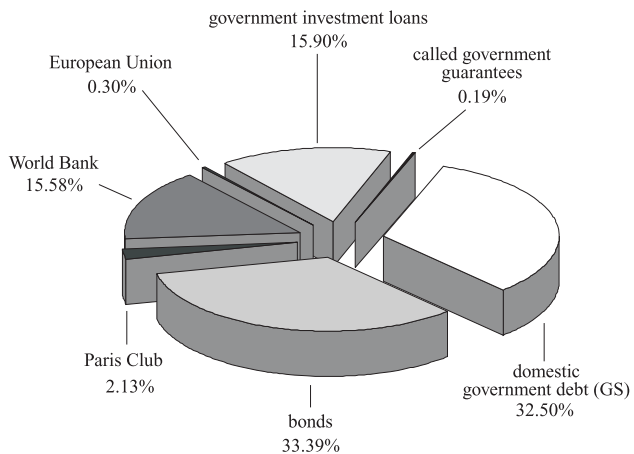
### Government Debt Structure as of 31 August



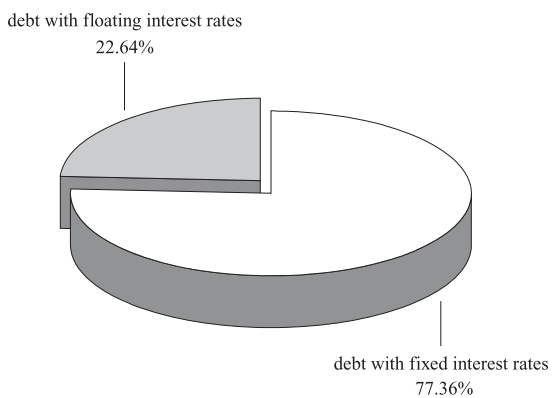
### Government Debt Currency Structure as of 31 August



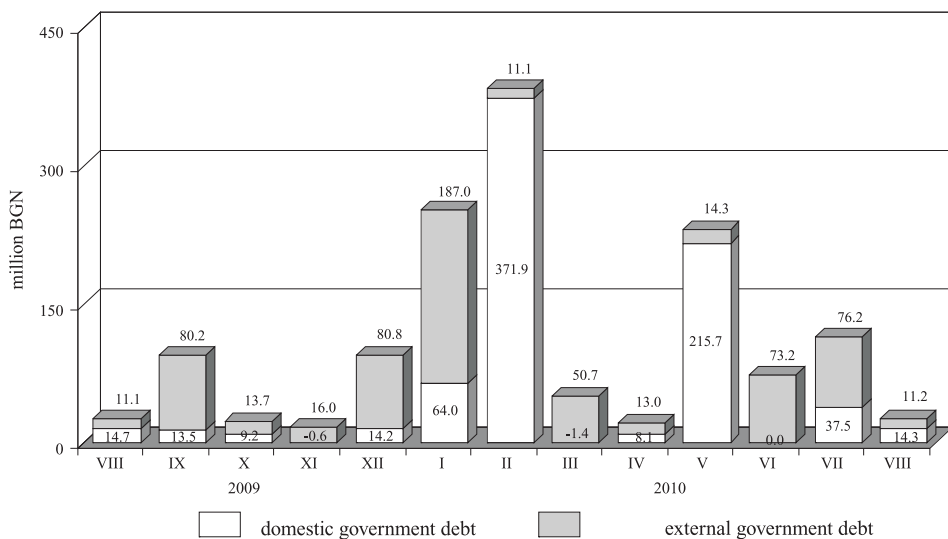
### Government Debt Structure by Creditor as of 31 August



### Government Debt Interest Rate Structure as of 31 August

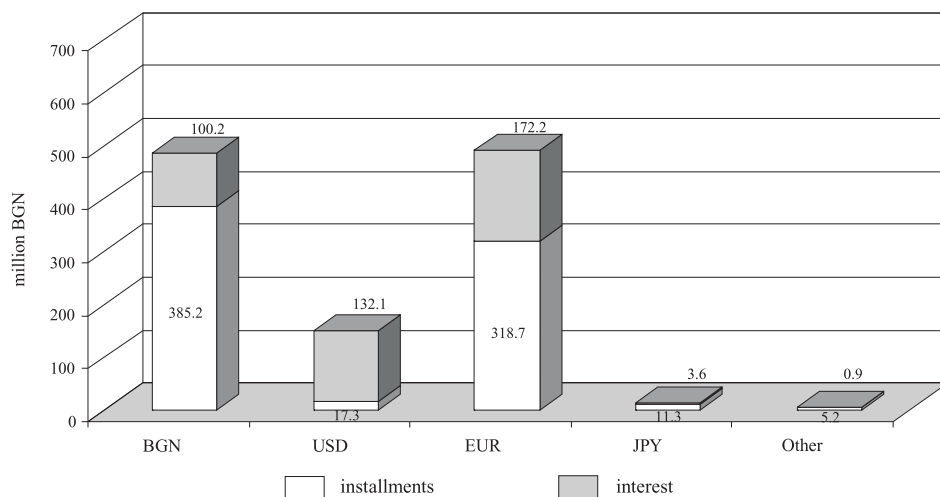


### Government Debt Payments





### Government Debt Payments by Type of Currency as of 31 August



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

(BGN'000)

Government securities type	2009 31.XII.	2010				
		31.III.	30.IV.	31.V.	30.VI.	31.VII.
Government securities issues	19 362.9	19 252.5	19 252.5	26 719.7	29 556.4	28 552.9
– in BGN	2 132.0	1 706.8	1 706.8	9 547.5	11 486.5	10 483.0
– in EUR	17 230.9	17 545.8	17 545.8	17 172.2	18 069.9	18 069.9
Government securities issued for structural reform	1 115.1	1 006.4	1 006.4	1 007.8	1 007.8	1 006.7
– in EUR	1 097.6	989.4	989.4	989.4	989.4	989.4
– in USD	17.5	16.9	16.9	18.3	18.4	17.3
<b>Total</b>	<b>20 478.0</b>	<b>20 258.9</b>	<b>20 258.9</b>	<b>27 727.4</b>	<b>30 564.2</b>	<b>29 559.6</b>

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

(million EUR)

Government securities type	2009 31.XII.	2010				
		31.III.	30.IV.	31.V.	30.VI.	31.VII.
Eurobonds						
Global bonds	578.9	611.7	592.8	667.3	708.0	725.0
– in EUR	372.9	387.7	368.3	397.2	425.4	430.5
– in USD	206.0	224.0	224.4	270.0	282.6	294.5
<b>Total</b>	<b>578.9</b>	<b>611.7</b>	<b>592.8</b>	<b>667.3</b>	<b>708.0</b>	<b>725.0</b>

By end-August 2010 government guaranteed debt totalled EUR 652.2 million in nominal terms, posting an increase of some EUR 5.2 million nominally compared with the value reported at the end of the previous month. The increase was mainly due to valuation adjustments.

The government guaranteed debt to GDP ratio retained its previous month's level of 1.9 per cent.

Amounts utilized since early 2010 came to BGN 28,329.7 thousand, while payments on the debt totalled BGN 101,952.4 thousand, including principal payments of BGN 84,656.8 thousand and interest payments of BGN 17,295.7 thousand.

Over the review month the currency structure of government guaranteed debt experienced certain changes due to conducted operations. By end-August the share of euro-denominated debt reached 41.8 per cent, that in other currencies 52.9 per cent, and in US dollars 5.3 per cent (Chart 31).

In August the government guaranteed debt interest structure also experienced changes: debt with fixed interest rates reached 59.8 per cent and debt with floating interest rates comprised 40.2 per cent (Chart 32).

In the structure of government guaranteed debt by sector, energy occupied the largest share (67.2 per cent), followed by transport (23.3 per cent) and other industries (9.5 per cent, Chart 33).

## Government Guaranteed Debt

(million EUR)

Structure	2009 as of 31.XII.	2010			
		as of 31.III.	as of 30.VI.	as of 31.VII.	as of 31.VIII.
<b>Government guaranteed debt</b>	<b>612.106</b>	<b>618.5</b>	<b>662.6</b>	<b>647.0</b>	<b>652.2</b>
I. Domestic government guaranteed debt	-	-	-	-	-
II. External government guaranteed debt	612.1	618.5	662.6	647.0	652.2
1. World Bank	60.9	59.2	57.7	56.3	56.9
2. European Investment Bank	3.8	3.8	3.2	3.3	3.3
3. EBRD	32.0	29.7	28.2	28.1	27.7
4. Other	515.4	525.7	573.5	559.4	564.3
<b>Government guaranteed debt/GDP (%)</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>

- Notes:**
1. Debt at nominal value.
  2. Debt recalculation in euro is made using the end-of-period BNB central exchange rates of the relevant currencies against the Bulgarian lev.
  3. Preliminary data for the last month.

## New External Financing and Government Guaranteed Debt Payments as of 31 August

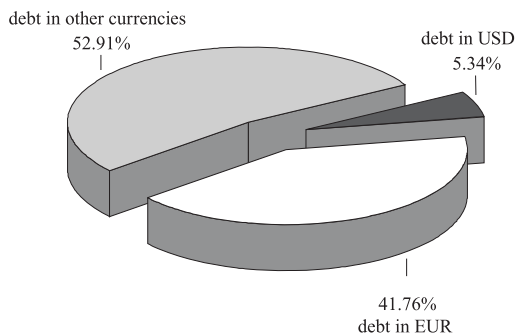
(BGN'000)

Structure	Received loans (tranches)	Payments, incl.	
		installments	interest
I. Domestic government guaranteed debt	-	-	-
II. External government guaranteed debt	28 329.7	84 656.8	17 295.7
1. World Bank	-	10 315.3	1 664.6
2. European Investment Bank	217.3	1 068.0	34.5
3. EBRD	-	5 757.2	763.6
4. Other	28 112.3	67 516.3	14 833.0
<b>Government guaranteed debt</b>	<b>28 329.7</b>	<b>84 656.8</b>	<b>17 295.7</b>

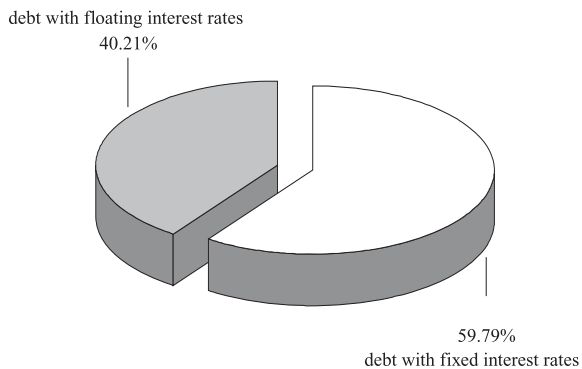
- Notes:**
1. Lev equivalence of effected payments is calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
  2. Preliminary data.

Chart 31

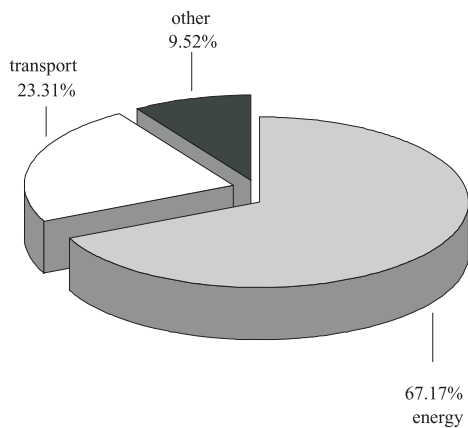
## Government Guaranteed Debt Currency Structure as of 31 August



### Government Guaranteed Debt Interest Rate Structure as of 31 August



### Government Guaranteed Debt by Sector as of 31 August



## MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS DEBT STRUCTURE

### Municipal Debt and Municipal Guarantees Amount

(BGN)

Structure	2009 as of 31.XII.	2010		
		as of 31.III.	as of 30.VI.	as of 31.VII.
<b>I. Domestic municipal debt and municipal guarantees (1+2)</b>	<b>317 673 194.00</b>	<b>317 825 434.00</b>	<b>346 673 289.00</b>	<b>351 765 297.00</b>
<i>1. Municipal debt (1.1+1.2+1.3+1.4+1.5+1.6+1.7)</i>	<i>317 040 551.00</i>	<i>317 233 941.00</i>	<i>346 111 891.00</i>	<i>351 210 039.00</i>
1.1. Government securities issues (at nominal value as of corresponding period)	64 227 895.00	64 154 552.00	80 889 326.00	80 889 326.00
1.2. Debt under municipal land contracts	232 125 682.00	238 579 027.00	251 517 817.00	256 748 408.00
1.3. Debt of municipal enterprises under Article 52 of the Law on Municipal Property	-	-	-	-
1.4. Callable municipal guarantees	-	-	-	-
1.5. Non-interest bearing loans, extended under Article 43, paragraph 1 of the Law on the Structure of the State Budget for financing temporary municipal budget deficit	-	-	-	-
1.6. Central budget non-interest bearing loans, extended for financing expenditure till its recovery under programmes co-financed by the EU	11 930 279.00	8 789 314.00	8 522 392.00	8 522 392.00
1.7. Obligations under commercial loan and financial leasing contracts of over two years	8 756 695.00	5 711 048.00	5 182 356.00	5 049 913.00
<b>2. Municipal guarantees</b>	<b>632 643.00</b>	<b>591 493.00</b>	<b>561 398.00</b>	<b>555 258.00</b>
<b>II. External municipal debt and municipal guarantees (1+2)</b>	<b>314 528 313.89</b>	<b>330 051 697.88</b>	<b>428 134 306.39</b>	<b>419 927 332.35</b>
<i>1. Municipal debt (1.1+1.2+1.3)</i>	<i>314 528 313.89</i>	<i>330 051 697.88</i>	<i>428 134 306.39</i>	<i>419 927 332.35</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 (lev equivalent)	314 528 313.89	330 051 697.88	428 134 306.39	419 927 332.35
in USD	2 370 000.00	2 240 000.00	2 240 000.00	2 240 000.00
in JPY	12 370 777 434.11	12 785 111 673.11	12 796 312 363.11	12 798 576 148.11
in EUR	65 692 715.06	65 565 292.06	99 452 384.06	99 342 366.06
1.3. Callable municipal guarantees in original currency	-	-	-	-
<b>2. Municipal guarantees (lev equivalence)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
in EUR	-	-	-	-
<b>III. Municipal debt and municipal guarantees, total (I+II)</b>	<b>632 201 507.89</b>	<b>647 877 131.88</b>	<b>774 807 595.39</b>	<b>771 692 629.35</b>

- Notes:**
- The table has been structured under Article 3 of the Law on 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 *II. External municipal debt and municipal guarantees, 1.2. Debt under municipal land contracts*. This loan has been guaranteed by the government and is reported in the *Government Guaranteed Debt* table, *II. External 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 *II. External municipal debt and municipal guarantees, 1.2. Debt under municipal land contracts*. 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 Guaranteed Debt* table, *II. External 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	2009	2010		
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 31.VII.
<b>Domestic debt</b>	<b>21 988.6</b>	<b>22 046.1</b>	<b>20 765.6</b>	<b>20 708.1</b>
I. National Insurance Institute	21 988.6	22 046.1	20 765.6	20 708.1
1. Other*	21 988.6	22 046.1	20 765.6	20 708.1
2. Loans from the republican budget	-	-	-	-
II. National Health Insurance Fund	-	-	-	-
III. Teachers' Pension Fund	-	-	-	-
<b>External debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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.

(million EUR)

Structure	2009 as of 31.XII.	2010		
		as of 31.III.	as of 30.VI.	as of 31.VII.
<b>I. Consolidated government debt</b>	<b>5 151.4</b>	<b>5 182.7</b>	<b>5 342.4</b>	<b>5 321.9</b>
1. Central government debt	4 828.5	4 851.7	4 946.5	4 927.6
2. Social security funds debt	0.0	0.0	0.0	0.0
3. Municipal debt	322.9	331.0	396.0	394.3
<b>Consolidated government debt/GDP (%)</b>	<b>15.2</b>	<b>14.9</b>	<b>15.4</b>	<b>15.3</b>

- Notes:**
- As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and external debt are reported at nominal value.
  - Revised GDP projection for 2009: BGN 66,256.2 million. GDP for 2010: BGN 68,061.0 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 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 concluded between the governments of Bulgaria and Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government.





## APPENDICES



## Treasury Bonds in Circulation

### 2 years and 6 months government securities

Issue No.	BG2030010115 <sup>3*</sup>			Total for the issue
	First opening	Second opening	Third opening	
Auction date	01.02.2010	12.04.2010	02.08.2010	
Issue date	03.02.2010	03.02.2010	03.02.2010	03.02.2010
Maturity date	03.08.2012	03.08.2012	03.08.2012	03.08.2012
Nominal value of the offer (EUR'000)	25 000.00	35 000.00	15 000.00	60 000.00
Total nominal value of the bids received (EUR'000)	70 975.00	64 000.00	70 125.00	134 975.00
Total nominal value of the bids approved (EUR'000)	25 000.00	35 000.00	61 525.00	60 000.00
Average price of the bids approved per EUR 100	96.69	97.04	97.84	97.37
Interest rate	2.00	2.00	2.00	2.00
Bid-to-cover ratio	2.84	1.83	4.68	2.25
Average annual yield (%)	3.43	3.38	3.15	3.27

### 5-year government securities

Issue No.	BG2030006113 <sup>6</sup>						Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	
Auction date	23.01.2006	20.03.2006	29.05.2006	13.11.2006	19.10.2009	16.11.2009	
Issue date	25.01.2006	25.01.2006	25.01.2006	25.01.2006	25.01.2006	25.01.2006	25.01.2006
Maturity date	25.01.2011	25.01.2011	25.01.2011	25.01.2011	25.01.2011	25.01.2011	25.01.2011
Nominal value of the offer (BGN'000)	45 000.00	45 000.00	45 000.00	20 000.00	35 000.00	35 000.00	255 000.00
Total nominal value of the bids received (BGN'000)	125 710.00	75 100.00	72 870.00	77 450.00	136 850.00	72 575.00	560 555.00
Total nominal value of the bids approved (BGN'000)	45 000.00	45 000.00	45 000.00	20 000.00	35 000.00	35 000.00	255 000.00
Average price of the bids approved per BGN 100	98.37	96.82	95.47	96.12	99.14	99.06	97.51
Interest rate	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Bid-to-cover ratio	2.79	1.67	1.62	3.87	3.01	2.07	2.49
Average annual yield (%)	3.38	3.76	4.12	4.05	3.74	3.86	3.79

## 5-year government securities

Issue No.	BG2030007111 <sup>10</sup>				
	First opening	Second opening	Third opening	Fourth opening	Fifth opening
Auction date	22.01.2007	05.03.2007	21.05.2007	23.07.2007	24.09.2007
Issue date	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007
Maturity date	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012
Nominal value of the offer (BGN'000)	35 000.00	30 000.00	25 000.00	35 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	101 600.00	94 000.00	88 950.00	92 402.20	72 650.00
Total nominal value of the bids approved (BGN'000)	35 000.00	30 000.00	25 000.00	35 000.00	25 000.00
Average price of the bids approved per BGN 100	99.22	99.71	98.29	97.55	97.96
Interest rate	4.00	4.00	4.00	4.00	4.00
Bid-to-cover ratio	2.90	3.13	3.56	2.64	2.91
Average annual yield (%)	4.22	4.11	4.46	4.66	4.57

(continued)

Issue No.	BG2030007111 <sup>10</sup> (continued)					Total for the issue
	Sixth opening	Seventh opening	Eighth opening	Ninth opening	Tenth opening	
Auction date	26.11.2007	11.05.2009	13.07.2009	23.11.2009	07.12.2009	
Issue date	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007	24.01.2007
Maturity date	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012	24.01.2012
Nominal value of the offer (BGN'000)	30 000.00	35 000.00	30 000.00	20 000.00	30 000.00	295 000.00
Total nominal value of the bids received (BGN'000)	43 350.00	38 475.00	43 300.00	49 750.00	90 550.00	715 027.20
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	30 000.00	20 000.00	30 000.00	295 000.00
Average price of the bids approved per BGN 100	96.97	95.90	95.06	99.75	99.89	97.94
Interest rate	4.00	4.00	4.00	4.00	4.00	4.00
Bid-to-cover ratio	1.45	1.10	1.44	2.49	3.02	2.42
Average annual yield (%)	4.87	5.74	6.23	4.17	4.10	4.75

## 5-year government securities

Issue No.	BG2030008119 <sup>3</sup>			Total for the issue	BG2030009117 <sup>8</sup>		
	First opening	Second opening	Third opening		First opening	Second opening	Third opening
Auction date	18.02.2008	16.06.2008	20.10.2008		16.02.2009	22.06.2009	28.10.2009
Issue date	20.02.2008	20.02.2008	20.02.2008	20.02.2008	18.02.2009	18.02.2009	18.02.2009
Maturity date	20.02.2013	20.02.2013	20.02.2013	20.02.2013	18.02.2014	18.02.2014	18.02.2014
Nominal value of the offer (BGN'000)	30 000.00	35 000.00	19 800.00	84 800.00	30 000.00	30 000.00	30 000.00
Total nominal value of the bids received (BGN'000)	84 775.00	91 229.00	80 275.00	256 279.00	78 975.00	18 875.00	81 900.00
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	19 800.00	84 800.00	30 000.00	13 000.00	30 000.00
Average price of the bids approved per BGN 100	98.09	94.88	90.73	95.05	92.36	90.92	97.75
Interest rate	4.25	4.25	4.25	4.25	4.45	4.45	4.45
Bid-to-cover ratio	2.83	2.61	4.05	3.02	2.63	0.63	2.73
Average annual yield (%)	4.74	5.59	6.88	5.59	6.35	6.87	5.10

(continued)

Issue No.	BG2030009117 <sup>8</sup> (continued)					
	Fourth opening	Fifth opening	Sixth opening	Seventh opening	Eighth opening	Total for the issue
Auction date	14.12.2009	25.01.2010	15.03.2010	24.03.2010	12.05.2010	
Issue date	18.02.2009	18.02.2009	18.02.2009	18.02.2009	18.02.2009	18.02.2009
Maturity date	18.02.2014	18.02.2014	18.02.2014	18.02.2014	18.02.2014	18.02.2014
Nominal value of the offer (BGN'000)	30 000.00	35 000.00	35 000.00	30 000.00	30 000.00	250 000.00
Total nominal value of the bids received (BGN'000)	54 050.00	70 700.00	78 375.00	57 850.00	50 150.00	490 875.00
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	35 000.00	30 000.00	30 000.00	250 000.00
Average price of the bids approved per BGN 100	98.52	99.22	101.49	101.05	98.73	98.11
Interest rate	4.45	4.45	4.45	4.45	4.45	4.45
Bid-to-cover ratio	1.80	2.02	2.24	1.93	1.67	1.96
Average annual yield (%)	4.90	4.72	4.07	4.20	4.88	4.98

## 7-year government securities

Issue No.	BG2040104213 <sup>4</sup>				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	
Auction date	09.02.2004	03.05.2004	01.11.2004	07.12.2004	
Issue date	11.02.2004	11.02.2004	11.02.2004	11.02.2004	11.02.2004
Maturity date	11.02.2011	11.02.2011	11.02.2011	11.02.2011	11.02.2011
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	80 000.00
Total nominal value of the bids received (BGN'000)	76 850.00	39 060.00	90 400.00	97 000.00	303 310.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	20 000.00	80 000.00
Average price of the bids approved per BGN 100	98.42	96.77	99.61	101.69	99.12
Interest rate	4.75	4.75	4.75	4.75	4.75
Bid-to-cover ratio	3.84	1.95	4.52	4.85	3.79
Average annual yield (%)	5.02	5.31	4.82	4.48	4.91

## 7-year government securities

Issue No.	BG2040110210 <sup>3</sup>			Total for the issue
	First opening	Second opening	Third opening	
Auction date	15.02.2010	19.04.2010	03.05.2010	
Issue date	17.02.2010	17.02.2010	17.02.2010	17.02.2010
Maturity date	17.02.2017	17.02.2017	17.02.2017	17.02.2017
Nominal value of the offer (BGN'000)	35 000.00	30 000.00	35 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	118 600.00	47 047.25	46 950.00	212 597.25
Total nominal value of the bids approved (BGN'000)	35 000.00	30 000.00	35 000.00	100 000.00
Average price of the bids approved per BGN 100	95.64	93.96	91.78	93.79
Interest rate	4.50	4.50	4.50	4.50
Bid-to-cover ratio	3.39	1.57	1.34	2.13
Average annual yield (%)	5.33	5.66	6.09	5.70

## 10-year government securities

Issue No.	BG2040202215 <sup>4</sup>				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2002
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012
Nominal value of the offer (BGN'000)	15 000.00	25 000.00	25 000.00	25 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40
Total nominal value of the bids approved (BGN'000)	15 000.00	25 000.00	25 000.00	19 920.00	84 920.00
Average price of the bids approved per BGN 100	98.14	96.77	95.92	93.76	96.06
Interest rate	7.50	7.50	7.50	7.50	7.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	2.25
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08

## 10-year government securities

Issue No.	BG2040003217 <sup>2</sup>		Total for the issue
	First opening	Second opening	
Auction date	06.01.2003	31.03.2003	
Issue date	08.01.2003	08.01.2003	08.01.2003
Maturity date	08.01.2013	08.01.2013	08.01.2013
Nominal value of the offer (BGN'000)	30 000.00	20 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	94 289.80	56 355.00	150 644.80
Total nominal value of the bids approved (BGN'000)	30 000.00	20 000.00	50 000.00
Average price of the bids approved per BGN 100	104.08	105.18	104.52
Interest rate	7.50	7.50	7.50
Bid-to-cover ratio	3.14	2.82	3.01
Average annual yield (%)	6.93	6.78	6.87

## 10-year government securities

Issue No.	BG2040303211 <sup>2</sup>		
	First opening	Second opening	Total for the issue
Auction date	30.06.2003	29.09.2003	
Issue date	02.07.2003	02.07.2003	02.07.2003
Maturity date	02.07.2013	02.07.2013	02.07.2013
Nominal value of the offer (BGN'000)	20 000.00	30 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	69 350.00	78 753.00	148 103.00
Total nominal value of the bids approved (BGN'000)	20 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100	98.82	97.71	98.15
Interest rate	5.75	5.75	5.75
Bid-to-cover ratio	3.47	2.63	2.96
Average annual yield (%)	5.91	6.06	6.00

## 10-year government securities

Issue No.	BG2040004215 <sup>4</sup>				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	
Auction date	02.02.2004	13.04.2004	04.10.2004	15.11.2004	
Issue date	04.02.2004	04.02.2004	04.02.2004	04.02.2004	04.02.2004
Maturity date	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	20 000.00	20 000.00	20 000.00	80 000.00
Total nominal value of the bids received (BGN'000)	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	20 000.00	20 000.00	20 000.00	80 000.00
Average price of the bids approved per BGN 100	97.85	99.20	99.75	101.47	99.57
Interest rate	5.20	5.20	5.20	5.20	5.20
Bid-to-cover ratio	4.27	4.13	4.30	3.91	4.15
Average annual yield (%)	5.48	5.30	5.23	5.01	5.26



## 10-year government securities

Issue No.	BG2040005212 <sup>6</sup>						Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	
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

## 10-year government securities

Issue No.	BG2040006210 <sup>5</sup>					Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	
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

## 10-year government securities

Issue No.	BG2040007218 <sup>8</sup>			
	First opening	Second opening	Third opening	Fourth opening
Auction date	08.01.2007	19.02.2007	12.03.2007	07.05.2007
Issue date	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
Nominal value of the offer (BGN'000)	35 000.00	30 000.00	30 000.00	25 000.00
Total nominal value of the bids received (BGN'000)	133 640.00	120 700.00	98 700.00	93 600.00
Total nominal value of the bids approved (BGN'000)	35 000.00	30 000.00	30 000.00	25 000.00
Average price of the bids approved per BGN 100	99.94	99.72	100.18	99.05
Interest rate	4.25	4.25	4.25	4.25
Bid-to-cover ratio	3.82	4.02	3.29	3.74
Average annual yield (%)	4.31	4.34	4.28	4.43

(continued)

Issue No.	BG2040007218 <sup>8</sup> (continued)				Total for the issue
	Fifth opening	Sixth opening	Seventh opening	Eighth opening	
Auction date	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
Maturity date	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	35 000.00	30 000.00	30 000.00	250 000.00
Total nominal value of the bids received (BGN'000)	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	35 000.00	30 000.00	30 000.00	250 000.00
Average price of the bids approved per BGN 100	95.95	98.27	96.22	93.24	97.81
Interest rate	4.25	4.25	4.25	4.25	4.25
Bid-to-cover ratio	2.50	1.97	1.79	1.97	2.86
Average annual yield (%)	4.85	4.54	4.83	5.27	4.61

## 10-year government securities

Issue No.	BG2040008216 <sup>6</sup>						Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	
Auction date	14.01.2008	10.03.2008	19.05.2008	29.09.2008	10.11.2008	08.12.2008	
Issue date	16.01.2008	16.01.2008	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	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	35 000.00	30 000.00	200 000.00
Total nominal value of the bids received (BGN'000)	70 000.00	97 135.00	88 775.00	96 600.00	85 575.00	68 200.00	506 285.00
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	40 000.00	30 000.00	3 500.00	30 000.00	168 500.00
Average price of the bids approved per BGN 100	95.29	98.21	95.36	89.20	82.88	82.01	92.21
Interest rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Bid-to-cover ratio	2.33	2.78	2.22	3.22	2.45	2.27	2.53
Average annual yield (%)	5.17	4.78	5.18	6.12	7.19	7.36	5.69

## 10-year government securities

Issue No.	BG2040009214 <sup>6</sup>						Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Sixth opening	
Auction date	26.01.2009	06.04.2009	25.05.2009	27.07.2009	28.09.2009	30.09.2009	
Issue date	28.01.2009	28.01.2009	28.01.2009	28.01.2009	28.01.2009	28.01.2009	28.01.2009
Maturity date	28.01.2019	28.01.2019	28.01.2019	28.01.2019	28.01.2019	28.01.2019	28.01.2019
Nominal value of the offer (BGN'000)	30 000.00	35 000.00	35 000 000	24 250.00	30 000.00	30 000.00	184 250.00
Total nominal value of the bids received (BGN'000)	71 800.00	59 050.00	35 475.00	24 250.00	98 550.00	85 850.00	374 975.00
Total nominal value of the bids approved (BGN'000)	30 000.00	35 000.00	24 975 000	7 525.00	30 000.00	30 000.00	157 500.00
Average price of the bids approved per BGN 100	84.86	85.71	83.69	80.87	85.23	85.38	84.84
Interest rate	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Bid-to-cover ratio	2.39	1.69	1.01	1.00	3.29	2.86	2.04
Average annual yield (%)	7.21	7.11	7.47	7.99	7.27	7.25	7.29

## 10-years and 6 months government securities

Issue No.	BG2040010212 <sup>8</sup>			
	First opening	Second opening	Third opening	Fourth opening
Auction date	11.01.2010	22.02.2010	26.02.2010	29.03.2010
Issue date	13.01.2010	13.01.2010	13.01.2010	13.01.2010
Maturity date	13.07.2020	13.07.2020	13.07.2020	13.07.2020
Nominal value of the offer (BGN'000)	30 000.00	30 000.00	30 000.00	30 000.00
Total nominal value of the bids received (BGN'000)	87 200.00	97 850.00	81 100.00	61 100.00
Total nominal value of the bids approved (BGN'000)	30 000.00	30 000.00	30 000.00	30 000.00
Average price of the bids approved per BGN 100	90.37	94.39	94.33	92.68
Interest rate	5.00	5.00	5.00	5.00
Bid-to-cover ratio	2.91	3.26	2.70	2.03
Average annual yield (%)	6.37	5.82	5.83	6.06

(continued)

Issue No.	BG2040010212 <sup>8</sup> (continued)				
	Fifth opening	Sixth opening**	Seventh opening	Eighth opening	Total for the issue
Auction date	26.04.2010	25.05.2010	28.06.2010	27.07.2010	
Issue date	13.01.2010	13.01.2010	30.06.2010	13.01.2010	13.01.2010
Maturity date	13.07.2020	13.07.2020	13.07.2020	13.07.2020	13.07.2020
Nominal value of the offer (BGN'000)	30 000.00	30 000.00	45 000.00	45 000.00	270 000.00
Total nominal value of the bids received (BGN'000)	65 900.00	95 900.00	91 100.00	114 860.00	694 510.00
Total nominal value of the bids approved (BGN'000)	30 000.00	0.00	45 000.00	93 110.00	288 110.00
Average price of the bids approved per BGN 100	90.54	0.00	92.22	92.56	92.46
Interest rate	5.00	5.00	5.00	5.00	5.00
Bid-to-cover ratio	2.20	3.18	2.02	2.55	2.57
Average annual yield (%)	6.38	0.00	6.15	6.10	6.10

## 15-year government securities

Issue No.	BG2040403219 <sup>4*</sup>				
	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 (EUR'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Total nominal value of the bids received (EUR'000)	73 628.54	124 820.00	62 878.00	89 545.00	350 871.54
Total nominal value of the bids approved (EUR'000)	20 000.00	50 000.00	15 000.00	15 000.00	100 000.00
Average price of the bids approved per EUR 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

**Note:** Since 22 November 2004 government securities yields have been calculated according to ISMA – International Yield.

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

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

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

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

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

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

<sup>7</sup> The price indicated in the *Total for the issue* column is a result of the seven auctions organized for sale of this issue.

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

<sup>9</sup> The price indicated in the *Total for the issue* column is a result of the nine auctions organized for sale of this issue.

<sup>10</sup> The price indicated in the *Total for the issue* column is a result of the ten auctions organized for sale of this issue.

\* Issues Nos. BG2030010115 and BG2040403219 are denominated in euro and all related values are also in euro.

\*\* The Ministry of Finance did not approve the bids for the auction conducted on 25 May 2010 (BG2040010212).

## 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
<b>Issue No.</b>	<b>BG 2000192224</b>	<b>BG 2009993226</b>	<b>BG 2009893228</b>	<b>BG 2009794228</b>	<b>BG 2009693222</b>	<b>BG 2040099223</b>
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	01.07.1999
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	01.01.2019
Maturity (years)	19	24	25	25	25	19.5
Grace period (years)	4	4	5	5	5	
Redemption term (years)	15	20	20	20	20	19.5
Installments	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 288.22	BGN 1017.47	BGN 3875.63	USD 88,952.21	BGN 415.84	EUR 75,177.71
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, agreed by 31 December 1990).

Pursuant to CM Decree No. 221 of 1995, holders of long-term government bonds issued under ZUNK and agreed by 31 December 1990, as well as under 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 value for the bonds denominated in US dollars, and 80% for those denominated in levs.

Principals are based on actual data as of 31 August 2010.

## Bulgarian EUR-denominated Global Bonds with a Fixed Interest Rate of 7.50% Maturing in 2013

ISSUER	Republic of Bulgaria
FORMAT	144A/Reg S
LEAD MANAGERS	J.P.Morgan Securities Inc. Schroder Salomon Smith Barney Inc.
CO-MANAGER	Deutsche Bank
CREDIT RATINGS (as of 8 February 2010 )	
Moody's	Baa3
S&P	BBB
Fitch	BBB-
DENOMINATION	euro
INTEREST COUPON	7.500%
NOMINAL VALUE (original)	EUR 835,465,000
NOMINAL VALUE (after 22 June 2009)*	EUR 818,465,000
SECURITIES TYPE	Global bonds
TENOR	10 years and 8 months
MATURITY DATE	15 January 2013
INTEREST BASIS	Payable annually in arrears Actual number of days/365
INTEREST PAYMENT DATE	15 January
LISTING	Luxembourg Stock Exchange
Fiscal agent and exchange agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon, New York Branch
Luxembourg transfer agent and paying agent	The Bank of New York Mellon (Luxembourg) S.A.
CLEARING SYSTEMS	DTC, Cedel and Euroclear
SUBSCRIPTION CLOSING DATE AND SETTLEMENT	10 April 2002
ISINs (144A/Reg S)	US12015KCP66/XS0145624432
CUSIP (144A/Reg S)	12015KCP6

\* On 22 June 2009 previously bought back global bonds with a nominal value of EUR 17 million were cancelled.

## Bulgarian USD-denominated Global Bonds with a Fixed Interest Rate of 8.25% Maturing in 2015

ISSUER	Republic of Bulgaria
FORMAT	144A/Reg S
LEAD MANAGERS	J.P.Morgan Securities Inc. Schroder Salomon Smith Barney Inc.
CREDIT RATINGS (as of 8 February 2010 )	
	Moody's Baa3
	S&P BBB
	Fitch BBB-
DENOMINATION	US Dollars
INTEREST COUPON	8.250%
NOMINAL VALUE (original)	USD 1,270,551,000
NOMINAL VALUE (after 22 June 2009)*	USD 1,086,351,000
SECURITIES TYPE	Global bonds
TENOR	12 years and 8 months
MATURITY DATE	15 January 2015
INTEREST BASIS	Payable semiannually in arrears 30/360
INTEREST PAYMENT DATE	15 January and 15 July
LISTING	Luxembourg Stock Exchange
Fiscal agent and exchange agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon, New York Branch
Luxembourg transfer agent and paying agent	The Bank of New York Mellon (Luxembourg) S.A.
CLEARING SYSTEMS	DTC, Cedel and Euroclear
SUBSCRIPTION CLOSING DATE AND SETTLEMENT	10 April 2002 and 9 October 2002
ISINs (144A/Reg S)	US12015KCN19/XS0145623624
CUSIP (144A/Reg S)	12015KCN1

\* On 22 June 2009 previously bought back global bonds with a nominal value of USD 184.2 million were cancelled.



## 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 January 2010 and 31 December 2010

No.	Financial institution	Reuters page of government securities quotations	Bloomberg page of government securities quotations	Website
1	ALLIANZ BANK BULGARIA 79 Knyaginya Maria-Louisa Blvd., 1202 Sofia tel. (+359 2) 9215404	BGIN 01-03		<a href="http://www.bank.allianz.bg">www.bank.allianz.bg</a>
2	CENTRAL COOPERATIVE BANK 103 Rakovski Str., 1000 Sofia tel. (+359 2) 9266107	SCCB 01-03		<a href="http://www.ccbank.bg">www.ccbank.bg</a>
3	CIBANK 2 Slavjanska Str., 1000 Sofia тел: (+359 2) 9399240	RIBB 01-03		<a href="http://www.eibank.bg">www.eibank.bg</a>
4	DSK BANK 19 Moskovska Str., 1036 Sofia tel. (+359 2) 9391220	SSBG 01-03	DSKB	<a href="http://www.dskbank.bg">www.dskbank.bg</a>
5	EUROBANK EFG BULGARIA 14 Tsar Osvoboditel Blvd., 1048 Sofia tel. (+359 2) 8166000	BPBB 01-03		<a href="http://www.postbank.bg">www.postbank.bg</a>
6	FIRST INVESTMENT BANK 37 Dragan Tsankov Blvd., 1797 Sofia tel.: (+359 2) 8171100	BFIB 01-03		<a href="http://www.fibank.bg">www.fibank.bg</a>
7	MUNICIPAL BANK 6 Vrabcha Str., 1000 Sofia tel. (+359 2) 9300111	SMBK 01-03		<a href="http://www.municipalbank.bg">www.municipalbank.bg</a>
8	RAIFFEISENBANK (BULGARIA) 18-20 Nikolay Gogol Str., 1504 Sofia tel. (+359 2) 91985101	RBBS 01-03		<a href="http://www.raiffeisen.bg">www.raiffeisen.bg</a>
9	SOCIETE GENERALE EXPRESSBANK – Varna 92 Vladislav Varnenchik Blvd., 9000 Varna tel. (+359 52) 686100	EBVB 01-03		<a href="http://www.sgexpressbank.bg">www.sgexpressbank.bg</a>
10	UNICREDIT BULBANK 7 Sveta Nedelya Sq., 1000 Sofia tel. (+359 2) 9232111	BGTB 01-03		<a href="http://www.bulbank.bg">www.bulbank.bg</a>
11	UNITED BULGARIAN BANK 5 Sveta Sofia Str., 1040 Sofia tel. (+359 2) 2811+extension	UBBB 01-03		<a href="http://www.ubb.bg">www.ubb.bg</a>

## Credit Ratings Range for Bulgaria

		Moody's	S&P	Fitch	JCRA	
Investment grade		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-	30.IV.2009
		Baa1	BBB+	BBB+	BBB+	1.XII.2009
		Baa2	BBB	BBB	BBB	21.I.2010
		Baa3	BBB-	BBB-	BBB-	24.VII.2009
Subinvestment grade		Ba1	BB+	BB+	BB+	
		Ba2	BB	BB	BB	
		Ba3	BB-	BB-	BB-	
		B1	B+	B+	B+	
		B2	B	B	B	
	27.IX.1996	B3	B-	B-	B-	
		Caa	CCC+	CCC	CCC	
		...	...	...	...	
	C	D	D	D		

Long-term government securities: foreign currency



Long-term government securities: local currency

