

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

APRIL 2004



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## Abbreviations

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

## BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

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According to the monthly auction calendar, in April the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010404005: three-month), one medium-term tap treasury bonds issue (No. BG2030104116: three-year) and one long-term tap treasury bonds issue (No. BG2040004215: ten-year).

At the auctions primary dealers' bids totaled BGN 147,450 thousand: BGN 16,520 thousand for three-month, BGN 48,250 thousand for three-year, and BGN 82,680 thousand for ten-year government securities (Chart 1). Approved bids totaled BGN 52,000 thousand nominal value, including three-month of BGN 12,000 thousand, three-year of BGN 20,000 thousand and ten-year of BGN 20,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues SOLD in April accounted for 2.84: 1.38 on three-month, 2.41 on three-year and 4.13 on ten-year government securities (Chart 4).

Chart 1

### Government Securities Issue in April

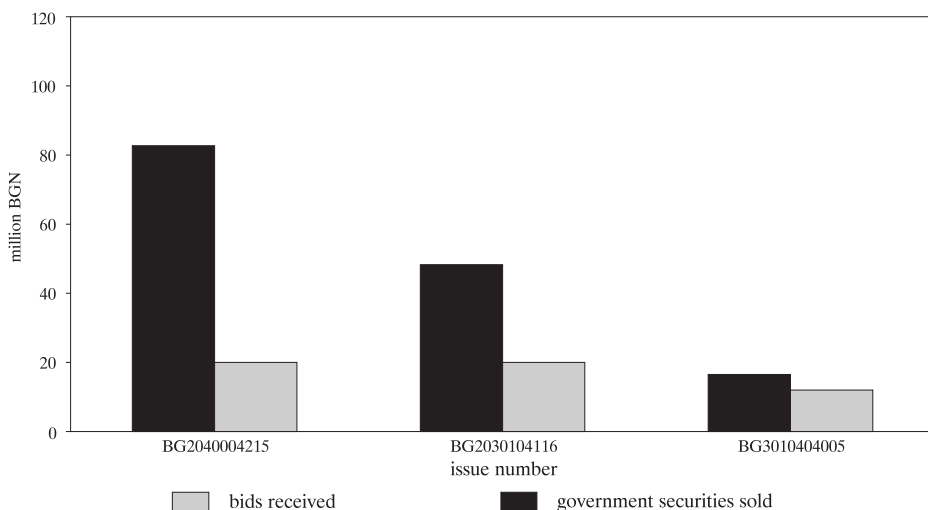


Chart 2

**Sales of Government Securities Issues**

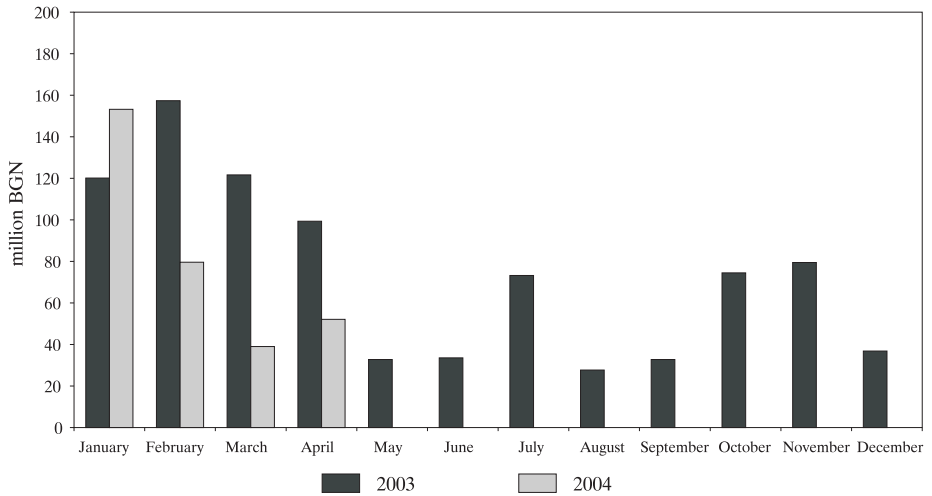
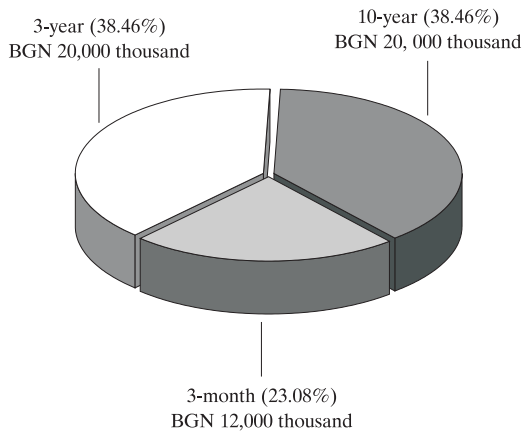
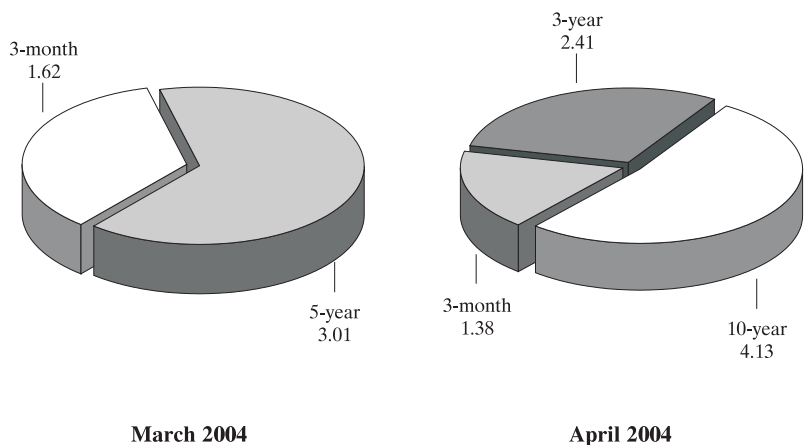


Chart 3

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



### Bid-to-Cover Ratios of Issues Sold



Government securities issued in April decreased by BGN 47.3 million on the same period of 2003 (Chart 2).

The yield attained in the primary market reflected the continuing trend toward a gradual decrease mostly in the yield of medium-term government securities. The yield of three-month treasury bills posted a 14 basis point increase compared to the previous month, picking up from 2.55% to 2.59%. The yield of three-year treasury bonds was 3.27%, a decrease of 12 basis points compared to February 2004 when the last government securities issue with a term of three year was sold. Yield of ten-year treasury bonds also exhibited a decline: from 5.48% in the previous opening it fell to 5.30% in the last opening (Charts 5, 6 and 8).

Two 2003 treasury bills issues matured in April 2004: one twelve-month treasury bills issue of 2003 (No. BG3010403007) and one three-month treasury bills issue of 2004 (No. BG3010104001).

Two 2002 target issues amounting to BGN 932.4 thousand also matured. Reverse purchases accounted for BGN 275.9 thousand (Chart 11).

## Prices of Issues Sold per BGN 100 Nominal Value

### MARCH 2004

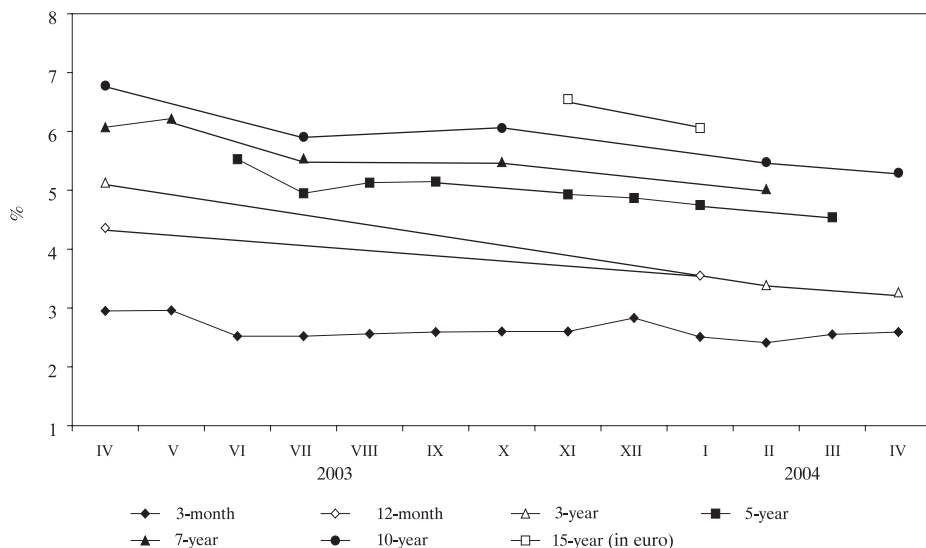
	3-month	5-year
	BG3010304007	BG2030004118
Minimum	99.30	100.21
Average-weighted	99.36	100.72
Maximum	99.42	101.51

### APRIL 2004

	3-month	3-year	10-year
	BG3010404005	BG2030104116	BG2040004215
Minimum	99.18	99.60	98.93
Average-weighted	99.35	100.11	99.20
Maximum	99.41	100.40	99.61

Chart 5

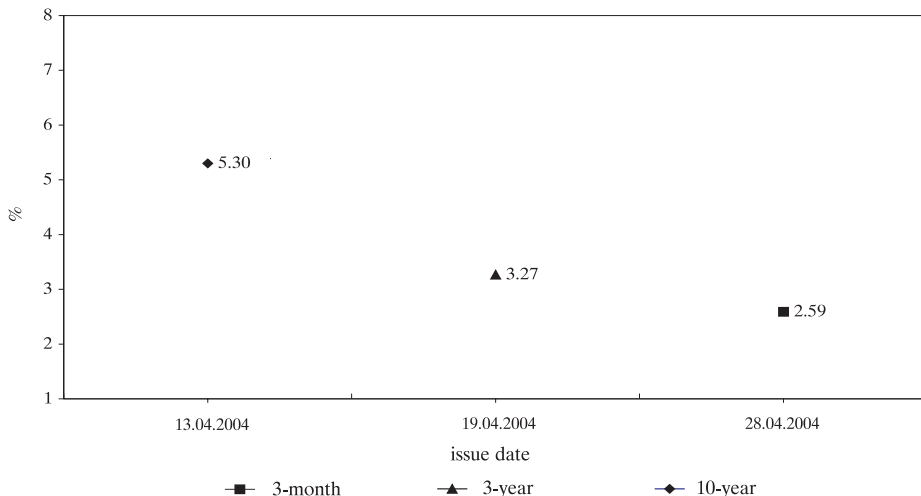
## Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.



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



**Note:** Three-month and 10-year tap government securities issues; the above dates indicate the auction dates.

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

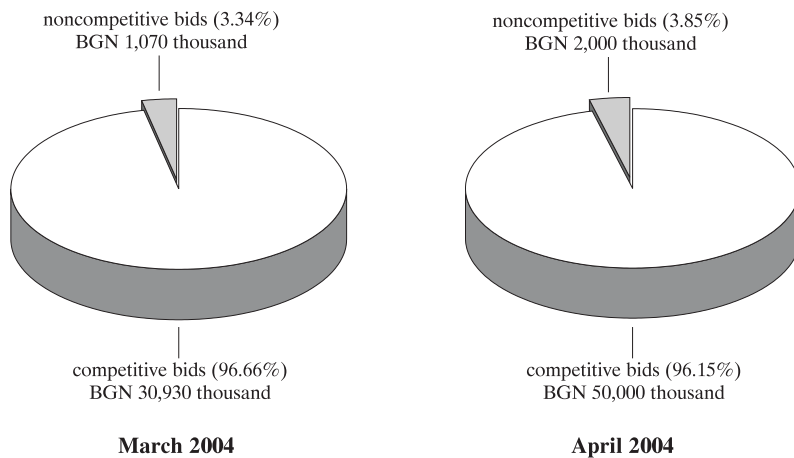
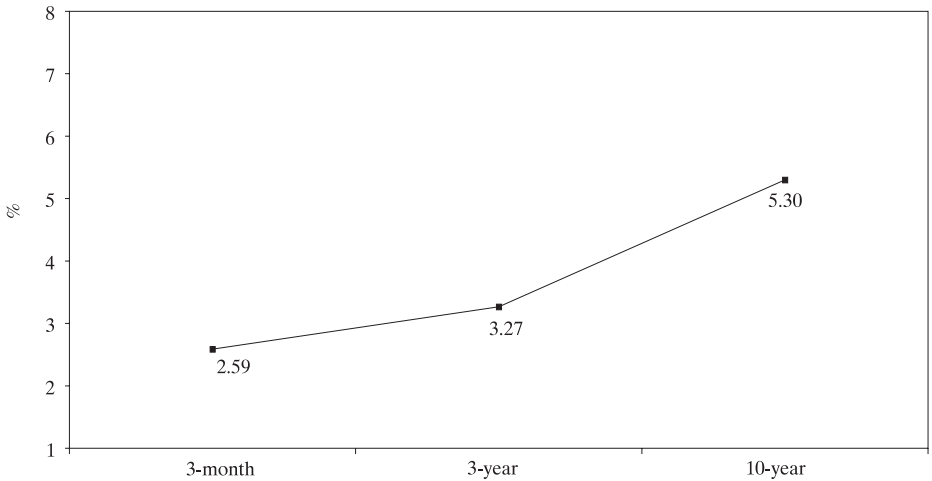


Chart 8

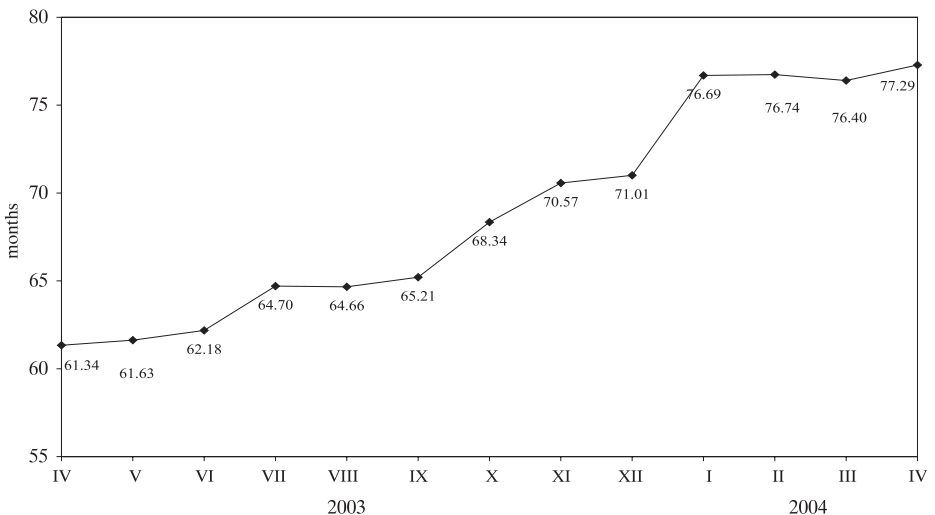
### Yield Curve of Primary Market Government Securities in April



**Note:** Average-weighted yield on an effective annual basis.

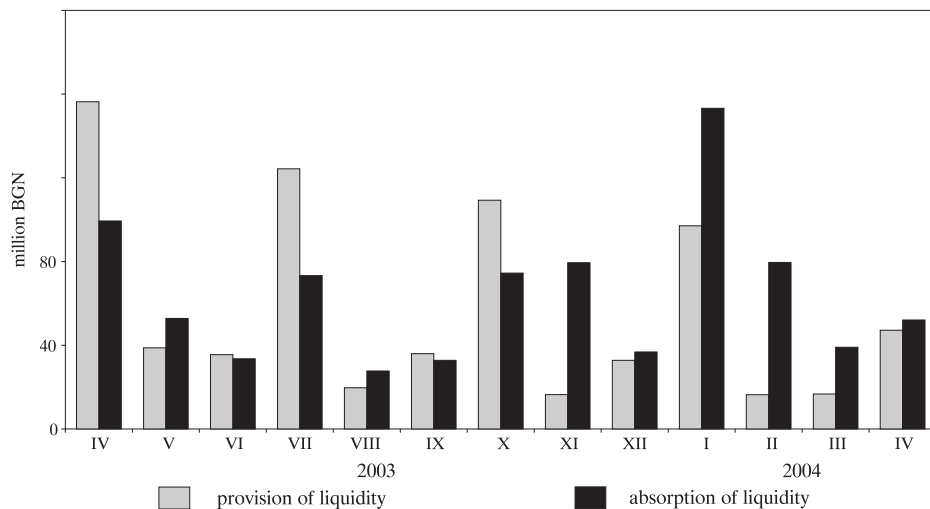
Chart 9

### An Average Term of Outstanding Government Securities Issues by Month

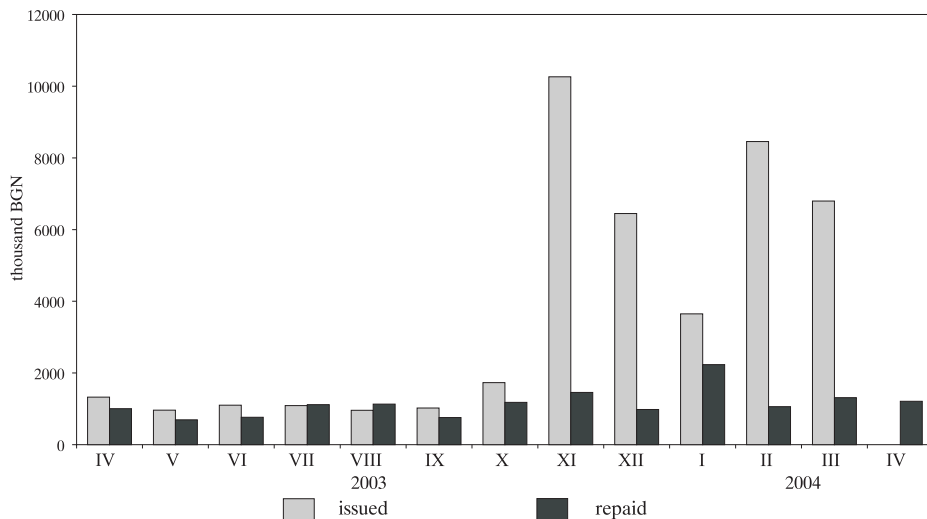


**Note:** The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

### Monthly Liquidity Regulation through Government Securities Maturities and Issues



### Issued and Repaid Government Securities from Target Issues



# Outstanding Government Securities

## Discount Treasury Bills

Issue No.	BG3010004003	BG3010204009	BG3010304007	BG3010404005
Issue date	14.01.2004	25.02.2004	31.03.2004	28.04.2004
Maturity date	14.01.2005	25.05.2004	30.06.2004	28.07.2004
Nominal value of the offer (thousand BGN)	20 000.00	12 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	40 350.00	24 150.00	19 430.00	16 520.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	12 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	96.52	99.40	99.36	99.35
Average discount per BGN 100 (%)	3.48	0.60	0.64	0.65
Average annual yield (%)	3.55	2.41	2.55	2.59
Effective annual yield (%)	3.55	2.44	2.57	2.61
Bid-to-cover ratio	2.02	2.01	1.62	1.38

## Treasury Bonds

Issue No.	BG2030609115	BG2030909119	BG2030900117 <sup>3</sup>	BG2030101112 <sup>3</sup>	First opening	Second opening	Third opening	Total for the issue***	First opening	Second opening	Third opening	Total for the issue***
Auction date			09.10.2000	06.11.2000	11.12.2000	22.01.2001	26.02.2001	26.03.2001				
Issue date	31.03.1999	29.04.1999	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	24.03.2004	22.04.2004	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	2 000.00	3 000.00	10 000.00	15 000.00	15 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	46 780.00	35 511.11	31 074.00	95 924.14	87 276.00	70 430.00	253 630.14			
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	15 000.00	15 000.00	20 000.00	20 000.00	20 000.00	29 325.90			
Average price of the bids approved per BGN 100 (%)	86.35	78.37	98.78	99.63	99.87	101.65	104.60	106.40	104.22			
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	1.40	0.40	4.68	2.37	2.07	4.80	4.36	3.52	4.23			
Average annual yield (%)	12.79	15.37	9.31	9.09	9.03	8.59	7.87	7.44	7.96			

(continued)

(continued)

<b>Issue No.</b>	<b>First opening</b>	<b>BG2030301118<sup>2</sup> Second opening</b>	<b>Third opening</b>	<b>Total for the issue***</b>	<b>First opening</b>	<b>BG2030501113<sup>2</sup> Second opening</b>	<b>Third opening</b>	<b>Total for the issue</b>
Auction date	23.04.2001	21.05.2001	25.06.2001		23.07.2001	20.08.2001	24.09.2001	
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	55 846.00	60 050.00	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00	140 070.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.40	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90	6.90

(continued)

(continued)

<b>Issue No.</b>	<b>First opening</b>	<b>BG20307011193</b>	<b>Third opening</b>	<b>Total for the issue</b>	<b>First opening</b>	<b>BG20400012114</b>	<b>Total for the issue</b>
Auction date	22.10.2001	26.11.2001	21.12.2001		29.10.2001	30.11.2001	
Issue date	24.10.2001	24.10.2001	24.10.2001	24.10.2001	31.10.2001	31.10.2001	31.10.2001
Maturity date	24.10.2006	24.10.2006	24.10.2006	24.10.2006	31.10.2008	31.10.2008	31.10.2008
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	30 000.00	11 070.00	30 000.00
Total nominal value of the bids received (thousand BGN)	43 400.00	55 400.00	28 750.00	127 550.00	53 672.00	54 615.00	108 287.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	18 930.00	11 070.00	30 000.00
Average price of the bids approved per BGN 100 (%)	100.22	100.36	100.20	100.29	95.45	98.19	96.46
Interest rate	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Bid-to-cover ratio	2.17	2.77	1.44	2.13	1.79	4.93	3.61
Average annual yield (%)	6.95	6.91	6.95	6.93	8.37	7.84	8.17

(continued)

(continued)

Issue No.	BG2030002112 <sup>2</sup>				BG2040002219 <sup>4</sup>			Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Total for the issue	
Auction date	07.01.2002	11.02.2002	08.04.2002	07.05.2002	14.01.2002	21.01.2002		
Issue date	09.01.2002	09.01.2002	09.01.2002	09.01.2002	16.01.2002	16.01.2002	16.01.2002	
Maturity date	09.01.2007	09.01.2007	09.01.2007	09.01.2007	16.01.2009	16.01.2009	16.01.2009	
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	30 000.00	30 000.00	60 000.00	
Total nominal value of the bids received (thousand BGN)	62 850.00	72 470.00	47 080.00	36 250.00	106 295.00	99 331.00	205 626.00	
Total nominal value of the bids approved (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	30 000.00	50 000.00	80 000.00*	
Average price of the bids approved per BGN 100 (%)	100.71	101.98	102.01	102.07	100.47	101.46	101.09	
Interest rate	7.00	7.00	7.00	7.00	7.50	7.50	7.50	
Bid-to-cover ratio	2.51	3.62	1.88	1.81	3.54	3.31	3.43	
Average annual yield (%)	6.83	6.53	6.52	6.51	7.41	7.23	7.30	

(continued)



(continued)

<b>Issue No.</b>	<b>First opening</b>	<b>BG2040102217<sup>3</sup> Second opening</b>	<b>Third opening</b>	<b>Total for the issue</b>	<b>First opening</b>	<b>BG2030102110<sup>4</sup> Second opening</b>	<b>Total for the issue</b>
Auction date	18.02.2002	18.03.2002	13.05.2002	20.02.2002	11.03.2002	10.06.2002	13.03.2002
Issue date	20.02.2002	20.02.2002	20.02.2002	20.02.2002	13.03.2002	13.03.2002	13.03.2002
Maturity date	20.05.2009	20.05.2009	20.05.2009	20.05.2009	13.03.2005	13.03.2005	13.03.2005
Nominal value of the offer (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	63 350.00	58 812.00	58 300.00	180 462.00	72 750.00	44 151.00	116 901.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	99.05	99.77	99.44	99.40	101.62	101.68	101.65
Interest rate	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Bid-to-cover ratio	2.11	2.35	1.67	2.01	2.91	1.77	2.34
Average annual yield (%)	7.17	7.04	7.10	7.10	5.90	5.88	5.89

(continued)

(continued)

Issue No.	BG204020215 <sup>2</sup>				BG2030202118 <sup>2</sup>				Total for the issue	Fourth opening	Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Fourth opening					
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	08.07.2002	12.08.2002	07.10.2002	11.11.2002					
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2002	10.07.2002	10.07.2002	10.07.2002					
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007					
Nominal value of the offer (thousand BGN)	15 000.00	25 000.00	25 000.00	25 000.00	25 000.00	20 000.00	25 000.00	20 000.00					90 000.00
Total nominal value of the bids received (thousand BGN)	72 080.00	59 589.60	42 338.50	28 859.30	38 080.00	19 100.00	49 950.00	67 184.70					174 314.70
Total nominal value of the bids approved (thousand BGN)	15 000.00	25 000.00	25 000.00	19 920.00	25 000.00	14 750.00	25 000.00	20 000.00					84 750.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	99.81	98.45	98.78	99.52					99.20
Interest rate	7.50	7.50	7.50	7.50	6.50	6.50	6.50	6.50					6.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	1.52	0.96	2.00	3.36					1.94
Average annual yield (%)	7.77	7.97	8.10	8.44	6.55	6.87	6.79	6.61					6.69

(continued)

(continued)

Issue No.	BG2040302213 <sup>2</sup>			BG2030302116 <sup>3</sup>					
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	17.07.2002	29.07.2002	28.10.2002	25.11.2002	31.07.2002
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	17.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	31.07.2005	31.07.2005	31.07.2005	31.07.2005
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	25 000.00	25 000.00	33 100.00	83 100.00
Total nominal value of the bids received (thousand BGN)	29 863.50	24 239.00	48 880.30	86 964.00	189 946.80	24 200.00	44 150.00	92 265.70	160 615.70
Total nominal value of the bids approved (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	16 900.00	25 000.00	33 100.00	75 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	97.61	98.83	98.67	99.57	99.10
Interest rate	7.00	7.00	7.00	7.00	7.00	5.75	5.75	5.75	5.75
Bid-to-cover ratio	1.49	1.62	2.44	5.80	2.71	0.97	1.77	2.79	1.93
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	6.18	6.24	5.91	6.08

(continued)

(continued)

Issue No.	BG2030402114 <sup>4</sup>			BG2040003217 <sup>4</sup>			BG2030003110 <sup>3</sup>			
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	09.09.2002	09.12.2002		06.01.2003	31.03.2003		13.01.2003	10.02.2003	02.06.2003	
Issue date	11.09.2002	11.09.2002	11.09.2002	08.01.2003	08.01.2003	08.01.2003	15.01.2003	15.01.2003	15.01.2003	15.01.2003
Maturity date	11.09.2005	11.09.2005	11.09.2005	08.01.2013	08.01.2013	08.01.2013	15.01.2008	15.01.2008	15.01.2008	15.01.2008
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	50 000.00	30 000.00	20 000.00	50 000.00	30 000.00	25 000.00	20 000.00	75 000.00
Total nominal value of the bids received (thousand BGN)	33 700.00	66 700.00	100 400.00	94 289.80	56 355.00	150 644.80	87 720.00	50 900.00	49 450.00	188 070.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	50 000.00	30 000.00	20 000.00	50 000.00	30 000.00	25 000.00	20 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	99.13	100.80	99.97	104.08	105.18	104.52	100.42	100.55	100.40	100.46
Interest rate	6.00	6.00	6.00	7.50	7.50	7.50	5.625	5.625	5.625	5.625
Bid-to-cover ratio	1.35	2.67	2.01	3.14	2.82	3.01	2.92	2.04	2.47	2.51
Average annual yield (%)	6.32	5.71	6.01	6.93	6.78	6.87	5.53	5.50	5.53	5.52

(continued)

(continued)

Issue No.	BG2030103118 <sup>4</sup>			BG2040103215 <sup>1</sup>					
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
Auction date	20.01.2003	21.04.2003		03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003	
Issue date	22.01.2003	22.01.2003	22.01.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003
Maturity date	22.01.2006	22.01.2006	22.01.2006	05.02.2010	06.02.2010	05.02.2010	05.02.2010	05.02.2010	05.02.2010
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	50 000.00	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 (thousand BGN)	62 650.00	42 850.00	105 500.00	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 (thousand BGN)	25 000.00	25 000.00	50 000.00	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 (%)	101.57	101.01	101.29	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	5.50	5.50	5.50	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	2.51	1.71	2.11	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	4.93	5.13	5.03	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

(continued)

<b>Issue No.</b>	<b>BG2040203213**</b>		<b>BG2040303211+</b>		<b>Total for the issue</b>	<b>Total for the issue</b>
	<b>First opening</b>	<b>Second opening</b>	<b>First opening</b>	<b>Second opening</b>		
Auction date	18.02.2003	10.03.2003	30.06.2003	29.09.2003		
Issue date	24.02.2003	24.02.2003	02.07.2003	02.07.2003	24.02.2003	02.07.2003
Maturity date	24.05.2010	24.05.2010	02.07.2013	02.07.2013	24.05.2010	02.07.2013
Nominal value of the offer (thousand BGN)	50 000.00	25 000.00	20 000.00	30 000.00	75 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	139 990.00	76 475.00	69 350.00	78 753.00	216 465.00	148 103.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	55 000.00	20 000.00	30 000.00	105 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.99	100.55	98.82	97.71	100.76	98.15
Interest rate	5.75	5.75	5.75	5.75	5.75	5.75
Bid-to-cover ratio	2.80	3.06	3.47	2.63	2.89	2.96
Average annual yield (%)	5.58	5.65	5.91	6.06	5.62	6.00

(continued)

(continued)

Issue No.	BG2030203116 <sup>1</sup>			BG2040403219 <sup>2*</sup>					
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003		03.11.2003	19.01.2004	
Issue date	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003		12.11.2003	12.11.2003	12.11.2003
Maturity date	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008		11.10.2018	11.10.2018	11.10.2018
Nominal value of the offer (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00		20 000.00	50 000.00	70 000.00
Total nominal value of the bids received (thousand BGN)	47 300.00	37 150.00	43 600.00	56 500.00	60 750.00		73 628.54	124 820.00	198 448.54
Total nominal value of the bids approved (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00		20 000.00	50 000.00	70 000.00
Average price of the bids approved per BGN 100 (%)	99.12	98.33	98.25	99.22	99.48		94.81	99.43	98.11
Interest rate	4.75	4.75	4.75	4.75	4.75		6.00	6.00	6.00
Bid-to-cover ratio	1.89	2.48	2.18	2.83	3.04		3.68	2.50	2.83
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87		6.55	6.06	6.20

(continued)

(continued)

<b>Issue No.</b>	<b>First opening</b>	<b>Second opening</b>	<b>Total for the issue</b>	<b>First opening</b>	<b>Second opening</b>	<b>Total for the issue</b>
		<b>BG2030004118<sup>4</sup></b>		<b>BG2040004215<sup>4</sup></b>		
Auction date	05.01.2004	01.03.2004		02.02.2004	13.04.2004	
Issue date	07.01.2004	07.01.2004	07.01.2004	04.02.2004	04.02.2004	04.02.2004
Maturity date	07.01.2009	07.01.2009	07.01.2009	04.02.2014	04.02.2014	04.02.2014
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	40 000.00	20 000.00	20 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	84 450.00	60 120.00	144 570.00	85 300.00	82 680.00	167 980.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	40 000.00	20 000.00	20 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	99.79	100.72	100.26	97.85	99.2	98.53
Interest rate	4.70	4.70	4.70	5.20	5.20	5.20
Bid-to-cover ratio	4.22	3.01	3.61	4.27	4.13	4.20
Average annual yield (%)	4.75	4.54	4.64	5.48	5.30	5.39

(continued)



(continued)

Issue No.	First opening	BG2040104213 Total for the issue	First opening	BG2030104116 <sup>4</sup> Second opening	Total for the issue
Auction date	09.02.2004		16.02.2004	19.04.2004	
Issue date	11.02.2004	11.02.2004	18.02.2004	18.02.2004	18.02.2004
Maturity date	11.02.2011	11.02.2011	18.02.2007	18.02.2007	18.02.2007
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	76 850.00	76 850.00	93 850.00	48 250.00	142 100.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	98.42	98.42	99.76	100.11	99.94
Interest rate	4.75	4.75	3.30	3.30	3.30
Bid-to-cover ratio	3.84	3.84	4.69	2.41	3.55
Average annual yield (%)	5.02	5.02	3.39	3.26	3.32

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

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

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

\* According to the resolution approved by the Ministry of Finance on 21 January 2002, the total volume of this issue was increased to BGN 80,000,000.

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

\*\*\* In 2003 reverse purchases totaled BGN 49,171.10 thousand.

## Deposit Insurance Government Securities

Issue No.	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	4225.97	466.10	1518.62	2069.96
Interest rate	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7

In compliance with Article 8 and Article 9, para. 1, item 1 of the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), the Ministry of Finance issues the following government securities. These are issued under the following conditions:

- 7-year redemption term;
- interest – BIR for the respective period, payable semiannually;
- redemption schedule – equal annual installments.

The Law on Bank Deposit Guaranty (published in the State Gazette, issue 49 of 29 April of 1998) repeals the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings. The repealed law is applicable to deposits and accounts with banks which had been declared insolvent before the enforcement of the Law on Bank Deposit Guaranty, as well as to the special fund for state protection of deposits and accounts and deposit insurance government securities service.

Principals of deposit insurance government securities are based on actual data as of 30 April 2004.

## Government Securities Issued to Settle Nonperforming Credits of State-owned Companies to Banks

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	§ 10 of TFP of SBL/99
<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
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 1,926.21	BGN 1,780.57	BGN 6,459.39	USD 151,467.32	BGN 693.07	EUR 125,885.67
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 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 interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

EUR-denominated issue BG 2040099223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, negotiated until 31 December 1990, CM Decrees No. 244 of 1991, No. 186 of 1993 and No. 3 of 1994 may use them as legal tender in privatization transactions.

Pursuant to CM Decree No. 22 of 1995, long-term government bonds issued under ZUNK may be used to repay obligations of state-owned enterprises, firms and commercial companies to the government, transformed under Article 10 of ZUNK. In meeting these obligations, long-term government bonds are valued at their nominal for the bonds denominated in US dollars, and 80% for those denominated in levs.

Principals are based on actual data as of 30 April 2004.

## Pending Payments on Government Securities in June 2004

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3	4
target bonds					18.4
	7	8	9	10	11
target bonds	574.0			161.2	9.3
	14	15	16	17	18
target bonds					
	21	22	23	24	25
target bonds	680.9				17.9
	28	29	30		
bills bonds			12 000.0		

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

## Auction Calendar of Government Securities Issues for June 2004

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
07.06.2004*	07.01.2004	07.01.2009	5-year	20 000 000	up to 100 000 000
28.06.2004	30.06.2004	30.09.2004	3-month	12 000 000	
<b>TOTAL, incl.:</b>				<b>32 000 000</b>	
<b>bills</b>				<b>12 000 000</b>	
<b>bonds</b>				<b>20 000 000</b>	

\* Tap issue.

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

By end-April 2004 domestic debt totaled BGN 2,462,329.9 thousand in nominal terms. The share of budget deficit financing government securities was 79.2% (BGN 1,949,013.4 thousand) in overall debt and that of government securities issued for structural reform, 20.8% (BGN 513,316.5 thousand) (Chart 12).

Between January and April 2004 government securities issued for budget deficit financing accounted for BGN 324,691.5 thousand; of this, BGN 18,900,000 were directly sold to individuals. Principal repayments accounted for BGN 95,174.1 thousand, including BGN 86,170 thousand on short-term treasury bills. As a result of newly issued volumes, the share of three- and ten-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 15.6% and 11.5% respectively at the expense of all other types of government securities whose shares decreased in April (Chart 13). The average-weighted maturity of government securities issued for budget deficit financing reached six years and five months. By end-April government securities issued for structural reform reached BGN 513,316.5 thousand. In the review period EUR-denominated ZUNK bonds amounting to EUR 6,000 and USD-denominated ZUNK bonds of USD 1925.2 thousand were used for repayment of obligations to the state under ZUNK.

In April the forex structure of debt experienced slight movements owing both to government securities issues and the new manner of reporting the debt, *i.e.* at its nominal value (Chart 14). The share of government securities in levs and in US dollars increased to 67.3% and 10.1% respectively at the expense of government securities denominated in euro which slightly fell: to 22.7%. Debt maturity structure also experienced particular changes. Long-term and medium-term government securities rose to 37.8% and 60% respectively at the expense of short-term securities which dropped to 2.3% (Chart 15). Government securities with fixed interest coupons comprised 77.5% and government securities with floating interest coupons, 22.5%.

Since early 2004 repaid interest and discounts have totaled BGN 51,916.2 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 46,947.3 thousand, or 90.4% of the total (Chart 18). Interest expenditure on five-year government bonds occupied the largest share, 41.4%, due to the higher nominal value of these issues. Interest payments on seven-year bonds accounting for 20.5% ranked second (Chart 17).

## Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 30 April 2004
		increase	decrease	
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>				
1. Government securities issued in 1999	3 190.0	-	3 190.0	-
5-year	3 190.0		3 190.0	-
2. Government securities issued in 2000	28 275.9	-	-	28 275.9
5-year	28 275.9			28 275.9
3. Government securities issued in 2001	221 328.9	-	-	221 328.9
3.1. Medium-term	191 328.9	-	-	191 328.9
5-year	191 328.9			191 328.9
3.2. Long-term	30 000.0	-	-	30 000.0
7-year	30 000.0			30 000.0
4. Government securities issued in 2002	688 728.7	-	5 247.3	683 481.3
4.2. Medium-term	363 808.7	-	5 247.3	358 561.3
2-year	14 058.7		5 247.3	8 811.3
3-year	175 000.0			175 000.0
5-year	174 750.0			174 750.0
4.2. Long-term	324 920.0	-	-	324 920.0
7-year	240 000.0			240 000.0
10-year	84 920.0			84 920.0
5. Government securities issued in 2003	777 972.5	97 791.5	74 721.2	801 042.8
5.1. Short-term	74 170.0	-	74 170.0	-
3-month	34 170.0		34 170.0	-
12-month	40 000.0		40 000.0	-
5.2. Medium-term	254 323.8	-	551.2	253 772.5
3-year	79 323.8		551.2	78 772.5
5-year	175 000.0			175 000.0
5.3. Long-term	449 478.8	97 791.5	-	547 270.3
7-year	310 362.2			310 362.2
10-year	205 362.2			205 362.2
15-year	100 000.0			100 000.0
EUR-denominated (lev equivalent)	39 116.6	97 791.5		136 908.1
6. Government securities issued in 2004	-	226 900.0	12 015.5	214 884.5
6.1. Short-term	-	68 000.0	12 000.0	56 000.0
3-month		48 000.0	12 000.0	36 000.0
12-month		20 000.0	-	20 000.0
6.2. Medium-term	-	98 900.0	15.5	98 884.5
3-year		50 444.8	15.5	50 429.3
5-year		48 455.2	-	48 455.2
EUR-denominated (lev equivalent)		8 455.2		8 455.2
6.3. Long-term	-	60 000.0	-	60 000.0
7-year		20 000.0		20 000.0
10-year		40 000.0		40 000.0
<b>TOTAL (I)</b>	<b>1 719 496.0</b>	<b>324 691.5</b>	<b>95 174.1</b>	<b>1 949 013.4</b>

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 30 April 2004
		increase	decrease	
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM</b>				
A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 201.4		275.2	1 926.2
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 780.6			1 780.6
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 459.4			6 459.4
denominated in USD	164 578.8		13 111.5	151 467.3
lev equivalent	254 860.2			247 965.6
denominated in EUR	134 433.1		8 547.5	125 885.7
lev equivalent	262 928.4			246 211.0
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1			693.1
<b>TOTAL (A)</b>	<b>528 923.0</b>			<b>505 035.8</b>
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996				
Government securities issued in 1996	8 280.7			8 280.7
Government securities issued in 1997	8 280.7			8 280.7
<b>TOTAL (B)</b>	<b>8 280.7</b>			<b>8 280.7</b>
<b>TOTAL (II)</b>	<b>537 203.7</b>			<b>513 316.5</b>
<b>GOVERNMENT DEBT, TOTAL</b>	<b>2 256 699.6</b>			<b>2 462 329.9</b>
<b>III. DOMESTIC GOVERNMENT GUARANTEES</b>				
<b>DOMESTIC DEBT, TOTAL</b>	<b>2 256 699.6</b>			<b>2 462 329.9</b>

**Notes:**

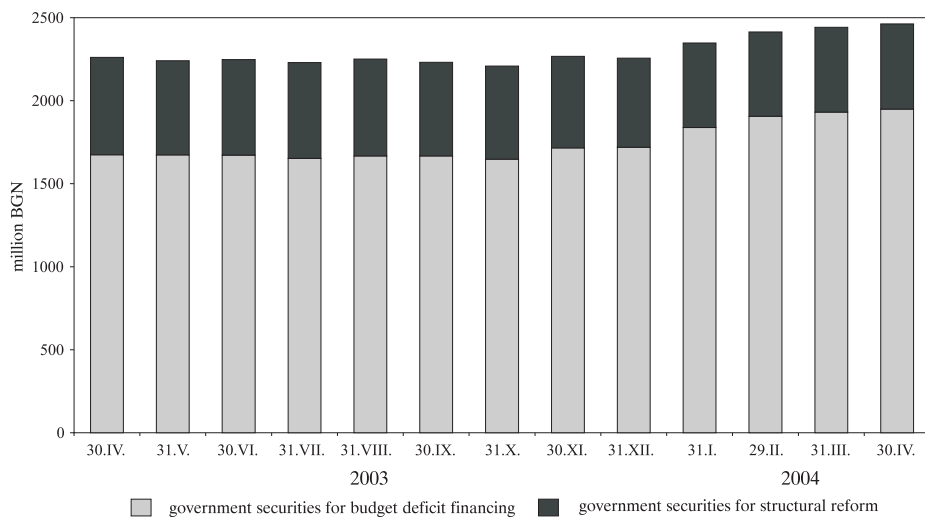
Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value (principal) was discontinued. After the change securities included in domestic and foreign are reported at nominal value.

The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended by the BNB to the MF are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.

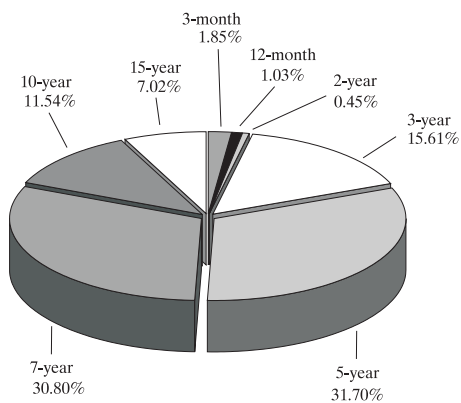
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

Debt recalculation in US dollars and euro is based on BNB exchange rate of the relevant currency against the lev for the last business day of the respective period.

### Changes in Domestic Government Debt



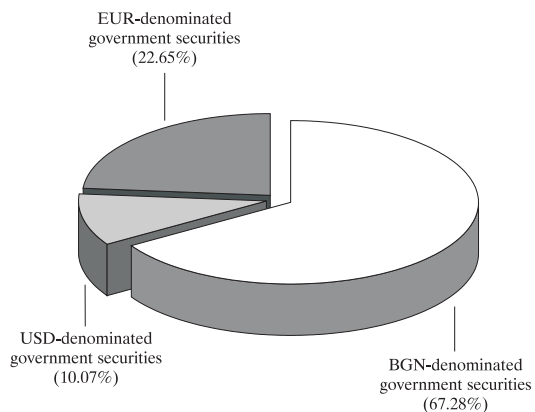
### Outstanding Government Securities Issued for Budget Deficit Financing as of 30 April



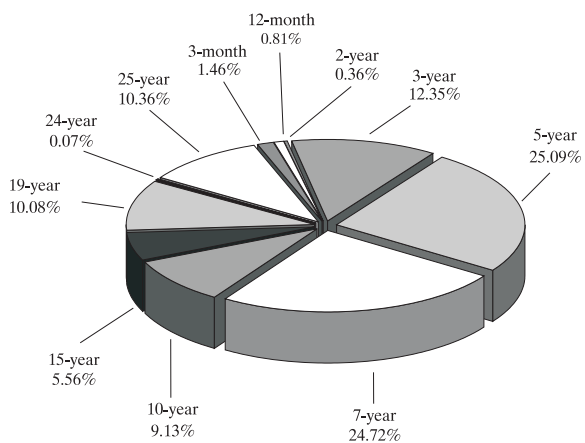
**Note:** The average-weighted maturity of government securities issued for budget deficit financing is six years and five months.



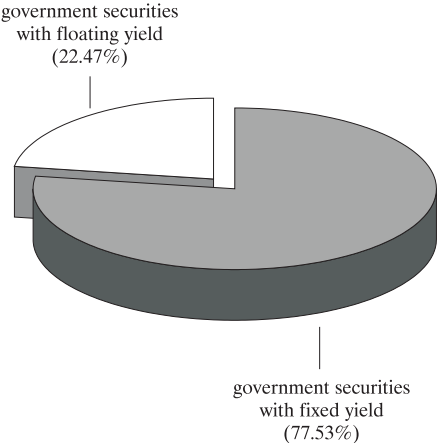
### Forex Composition of Outstanding Government Securities as of 30 April



### Maturity Structure of Outstanding Government Securities as of 30 April



### Shares of Outstanding Government Securities with Fixed and Floating Yield as of 30 April



## Expenditure on Domestic Debt between 1 January and 30 April 2004

(thousand BGN)

Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
1. Government securities issued in 1999	673.4
1.1. Medium-term	673.4
5-year	673.4
2. Government securities issued in 2000	1 268.9
2.1. Medium-term	1 268.9
5-year	1 268.9
3. Government securities issued in 2001	8 335.6
3.1. Medium-term*	8 335.6
5-year	7 216.7
7-year	1 118.9
4. Government securities issued in 2002	20 245.7
4.1. Medium-term*	11 573.2
2-year	351.9
3-year	5 276.0
5-year	5 945.3
4.2. Long-term	8 672.5
7-year	5 488.0
10-year	3 184.5
5. Government securities issued in 2003	16 802.4
5.1. Short-term	1 907.8
3-month	231.0
12-month	1 676.8
5.2. Medium-term	6 214.0
3-year	1 699.3
5-year	4 514.7
5.3. Long-term	8 680.6
7-year	3 109.7
10-year	3 335.8
15-year	2 235.1
EUR-denominated (lev equivalent)	2 235.1
6. Government securities issued in 2004	-378.8
6.1. Short-term	75.2
3-month	75.2
6.2. Medium-term	-256.0
3-year	-114.0
5-year	-142.0
6.3. Long-term	-198.0
10-year	-198.0
<b>TOTAL (I)</b>	<b>46 947.3</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM</b>	
<b>A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks</b>	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	39.4
2. Bonds issued pursuant to CM Decree No. 186 of 1992	22.9

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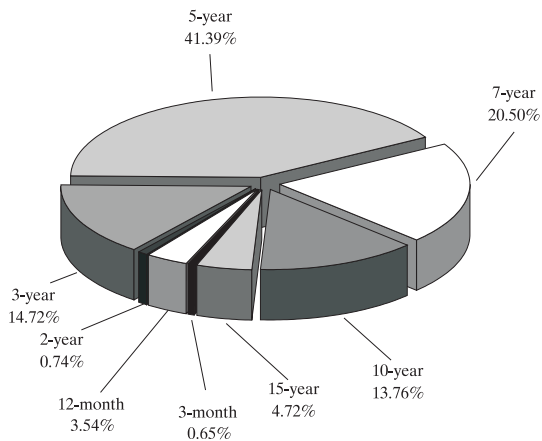
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(thousand BGN)

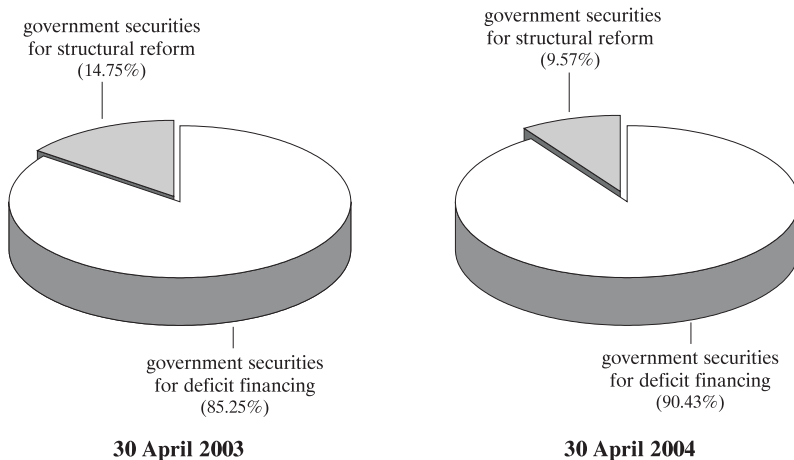
<b>Structure</b>	<b>Amount of repaid interest (discount)</b>
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	4 906.6
lev bonds	86.2
USD-denominated bonds (in BGN at the current exchange rate)	1 609.2
EUR-denominated bonds (in BGN at the fixed exchange rate)	3 211.2
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	4 968.9
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	107.6
Total (B)	
TOTAL (II)	4 968.9
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	51 916.2
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	51 916.2

\* Including interest revenue from tap medium-term government securities issues.

### Structure of Expenditure on Government Securities Issued for Budget Deficit Financing in April



### Structure of Expenditure on Domestic Debt



By end-April foreign debt totaled EUR 7,603.1 million in nominal terms. Government debt accounted for EUR 7,152.8 million and government guaranteed debt amounted to EUR 450.3 million.

In April new foreign financing amounted to BGN 23,105.3 thousand. Debt payments totaled BGN 35,977.9 thousand, including principal repayments of BGN 33,621.9 thousand and interest payments of BGN 2,356 thousand. The bulk of payments, worth BGN 23,173.1 thousand, were made to the IMF, followed by those on government investment loans worth BGN 6,655.8 thousand, and government guaranteed loans worth BGN 3,793 thousand. Interest was repaid mainly on government investment loans (BGN 1,173.9 thousand) and on government guaranteed loans (BGN 867.4 thousand) and to G24 (BGN 314.7 thousand). By end-April net foreign financing was negative (BGN -10,516.6 thousand).

Since early 2004 loans drawn have totaled BGN 293,428.1 thousand, including BGN 121,164.7 thousand from the IMF, BGN 102,348.3 thousand on government guaranteed loans, BGN 38,745 thousand from the World Bank and BGN 31,170.2 thousand on government investment loans. Debt payments have totaled BGN 559,258.5 thousand, including repayments of BGN 267,453.6 thousand. The largest amounts were repaid on Brady bonds (BGN 79,029.2 thousand), to the IMF (BGN 53,825.3 thousand), to the Paris Club (BGN 42,532.5 thousand), on government investment loans (BGN 34,964.8 thousand), to the World Bank (BGN 25,039.2 thousand) and on government guaranteed loans (BGN 15,943.8 thousand).

Payments effected in the review period led to certain changes in debt forex structure. By end-April USD-denominated debt increased on the previous month reaching 47.5%. The proportions of EUR-denominated debt and that in other foreign currencies went down, reaching 36.4% and 16.1% respectively. Debt interest rate structure also experienced a slight change. The proportions of the debt with floating interest coupons and fixed interest coupons reached 62.4% and 37.2% respectively. The average-weighted residual term to maturity of the foreign debt was nine years and eight months.

The structure of foreign debt by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) accounting for 28.3%, on Brady bonds 25.7%, and to the IMF 13.2%. Obligations to the World Bank comprised 11.8%, to the Paris Club 2.6%, to the European Union 4.6%, and debt on government guaranteed loans 5.9%.

## Foreign Debt

(million EUR)

Structure	as of 31.XII.2003	as of 31.I.2004	as of 29.II.2004	as of 31.III.2004	as of 30.IV.2004
<b>Government debt</b>	<b>6 961.1</b>	<b>7 016.4</b>	<b>7 013.2</b>	<b>7 082.8</b>	<b>7 152.8</b>
I. Bonds	3 981.6	3 998.1	3 990.1	4 036.2	4 104.6
1. Brady bonds	1 890.1	1 886.6	1 881.5	1 911.3	1 955.6
2. Other bonds	2 091.4	2 111.4	2 108.6	2 124.9	2 149.0
II. Credits	2 979.5	3 018.3	3 023.1	3 046.6	3 048.2
1. Paris Club	218.9	219.4	218.8	198.2	197.9
2. World Bank	870.0	897.8	881.6	891.7	893.6
2.1. World Bank	769.7	794.4	785.2	788.7	794.4
2.2. JBIC (JEXIM)	100.3	103.4	96.4	103.0*	99.1
3. G24	42.0	42.2	42.0	36.3	36.7
4. European Union	350.0	350.0	350.0	350.0	350.0
5. IMF	940.2	955.9	978.3	1 015.0	1 006.7
6. Other	125.2	125.2	125.2	125.2	125.2
7. Government investment loans	383.0	377.7	378.5	381.2	388.6
7.1. World Bank	83.1	83.5	86.3	86.6	89.0
7.2. European Investment Bank	193.5	190.7	189.4	187.5	191.5
7.3. EBRD	31.8	28.7	28.6	28.9	29.4
7.4. Other	74.6	74.9	74.1*	78.2	78.7
8. Called government guarantees	50.2	50.1	48.6	49.0	49.5
8.1. World Bank	41.0	40.9	39.4	39.7	40.0
8.2. European Investment Bank	1.8	1.6	1.6	1.7	1.7
8.3. Other	7.4	7.5	7.5	7.6	7.8
<b>Government guaranteed debt</b>	<b>394.9</b>	<b>442.4</b>	<b>440.2</b>	<b>443.2</b>	<b>450.3</b>
1. World Bank	109.2	113.3*	109.9*	111.4	113.3
2. European Investment Bank	44.5	44.5	44.5	41.6	41.6
3. EBRD	39.5	40.4	40.5	41.2	41.4
4. Other	201.7	244.1	245.2	249.0	254.0
<b>FOREIGN DEBT, TOTAL</b>	<b>7 356.0</b>	<b>7 458.8</b>	<b>7 453.3</b>	<b>7 526.1</b>	<b>7 603.1</b>
<b>FOREIGN DEBT, TOTAL (million USD)</b>	<b>9 290.6</b>	<b>9 237.0</b>	<b>9 255.5</b>	<b>9 199.9</b>	<b>9 083.4</b>

### Notes:

- Since 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value (principal) was discontinued. After the change securities included in domestic and foreign are reported at nominal value.
  - Credits in *Government investment loans* and *Government guaranteed debt* groups have been rearranged according to the provisions of the Law on the Government Debt (published in the State Gazette, issue 93 of 1 October 2002).
  - The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand. In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.
  - Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
  - Preliminary data for April 2004.
- \* Revised data.

## New Foreign Financing and Foreign Debt Payments as of 30 April

(thousand BGN)

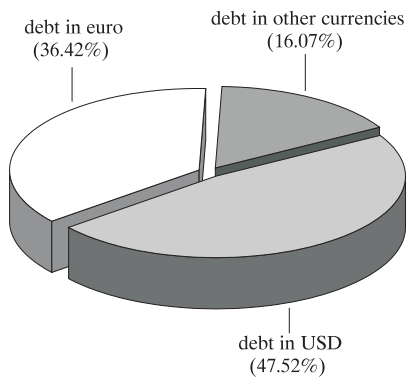
Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
<b>Government debt</b>	<b>191 079.8</b>	<b>251 509.9</b>	<b>321 137.4</b>
I. Bonds	-	79 029.2	275 280.3
1. Brady bonds	-	79 029.2	36 876.3
2. Other bonds	-	-	238 404.0
II. Credits	191 079.8	172 480.6	45 857.1
1. Paris Club	-	42 532.5	7 744.1
2. World Bank	38 745.0	25 039.2	10 138.7
2.1. World Bank	38 745.0	18 174.7	9 346.7
2.2. JBIC (JEXIM)	-	6 864.5	792.0
3. G24	-	12 167.2	554.5
4. European Union	-	-	3 770.8
5. IMF	121 164.7	53 825.3	10 163.9
6. Other	-	-	-
7. Government investment loans	31 170.2	34 964.8	12 234.8
7.1. World Bank	11 825.5	969.2	577.4
7.2. European Investment Bank	9 779.2	24 910.2	9 206.1
7.3. EBRD	-	6 804.1	1 149.5
7.4. Other	9 565.5	2 281.4	1 301.8
8. Called government guarantees	-	3 951.7	1 250.3
8.1. World Bank	-	3 603.1	1 127.7
8.2. European Investment Bank	-	348.6	122.6
8.3. Other	-	-	-
<b>Government guaranteed debt</b>	<b>102 348.3</b>	<b>15 943.8</b>	<b>6 667.5</b>
1. World Bank	5 137.7	6 315.2	2 453.3
2. European Investment Bank	-	5 648.7	2 187.7
3. EBRD	3 912.6	2 593.5	601.1
4. Other	93 298.0	1 386.4	1 425.4
<b>TOTAL</b>	<b>293 428.1</b>	<b>267 453.6</b>	<b>327 804.9</b>

**Notes:**

1. Values in BGN of the new foreign financing and payments effected are calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

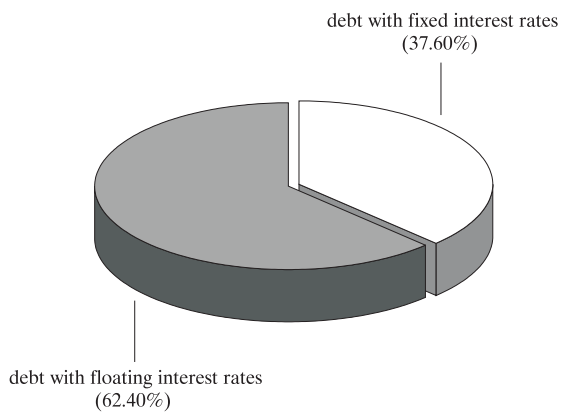


### Forex Composition of the Foreign Debt as of 30 April

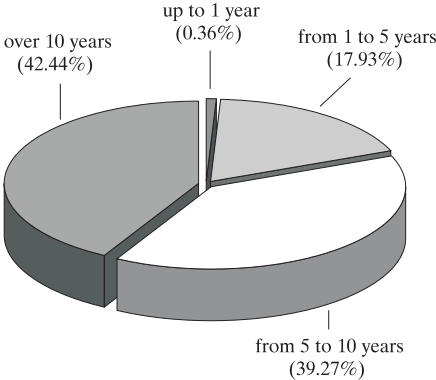


**Note:** Including swap transactions.

### Interest Rate Structure of the Foreign Debt as of 30 April



**Residual Term to Maturity of the Foreign Debt as of 30 April**



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

By end-April government and government guaranteed debt totaled EUR 8,862.1 million, including domestic debt of EUR 1,259 million and foreign debt of EUR 7,603.1 million. The increase in nominal terms was EUR 87.3 million on the previous month due mainly to exchange rate fluctuations and increased share of domestic debt.

By end-April the *debt to GDP* ratio was 45.6%, an increase of 0.4% on March 2004. The values of domestic and the foreign debts accounted for 6.5% and 39.2% respectively.

Domestic debt occupied 14.2% in debt structure and foreign debt 85.8%, matching the previous month's levels (Chart 22).

Forex debt composition underwent certain changes as a result of repayments and exchange rate fluctuations of the US dollar. By end-April the share of USD-denominated debt accounted for 42.2%, EUR-denominated debt 34.5%, BGN-denominated debt 9.6% and that denominated in other currencies 13.8% (Chart 23).

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor 24.3%, followed by Brady bonds 22.1%, domestic debt (government securities) 14.2%, debt to the IMF 11.4%, and debt to the World Bank 10.1% (Chart 24).

By end-April debt interest rate structure experienced some changes: the debt with fixed interest comprised 43.3% and that with floating interest comprised 56.7% (Chart 25).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 772.6 million, including domestic debt payments of BGN 177.3 million and foreign debt payments of BGN 595.3 million (Chart 26). In April payments to the IMF made up the largest share, followed by those on government investment loans. The bulk of domestic debt payments were made on government securities issued for budget deficit financing.

Between January and April 2004 the forex composition of debt payments suggests that payments in euro accounted for the biggest share (recalculated in levs: BGN 253.5 million), followed by payments in US dollars (BGN 246.2 million) and in levs (BGN 177.3 million, Chart 27).

## Government and Government Guaranteed Debt

(million EUR)

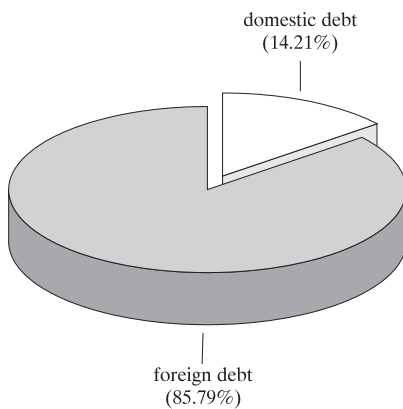
Structure	as of 31.XII.2003	as of 31.I.2004	as of 29.II.2004	as of 31.III.2004	as of 30.IV.2004
<b>Domestic debt</b>	<b>1 153.8</b>	<b>1 200.2</b>	<b>1 234.3</b>	<b>1 248.7</b>	<b>1 259.0</b>
I. Government debt	1 153.8	1 200.2	1 234.3	1 248.7	1 259.0
1. Government securities issued for budget deficit financing	879.2	940.1	974.6	987.5	996.5
2. Government securities issued for structural reform	274.7	260.1	259.7	261.2	262.5
II. Government guaranteed debt	-	-	-	-	-
<b>Foreign debt</b>	<b>7 356.0</b>	<b>7 458.8</b>	<b>7 453.3</b>	<b>7 526.1</b>	<b>7 603.1</b>
I. Government debt	6 961.1	7 016.4	7 013.2	7 082.8	7 152.8
1. Bonds	3 981.6	3 998.1	3 990.1	4 036.2	4 104.6
2. Credits	2 979.5	3 018.3	3 023.1	3 046.6	3 048.2
II. Government guaranteed debt	394.9	442.4	440.2	443.2	450.3
<b>Debt, total</b>	<b>8 509.8</b>	<b>8 659.0</b>	<b>8 687.6</b>	<b>8 774.8</b>	<b>8 862.1</b>
<b>Debt/GDP (%)</b>	<b>48.2</b>	<b>44.6</b>	<b>44.7</b>	<b>45.2</b>	<b>45.6</b>
Domestic debt/GDP (%)	6.5	6.2	6.4	6.4	6.5
Foreign debt/GDP (%)	41.7	38.4	38.4	38.8	39.2

**Notes:**

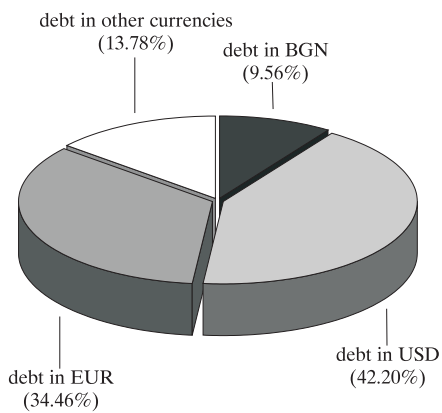
1. Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value (principal) was discontinued. After the change securities included in domestic and foreign are reported at nominal value.
2. GDP projection for 2004: BGN 37,983 million. Revised GDP projection for 2003: BGN 34,509 million.
3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.  
In the present issue of *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.
4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
5. Preliminary data for April 2004.

\* Revised data.

### Debt Structure as of 30 April

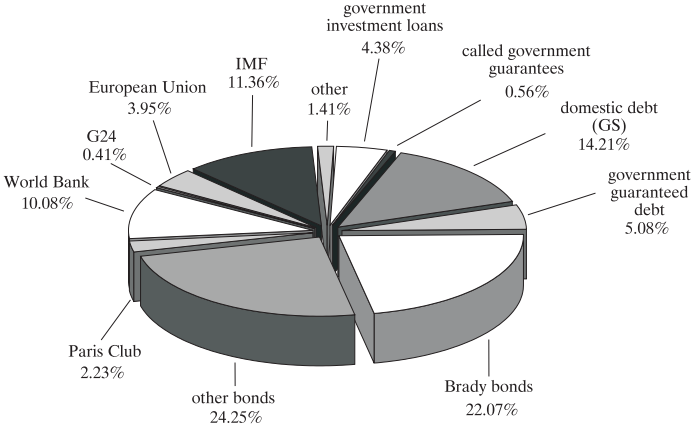


### Debt Forex Structure as of 30 April

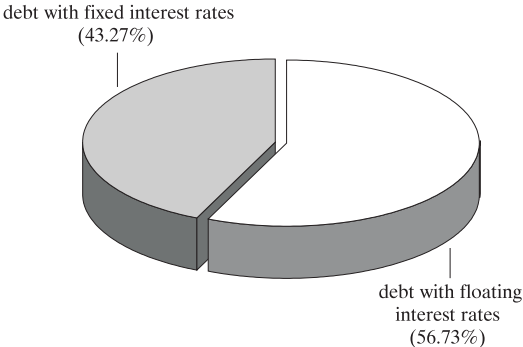


**Note:** Including swap transactions.

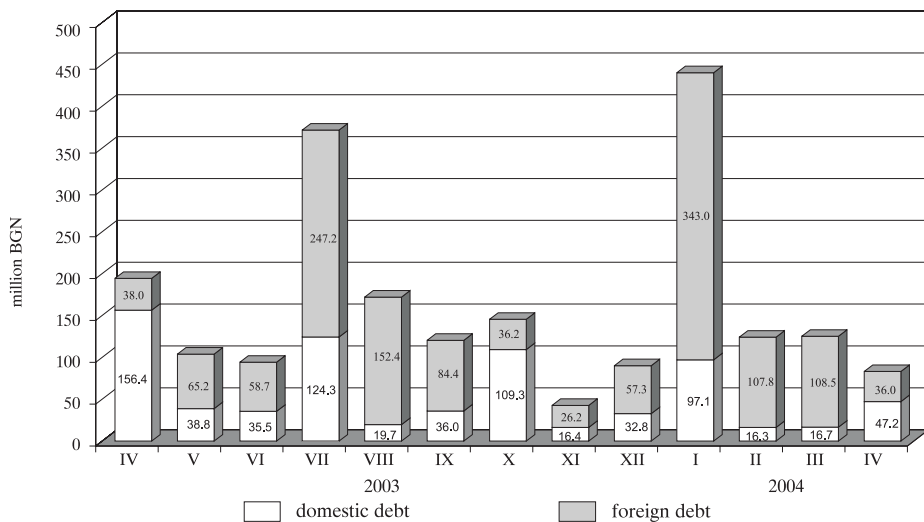
### Debt Structure by Creditor as of 30 April



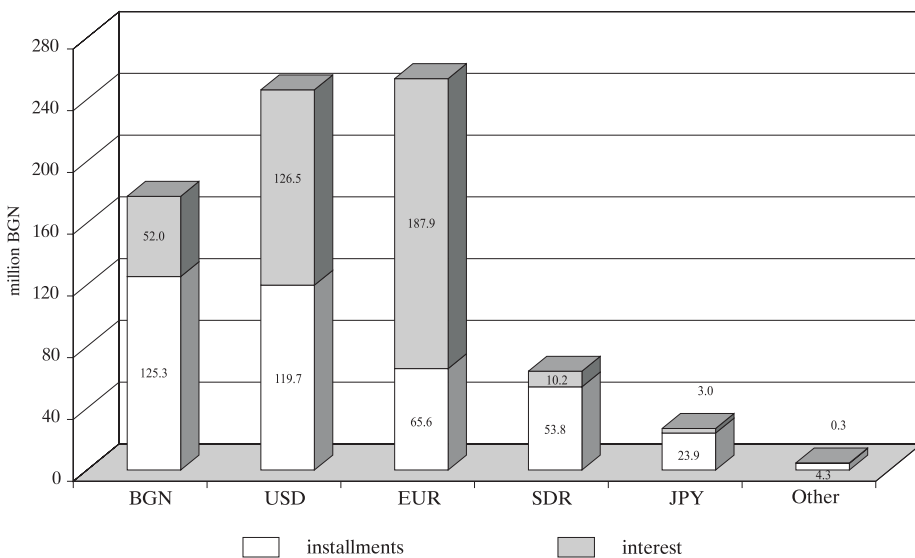
### Debt Interest Structure as of 30 April



### Government Debt Payments



### Currency Structure of Government Debt Payments as of 30 April



## Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2003	2004		
		31.I.	29.II.	31.III
Government securities issued for budget deficit financing	4 380.1	12 008.8	12 008.8	11 559.0
– 7 years and 3 months (in EUR)	194.6	-	-	-
– 15 years (in EUR)	4 185.5	12 008.8	12 008.8	11 559.0
Government securities issued for structural reform	4 455.9	4 182.9	4 182.9	4 185.8
– in USD	125.4	182.6	182.6	185.5
– in EUR	4 330.5	4 000.4	4 000.4	4 000.4
<b>Total</b>	<b>8 835.9</b>	<b>16 191.7</b>	<b>16 191.8</b>	<b>15 744.8</b>

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

(million EUR)

Government securities type	31.XII. 2003	2004		
		31.I.	29.II.	31.III
Brady bonds	66.0	92.8	96.4	108.6
Eurobonds	65.3	61.5	67.8	57.4
Global bonds	166.0	165.3	185.1	150.7
– in EUR	122.8	126.3	140.5	113.7
– in USD	43.3	39.0	44.6	37.1
<b>Total</b>	<b>297.3</b>	<b>319.6</b>	<b>349.3</b>	<b>316.7</b>



## MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

### Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	2003	2004		
	as of 31.12.	as of 31.01.	as of 28.02.	as of 31.03.
<b>I. Municipal debt</b>	<b>62 649.1</b>	<b>69 538.6</b>	<b>69 275.7</b>	<b>66 128.1</b>
<i>I. Domestic municipal debt</i>	<i>44 966.1</i>	<i>48 657.2</i>	<i>48 452.7</i>	<i>44 940.4</i>
1.1. Government securities issues (at nominal value as of corresponding period)	8 454.6	8 454.6	8 454.6	8 454.6
1.2. Loans from banks and other financial institutions	21 727.7	25 247.1	25 218.8	22 989.4
1.3. Loans from the republican budget	2 730.0	2 730.0	2 730.0	2 730.0
1.4. Loans from extrabudgetary accounts and funds	6 758.5	6 660.2	6 515.1	6 071.8
1.5. Loans from other municipalities	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-
1.7. Other	5 295.4	5 565.3	5 534.2	4 694.6
<i>2. Foreign municipal debt</i>	<i>17 682.9</i>	<i>20 881.4</i>	<i>20 823.0</i>	<i>21 187.8</i>
2.1. Loans from banks and other financial institutions	14 251.4	14 251.4	14 251.4	14 251.4
2.2. Government guaranteed municipal debt	3 431.5	6 630.0	6 571.6	6 936.3
<b>II. Municipal guarantees</b>	<b>995.0</b>	<b>955.0</b>	<b>933.6</b>	<b>912.1</b>
<i>I. Domestic municipal guarantees</i>	<i>995.0</i>	<i>955.0</i>	<i>933.6</i>	<i>912.1</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Municipal debt and municipal guarantees, total</b>	<b>63 644.1</b>	<b>70 493.6</b>	<b>70 209.3</b>	<b>67 040.3</b>

**Notes:**

1. The loan extended by the Council of Europe Development Bank (CEB) to the Republic of Bulgaria under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) represents foreign municipal debt and is reported under *I. Municipal debt, 2. Foreign municipal debt, 2.2. Government guaranteed municipal debt*. This loan has been guaranteed by the government and is reported in *Government and Government Guaranteed Debt table, Foreign Debt, II. Government guaranteed debt*.
2. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is a foreign municipal debt and is reported under *I. Municipal debt, 2. Foreign municipal debt, 2.2. Government guaranteed municipal debt*. Pursuant to the Guarantee Agreement concluded between the Government of Bulgaria and the Government of Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government and is reported in *Government and Government Guaranteed Debt table, Foreign Debt, II. Government guaranteed debt*.
3. 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 the period.

## Social Security Funds Debt

(thousand BGN)

Structure	2003	2004		
	as of 31.12.	as of 31.01.	as of 28.02.	as of 31.03.
<b>Domestic debt</b>	<b>35 378.2</b>	<b>35 410.8</b>	<b>35 406.2</b>	<b>35 432.6</b>
I. National Insurance Institute	35 378.2	35 410.8	35 406.2	35 432.6
1. Other <sup>1</sup>	35 378.2	35 410.8	35 406.2	35 432.6
2. Loans from the republican budget	-	-	-	-
II. National Health Insurance Fund	-	-	-	-
III. Teachers' Pension Fund	-	-	-	-
<b>Foreign debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> This loan was extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis of the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project.

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

## Consolidated Government Debt Amount

(million EUR)

Structure	2003	2004		
	as of 31.12.	as of 31.01.	as of 28.02.	as of 31.03.
<b>I. Consolidated government debt</b>	<b>8 147.0</b>	<b>8 252.1</b>	<b>8 282.9</b>	<b>8 365.3</b>
1. Central government debt	8 114.9	8 216.5	8 247.5*	8 331.5
2. Social security funds debt	0.0	0.0	0.0	0.0
3. Municipal debt	32.0	35.6	35.4	33.8
<b>Debt/GDP, total (%)</b>	<b>46.17</b>	<b>42.49</b>	<b>42.65</b>	<b>43.07</b>

## Notes:

- Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value (principal) was discontinued. After the change securities included in domestic and foreign are reported at nominal value.
- GDP projection for 2004: BGN 37,983 million. Revised GDP projection for 2003: BGN 34,509 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 the period.
- The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand. In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.
- 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 a foreign municipal debt and is reported under *Consolidated government debt, 3. Municipal debt*. Pursuant to the Guarantee Agreement between the governments of Bulgaria and Japan, this loans is also guaranteed by the Bulgarian Government.

\* Revised data.

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