

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

MAY 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

According to the monthly auction calendar, in May the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010504002: three-month) and one long-term tap treasury bonds issue (No. BG2040104213: seven-year).

At the auctions primary dealers' bids totaled BGN 53,060 thousand: BGN 14,000 thousand for three-month government securities and BGN 39,060 thousand for seven-year (Chart 1). Approved bids totaled BGN 32,000 thousand nominal value, including three-month of BGN 12,000 thousand and seven-year of BGN 20,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in May accounted for 1.66: 1.17 on three-month and 1.95 on seven-year (Chart 4).

Government securities issued in May decreased by BGN 1.3 million on the same period of 2003 (Chart 2).

Chart 1

Government Securities Issue in May

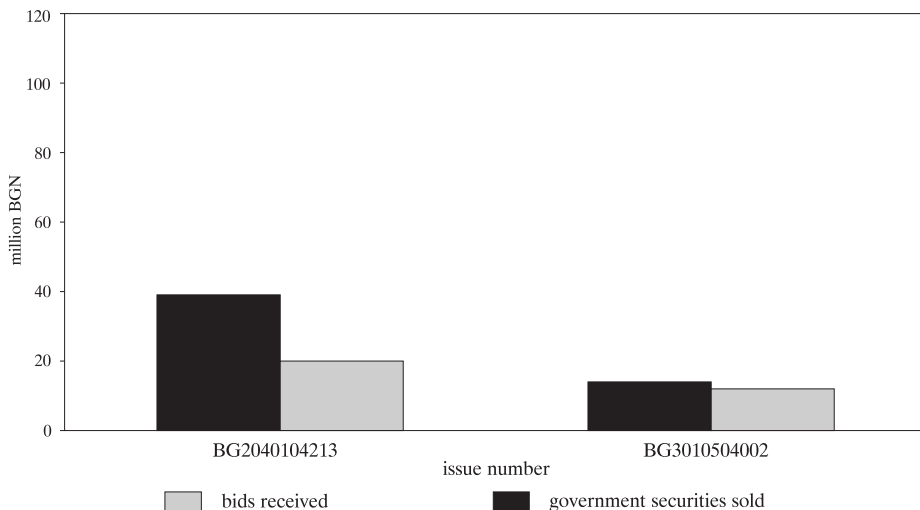


Chart 2

Sales of Government Securities Issues

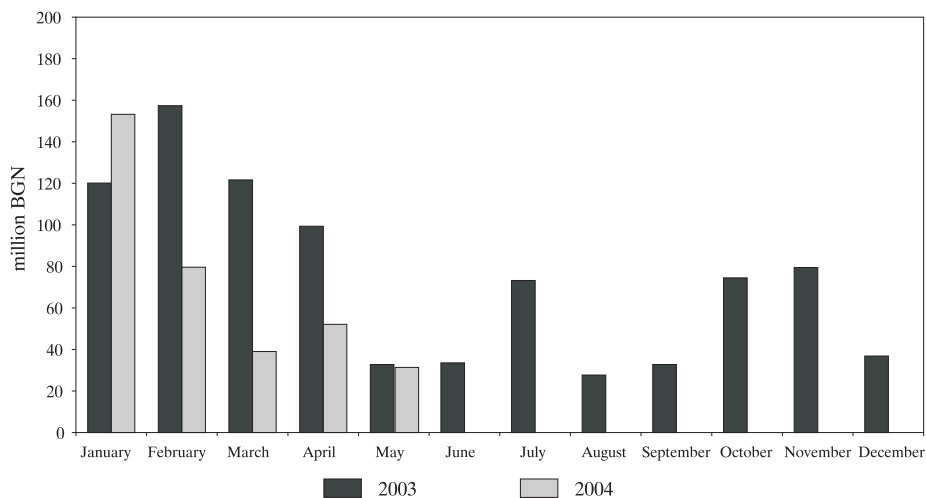
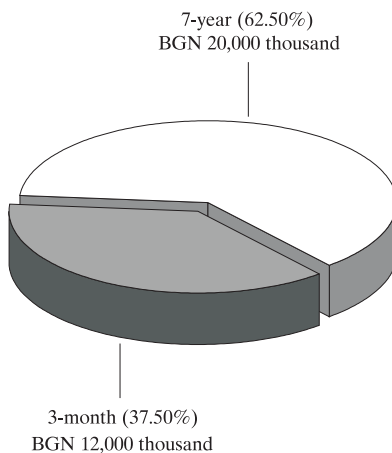
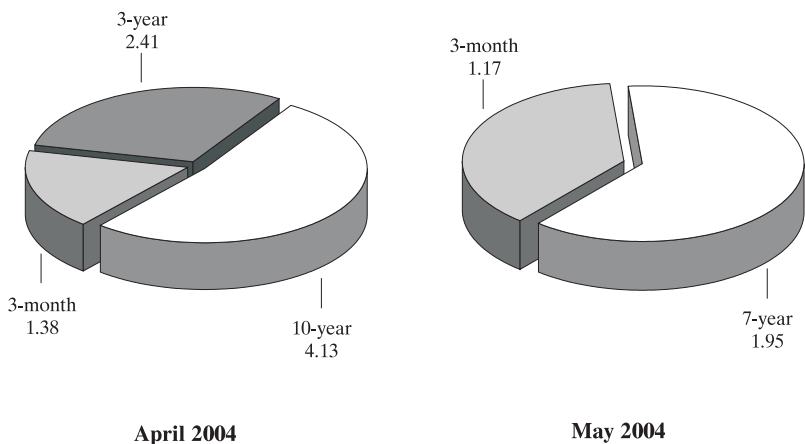


Chart 3

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



Bid-to-Cover Ratios of Issues Sold



A result of primary dealers' decreased interest the attained yield of government securities in the period under review increased. The yield of three-month treasury bills posted a 1.24% increase compared to the previous month, reaching 3.83%. The yield of seven-year treasury bonds also rose to 5.31%, an increase of 0.3% compared to February 2004 when the last government securities issue with a term of seven years was sold. (Charts 5, 6 and 8)

One 2004 treasury bills issue matured in May 2004 (No. BG3010204009) with a nominal value of BGN 12,000,000.

Two 2002 target issues amounting to BGN 937.2 thousand matured. Reverse purchases accounted for BGN 223.6 thousand (Chart 11).

Prices of Issues Sold per BGN 100 Nominal Value

APRIL 2004

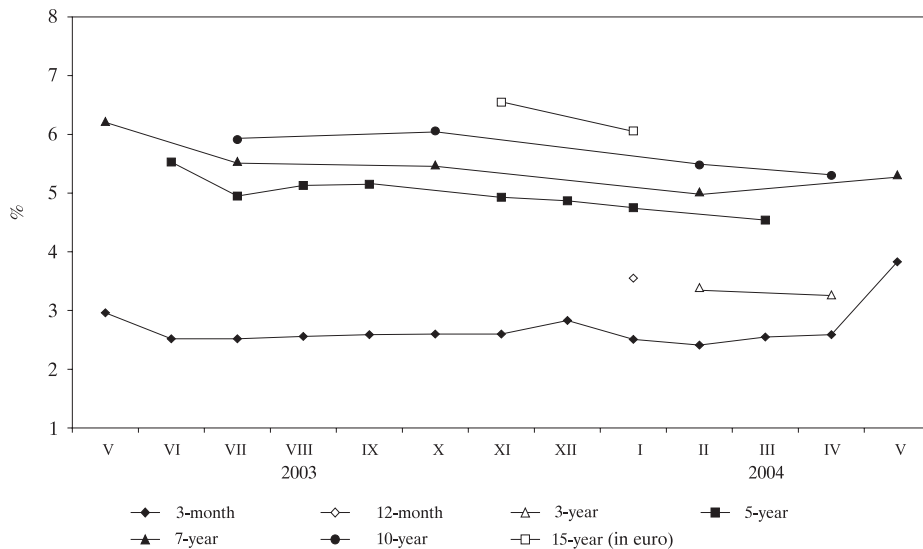
	3-month	3-year	10-year
	BG3010404005	BG2030104116	BG2040004215
Minimum	99.18	99.60	98.93
Average-weighted	99.35	100.11	99.20
Maximum	99.41	100.40	99.61

MAY 2004

	3-month	7-year
	BG3010504002	BG2040104213
Minimum	98.73	96.06
Average-weighted	99.03	96.77
Maximum	99.36	99.71

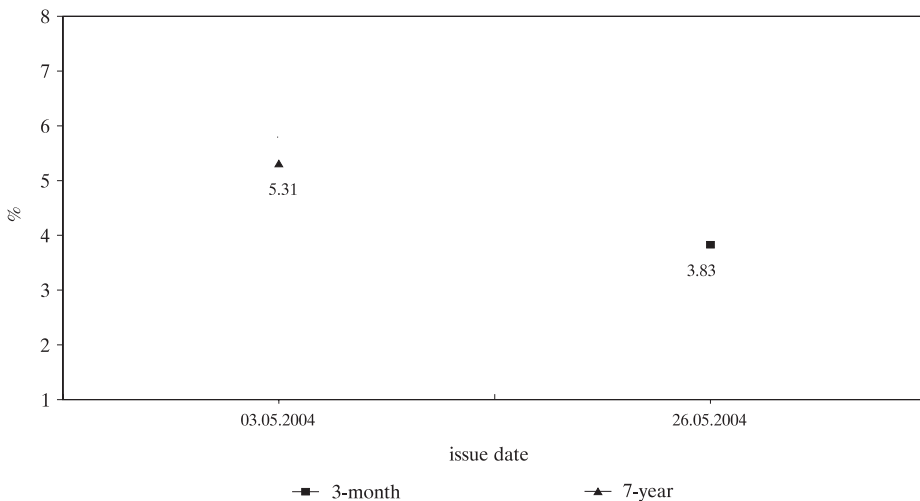
Chart 5

Yield of Primary Market Government Securities



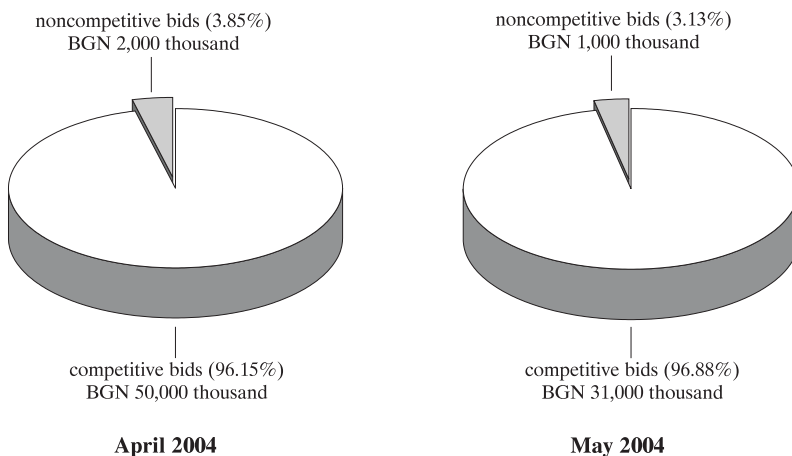
Note: The yield is on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities

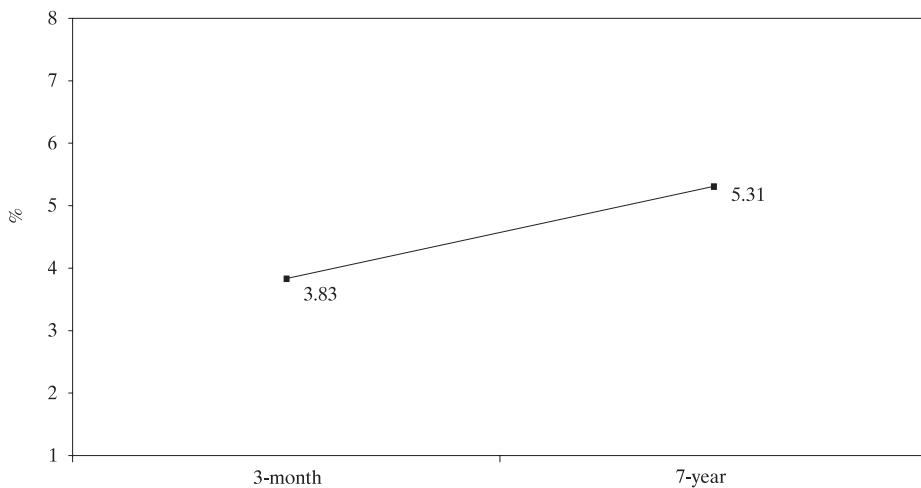


Note: The seven-year government securities issue is a tap issue. The above dates indicate the auction dates.

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

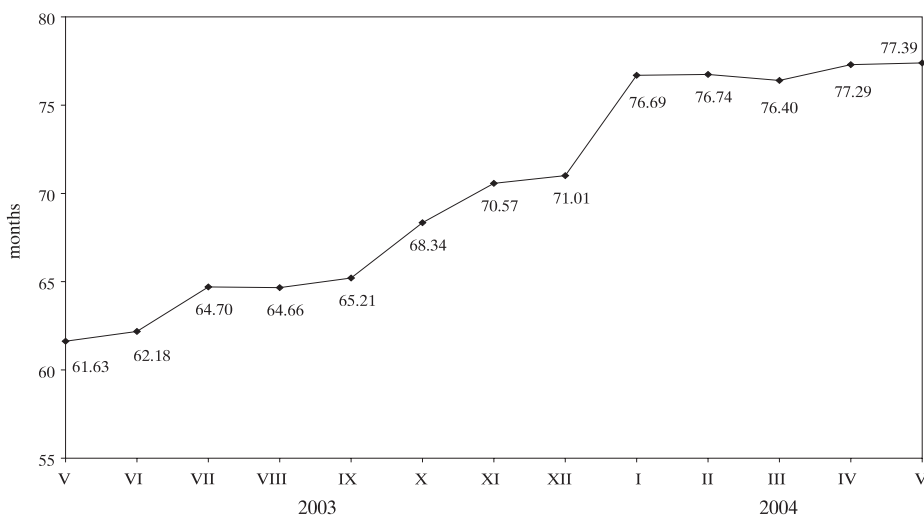


Yield Curve of Primary Market Government Securities in May



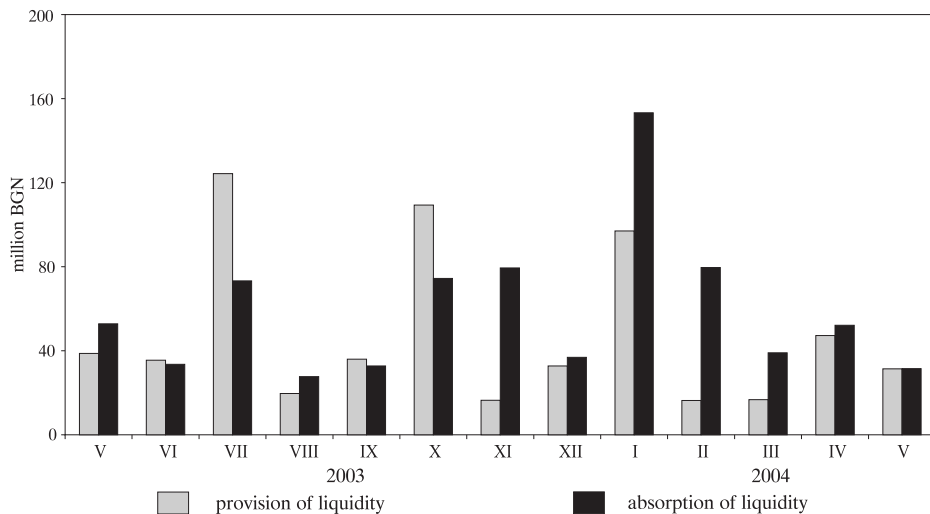
Note: Average-weighted yield on an effective annual basis.

An Average Term of Outstanding Government Securities Issues by Month

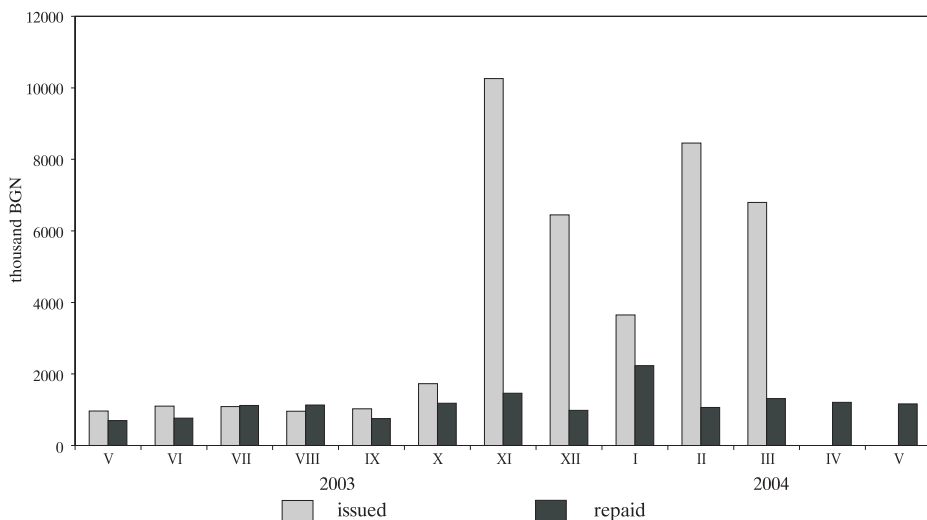


Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

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	BG3010304007	BG3010404005	BG3010504002
Issue date	14.01.2004	31.03.2004	28.04.2004	26.05.2004
Maturity date	14.01.2005	30.06.2004	28.07.2004	26.08.2004
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	19 430.00	16 520.00	14 000.00
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	99.36	99.35	99.03
Average discount per BGN 100 (%)	3.48	0.64	0.65	0.97
Average annual yield (%)	3.55	2.55	2.59	3.83
Effective annual yield (%)	3.55	2.57	2.61	3.89
Bid-to-cover ratio	2.02	1.62	1.38	1.17

Treasury Bonds

Issue No.	BG2030609115	BG2030909119	BG2030900117 ³	BG2030901112 ³	Total for the issue***	First opening	Second opening	Third opening	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	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	11.10.2000	11.10.2000	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	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)	2 000.00	3 000.00	10 000.00	15 000.00	15 000.00	20 000.00	40 000.00	40 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	46 780.00	35 511.11	31 074.00	95 924.14	113 365.10	113 365.10	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	28 755.89	28 755.89	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	99.51	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	9.00	9.00	9.00	9.00
Bid-to-cover ratio	1.40	0.40	4.68	2.37	2.07	4.80	2.83	2.83	4.80	4.36	3.52	4.23
Average annual yield (%)	12.79	15.37	9.31	9.09	9.03	8.59	9.12	9.12	8.59	7.87	7.44	7.96

(continued)

(continued)

Issue No.	First opening	BG2030301118² Second opening	Third opening	Total for the issue***	First opening	BG2030501113² 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)

(continued)

Issue No.	First opening	BG20307011193	Third opening	Total for the issue	First opening	BG20400012114	Second opening	Total for the issue
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	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	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	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	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	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	98.19	96.46
Interest rate	7.00	7.00	7.00	7.00	7.50	7.50	7.50	7.50
Bid-to-cover ratio	2.17	2.77	1.44	2.13	1.79	4.93	4.93	3.61
Average annual yield (%)	6.95	6.91	6.95	6.93	8.37	7.84	7.84	8.17

(continued)

(continued)

Issue No.	BG2030002112²	BG2040002219⁴	Total for the issue	Total for the issue				
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Total for the issue	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		
Maturity date	09.01.2007	09.01.2007	09.01.2007	09.01.2007	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)

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Issue No.	First opening	BG2040102217³ Second opening	Third opening	Total for the issue	First opening	BG2030102110⁴ Second opening	Total for the issue
Auction date	18.02.2002	18.03.2002	13.05.2002		11.03.2002	10.06.2002	
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

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Issue No.	BG204020215 ²				BG2030202118 ²				Total for the issue	Fourth opening	Total for the issue	Fourth opening	Third opening	Second opening	First opening	Third opening	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	17.04.2002	10.07.2002	10.07.2002	17.04.2002	17.04.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002	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	17.04.2012	10.07.2007	10.07.2007	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007	10.07.2007	10.07.2007	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	25 000.00	25 000.00	25 000.00	90 000.00	90 000.00	25 000.00	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)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40	38 080.00	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	84 920.00	25 000.00	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	96.06	99.81	98.45	99.52										99.20
Interest rate	7.50	7.50	7.50	7.50	7.50	6.50	6.50	6.50										6.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	2.25	1.52	0.96	3.36										1.94
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.55	6.87	6.61										6.69

(continued)

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
			BG2040302213²				BG2030302116³		
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 ⁴			BG2040003217 ⁴			BG2030003110 ³			
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	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 ⁴			BG2040103215 ¹					Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	
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

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

(continued)

(continued)

Issue No.	BG203203116 ¹			BG2040403219 ^{**}					
	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)

Issue No.	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue
					BG2040004215⁴	
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.	BG2040104213 ⁴		BG2030104116 ⁴	
	First opening	Second opening	First opening	Second opening
Auction date	09.02.2004	03.05.2004	16.02.2004	19.04.2004
Issue date	11.02.2004	11.02.2004	18.02.2004	18.02.2004
Maturity date	11.02.2011	11.02.2011	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
Total nominal value of the bids received (thousand BGN)	76 850.00	39 060.00	93 850.00	48 250.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	98.42	96.77	99.76	100.11
Interest rate	4.75	4.75	3.30	3.30
Bid-to-cover ratio	3.84	1.95	4.69	2.41
Average annual yield (%)	5.02	5.31	3.39	3.26

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

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

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

⁴ 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

	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 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 31 May 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 1,780.57	BGN 6,459.39	USD 151,342.74	BGN 693.07	EUR 125,572.47
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 May 2004.

Pending Payments on Government Securities in July 2004

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
				1	2
bonds CMD No. 244/92 CMD No. 234/93 ZUNK, USD ZUNK, EUR				36.7 152.2 1 494.3 2 666.5	1 429.6
	5	6	7	8	9
target bonds	776.8		90.1 1 402.3	41.5 1 864.8	12.7 5 494.8
	12	13	14	15	16
target bonds	2 739.3			2 097.8	2 983.6
	19	20	21	22	23
target bonds	504.0 2 436.6			25.9 1 367.5	17.0
	26	27	28	29	30
bills bonds	3 356.2		12 000.0		
	August 2				
target bonds	554.0 2 144.5				

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

Auction Calendar of Government Securities Issues for July 2004

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
26.07.2004	28.07.2004	28.10.2004	3-month	12 000 000	12 000 000
TOTAL, incl.:				12 000 000	
bills				12 000 000	

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

By end-May 2004 domestic debt totaled BGN 2,475, 253.8 thousand in nominal terms. The share of budget deficit financing government securities was 79.5% (BGN 1,967,852.6 thousand) in overall debt and that of government securities issued for structural reform, 20.5% (BGN 507,401.2 thousand) (Chart 12).

Between January and May 2004 government securities issued for budget deficit financing accounted for BGN 356,691.5 thousand; of this, BGN 18,900,000 were directly sold to individuals. Repaid government securities accounted for BGN 108,334.9 thousand, including BGN 98,170 thousand on short-term treasury bills. As a result of newly issued volumes, the share of seven-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 31.5% at the expense of all other types of government securities whose shares decreased in May (Chart 13). The average-weighted maturity of government securities issued for budget deficit financing reached six years and five months. By end-May government securities issued for structural reform decreased to BGN 507,401.2 thousand. In the review period EUR-denominated ZUNK bonds amounting to EUR 313.2 thousand and USD-denominated ZUNK bonds of USD 124.6 thousand were used for repayment of obligations to the state under ZUNK.

In May the forex structure of debt experienced slight movements owing both to government securities issues and effected repayments (Chart 14). The share of government securities in euro and in US dollars decreased to 22.5% and 9.8% while government securities denominated in US dollars slightly rose to 67.7%. Debt maturity structure also experienced particular changes. Short-term and medium-term government securities decreased to 2.3% and 37.6% respectively at the expense of long-term securities which rose to 60.2% (Chart 15). Government securities with fixed interest coupons comprised 77.9% and government securities with floating interest coupons, 22.1%.

Since early 2004 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 70,259.4 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 65,290.5 thousand, or 92.9% of the total (Chart 18). Interest expenditure on seven-year government bonds occupied the largest share, 41.8%, due to the higher volume of these issues, followed by interest payments on five-year bonds, 29.8% (Chart 17).

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 May 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	-	6 202.4	682 526.3
4.1. Medium-term	363 808.7	-	6 202.4	357 606.3
2-year	14 058.7		6 202.4	7 856.3
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	74 926.5	800 837.6
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	-	756.5	253 567.3
3-year	79 323.8		756.5	78 567.3
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
EUR-denominated (lev equivalent)	205 362.2			205 362.2
10-year	100 000.0			100 000.0
15-year	39 116.6	97 791.5		136 908.1
EUR-denominated (lev equivalent)	39 116.6	97 791.5		136 908.1
6. Government securities issued in 2004	-	258 900.0	24 016.0	234 883.9
6.1. Short-term	-	80 000.0	24 000.0	56 000.0
3-month		60 000.0	24 000.0	36 000.0
12-month		20 000.0	-	20 000.0
6.2. Medium-term	-	98 900.0	16.0	98 883.9
3-year		50 444.8	16.0	50 428.7
5-year		48 455.2	-	48 455.2
EUR-denominated (lev equivalent)		8 455.2		8 455.2
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	356 691.5	108 334.9	1 967 852.6

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 May 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			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		13 236.1	151 342.7
lev equivalent	254 860.2			242 663.0
denominated in EUR	134 433.1		8 860.7	125 572.5
lev equivalent	262 928.4			245 598.4
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1			693.1
TOTAL (A)	528 923.0			499 120.6
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	8 280.7			8 280.7
Government securities issued in 1997	8 280.7			8 280.7
TOTAL (B)	8 280.7			8 280.7
TOTAL (II)	537 203.7			507 401.2
GOVERNMENT DEBT, TOTAL	2 256 699.6			2 475 253.8
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 256 699.6			2 475 253.8

Notes:

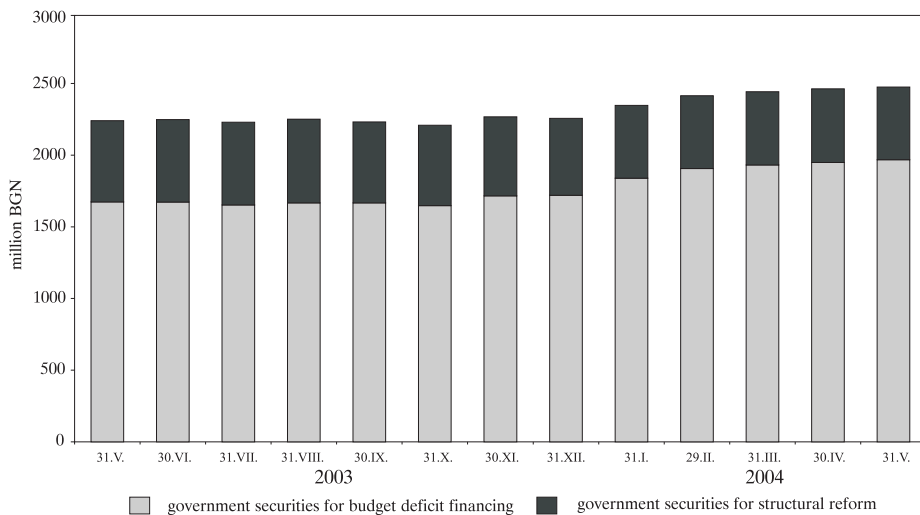
Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value was discontinued. After the change securities included in domestic and foreign debt are reported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

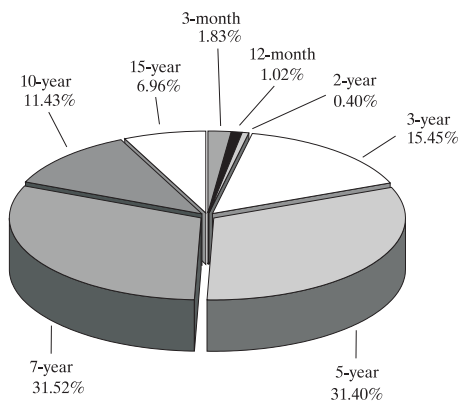
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

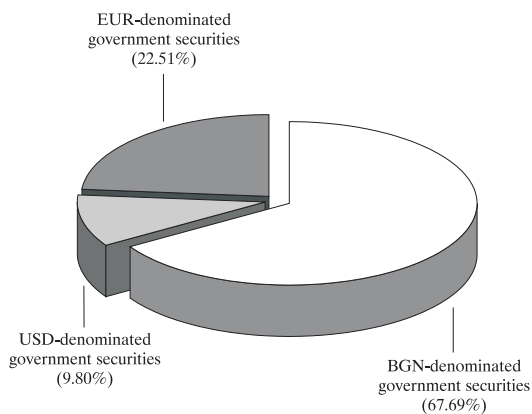


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 May

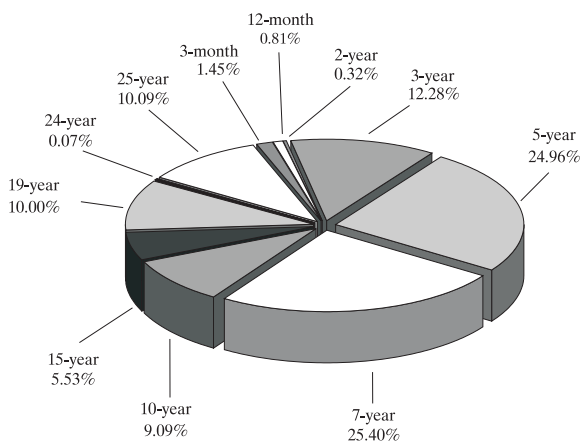


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and five months.

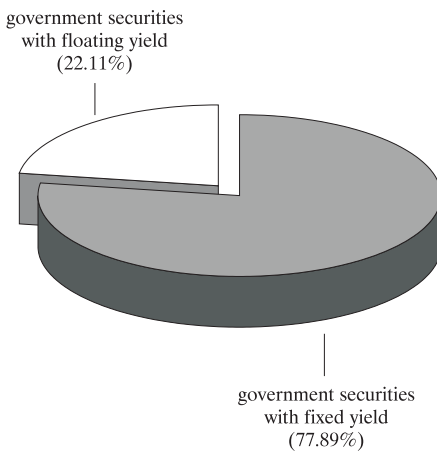
Forex Composition of Outstanding Government Securities as of 31 May



Maturity Structure of Outstanding Government Securities as of 31 May



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



Expenditure on Domestic Debt between 1 January and 31 May 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	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	23 440.8
4.1. Medium-term*	11 635.4
2-year	414.2
3-year	5 276.0
5-year	5 945.3
4.2. Long-term	11 805.3
7-year	8 620.8
10-year	3 184.5
5. Government securities issued in 2003	31 771.9
5.1. Short-term	1 907.8
3-month	231.0
12-month	1 676.8
5.2. Medium-term	6 495.8
3-year	1 981.1
5-year	4 514.7
5.3. Long-term	23 368.2
7-year	17 797.3
10-year	3 335.8
15-year	2 235.1
EUR-denominated (lev equivalent)	2 235.1
6. Government securities issued in 2004	-200.1
6.1. Short-term	147.0
3-month	147.0
6.2. Medium-term	68.9
3-year	210.9
5-year	-142.0
6.3. Long-term	-416.0
7-year	-218.0
10-year	-198.0
TOTAL (I)	65 290.5
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	39.4
2. Bonds issued pursuant to CM Decree No. 186 of 1992	22.9

(continued)

(continued)

(thousand BGN)

Structure	Amount of repaid interest (discount)
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	70 259.4
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	70 259.4

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

Chart 17

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

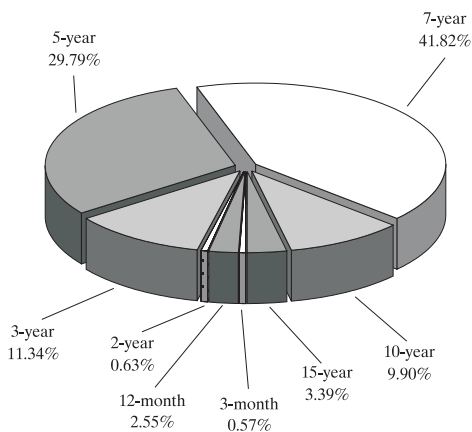
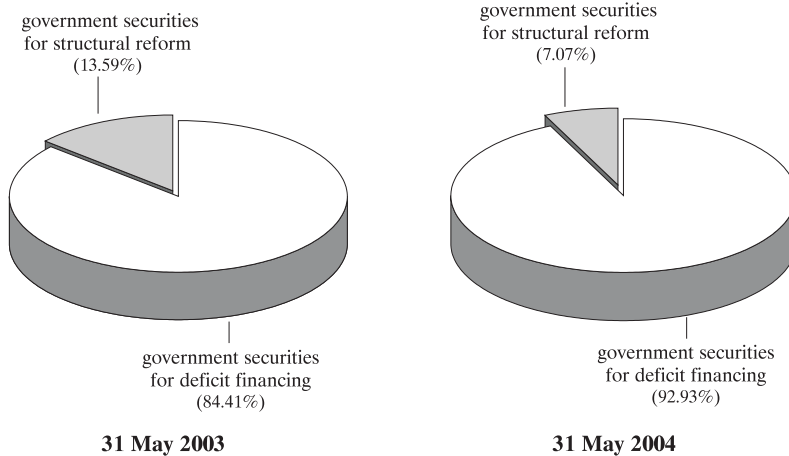


Chart 18

Structure of Expenditure on Domestic Debt



By end-May foreign debt totaled EUR 7,522.1 million in nominal terms. Government debt accounted for EUR 7,067.8 million and government guaranteed debt amounted to EUR 454.3 million.

In May new foreign financing amounted to BGN 25,841.4 thousand. Debt payments totaled BGN 39,327.2 thousand, including principal repayments of BGN 20,228.6 thousand and interest payments of BGN 19,098.6 thousand. The bulk of payments, worth BGN 19,692.8 thousand, were made to the IMF, followed by those on government investment loans, worth BGN 535.7 thousand. Interest was repaid mainly to the IMF (BGN 10,700 thousand), on government guaranteed debt (BGN 7,127.5 thousand) and on government investment loans (BGN 1,172.7 thousand). By end-May net foreign financing was positive (BGN 5,612.8 thousand).

Since early 2004 loans drawn have totaled BGN 323,136.4 thousand, including BGN 121,164.7 thousand from the IMF, BGN 117,671.5 thousand on government guaranteed loans, BGN 45,555.2 thousand on government investment loans and BGN 38,745 thousand from the World Bank. Debt payments have totaled BGN 634,585.7 thousand, including repayments of BGN 287,682.2 thousand. The largest amounts were repaid on the principal of Brady bonds (BGN 79,029.2 thousand), to the IMF (BGN 73,518.2 thousand), to the Paris Club (BGN 42,532.5 thousand), on government investment loans (BGN 35,500.6 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-May debt denominated in euro increased on the previous month reaching 36.9%. The proportions of USD-denominated debt and that in other foreign currencies went down, reaching 47.1% and 16% respectively. Debt interest rate structure also experienced a slight change. The debt with floating interest coupons decreased to 62.2% or by 0.2 percentage points against debt with fixed interest coupons, 37.8%. The average-weighted residual term to maturity of the foreign debt was nine years and seven 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 25.5%, and to the IMF 13.1%. Obligations to the World Bank comprised 11.8%, to the Paris Club 2.6%, to the European Union 4.7%, and debt on government guaranteed loans 6%.

Foreign Debt

(million EUR)

Structure	as of 31.XII.2003	as of 31.III.2004	as of 30.IV.2004	as of 31.V.2004
Government debt	6 961.1	7 083.9	7 152.8	7 067.8
I. Bonds	3 981.6	4 036.2	4 104.6	4 042.5
1. Brady bonds	1 890.1	1 911.3	1 955.6	1 915.4
2. Other bonds	2 091.4	2 124.9	2 149.0	2 127.1
II. Credits	2 979.5	3 047.7	3 048.2	3 025.3
1. Paris Club	218.9	198.2	197.9	197.8
2. World Bank	870.0	891.7	893.6	887.4
2.1. World Bank	769.7	788.7	794.4	789.2
2.2. JBIC (JEXIM)	100.3	103.0	99.1	98.1
3. G24	42.0	36.3	36.7	36.4
4. European Union	350.0	350.0	350.0	350.0
5. IMF	940.2	1 015.0	1 006.7	987.4
6. Other	125.2	125.2	125.2	125.2
7. Government investment loans	383.0	382.3	388.6	392.1
7.1. World Bank	83.1	86.6	89.0	90.1
7.2. European Investment Bank	193.5	187.5	191.5	195.1
7.3. EBRD	31.8	28.9	29.4	29.0
7.4. Other	74.6	79.2*	78.7	77.9
8. Called government guarantees	50.2	49.0	49.5	49.0
8.1. World Bank	41.0	39.7	40.0	39.7
8.2. European Investment Bank	1.8	1.7	1.7	1.7
8.3. Other	7.4	7.6	7.8	7.6
Government guaranteed debt	394.9	447.1	450.3	454.3
1. World Bank	109.2	111.4	113.3	112.3
2. European Investment Bank	44.5	41.6	41.6	41.6
3. EBRD	39.5	41.2	41.4	41.3
4. Other	201.7	252.9*	254.0	259.0
FOREIGN DEBT, TOTAL	7 356.0	7 531.0	7 603.1	7 522.1
FOREIGN DEBT, TOTAL (million USD)	9 290.6	9 205.9	9 083.4	9 175.4

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. 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).
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 *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.
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 May 2004.

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 May

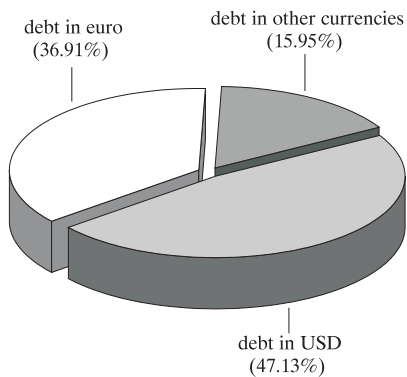
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	205 464.9	271 738.4	333 108.4
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	205 464.9	192 709.2	57 828.1
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	73 518.2	20 863.9
6. Other	-	-	-
7. Government investment loans	45 555.2	35 500.6	13 505.9
7.1. World Bank	14 309.2	969.2	577.4
7.2. European Investment Bank	21 514.1	25 445.9	10 378.8
7.3. EBRD	-	6 804.1	1 149.5
7.4. Other	9 731.9	2 281.4	1 400.2
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	-	-	-
Government guaranteed debt	117 671.5	15 943.8	13 795.0
1. World Bank	6 683.3	6 315.2	2 453.3
2. European Investment Bank	-	5 648.7	2 187.7
3. EBRD	4 501.2	2 593.5	601.1
4. Other	106 487.1	1 386.4	8 552.9
TOTAL	323 136.4	287 682.2	346 903.5

Notes:

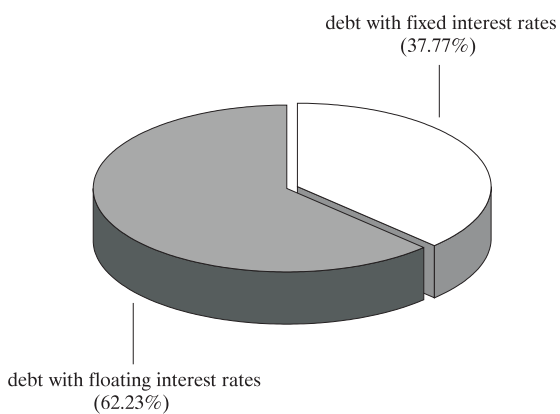
1. Values in BGN of the new foreign financing and payments effected are calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

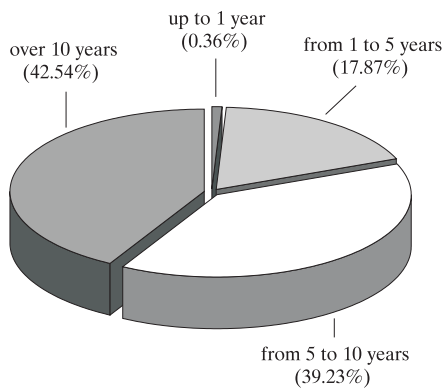
Forex Composition of the Foreign Debt as of 31 May



Note: Including swap transactions.

Interest Rate Structure of the Foreign Debt as of 31 May



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

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

By end-May government and government guaranteed debt totaled EUR 8,787.6 million, including domestic debt of EUR 1,265.6 million and foreign debt of EUR 7,522.1 million. The decrease in nominal terms was EUR 74.4 million on the previous month due mainly to exchange rate fluctuations.

By end-May the *debt to GDP* ratio was 45.2%, a decrease of 0.4% on April 2004. The values of the domestic and the foreign debts accounted for 6.5% and 38.7% respectively.

Domestic debt occupied 14.4% in debt structure and foreign debt 85.6%. In May the increase in the share of domestic debt by 0.2 percentage points matched that of the previous period as a result of the positive net issuing of government securities in the domestic market (Chart 22).

Forex debt composition underwent certain changes reflecting effected repayments. By end-May the share of USD-denominated debt accounted for 41.8%, EUR-denominated debt 34.8%, BGN-denominated debt 9.8% and that denominated in other currencies 13.7% (Chart 23).

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor 24.2%, followed by Brady bonds 21.8%, domestic debt (government securities) 14.4%, debt to the IMF 11.2%, and debt to the World Bank 10.1% (Chart 24).

By end-May debt interest rate structure experienced some changes: the debt with fixed interest increased to 43.6% and that with floating interest comprised 56.4% (Chart 25).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 843.3 million, including domestic debt payments of BGN 208.7 million and foreign debt payments of BGN 634.6 million (Chart 26). In May payments to 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 May 2004 the forex composition of debt payments suggests that payments in euro accounted for the biggest share (recalculated in levs: BGN 259.8 million), followed by payments in US dollars (BGN 247.8 million) and in levs (BGN 208.8 million, Chart 27).

Government and Government Guaranteed Debt

(million EUR)

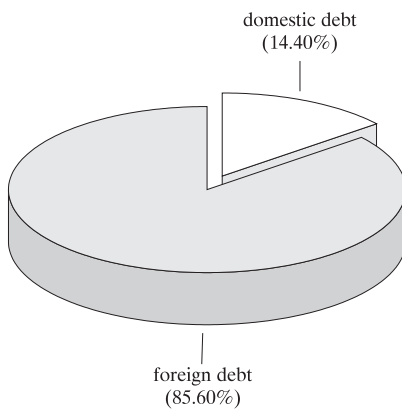
Structure	as of 31.XII.2003	as of 31.III.2004	as of 30.IV.2004	as of 31.V.2004
Domestic debt	1 153.8	1 248.7	1 259.0	1 265.6
I. Government debt	1 153.8	1 248.7	1 259.0	1 265.6
1. Government securities issued for budget deficit financing	879.2	987.5	996.5	1 006.1
2. Government securities issued for structural reform	274.7	261.2	262.5	259.4
II. Government guaranteed debt	-	-	-	-
Foreign debt	7 356.0	7 531.0	7 603.1	7 522.1
I. Government debt	6 961.1	7 083.9	7 152.8	7 067.8
1. Bonds	3 981.6	4 036.2	4 104.6	4 042.5
2. Credits	2 979.5	3 047.7*	3 048.2	3 025.3
II. Government guaranteed debt	394.9	447.1*	450.3	454.3
Debt, total	8 509.8	8 779.7	8 862.1	8 787.6
Debt/GDP (%)	48.2	45.2	45.6	45.2
Domestic debt/GDP (%)	6.5	6.4	6.5	6.5
Foreign debt/GDP (%)	41.7	38.8	39.2	38.7

Notes:

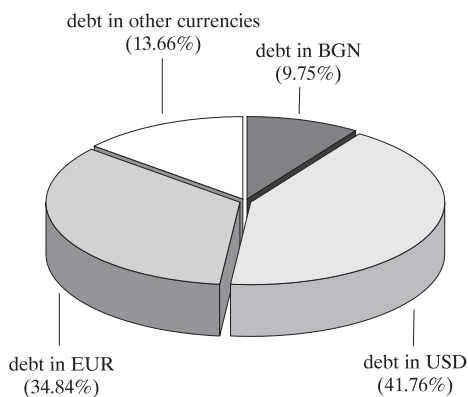
1. Since of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debt has changed. As of January 2003 the practice of reporting bonds obligations at acquisition value was discontinued. After the change securities included in domestic and foreign debt are reported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

* Revised data.

Debt Structure as of 31 May

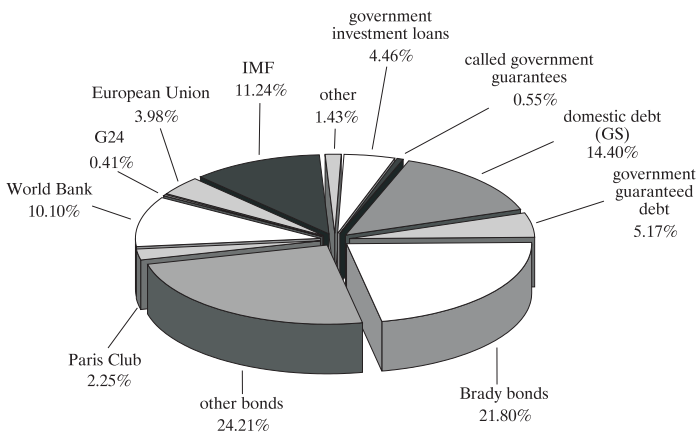


Debt Forex Structure as of 31 May

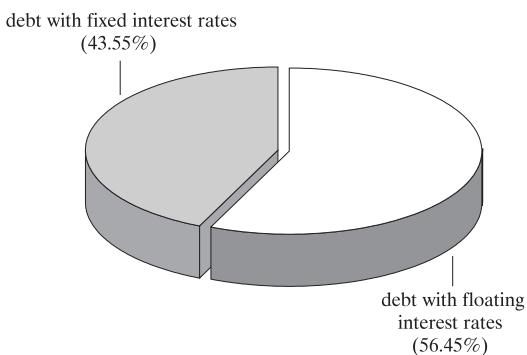


Note: Including swap transactions.

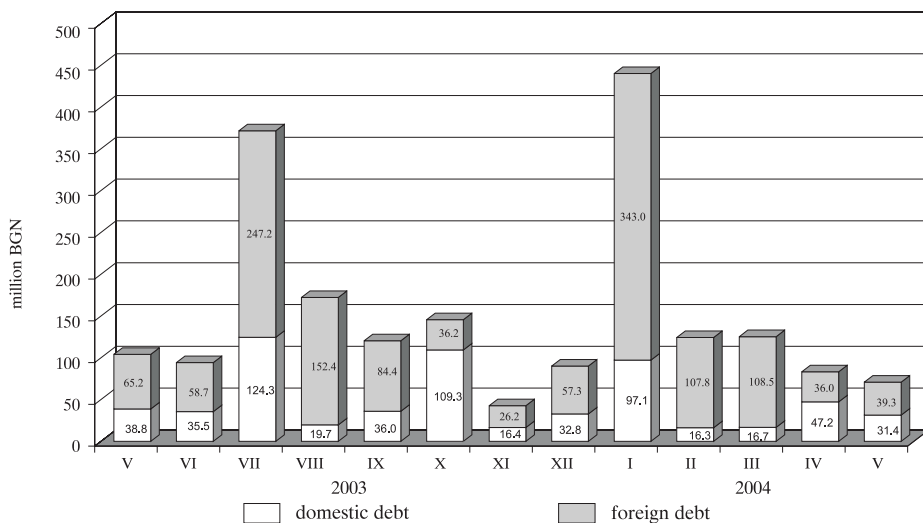
Debt Structure by Creditor as of 31 May



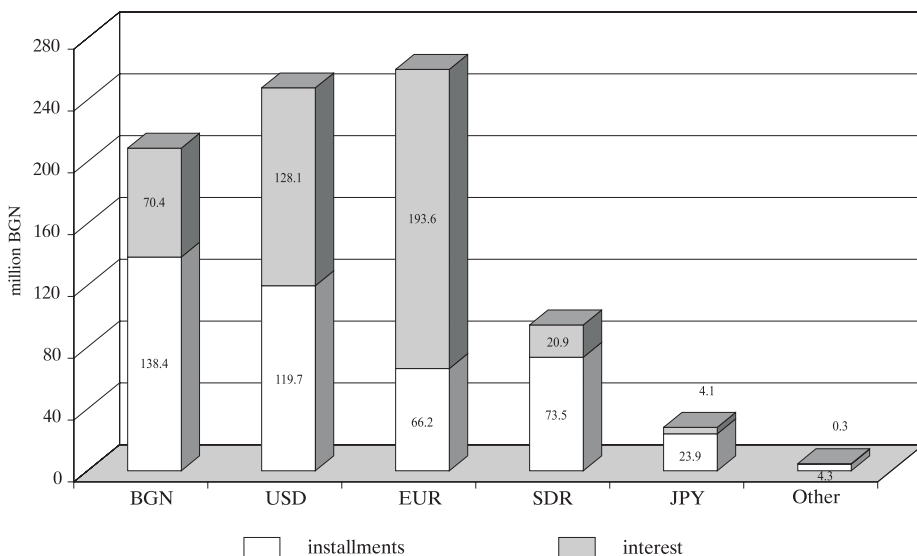
Debt Interest Structure as of 31 May



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 May



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2003	2004			
		31.I.	29.II.	31.III.	30.IV.
Government securities issued for budget deficit financing	4 380.1	12 008.8	12 008.8	11 559.0	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	11 559.0
Government securities issued for structural reform	4 455.9	4 182.9	4 182.9	4 185.8	4 186.2
– in USD	125.4	182.6	182.6	185.5	185.9
– in EUR	4 330.5	4 000.4	4 000.4	4 000.4	4 000.4
Total	8 835.9	16 191.7	16 191.8	15 744.8	15 745.2

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.	30.IV.
Brady bonds	66.0	92.8	96.4	108.6	123.7
Eurobonds	65.3	61.5	67.8	57.4	56.4
Global bonds	166.0	165.3	185.1	150.7	161.0
– in EUR	122.8	126.3	140.5	113.7	112.8
– in USD	43.3	39.0	44.6	37.1	48.2
Total	297.3	319.6	349.3	316.7	341.1

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.	as of 30.04.
I. Municipal debt	62 649.1	69 538.6	69 252.0	68 126.9	66 924.1
<i>1. Domestic municipal debt</i>	<i>44 966.1</i>	<i>48 657.2</i>	<i>48 429.0</i>	<i>46 939.1</i>	<i>45 699.1</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	8 128.6
1.2. Loans from banks and other financial institutions	21 727.7	25 247.1	25 218.8	24 639.2*	23 981.3
1.3. Loans from the republican budget	2 730.0	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	6 491.5*	6 422.7*	6 217.5
1.5. Loans from other municipalities	-	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-	-
1.7. Other	5 295.4	5 565.3	5 534.2	4 692.6*	4 641.8
<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>	<i>21 225.0</i>
2.1. Loans from banks and other financial institutions	14 251.4	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	6 973.5
II. Municipal guarantees	995.0	955.0	933.6	892.1	866.5
<i>1. Domestic municipal guarantees</i>	<i>995.0</i>	<i>955.0</i>	<i>933.6</i>	<i>892.1*</i>	<i>866.5</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total	63 644.1	70 493.6	70 185.6	69 018.9	67 790.6

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 *1. 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 *1. 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.

* Revised data.

Social Security Funds Debt

(thousand BGN)

Structure	2003 as of 31.12.	2004			
		as of 31.01.	as of 28.02.	as of 31.03.	as of 30.04.
Domestic debt	35 378.2	35 410.8	35 406.2	35 432.6	35 471.9
I. National Insurance Institute	35 378.2	35 410.8	35 406.2	35 432.6	35 471.9
1. Other ¹	35 378.2	35 410.8	35 406.2	35 432.6	35 471.9
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 31.01.	as of 28.02.	as of 31.03.	as of 30.04.
I. Consolidated government debt	8 147.0	8 252.1	8 282.9	8 367.4	8 340.8
1. Central government debt	8 114.9	8 216.5	8 247.5	8 332.6*	8 306.6
2. Social security funds debt	0.0	0.0	0.0	0.0	0.0
3. Municipal debt	32.0	35.6	35.4*	34.8*	34.2
Debt/GDP, total (%)	46.17	42.49	42.65	43.09	42.95

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. 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.
4. 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.
5. 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*.
6. 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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