

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

AUGUST 2004

ISSN 1311 – 0047

This issue includes materials and data received prior to 28 September 2004.

The contents of the *Government Debt Management* Bulletin may be quoted or reproduced without further permission. Due acknowledgment is requested.

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

Website: www.minfin.bg

Subscription: tel. 9145 1351

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

CONTENTS

1	Budget Deficit Financing by Government Securities Issues	5
2	Domestic Debt Dynamics	32
3	Foreign Debt Dynamics	41
4	Government Debt Structure	46
5	Municipal Debt and Social Security Funds	52
6	Consolidated Government Debt	54

Abbreviations

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

BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

According to the monthly auction calendar, in August 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. BG3010804006: three-month), one medium-term tap treasury bonds issue (No. BG2030104116: three-year) and one long-term tap treasury bonds issue denominated in euro (No. BG2040403219: 15-year).

At the auctions primary dealers' bids totaled BGN 192,378.7 thousand: BGN 23,360 thousand for three-month government securities, BGN 46,040 thousand for three-year and BGN 122,978.7 thousand (EUR 62,878 thousand) for 15-year government securities (Chart 1). Approved bids totaled BGN 61,337.5 thousand nominal value, including three-month of BGN 12,000 thousand, three-year of BGN 20,000 thousand and 15-year of BGN 29,337.5 thousand (EUR 15,000 thousand; Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in August accounted for 3.14: 1.95 on three-month, 2.30 on three-year and 4.19 on 15-year (Chart 4).

Chart 1

Government Securities Issue in August

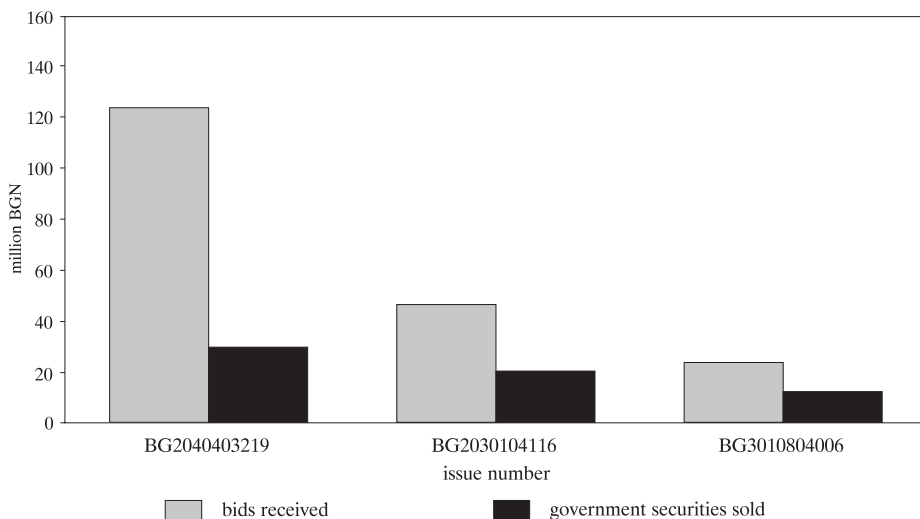


Chart 2

Sales of Government Securities Issues

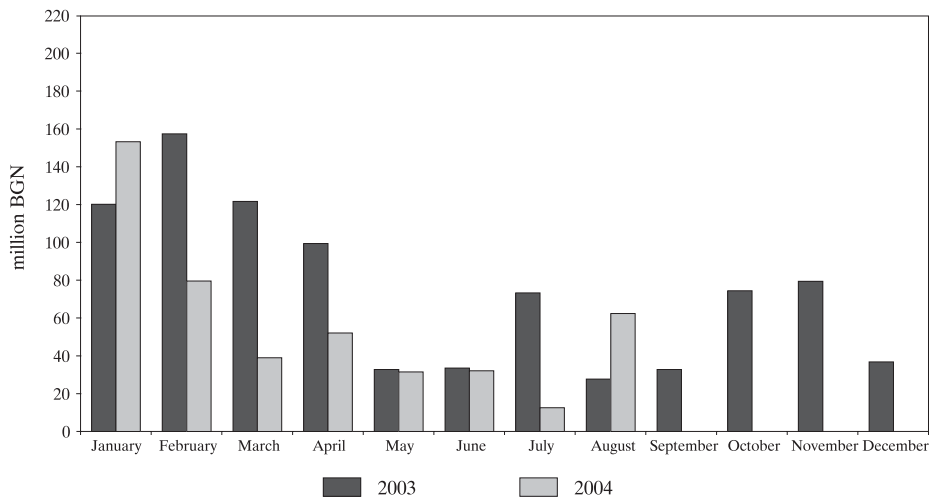
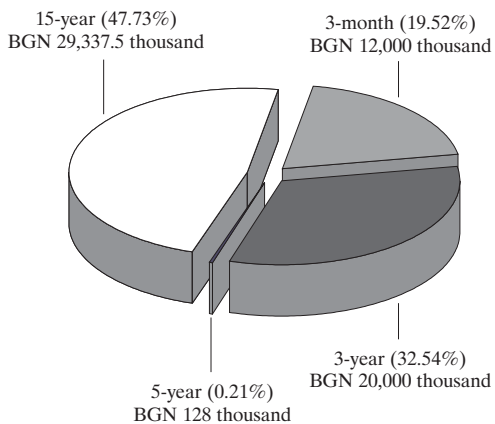


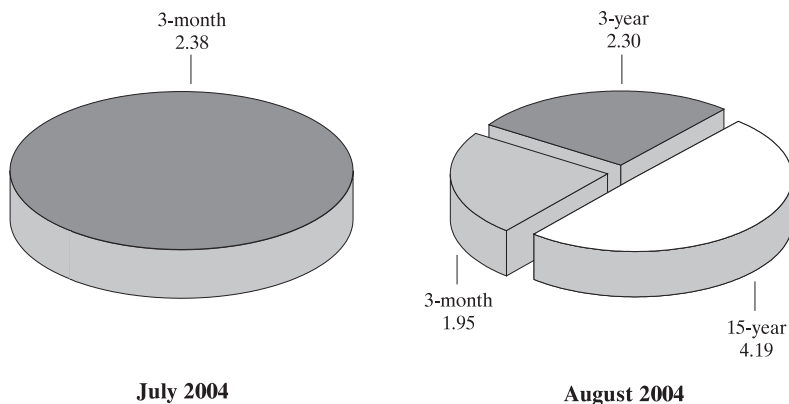
Chart 3

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



Note: Including target government securities.

Bid-to-Cover Ratios of Issues Sold



Government securities issued in August increased by BGN 34.7 million on the same period of 2003 (Chart 2).

The yield attained in the primary market continued gradually decreasing mainly in long-term government securities. The yield of three-month treasury bills posted a four basis points decrease compared to the previous month: from 2.44% to 2.40%. The yield of three-year treasury bonds rose to 4.56%, an increase of 1.3 percentage points compared to April 2004 when the last government securities issue with a term of three years was sold. The yield of 15-year treasury bonds decreased from 6.06% in the previous opening to 5.94% (Charts 5, 6 and 8).

One 2004 three-month treasury bills issue matured in August (No. BG3010504002).

In the reporting period one EUR-denominated issue of five-year treasury bonds earmarked for direct sale to individuals was put into circulation: issue No. 506 of 25 August 2004 totaling BGN 128 thousand nominal value (EUR 65.4 thousand, Chart 11). Three 2002 target issues amounting to BGN 1584.8 thousand matured in August. Reverse purchases accounted for BGN 494 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

JULY 2004

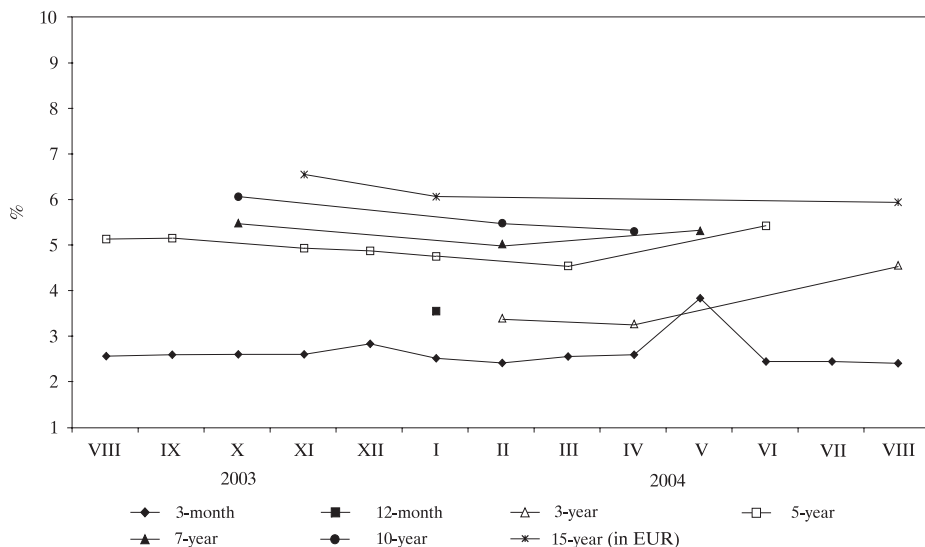
	3-month
	BG3010704008
Minimum	99.00
Average-weighted	99.38
Maximum	99.41

AUGUST 2004

	3-month	3-year	15-year
	BG3010804006	BG2030104116	BG2040403219
Minimum	99.37	100.00	100.27 EUR
Average-weighted	99.39	100.08	100.59 EUR
Maximum	99.42	100.45	101.91 EUR

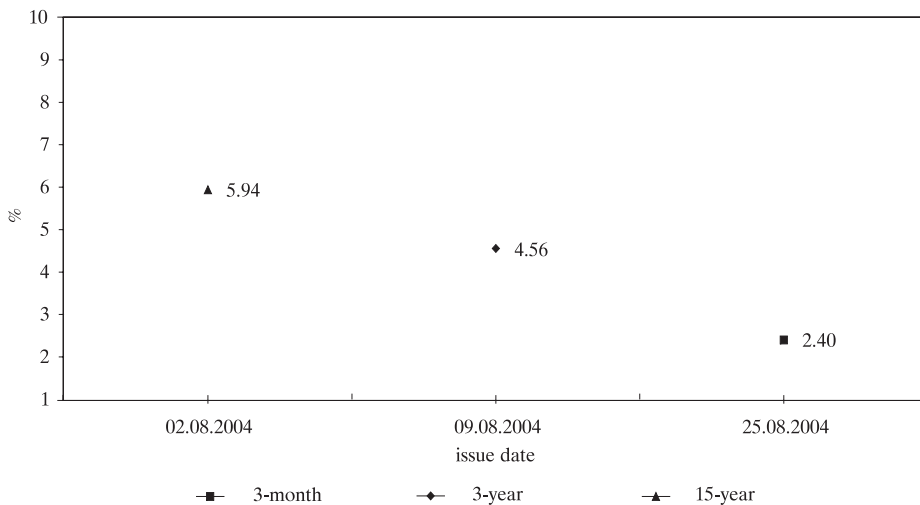
Chart 5

Yield of Primary Market Government Securities



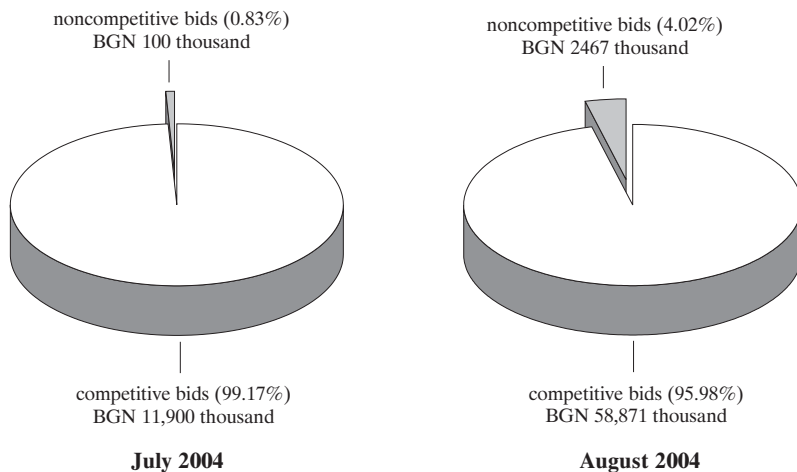
Note: The yield is on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities

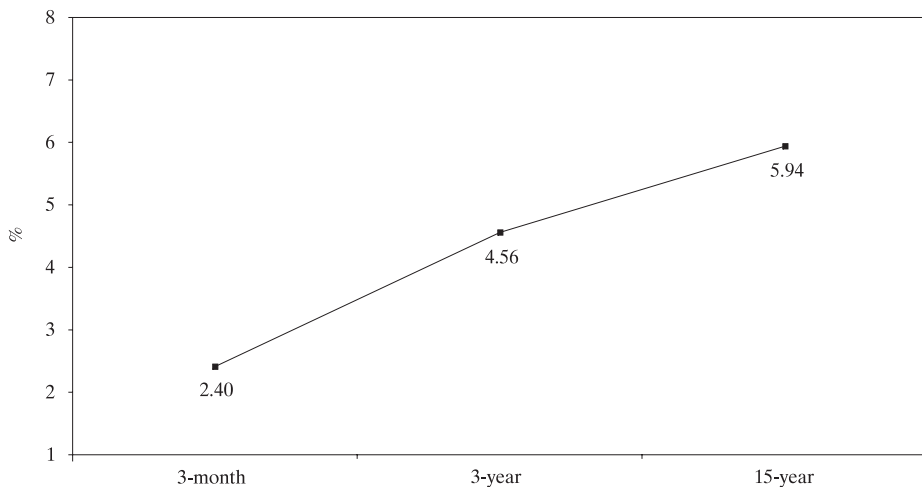


Note: The three- and fifteen-year government securities issues are tap issues. The above dates indicate the auction dates.

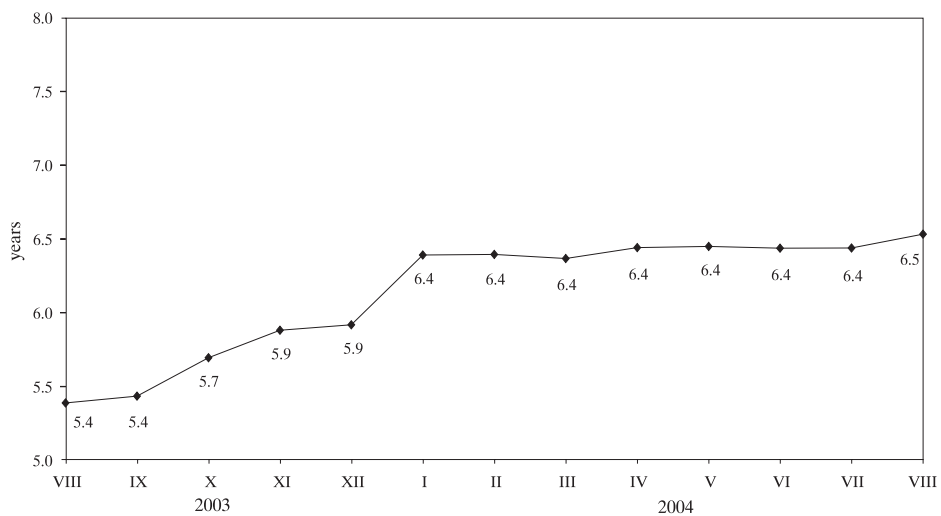
Government Securities Bought in the Primary Market through Competitive and Noncompetitive Bids



Yield Curve of Primary Market Government Securities in August

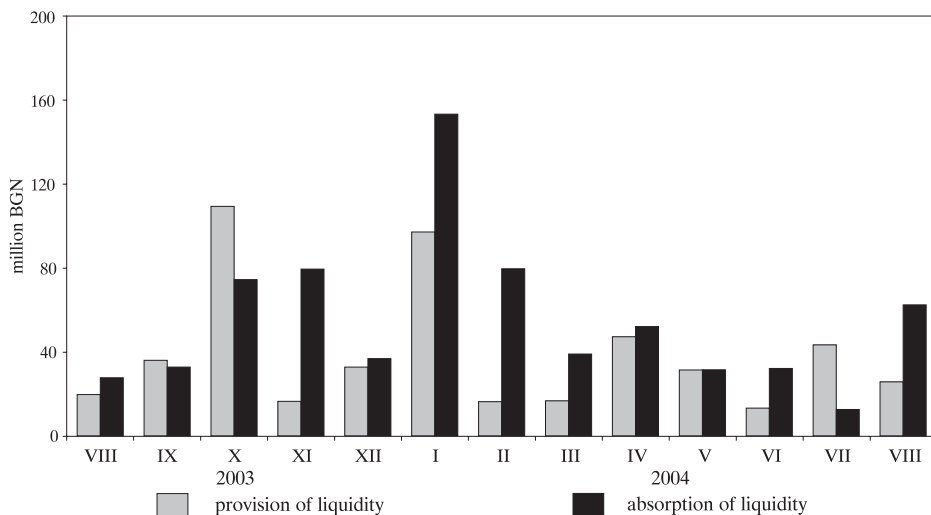


An Average Term of Outstanding Government Securities Issues by Year

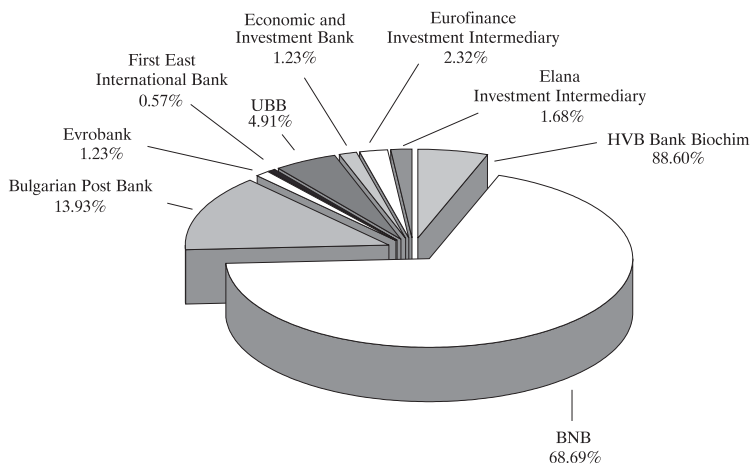


Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

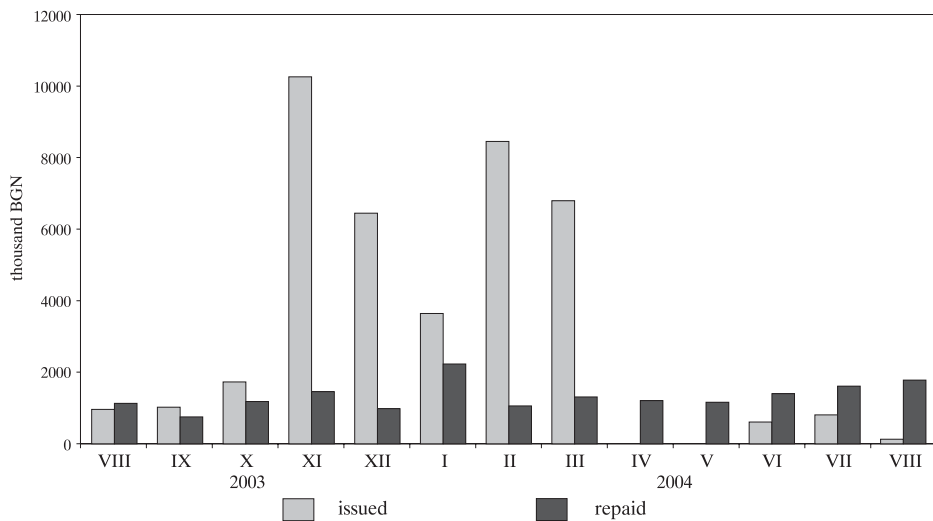
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Target Government Securities in August



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

3-month government securities

Issue No.	BG3010504002	BG3010604000	BG3010704008	BG3010804006
Issue date	26.05.2004	30.06.2004	28.07.2004	25.08.2004
Maturity date	26.08.2004	30.09.2004	28.10.2004	25.11.2004
Nominal value of the offer (thousand BGN)	12 000.00	12 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	14 000.00	28 560.00	25 630.00	23 360.00
Total nominal value of the bids approved (thousand BGN)	12 000.00	12 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	99.03	99.38	99.38	99.39
Average discount per BGN 100 (%)	0.97	0.62	0.62	0.61
Average annual yield (%)	3.83	2.44	2.44	2.40
Effective annual yield (%)	3.89	2.46	2.46	2.42
Bid-to-cover ratio	1.17	2.38	2.14	1.95

12-month government securities

Issue No.	BG3010004003
Issue date	14.01.2004
Maturity date	14.01.2005
Nominal value of the offer (thousand BGN)	20 000.00
Total nominal value of the bids received (thousand BGN)	40 350.00
Total nominal value of the bids approved (thousand BGN)	20 000.00
Average price of the bids approved per BGN 100 (%)	96.52
Average discount per BGN 100 (%)	3.48
Average annual yield (%)	3.55
Effective annual yield (%)	3.55
Bid-to-cover ratio	2.02

Treasury Bonds

3-year government securities

Issue No.	BG2030102110 ⁴		BG2030302116 ³		BG2030402114 ⁴		Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second opening	
Auction date	11.03.2002	10.06.2002	29.07.2002	28.10.2002	09.09.2002	09.12.2002	
Issue date	13.03.2002	13.03.2002	31.07.2002	31.07.2002	11.09.2002	11.09.2002	11.09.2002
Maturity date	13.03.2005	13.03.2005	31.07.2005	31.07.2005	11.09.2005	11.09.2005	11.09.2005
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	72 750.00	44 151.00	24 200.00	44 150.00	33 700.00	66 700.00	100 400.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	16 900.00	25 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	101.62	101.68	98.83	98.67	99.13	100.80	99.97
Interest rate	6.50	6.50	5.75	5.75	6.00	6.00	6.00
Bid-to-cover ratio	2.91	1.77	0.97	1.77	1.35	2.67	2.01
Average annual yield (%)	5.90	5.88	6.18	6.24	6.32	5.71	6.01

(continued)

3-year government securities

(continued)

Issue No.	BG2030103118 ⁴			BG2030104116 ³			Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	
Auction date	20.01.2003	21.04.2003		16.02.2004	19.04.2004	09.08.2004	
Issue date	22.01.2003	22.01.2003	22.01.2003	18.02.2004	18.02.2004	18.02.2004	18.02.2004
Maturity date	22.01.2006	22.01.2006	22.01.2006	18.02.2007	18.02.2007	18.02.2007	18.02.2007
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	60 000.00
Total nominal value of the bids received (thousand BGN)	62 650.00	42 850.00	105 500.00	93 850.00	48 250.00	46 040.00	188 140.00
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	60 000.00
Average price of the bids approved per BGN 100 (%)	101.57	101.01	101.29	99.76	100.11	100.08	99.98
Interest rate	5.50	5.50	5.50	3.30	3.30	4.58	4.58
Bid-to-cover ratio	2.51	1.71	2.11	4.69	2.41	2.30	3.14
Average annual yield (%)	4.93	5.13	5.03	3.39	3.26	4.55	4.59

(continued)

5-year government securities

(continued)

Issue No.	BG2030900117 ³			BG2030101112 ³				
	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	11.10.2000	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	05.10.2005	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	10 000.00	15 000.00	15 000.00	40 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	46 780.00	35 511.11	31 074.00	113 365.10	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	10 000.00	15 000.00	15 000.00	28 755.89	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	98.78	99.63	99.87	99.51	101.65	104.60	106.40	104.22
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	4.68	2.37	2.07	2.83	4.80	4.36	3.52	4.23
Average annual yield (%)	9.31	9.09	9.03	9.12	8.59	7.87	7.44	7.96

(continued)

5-year government securities

(continued)

Issue No.	First opening	BG2030301118 ³ Second opening	Third opening	Total for the issue**	BG2030501113 ³ First opening	Second opening	Third opening	Total for the issue
Auction date	23.04.2001	21.05.2001	25.06.2001		23.07.2001	20.08.2001	24.09.2001	
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (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)

5-year government securities

(continued)

Issue No.	BG2030701119 ³			BG2030002112 ²			Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening			
Auction date	22.10.2001	26.11.2001	21.12.2001	07.01.2002	11.02.2002	08.04.2002	07.05.2002		
Issue date	24.10.2001	24.10.2001	24.10.2001	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002
Maturity date	24.10.2006	24.10.2006	24.10.2006	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	25 000.00	20 000.00	25 000.00	20 000.00	20 000.00	90 000.00
Total nominal value of the bids received (thousand BGN)	43 400.00	55 400.00	28 750.00	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	
Average price of the bids approved per BGN 100 (%)	100.22	100.36	100.20	100.71	101.98	102.01	102.07	101.66	
Interest rate	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	
Bid-to-cover ratio	2.17	2.77	1.44	2.51	3.62	1.88	1.81	2.43	
Average annual yield (%)	6.95	6.91	6.95	6.83	6.53	6.52	6.51	6.60	

(continued)

5-year government securities

(continued)

Issue No.	BG2030202118 ²				BG2030003110 ³				Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Third opening	
Auction date	08.07.2002	12.08.2002	07.10.2002	11.11.2002	13.01.2003	10.02.2003	02.06.2003		
Issue date	10.07.2002	10.07.2002	10.07.2002	10.07.2002	15.01.2003	15.01.2003	15.01.2003	15.01.2003	15.01.2003
Maturity date	10.07.2007	10.07.2007	10.07.2007	10.07.2007	15.01.2008	15.01.2008	15.01.2008	15.01.2008	15.01.2008
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	30 000.00	25 000.00	20 000.00	20 000.00	75 000.00
Total nominal value of the bids received (thousand BGN)	38 080.00	19 100.00	49 950.00	67 184.70	87 720.00	50 900.00	49 450.00	49 450.00	188 070.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	14 750.00	25 000.00	20 000.00	30 000.00	25 000.00	20 000.00	20 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	99.81	98.45	98.78	99.52	100.42	100.55	100.40	100.40	100.46
Interest rate	6.50	6.50	6.50	6.50	5.625	5.625	5.625	5.625	5.625
Bid-to-cover ratio	1.52	0.96	2.00	3.36	2.92	2.04	2.47	2.47	2.51
Average annual yield (%)	6.55	6.87	6.79	6.61	5.53	5.50	5.53	5.53	5.52

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
			BG2030203116 ¹					BG2030004118 ³		
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003		05.01.2004	01.03.2004	07.06.2004	
Issue date	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003	07.01.2004	07.01.2004	07.01.2004	07.01.2004
Maturity date	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008	07.01.2009	07.01.2009	07.01.2009	07.01.2009
Nominal value of the offer (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	47 300.00	37 150.00	43 600.00	56 500.00	60 750.00	245 300.00	84 450.00	60 120.00	35 850.00	180 420.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	99.12	98.33	98.25	99.22	99.48	98.92	99.79	100.72	96.88	99.13
Interest rate	4.75	4.75	4.75	4.75	4.75	4.75	4.70	4.70	4.70	4.70
Bid-to-cover ratio	1.89	2.48	2.18	2.83	3.04	2.45	4.22	3.01	1.79	3.01
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87	5.00	4.75	4.54	5.42	4.90

(continued)

7-year government securities

(continued)

Issue No.	BG2040001211 ⁴		BG2040002219 ⁴		BG2040102217 ³		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second opening			
Auction date	29.10.2001	30.11.2001	14.01.2002	21.01.2002	18.02.2002	18.03.2002	13.05.2002		
Issue date	31.10.2001	31.10.2001	16.01.2002	16.01.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002
Maturity date	31.10.2008	31.10.2008	16.01.2009	16.01.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009
Nominal value of the offer (thousand BGN)	30 000.00	11 070.00	30 000.00	30 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Total nominal value of the bids received (thousand BGN)	53 672.00	54 615.00	106 295.00	99 331.00	63 350.00	58 812.00	58 300.00	180 462.00	
Total nominal value of the bids approved (thousand BGN)	18 930.00	11 070.00	30 000.00	50 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Average price of the bids approved per BGN 100 (%)	95.45	98.19	100.47	101.46	99.05	99.77	99.44	99.40	99.40
Interest rate	7.50	7.50	7.50	7.50	7.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	1.79	4.93	3.54	3.31	2.11	2.35	1.67	1.67	2.01
Average annual yield (%)	8.37	7.84	7.41	7.23	7.17	7.04	7.10	7.10	7.10

(continued)

7-year government securities

(continued)

Issue No.	BG204030213 ²				BG2040103215 ¹				Total for the issue	
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Fourth opening		Fifth opening
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003	
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	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)	20 000.00	15 000.00	20 000.00	15 000.00	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)	29 863.50	24 239.00	48 880.30	86 964.00	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)	20 000.00	15 000.00	20 000.00	15 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	7.00	7.00	7.00	7.00	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	1.49	1.62	2.44	5.80	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	7.30	7.68	7.63	7.17	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

7-year government securities

(continued)

Issue No.	BG20402032134*		BG20401042134		Total for the issue
	First opening	Second opening	First opening	Second opening	
Auction date	18.02.2003	10.03.2003	09.02.2004	03.05.2004	
Issue date	24.02.2003	24.02.2003	11.02.2004	11.02.2004	11.02.2004
Maturity date	24.05.2010	24.05.2010	11.02.2011	11.02.2011	11.02.2011
Nominal value of the offer (thousand BGN)	50 000.00	25 000.00	20 000.00	20 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	139 990.00	76 475.00	76 850.00	39 060.00	115 910.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	55 000.00	20 000.00	20 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	100.99	100.55	98.42	96.77	97.60
Interest rate	5.75	5.75	4.75	4.75	4.75
Bid-to-cover ratio	2.80	3.06	3.84	1.95	2.90
Average annual yield (%)	5.58	5.65	5.02	5.31	5.16

(continued)

10 -year government securities

(continued)

Issue No.	BG2040202215 ²				BG20400032174			
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002		06.01.2003	31.03.2003	
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2002	08.01.2003	08.01.2003	08.01.2003
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012	08.01.2013	08.01.2013	08.01.2013
Nominal value of the offer (thousand BGN)	15 000.00	25 000.00	25 000.00	25 000.00	90 000.00	30 000.00	20 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40	94 289.80	56 355.00	150 644.80
Total nominal value of the bids approved (thousand BGN)	15 000.00	25 000.00	25 000.00	19 920.00	84 920.00	30 000.00	20 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	96.06	104.08	105.18	104.52
Interest rate	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	2.25	3.14	2.82	3.01
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.93	6.78	6.87

(continued)

10-year government securities

(continued)

Issue No.	First opening	BG2040303211 ⁴ Second opening	Total for the issue	First opening	BG2040004215 ⁴ Second opening	Total for the issue
Auction date	30.06.2003	29.09.2003		02.02.2004	13.04.2004	
Issue date	02.07.2003	02.07.2003	02.07.2003	04.02.2004	04.02.2004	04.02.2004
Maturity date	02.07.2013	02.07.2013	02.07.2013	04.02.2014	04.02.2014	04.02.2014
Nominal value of the offer (thousand BGN)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	69 350.00	78 753.00	148 103.00	85 300.00	82 680.00	167 980.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	98.82	97.71	98.15	97.85	99.20	98.53
Interest rate	5.75	5.75	5.75	5.20	5.20	5.20
Bid-to-cover ratio	3.47	2.63	2.96	4.27	4.13	4.20
Average annual yield (%)	5.91	6.06	6.00	5.48	5.30	5.39

(continued)

15-year government securities

(continued)

Issue No.	First opening	BG2040403219 ^{3*} Second opening	Third opening	Total for the issue
Auction date	03.11.2003	19.01.2004	02.08.2004	
Issue date	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
Nominal value of the offer (thousand BGN)	20 000.00	50 000.00	15 000.00	85 000.00
Total nominal value of the bids received (thousand BGN)	73 628.54	124 820.00	62 878.00	261 326.54
Total nominal value of the bids approved (thousand BGN)	20 000.00	50 000.00	15 000.00	85 000.00
Average price of the bids approved per BGN 100 (%)	94.81	99.43	100.59	98.55
Interest rate	6.00	6.00	6.00	6.00
Bid-to-cover ratio	3.68	2.50	4.19	3.07
Average annual yield (%)	6.55	6.06	5.94	6.15

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

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

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

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

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

** In 2003 reverse purchases totaled BGN 49,171.1 thousand.

Deposit Insurance Government Securities

	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue No.				
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 lev deposit insurance 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 31 August 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
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 2040099223
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	01.07.1999
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	01.01.2019
Maturity (years)	19	24	25	25	25	19.5
Grace period (years)	4	4	5	5	5	
Redemption term (years)	15	20	20	20	20	19.5
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	BGN 1,926.21	BGN 1,653.38	BGN 6,459.39	USD 150,875.21	BGN 693.07	EUR 125,130.81
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 31 August 2004.

Pending Payments on Government Securities in October 2004

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
					1
target bonds ZUNK, BGN					17.5 514.4
	4	5	6	7	8
target bonds	11.9		1268.9		
	11	12	13	14	15
target bonds GGG (BGN)	405.3 4987.4		2011.7		15.4
	18	19	20	21	22
target bonds	15.4 3193.2				
	25	26	27	28	29
bills target bonds GGG (BGN)	512.6 3824.8		2098.0	12000.0	13.9
	November 1				
target bonds	12.0 1131.1				

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 October 2004

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
04.10.2004*	06.10.2004	04.02.2014	10 years	20 000 000	up to 80 000 000
11.10.2004*	13.10.2004	18.02.2007	3 years	20 000 000	up to 100 000 000
25.10.2004	27.10.2004	27.01.2005	3-month	12 000 000	12 000 000
TOTAL, incl.:				52 000 000	
bills				12 000 000	
bonds				40 000 000	

* Tap issue.

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

By end-August 2004 domestic debt totaled BGN 2,536,815.4 thousand in nominal terms. Budget deficit financing government securities comprised 80.2% (BGN 2,033,642.7 thousand) of overall debt and government securities issued for structural reform came to 19.8% (BGN 503,172.7 thousand, Chart 13).

Between January and August 2004 issued government securities accounted for BGN 463,573.9 thousand, including BGN 20,445 thousand directly sold to individuals. Repaid government securities accounted for BGN 149,427.2 thousand, including BGN 134,170 thousand on short-term treasury bills. As a result of newly issued volumes, the share of three-year and 15-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 16% and 8.2% at the expense of all other types of government securities whose shares decreased in August (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and five months. By end-August government securities issued for structural reform decreased to BGN 503,172.7 thousand.

In August debt foreign currency structure experienced slight changes owing both to government securities issues and effected repayments (Chart 15). The shares of government securities in levs and in US dollars decreased to 67.3% and 9.6% respectively, while government securities in euro rose to 23.1%. Debt maturity structure also experienced particular changes. Short-term and long-term government securities decreased to 2.2% and 59.7% respectively at the expense of medium-term securities which rose to 38.1% (Chart 16). Government securities with fixed interest coupons comprised 77.8% and government securities with floating interest coupons, 22.2%.

Since early 2004 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 107,534.5 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 98,219.6 thousand, or 91.3% of the total (Chart 19). Interest expenditure on seven-year government bonds occupied the largest share (37.4%) due to the higher volume of these issues, followed by interest payments on five-year bonds, 35% (Chart 18).

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 August 2004
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
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	-	10 382.7	678 345.9
4.1. Medium-term	363 808.7	-	10 382.7	353 425.9
2-year	14 058.7		10 382.7	3 675.9
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	127 129.0	75 366.5	829 734.9
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	-	1 196.5	253 127.2
3-year	79 323.8		1 196.5	78 127.2
5-year	175 000.0			175 000.0
5.3. Long-term	449 478.8	127 129.0	-	576 607.7
7-year	310 362.2			310 362.2
EUR-denominated (lev equivalent)	205 362.2			205 362.2
10-year	100 000.0			100 000.0
15-year	39 116.6	127 129.0		166 245.6
EUR-denominated (lev equivalent)	39 116.6	127 129.0		166 245.6
6. Government securities issued in 2004	-	336 445.0	60 488.0	275 957.0
6.1. Short-term	-	116 000.0	60 000.0	56 000.0
3-month		96 000.0	60 000.0	36 000.0
12-month		20 000.0	-	20 000.0
6.2. Medium-term	-	140 445.0	488.0	139 957.0
3-year		71 642.1	192.9	71 449.2
5-year		68 802.9	295.1	68 507.8
EUR-denominated (lev equivalent)		8 802.9	295.1	8 507.8
6.3. Long-term	-	80 000.0	-	80 000.0
7-year		40 000.0		40 000.0
10-year		40 000.0		40 000.0
TOTAL (I)	1 719 496.0	463 573.9	149 427.2	2 033 642.7

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 August 2004
		increase	decrease	
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM				
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		127.2	1 653.4
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		13 703.6	150 875.2
lev equivalent	254 860.2			243 651.4
denominated in EUR	134 433.1		9 302.3	125 130.8
lev equivalent	262 928.4			244 734.6
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1			693.1
TOTAL (A)	528 923.0			499 118.0
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	8 280.7			4 054.7
Government securities issued in 1997	8 280.7		4 226.0	4 054.7
TOTAL (B)	8 280.7			4 054.7
TOTAL (II)	537 203.7			503 172.7
GOVERNMENT DEBT, TOTAL	2 256 699.6			2 536 815.4
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 256 699.6			2 536 815.4

Notes:

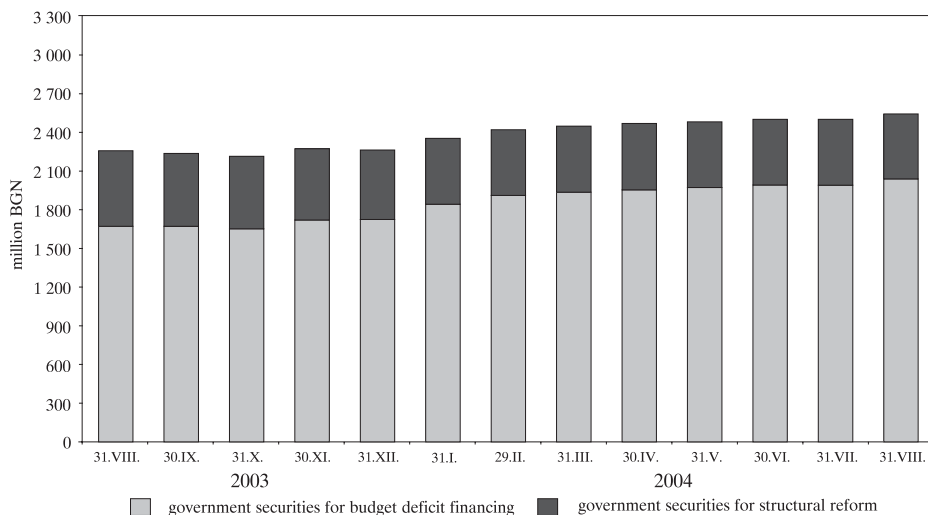
Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value was discontinued. After the change securities included in domestic and foreign debt are reported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

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

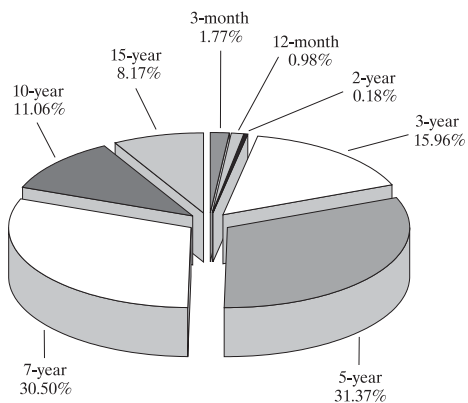
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

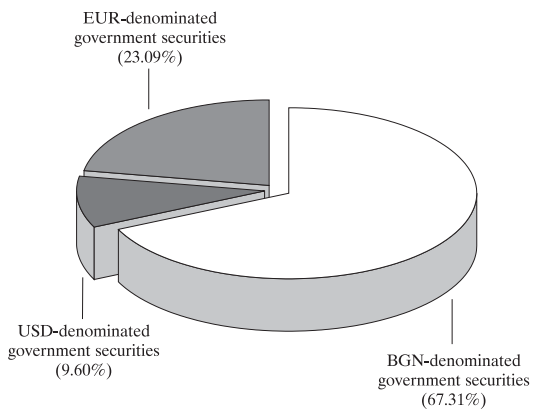


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 August

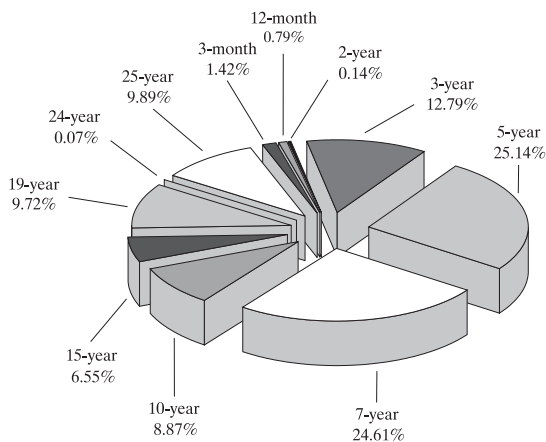


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and five months.

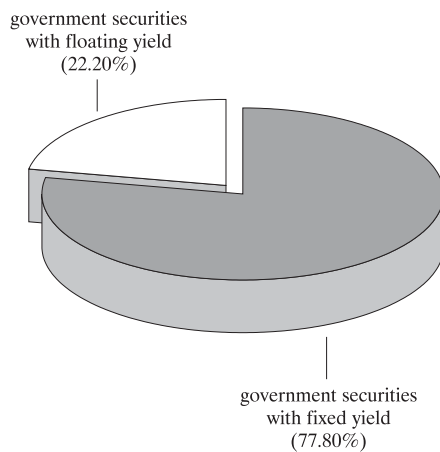
Forex Composition of Outstanding Government Securities as of 31 August



Maturity Structure of Outstanding Government Securities as of 31 August



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



Expenditure on Domestic Debt between 1 January and 31 August 2004

(thousand BGN)

Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
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	11 691.8
3.1. Medium-term*	11 691.8
5-year	10 573.0
7-year	1 118.9
4. Government securities issued in 2002	37 038.7
4.1. Medium-term*	19 813.2
2-year	575.3
3-year	7 420.4
5-year	11 817.4
4.2. Long-term	17 225.6
7-year	14 041.1
10-year	3 184.5
5. Government securities issued in 2003	43 751.8
5.1. Short-term	1 907.8
3-month	231.0
12-month	1 676.8
5.2. Medium-term	12 677.1
3-year	3 702.6
5-year	8 974.6
5.3. Long-term	29 166.8
7-year	20 864.9
10-year	6 630.2
15-year	1 671.8
EUR-denominated (lev equivalent)	1 671.8
6. Government securities issued in 2004	3 794.9
6.1. Short-term	419.0
3-month	419.0
6.2. Medium-term	1 812.8
3-year	780.3
5-year	1 032.5
6.3. Long-term	1 563.1
7-year	726.8
10-year	836.3
TOTAL (I)	98 219.6
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	76.0
2. Bonds issued pursuant to CM Decree No. 186 of 1992	47.9

(continued)

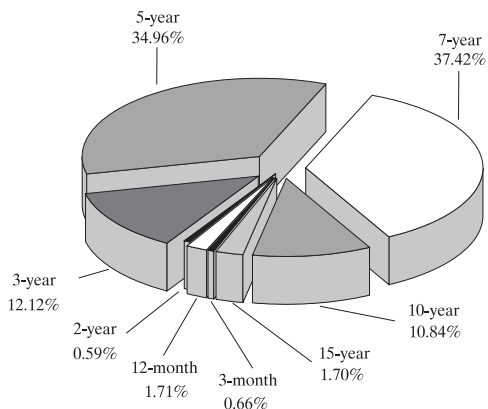
(continued)

(thousand BGN)

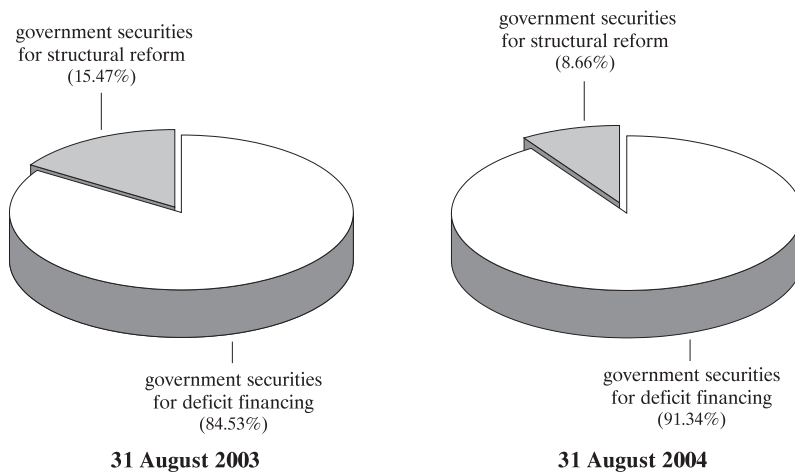
Structure	Amount of repaid interest (discount)
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	9 025.3
lev bonds	86.2
USD-denominated bonds (in BGN at the current exchange rate)	3 064.2
EUR-denominated bonds (in BGN at the fixed exchange rate)	5 874.9
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	9 149.3
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	165.5
Total (B)	165.5
TOTAL (II)	9 314.8
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	107 534.5

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

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



Structure of Expenditure on Domestic Debt



By end-August foreign debt totaled EUR 6918.7 million in nominal terms. Government debt accounted for EUR 6457.8 million and government guaranteed debt amounted to EUR 460.9 million.

In August new foreign financing amounted to BGN 33,222.9 thousand. Debt payments totaled BGN 85,008.2 thousand, including principal repayments of BGN 58,603.6 thousand and interest payments of BGN 26,404.6 thousand. The bulk of payments, worth BGN 24,895.3 thousand, were made to the World Bank, followed by those to the IMF of BGN 19,688 thousand, on government guaranteed loans, BGN 6,879.5 thousand and on government investment loans, worth BGN 4,259 thousand. Interest was repaid mainly to the IMF (BGN 13,707.2 thousand), to the World Bank (BGN 5,177.5 thousand), and on government guaranteed loans (BGN 2,516.6 thousand). In August net foreign financing was negative: BGN -25,380.7 thousand.

Since early 2004 loans drawn have totaled BGN 424,461.7 thousand, including BGN 121,164.7 thousand from the IMF, BGN 142,277 thousand on government guaranteed loans, BGN 119,855.6 thousand on government investment loans and BGN 41,164.4 thousand from the World Bank. Debt payments since January 2004 have totaled BGN 2,146,436.5 thousand, including repayments of BGN 1,617,640.3 thousand. The largest amounts were repaid on Brady bond principals (BGN 1,286,253.4 thousand), on IMF debt (BGN 113,765.8 thousand), on government investment loans (BGN 58,434.5 thousand), on World Bank debt (BGN 66,039.6 thousand), on Paris Club debt (BGN 42,532.5 thousand), on government guaranteed loans (BGN 30,400.3 thousand).

Payments effected in the review period led to certain changes in debt forex structure. By end-August EUR-denominated debt rose on the previous month, reaching 40.7%, while the proportions of the debt in US dollars and in other currencies decreased to 42.3% and 17% respectively. Debt interest rate structure also experienced a slight change. The debt with floating interest coupons decreased to 58.5% and the debt with fixed interest coupons, 41.5%. The average-weighted residual term to maturity of the foreign debt reached eight years and seven months.

Foreign debt structure by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) accounted for 30.9%, on Brady bonds 18.9%, and to the IMF 14%. Obligations to the World Bank comprised 12.6%, on government guaranteed loans 6.7%, to the European Union 5.1%, and to the Paris Club 2.9%.

Foreign Debt

(million EUR)

Structure	as of 31.XII.2003	as of 31.III.2004	as of 30.VI.2004	as of 31.VII.2004	as of 31.VIII.2004
Government debt	6 961.1	7 083.9	7 065.2	6 492.1	6 457.8
I. Bonds	3 981.6	4 036.2	4 052.9	3 457.9	3 443.8
1. Brady bonds	1 890.1	1 911.3	1 922.2	1 317.1	1 309.3
2. Other bonds	2 091.4	2 124.9	2 130.8	2 140.8	2 134.6
II. Credits	2 979.5	3 047.7	3 012.3	3 034.1	3 014.0
1. Paris Club	218.9	198.2	197.8	197.7	197.8
2. World Bank	870.0	891.7	880.5	881.5	869.5
2.1. World Bank	769.7	788.7	783.0	785.4	776.1
2.2. JBIC (JEXIM)	100.3	103.0	97.4	96.1	93.4
3. G24	42.0	36.3	36.4	36.6	36.5
4. European Union	350.0	350.0	350.0	350.0	350.0
5. IMF	940.2	1 015.0	978.7	982.4	968.5
6. Other	125.2	125.2	125.2	125.2	125.2
7. Government investment loans	383.0	382.3	394.5	412.0	419.4
7.1. World Bank	83.1	86.6	91.8 *	94.8 *	97.7
7.2. European Investment Bank	193.5	187.5	195.5	211.4	216.8
7.3. EBRD	31.8	28.9	28.6	25.2	25.1
7.4. Other	74.6	79.2	78.7	80.6	79.7
8. Called government guarantees	50.2	49.0	49.1	48.7	47.1
8.1. World Bank	41.0	39.7	39.7	39.4	37.9
8.2. European Investment Bank	1.8	1.7	1.7	1.5	1.5
8.3. Other	7.4	7.6	7.7	7.7	7.7
Government guaranteed debt	394.9	447.1	453.1	459.1	460.9
1. World Bank	109.2	111.4	111.3	114.7	111.1
2. European Investment Bank	44.5	41.6	41.3	41.3	41.3
3. EBRD	39.5	41.2	40.5	41.2	42.3
4. Other	201.7	252.9	259.9	261.8	266.2
FOREIGN DEBT, TOTAL	7 356.0	7 531.0	7 518.2	6 951.1	6 918.7
FOREIGN DEBT, TOTAL (million USD)	9 290.6	9 205.9	9 138.4	8 368.4	8 379.2

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 was discontinued. After the change securities included in domestic and foreign debt 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 August 2004.

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 August

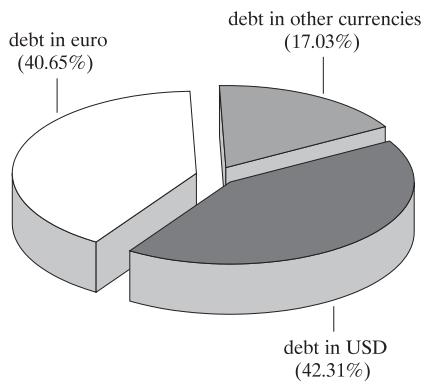
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	282 184.7	1 587 240.0	507 273.7
I. Bonds	-	1 286 253.4	396 230.5
1. Brady bonds	-	1 286 253.4	74 973.7
2. Other bonds	-	-	321 256.7
II. Credits	282 184.7	300 986.6	111 043.3
1. Paris Club	-	42 532.5	7 823.4
2. World Bank	41 164.4	66 039.6	31 344.7
2.1. World Bank	41 164.4	49 865.9	28 123.2
2.2. JBIC (JEXIM)	-	16 173.6	3 221.5
3. G24	-	12 167.2	1 056.8
4. European Union	-	-	9 562.2
5. IMF	121 164.7	113 765.8	34 571.1
6. Other	-	-	1 684.5
7. Government investment loans	119 855.6	58 434.5	22 620.6
7.1. World Bank	30 234.6	2 108.2	2 191.9
7.2. European Investment Bank	74 321.5	37 024.5	15 096.9
7.3. EBRD	-	14 630.2	2 294.8
7.4. Other	15 299.5	4 671.6	3 037.0
8. Called government guarantees	-	8 047.1	2 380.0
8.1. World Bank	-	7 341.1	2 144.4
8.2. European Investment Bank	-	705.9	235.6
8.3. Other	-	-	-
Government guaranteed debt	142 277.0	30 400.3	21 522.5
1. World Bank	13 094.9	16 638.5	6 987.1
2. European Investment Bank	-	6 304.9	2 293.4
3. EBRD	9 628.9	6 070.5	901.5
4. Other	119 553.2	1 386.4	11 340.4
TOTAL	424 461.7	1 617 640.3	528 796.2

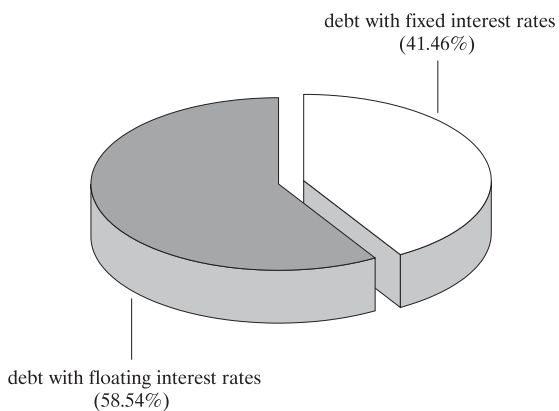
Notes:

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.

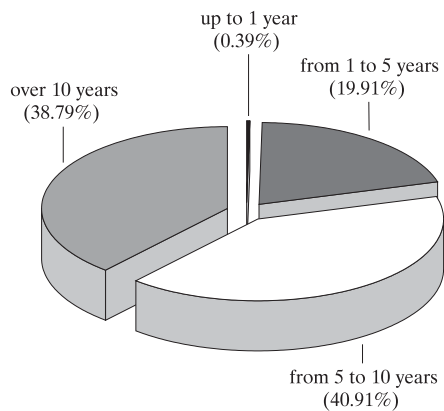
Forex Composition of the Foreign Debt as of 31 August



Interest Rate Structure of the Foreign Debt as of 31 August



Residual Term to Maturity of the Foreign Debt as of 31 August



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

By end-August government and government guaranteed debt totaled EUR 8215.8 million nominal value, including domestic debt of EUR 1297.1 million and foreign debt of EUR 6918.7 million. The decrease in nominal terms was EUR 10.9 million on the previous month due mainly to the repayments effected in the review period.

By end-August the debt to GDP ratio was 42.3%, a decrease of 0.1 percentage points on July 2004. The values of the domestic and the foreign debts accounted for 6.7% and 35.6% respectively.

Domestic debt occupied 15.8% in debt structure and foreign debt 84.2% (Chart 23).

By end-August the share of USD-denominated debt accounted for 37.2%, EUR-denominated debt 37.9%, BGN-denominated debt 10.6% and that denominated in other currencies 14.3% (Chart 24).

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 26%, followed by Brady bonds, 15.9%, domestic debt (government securities), 15.8%, debt to the IMF, 11.8%, and debt to the World Bank, 10.6% (Chart 25).

By end-August debt interest rate structure underwent some changes: the debt with fixed interest increased to 47.2% and that with floating interest comprised 52.8% (Chart 26).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 2437.5 million, including domestic debt payments of BGN 291.1 million and foreign debt payments of BGN 2146.4 million (Chart 27). In August payments to the World Bank and the IMF made up the largest share. The bulk of domestic debt payments were made on government securities issued for budget deficit financing.

Between January and August 2004 the forex composition of debt payments suggests that payments in US dollars accounted for the biggest share (recalculated in levs: BGN 1607.3 million), followed by payments in euro (BGN 342.6 million) and in levs (BGN 291.1 million, Chart 28).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII.2003	as of 31.III.2004	as of 30.VI.2004	as of 31.VII.2004	as of 31.VIII.2004
Domestic debt	1 153.8	1 248.7	1 275.4	1 275.5	1 297.1
I. Government debt	1 153.8	1 248.7	1 275.4	1 275.5	1 297.1
1. Government securities issued for budget deficit financing	879.2	987.5	1 015.9	1 015.4	1 039.8
2. Government securities issued for structural reform	274.7	261.2	259.5	260.2	257.3
II. Government guaranteed debt	-	-	-	-	-
Foreign debt	7 356.0	7 531.0	7 518.2	6 951.1	6 918.7
I. Government debt	6 961.1	7 083.9	7 065.2	6 492.1	6 457.8
1. Bonds	3 981.6	4 036.2	4 052.9	3 457.9	3 443.8
2. Credits	2 979.5	3 047.7	3 012.3*	3 034.1*	3 014.0
II. Government guaranteed debt	394.9	447.1	453.1	459.1	460.9
Debt, total	8 509.8	8 779.7	8 793.6	8 226.7	8 215.8
Debt/GDP (%)	48.2	45.2	45.3	42.4	42.3
Domestic debt/GDP (%)	6.5	6.4	6.6	6.6	6.7
Foreign debt/GDP (%)	41.7	38.8	38.7	35.8	35.6

Notes:

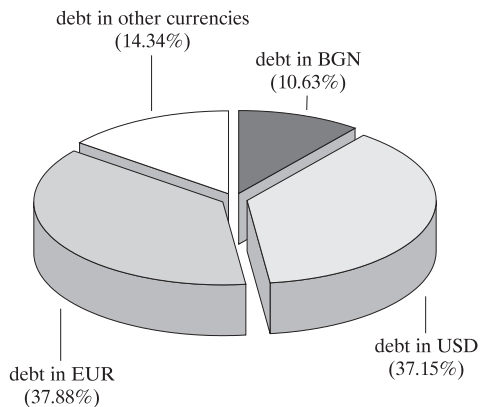
1. Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value was discontinued. After the change securities included in domestic and foreign debt are reported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

* Revised data.

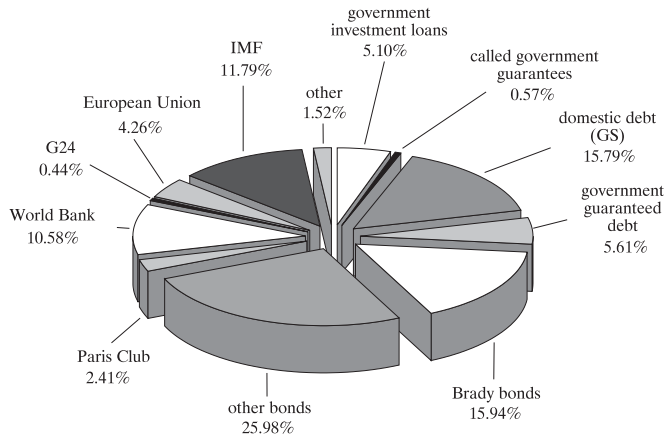
Debt Structure as of 31 August



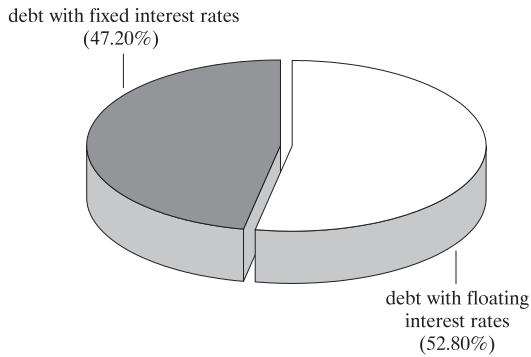
Debt Forex Structure as of 31 August



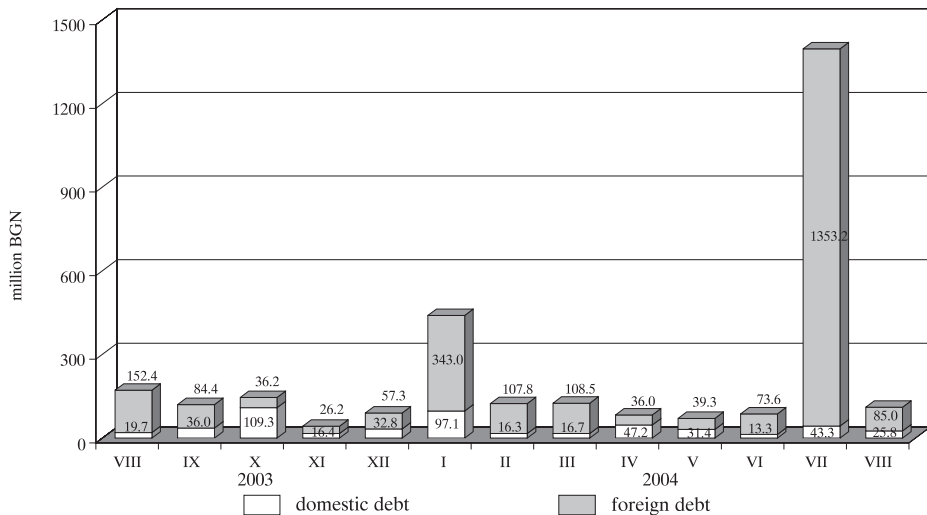
Debt Structure by Creditor as of 31 August



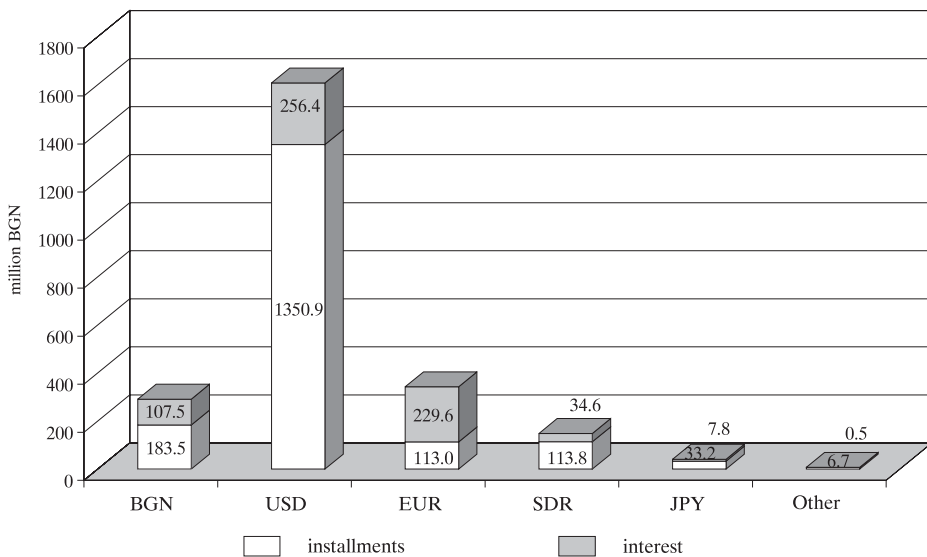
Debt Interest Structure as of 31 August



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 August



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2003	2004				
		31.III.	30.IV.	31.V.	30.VI.	30.VII
Government securities issued for budget deficit financing	4 380.1	11 559.0	11 559.0	11 363.4	11 148.2	12 655.6
– 7 years and 3 months (in EUR)	-	-	-	-	-	1 789.0
– 15 years (in EUR)	194.6	-	-	-	-	-
Government securities issued for structural reform	4 185.5	11 559.0	11 559.0	11 363.4	11 148.2	10 866.6
– in USD	4 455.9	4 185.8	4 186.2	4 186.2	4 186.9	4 188.7
– in EUR	125.4	185.5	185.9	185.9	186.5	188.3
	4 330.5	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4
Total	8 835.9	15 744.8	15 745.2	15 549.6	15 335.1	16 844.3

Government Securities Issued in International Markets and Held by Residents

(million EUR)

Government securities type	31.XII. 2003	2004				
		31.III.	30.IV.	31.V.	30.VI.	30.VII
Brady bonds	66.0	108.6	123.7	108.3	89.2	92.0
Eurobonds	65.3	57.4	56.4	52.4	56.8	53.8
Global bonds	166.0	150.7	161.0	160.1	103.6	101.9
– in EUR	122.8	113.7	112.8	113.2	78.3	80.8
– in USD	43.3	37.1	48.2	46.9	25.3	21.1
Total	297.3	316.7	341.1	320.8	249.6	247.7

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	2003	2004		
	as of 31.12.	as of 31.03.	as of 30.06.	as of 31.07.
I. Municipal debt	62 652.7	68 130.5	68 112.1	69 478.9
<i>I. Domestic municipal debt</i>	<i>44 969.8</i>	<i>46 942.7</i>	<i>46 955.9</i>	<i>46 699.1</i>
1.1. Government securities issues (at nominal value as of corresponding period)	8 454.6	8 454.6	8 124.6	8 124.6
1.2. Loans from banks and other financial institutions	21 731.3	24 642.8	25 513.3*	26 043.9
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	6 422.7	6 057.4*	5 574.4
1.5. Loans from other municipalities	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-
1.7. Other	5 295.4	4 692.6	4 530.6*	4 226.2
<i>2. Foreign municipal debt</i>	<i>17 682.9</i>	<i>21 187.8</i>	<i>21 156.3</i>	<i>22 779.8</i>
2.1. Loans from banks and other financial institutions	14 251.4	14 251.4	14 251.4	15 758.8
2.2. Government guaranteed municipal debt	3 431.5	6 936.3	6 904.8	7 020.9
II. Municipal guarantees	995.0	892.1	822.1	796.2
<i>I. Domestic municipal guarantees</i>	<i>995.0</i>	<i>892.1</i>	<i>822.1</i>	<i>796.2</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total	63 647.8	69 022.5	68 934.3	70 275.1

Notes:

- The loan extended by the Council of Europe Development Bank (CEB) to the Republic of Bulgaria under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) represents 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*.
- 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*.
- 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.

* Revised data.

Social Security Funds Debt

(thousand BGN)

Structure	2003	2004		
	as of 31.12.	as of 31.03.	as of 30.06.	as of 31.07.
Domestic debt	35 378.2	35 432.6	34 530.7	34 546.7
I. National Insurance Institute	35 378.2	35 432.6	34 530.7	34 546.7
1. Other ¹	35 378.2	35 432.6	34 530.7	34 546.7
2. Loans from the republican budget	-	-	-	-
II. National Health Insurance Fund	-	-	-	-
III. Teachers' Pension Fund	-	-	-	-
Foreign debt	-	-	-	-

¹ 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 31.03.	as of 30.06.	as of 31.07.
I. Consolidated government debt	8 147.00	8 367.40	8 375.50	7 803.10
1. Central government debt	8 114.90	8 332.60	8 340.7*	7 767.60
2. Social security funds debt	0.00	0.00	0.00	0.00
3. Municipal debt	32.00	34.80	34.8*	35.50
Debt/GDP, total (%)	46.17	43.09	43.13	40.18

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 was discontinued. After the change securities included in domestic and foreign debt are reported at nominal value.
- GDP projection for 2004: BGN 37,983 million. GDP last revision 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 loan is also guaranteed by the Bulgarian Government.

* Revised data.