

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

OCTOBER 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

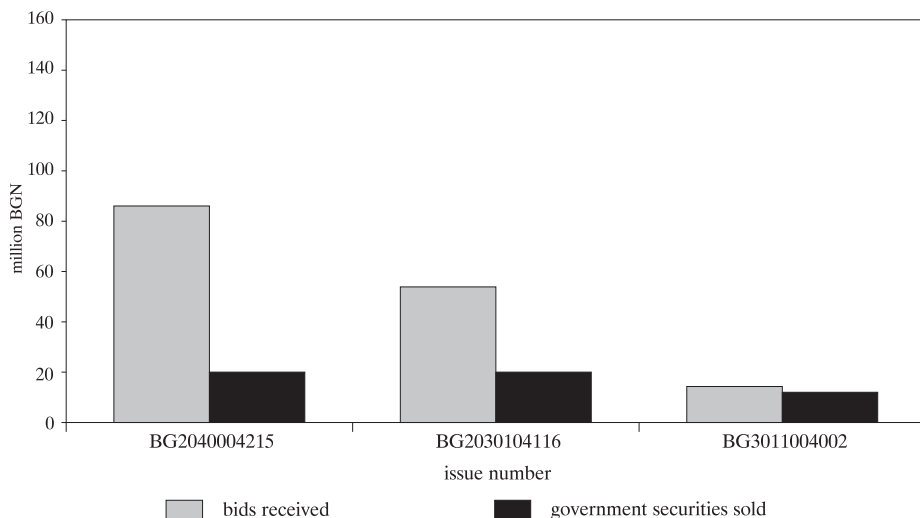
According to the monthly auction calendar, in October the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (three-month, No. BG3011004002), one medium-term tap treasury bonds issue (three-year, No. BG2030104116) and one long-term tap treasury bonds issue (ten-year, No. BG2040004215).

At the auctions primary dealers' bids totaled BGN 154,210 thousand: BGN 14,300 thousand for three-month government securities, BGN 53,900 thousand for three-year and BGN 86,010 thousand for ten-year (Chart 1). Approved bids totaled BGN 52,000 thousand nominal value, including three-month of BGN 12,000 thousand, three-year of BGN 20,000 thousand and ten-year of BGN 20,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in October accounted for 2.97: 1.19 on three-month, 2.70 on three-year and 4.30 on ten-year (Chart 4).

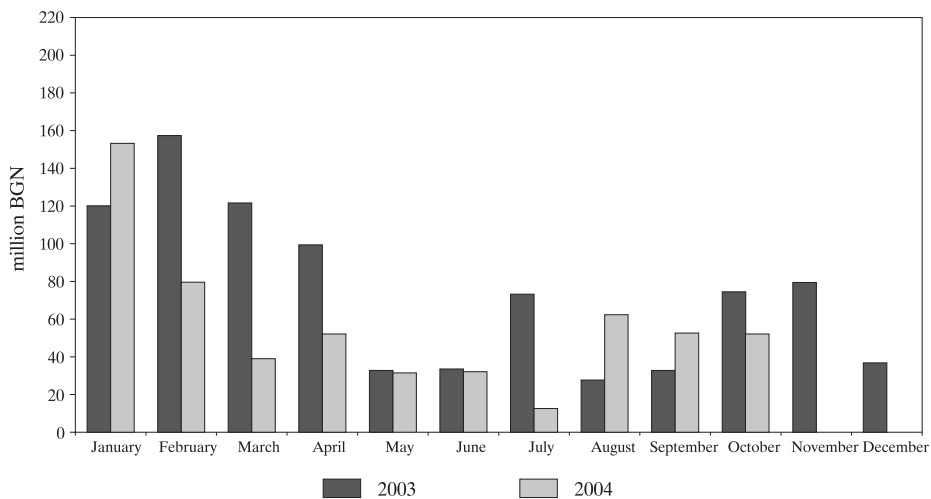
Government securities issued in October decreased by BGN 21.9 million on the same period of 2003 (Chart 2).

Chart 1

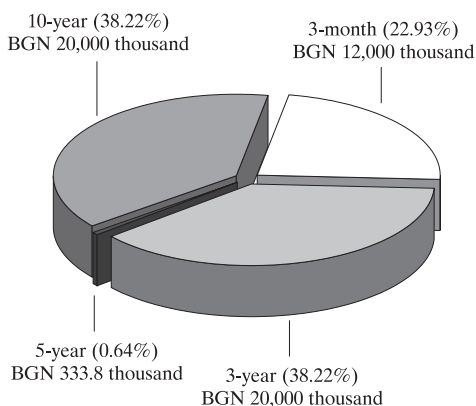
Government Securities Issue in October



Sales of Government Securities Issues

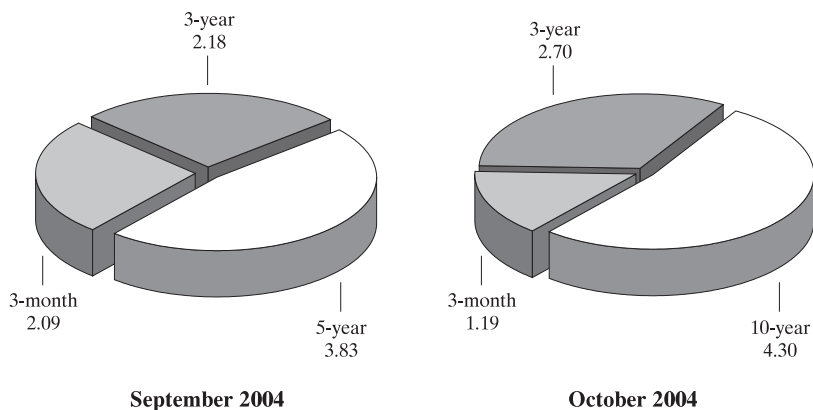


Structure and Volume of Government Securities Issued for Budget Deficit Financing in October



Note: Including target government securities.

Bid-to-Cover Ratios of Issues Sold



The yield attained in the primary market continued its gradual downward trend mainly in long-term government securities. The yield of three-month treasury bills posted a five basis points decrease compared to the previous month: from 2.39% to 2.44%. The yield of three-year treasury bonds came to 3.49%. The yield of ten-year treasury bonds decreased from 5.30% in the previous opening to 5.23% in the last opening (Charts 5, 6 and 8).

One 2004 three-month treasury bills issue matured in October (No. BG3010704008).

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. 508 of 20 October 2004 totaling BGN 333.8 thousand nominal value (EUR 170.7 thousand, Chart 11). Two 2002 target issues amounting to BGN 883.9 thousand matured in October. Reverse repurchases accounted for BGN 260.3 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

SEPTEMBER 2004

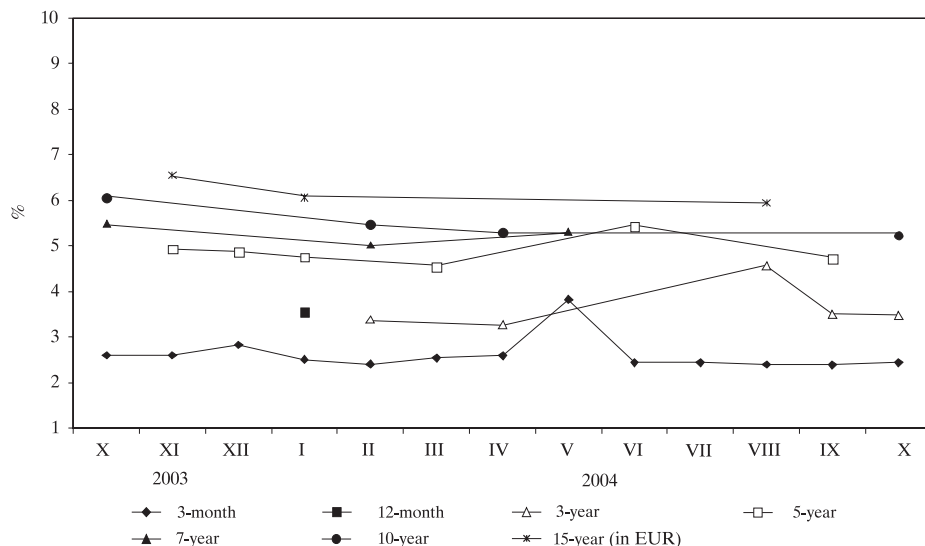
	3-month	3-year	5-year
	BG3010904004	BG2030104116	BG2030004118
Minimum	99.25	97.00	97.50
Average-weighted	99.40	100.03	99.94
Maximum	99.43	100.35	100.77

OCTOBER 2004

	3-month	3-year	10-year
	BG3011004002	BG2030104116	BG2040004215
Minimum	99.12	96.00	93.00
Average-weighted	99.38	100.08	99.75
Maximum	99.44	100.42	100.40

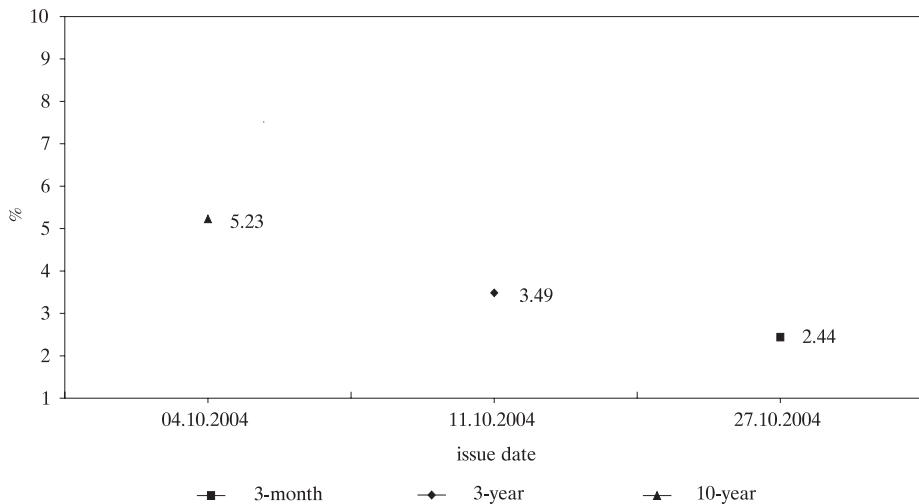
Chart 5

Yield of Primary Market Government Securities



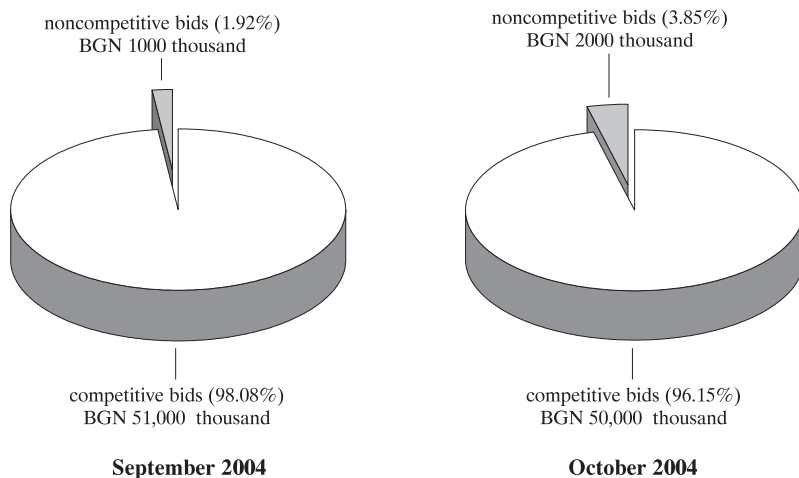
Note: The yield is on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities

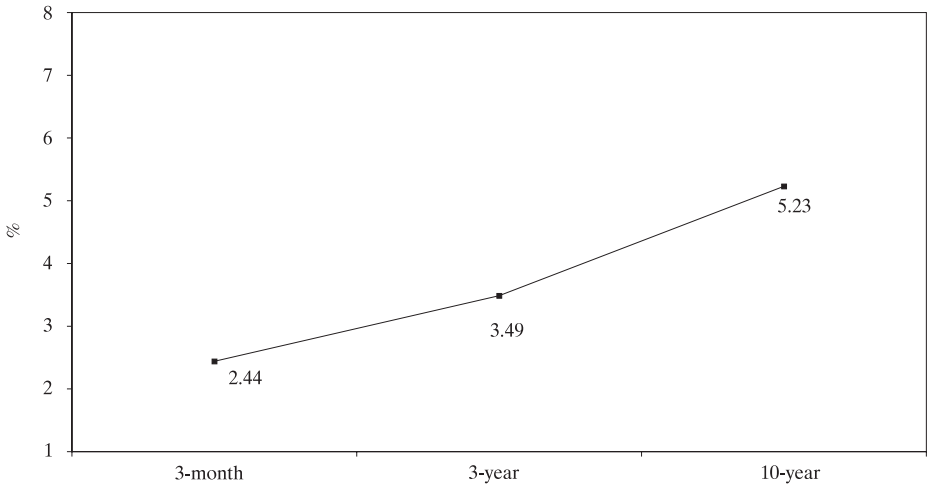


Note: The three- and ten-year government securities issues are tap issues. The above dates indicate the auction dates.

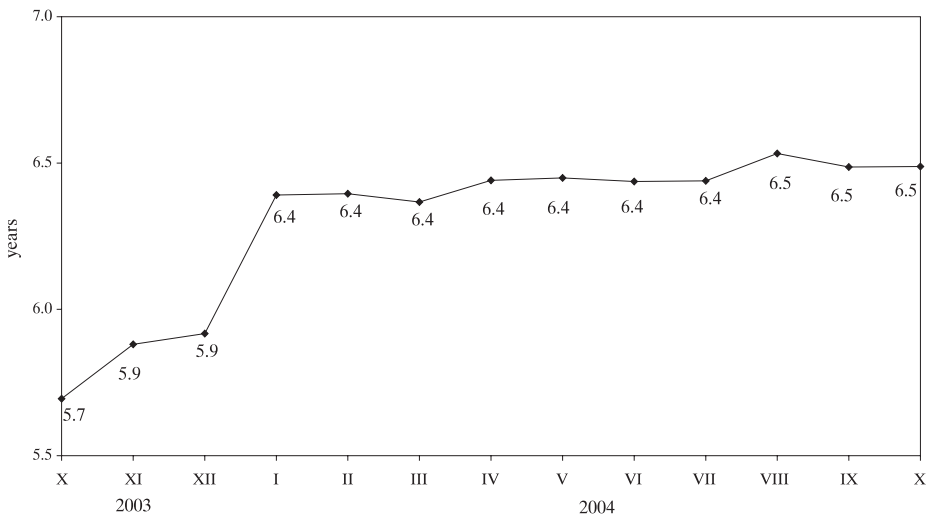
Government Securities Bought in the Primary Market through Competitive and Noncompetitive Bids



Yield Curve of Primary Market Government Securities in October

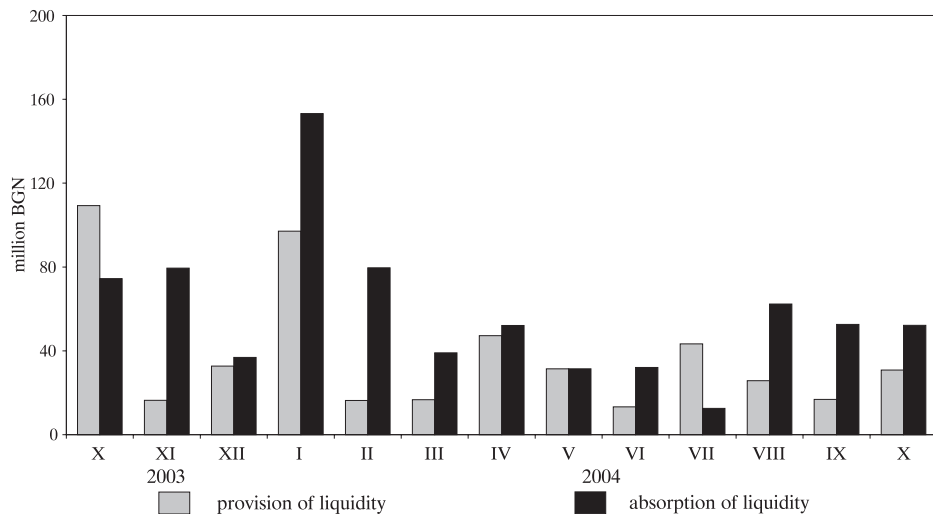


An Average Term of Outstanding Government Securities Issues by Year

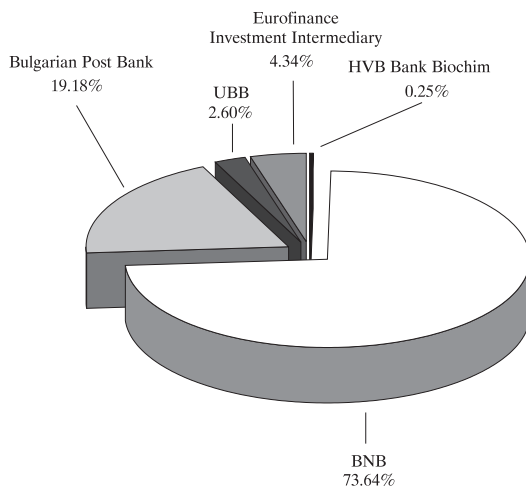


Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

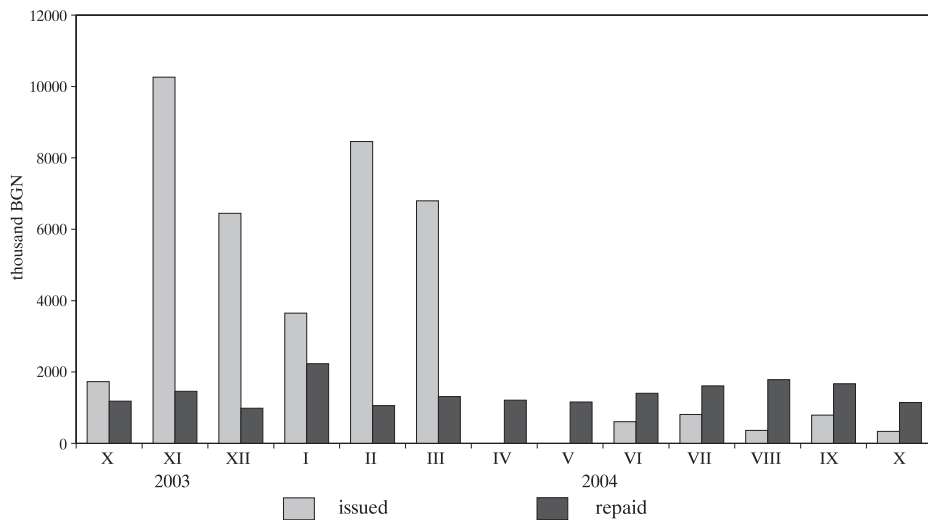
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Target Government Securities in October



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

3-month government securities	Discount Treasury Bills			12-month government securities
Issue No.	BG3010804006	BG3010904004	BG3011004002	BG3010004003
Issue date	25.08.2004	29.09.2004	27.10.2004	14.01.2004
Maturity date	25.11.2004	29.12.2004	27.01.2005	14.01.2005
Nominal value of the offer (thousand BGN)	12 000.00	12 000.00	12 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	23 360.00	25 130.00	14 300.00	40 350.00
Total nominal value of the bids approved (thousand BGN)	12 000.00	12 000.00	12 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.39	99.40	99.38	96.52
Average discount per BGN 100 (%)	0.61	0.60	0.62	3.48
Average annual yield (%)	2.40	2.39	2.44	3.55
Effective annual yield (%)	2.42	2.41	2.46	3.55
Bid-to-cover ratio	1.95	2.09	1.19	2.02

Treasury Bonds

3-year government securities

Issue No.	BG2030402114 ⁴			BG2030302116 ³			BG2030102110 ⁴		
	First opening	Second opening	Third opening	First opening	Second opening	Third opening	First opening	Second opening	Third opening
Auction date	09.09.2002	09.12.2002		29.07.2002	28.10.2002	25.11.2002	11.03.2002	10.06.2002	
Issue date	11.09.2002	11.09.2002	11.09.2002	31.07.2002	31.07.2002	31.07.2002	13.03.2002	13.03.2002	13.03.2002
Maturity date	11.09.2005	11.09.2005	11.09.2005	31.07.2005	31.07.2005	31.07.2005	13.03.2005	13.03.2005	13.03.2005
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	25 000.00	25 000.00	25 000.00	33 100.00	50 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	33 700.00	66 700.00	100 400.00	24 200.00	44 150.00	92 265.70	116 901.00	44 151.00	72 750.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	50 000.00	16 900.00	25 000.00	33 100.00	50 000.00	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	99.13	100.80	99.97	98.83	98.67	99.57	101.65	101.68	101.62
Interest rate	6.00	6.00	6.00	5.75	5.75	5.75	6.50	6.50	6.50
Bid-to-cover ratio	1.35	2.67	2.01	0.97	1.77	2.79	2.34	1.77	2.91
Average annual yield (%)	6.32	5.71	6.01	6.18	6.24	5.91	5.89	5.88	5.90

(continued)

3-year government securities

(continued)

Issue No.	BG2030103118 ⁴	BG2030104116 ¹	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
Auction date	20.01.2003	21.04.2003	22.01.2003	16.02.2004	19.04.2004	09.08.2004	20.09.2004	11.10.2004	18.02.2004
Issue date	22.01.2003	22.01.2003	22.01.2003	18.02.2004	18.02.2004	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	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	20 000.00	20 000.00	100 000.00
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	43 500.00	53 900.00	285 540.00
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	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	101.57	101.01	101.29	99.76	100.11	100.08	100.03	100.08	100.00
Interest rate	5.50	5.50	5.50	3.30	3.30	4.58	3.51	3.51	3.68
Bid-to-cover ratio	2.51	1.71	2.11	4.69	2.41	2.30	2.18	2.70	2.86
Average annual yield (%)	4.93	5.13	5.03	3.39	3.26	4.55	3.50	3.48	3.68

(continued)

5-year government securities

(continued)

Issue No.	BG2030301118 ³			BG2030501113 ³			Total for the issue**	Third opening	Second opening	Third opening	Total for the issue
Auction date	23.04.2001	21.05.2001	25.06.2001	25.04.2001	25.04.2001	25.04.2001	23.07.2001	20.08.2001	24.09.2001	25.07.2001	25.07.2001
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.04.2006	25.07.2001	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	25.04.2006	25.04.2006	25.07.2006	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	20 000.00	20 000.00	60 000.00	20 000.00	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	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00	140 070.00	60 000.00	140 070.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	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	104.66	104.25	100.79	100.10	100.43	100.43	100.43	100.43
Interest rate	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.48	2.76	2.58	2.10	2.32	2.32	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.88	6.98	6.81	6.98	6.98	6.90	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	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	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				
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
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	10.07.2002	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	10.07.2007	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	90 000.00	30 000.00	25 000.00	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	174 314.70	87 720.00	50 900.00	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	84 750.00	30 000.00	25 000.00	20 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	99.81	98.45	98.78	99.52	99.20	100.42	100.55	100.40	100.46
Interest rate	6.50	6.50	6.50	6.50	6.50	5.625	5.625	5.625	5.625
Bid-to-cover ratio	1.52	0.96	2.00	3.36	1.94	2.92	2.04	2.47	2.51
Average annual yield (%)	6.55	6.87	6.79	6.61	6.69	5.53	5.50	5.53	5.52

(continued)

5-year government securities

(continued)

Issue No.	BG2030203116 ¹					BG2030004118 ²					
	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003	09.07.2003	05.01.2004	01.03.2004	07.06.2004	13.09.2004	07.01.2004
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	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	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	20 000.00	80 000.00
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	76 600.00	192 570.00
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	20 000.00	80 000.00
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	99.94	99.33
Interest rate	4.75	4.75	4.75	4.75	4.75	4.75	4.70	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	3.83	2.41
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87	5.00	4.75	4.54	5.42	4.71	4.85

(continued)

7-year government securities

(continued)

Issue No.	BG2040001211 ⁴			BG2040002219 ⁴			BG2040102217 ³		
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening
Auction date	29.10.2001	30.11.2001		14.01.2002	21.01.2002		18.02.2002	18.03.2002	13.05.2002
Issue date	31.10.2001	31.10.2001	31.10.2001	16.01.2002	16.01.2002	16.01.2002	20.02.2002	20.02.2002	20.02.2002
Maturity date	31.10.2008	31.10.2008	31.10.2008	16.01.2009	16.01.2009	16.01.2009	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	60 000.00	30 000.00	25 000.00	35 000.00
Total nominal value of the bids received (thousand BGN)	53 672.00	54 615.00	108 287.00	106 295.00	99 331.00	205 626.00	63 350.00	58 812.00	58 300.00
Total nominal value of the bids approved (thousand BGN)	18 930.00	11 070.00	30 000.00	30 000.00	50 000.00	80 000.00*	30 000.00	25 000.00	35 000.00
Average price of the bids approved per BGN 100 (%)	95.45	98.19	96.46	100.47	101.46	101.09	99.05	99.77	99.44
Interest rate	7.50	7.50	7.50	7.50	7.50	7.50	7.00	7.00	7.00
Bid-to-cover ratio	1.79	4.93	3.61	3.54	3.31	3.43	2.11	2.35	1.67
Average annual yield (%)	8.37	7.84	8.17	7.41	7.23	7.30	7.17	7.04	7.10

(continued)

7-year government securities

(continued)

Issue No.	BG2040302213 ²				BG2040103215 ¹						
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002		03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003	
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	17.07.2002	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	05.02.2010	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	70 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Total nominal value of the bids received (thousand BGN)	29 863.50	24 239.00	48 880.30	86 964.00	189 946.80	77 850.00	49 650.00	34 800.00	46 260.00	68 030.00	276 590.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	97.61	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	7.00	7.00	7.00	7.00	7.00	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	1.49	1.62	2.44	5.80	2.71	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

7-year government securities

(continued)

Issue No.	BG2040203213 ⁴			BG2040104213 ⁴		
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	18.02.2003	10.03.2003		09.02.2004	03.05.2004	
Issue date	24.02.2003	24.02.2003	24.02.2003	11.02.2004	11.02.2004	11.02.2004
Maturity date	24.05.2010	24.05.2010	24.05.2010	11.02.2011	11.02.2011	11.02.2011
Nominal value of the offer (thousand BGN)	50 000,00	25 000,00	75 000,00	20 000,00	20 000,00	40 000,00
Total nominal value of the bids received (thousand BGN)	139 990,00	76 475,00	216 465,00	76 850,00	39 060,00	115 910,00
Total nominal value of the bids approved (thousand BGN)	50 000,00	55 000,00	105 000,00	20 000,00	20 000,00	40 000,00
Average price of the bids approved per BGN 100 (%)	100,99	100,55	100,76	98,42	96,77	97,60
Interest rate	5.75	5.75	5.75	4.75	4.75	4.75
Bid-to-cover ratio	2.80	3.06	2.89	3.84	1.95	2.90
Average annual yield (%)	5.58	5.65	5.62	5.02	5.31	5.16

(continued)

10-year government securities

(continued)

Issue No.	BG2040202215 ²			BG2040003217 ⁴			Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	
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	08.01.2003	08.01.2003	08.01.2003
Maturity date	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	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	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	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	104.08	105.18	104.52
Interest rate	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	3.14	2.82	3.01
Average annual yield (%)	7.77	7.97	8.10	8.44	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 ³ Second opening	Third opening	Total for the issue
Auction date	30.06.2003	29.09.2003		02.02.2004	13.04.2004	04.10.2004	
Issue date	02.07.2003	02.07.2003	02.07.2003	04.02.2004	04.02.2004	04.02.2004	04.02.2004
Maturity date	02.07.2013	02.07.2013	02.07.2013	04.02.2014	04.02.2014	04.02.2014	04.02.2014
Nominal value of the offer (thousand BGN)	20 000.00	30 000.00	50 000.00	20 000.00	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	86 010.00	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	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	99.75	98.53
Interest rate	5.75	5.75	5.75	5.20	5.20	5.20	5.20
Bid-to-cover ratio	3.47	2.63	2.96	4.27	4.13	4.30	4.20
Average annual yield (%)	5.91	6.06	6.00	5.48	5.30	5.23	5.39

(continued)

15-year government securities

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 repurchases totaled BGN 49,171.1 thousand.

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 1926.21	BGN 1653.38	BGN 6028.76	USD 149,649.19	BGN 693.07	EUR 125,535.07
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 October 2004.

Pending Payments on Government Securities in December 2004

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
			1	2	3
CMD No. 3 target			64.5	7.4	
	6	7	8	9	10
target bonds	566.4				175.5
	13	14	15	16	17
target bonds	9.5				
	20	21	22	23	24
bills target					
		28	29	30	31
bills target	27 18.9		12 000.0	4.4	

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 December 2004

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
06.12.2004*	11.02.2004	11.02.2011	7-year	20 000 000	up to 80 000 000
13.12.2004	15.12.2004	15.12.2005	1-year	20 000 000	20 000 000
20.12.2004*	07.01.2004	07.01.2009	5-year	20 000 000	100 000 000
27.12.2004	29.12.2004	29.03.2005	3-month	12 000 000	12 000 000
TOTAL, incl.:				72 000 000	
bills				12 000 000	
bonds				60000 000	

* Tap issue.

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

By end-October 2004 domestic debt totaled BGN 2,597,808.1 thousand in nominal terms. Budget deficit financing government securities comprised 81.3% (BGN 2,112,187.6 thousand) of overall debt and government securities issued for structural reform came to 18.7% (BGN 485,620.5 thousand, Chart 13).

Between January and October 2004 issued government securities accounted for BGN 568,934.7 thousand, including BGN 21,805.8 thousand directly sold to individuals. Repaid government securities accounted for BGN 176,243.1 thousand, including BGN 158,170 thousand on short-term treasury bills. As a result of newly issued volumes, the share of three-year and ten-year government securities in the maturity structure of budget deficit financing government securities increased to 17.3% and 11.6% respectively at the expense of all other types of government securities with decreasing shares in October (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and five months. By end-October government securities issued for structural reform decreased to BGN 485,620.5 thousand. USD-denominated ZUNK bonds of USD 54.1 thousand were used for repayment of obligations to the government under ZUNK. Obligations in levs to the amount of BGN 430.6 thousand were also repaid under ZUNK. Three issues of government securities under LSPDACB matured in October.

In October debt foreign currency structure experienced insignificant changes owing both to government securities issues and repayments (Chart 15). The shares of government securities in euro and in US dollars decreased to 22.6% and 8.8% respectively, while government securities in levs rose to 68.6%. Debt maturity structure also underwent some changes. Short-term and long-term government securities decreased to 2.2% and 58.4% respectively at the expense of medium-term securities which rose to 39.4% (Chart 16). Government securities with fixed interest coupons comprised 77.5% and government securities with floating interest coupons, 22.5%.

Since early 2004 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 124,098.7 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 114,647.1 thousand, or 92.4% of the total (Chart 19). Interest expenditure on five-year government bonds occupied the largest share (34.2%) due to the rising volume of these issues, followed by interest payments on seven-year bonds, 32.1% (Chart 18).

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 Oct. 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	-	12 644.2	676 084.5
4.1. Medium-term	363 808.7	-	12 644.2	351 164.5
2-year	14 058.7		12 644.2	1 414.5
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	75 571.0	829 530.5
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	-	1 401.0	252 922.8
3-year	79 323.8		1 401.0	77 922.8
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
10-year	205 362.2			205 362.2
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	-	441 805.8	84 838.0	356 967.8
6.1. Short-term	-	140 000.0	84 000.0	56 000.0
3-month		120 000.0	84 000.0	36 000.0
12-month		20 000.0	-	20 000.0
6.2. Medium-term	-	201 805.8	838.0	200 967.8
3-year		112 431.7	542.9	111 888.8
5-year		89 374.0	295.1	89 079.0
EUR-denominated (lev equivalent)		9 374.0	295.1	9 079.0
6.3. Long-term	-	100 000.0	-	100 000.0
7-year		40 000.0		40 000.0
10-year		60 000.0		60 000.0
TOTAL (I)	1 719 496.0	568 934.7	176 243.1	2 112 187.6

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 Oct. 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		430.6	6 028.8
denominated in USD	164 578.8		14 929.7	149 649.2
lev equivalent	254 860.2			229 793.8
denominated in EUR	134 433.1	571.0	9 469.1	125 535.1
lev equivalent	262 928.4			245 525.3
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1			693.1
TOTAL (A)	528 923.0			485 620.5
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	8 280.7			-
Government securities issued in 1997	8 280.7		8 280.7	-
TOTAL (B)	8 280.7			-
TOTAL (II)	537 203.7			485 620.5
GOVERNMENT DEBT, TOTAL	2 256 699.6			2 597 808.1
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 256 699.6			2 597 808.1

Notes:

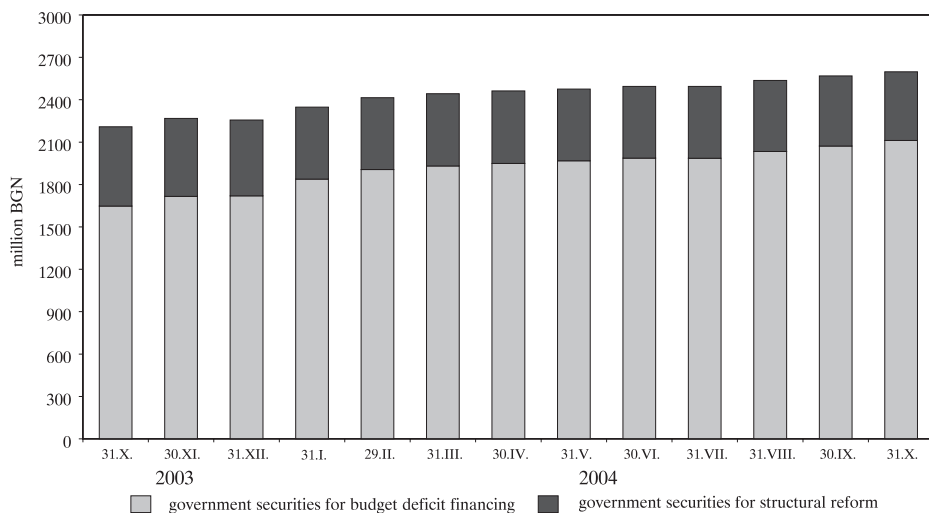
As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change securities included in domestic and foreign debt are 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 debt of the BNB to the IMF, on the other hand.

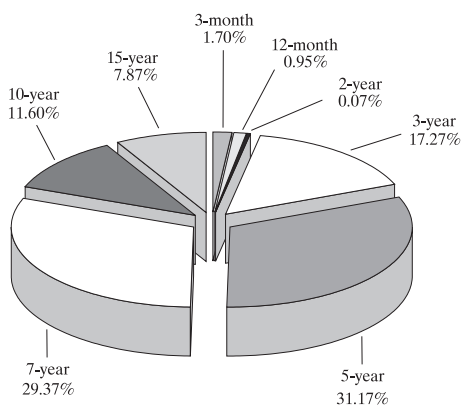
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

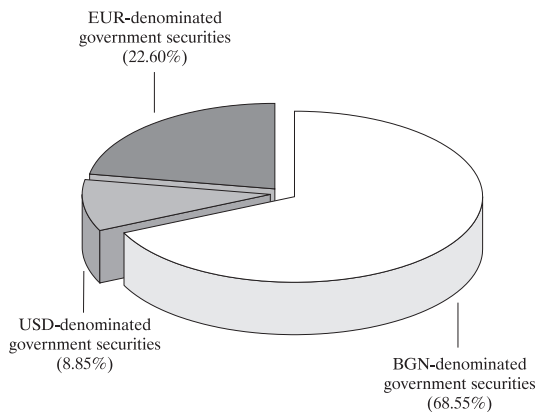


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 October

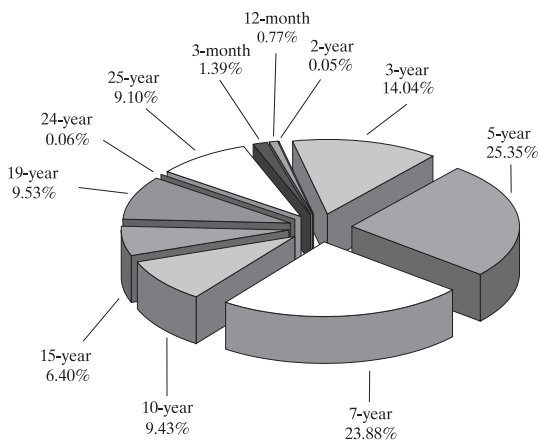


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and five months.

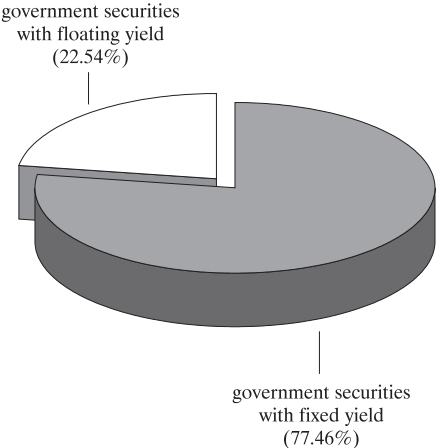
Forex Composition of Outstanding Government Securities as of 31 October



Maturity Structure of Outstanding Government Securities as of 31 October



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



Expenditure on Domestic Debt between 1 January and 31 October 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	2 537.9
2.1. Medium-term	2 537.9
5-year	2 537.9
3. Government securities issued in 2001	15 516.6
3.1. Medium-term*	15 516.6
5-year	14 397.8
7-year	1 118.9
4. Government securities issued in 2002	43 457.7
4.1. Medium-term*	23 038.9
2-year	654.5
3-year	10 567.0
5-year	11 817.4
4.2. Long-term	20 418.8
7-year	14 041.1
10-year	6 377.7
5. Government securities issued in 2003	48 880.0
5.1. Short-term	1 907.8
3-month	231.0
12-month	1 676.8
5.2. Medium-term	12 817.9
3-year	3 843.4
5-year	8 974.6
5.3. Long-term	34 154.2
7-year	20 864.9
10-year	11 617.5
15-year	1 671.8
EUR-denominated (lev equivalent)	1 671.8
6. Government securities issued in 2004	3 581.5
6.1. Short-term	567.6
3-month	567.6
6.2. Medium-term	1 630.8
3-year	778.3
5-year	852.5
6.3. Long-term	1 383.1
7-year	726.8
10-year	656.3
TOTAL (I)	114 647.1
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

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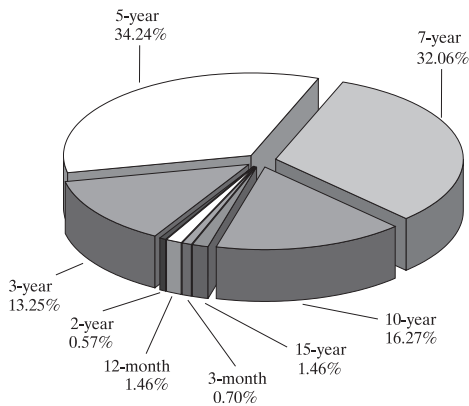
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(thousand BGN)

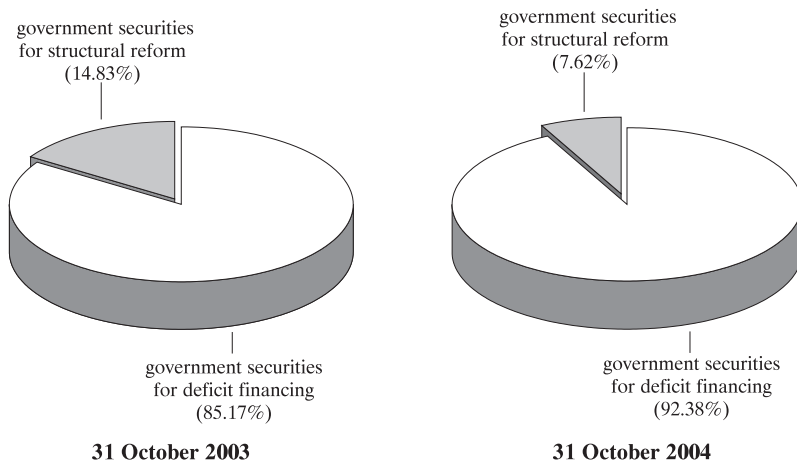
Structure	Amount of repaid interest (discount)
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	9 107.1
lev bonds	169.9
USD-denominated bonds (in BGN at the current exchange rate)	3 067.9
EUR-denominated bonds (in BGN at the fixed exchange rate)	5 869.3
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	9 231.1
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	220.6
Total (B)	220.6
TOTAL (II)	9 451.6
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	124 098.7

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

Structure of Expenditure on Government Securities Issued for Budget Deficit Financing



Structure of Expenditure on Domestic Debt



By end-October foreign debt totaled EUR 6815.4 million in nominal terms. Government debt accounted for EUR 6373.3 million and government guaranteed debt amounted to EUR 442 million.

In October new foreign financing amounted to BGN 21,083 thousand. Debt payments totaled BGN 30,111.8 thousand, including principal repayments of BGN 28,065.4 thousand and interest payments of BGN 2046.4 thousand. The bulk of payments, worth BGN 17,707 thousand, were made to the IMF, followed by those on government investment loans, BGN 6627.3 thousand, and on government guaranteed loans, BGN 3731 thousand. Interest was repaid mainly on government investment loans, BGN 1224.5 thousand, and on government guaranteed loans, BGN 821.9 thousand. By end-October net foreign financing was negative: -6982.4 thousand.

Since early 2004 loans drawn have totaled BGN 753,275.6 thousand, including BGN 241,564.67 thousand from the World Bank, BGN 223,853.8 thousand on government guaranteed loans, BGN 166,692.6 thousand on government investment loans and BGN 121,164.7 thousand from the IMF. Since January 2004 debt payments have totaled BGN 2,364,188.8 thousand, including repayments of BGN 1,815,549.1 thousand. The largest amounts were repaid on the principal of the debt on Brady bonds (BGN 1,286,253.4 thousand), to the IMF (BGN 151,856.6 thousand), on government guaranteed loans (BGN 132,484.6 thousand), to the Paris Club (BGN 84,056.7 thousand), to the World Bank (BGN 66,779.4 thousand) and on government investment loans (BGN 73,904.2 thousand).

In the review period payments led to certain changes in debt forex structure. By end-October USD-denominated debt decreased on the previous month, reaching 40.7%, while the proportions of debt in euro and other currencies increased to 42.8% and 16.5% respectively. Debt interest rate structure also experienced a change. The debt with floating interest coupons decreased to 59.2% against debt with fixed interest coupons, 40.8%. The average-weighted residual term to maturity of the foreign debt was eight years and nine months.

The structure of foreign debt by type of creditor was as follows: debt on other bonds (global bonds and eurobonds) accounting for 30.6%, on Brady bonds 18.3%, and to the IMF 13.6%. Obligations to the World Bank comprised 14.1%, on government guaranteed loans 6.5%, debt to the European Union amounted to 5.1%, and to the Paris Club, to 2.6%.

Foreign Debt

(million EUR)

Structure	as of 31.XII.	2004			
	2003	as of 31.03.	as of 30.06.	as of 30.09.	as of 31.10.
Government debt	6 961.1	7 083.9	7 064.8	6 450.9	6 373.3
I. Bonds	3 981.6	4 036.2	4 052.9	3 387.2	3 327.9
1. Brady bonds	1 890.1	1 911.3	1 922.2	1 277.8	1 244.9
2. Other bonds	2 091.4	2 124.9	2 130.8	2 109.4	2 083.0
II. Credits	2 979.5	3 047.7	3 011.9	3 063.7	3 045.4
1. Paris Club	218.9	198.2	197.8	176.3	176.3
2. World Bank	870.0	891.7	880.5	963.2	958.6
2.1. World Bank	769.7	788.7	783.0	872.6	866.6
2.2. JBIC (JEXIM)	100.3	103.0	97.4	90.6	92.0
3. G24	42.0	36.3	36.4	36.1	35.7
4. European Union	350.0	350.0	350.0	350.0	350.0
5. IMF	940.2	1 015.0	978.7	940.2	925.6
6. Other	125.2	125.2	125.2	125.2	125.2
7. Government investment loans	383.0	382.3	394.1	426.2	428.0
7.1. World Bank	83.1	86.6	91.4	100.9	102.0
7.2. European Investment Bank	193.5	187.5	195.5	220.9	220.1
7.3. EBRD	31.8	28.9	28.6	24.7	24.2
7.4. Other	74.6	79.2	78.7	79.7*	81.7
8. Called government guarantees	50.2	49.0	49.1	46.5	46.0
8.1. World Bank	41.0	39.7	39.7	37.6	37.2
8.2. European Investment Bank	1.8	1.7	1.7	1.5	1.4
8.3. Other	7.4	7.6	7.7	7.5	7.3
Government guaranteed debt	394.9	447.1	453.1	444.1	442.0
1. World Bank	109.2	111.4	111.3	97.8	98.9
2. European Investment Bank	44.5	41.6	41.3	9.5	9.5
3. EBRD	39.5	41.2	40.5	37.4	35.6
4. Other	201.7	252.9	259.9	299.3	298.0
FOREIGN DEBT, TOTAL	7 356.0	7 531.0	7 517.9	6 895.1	6 815.4
FOREIGN DEBT, TOTAL					
(million USD)	9 290.6	9 205.9	9 138.0	8 556.1	8 680.7

Notes:

- As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change securities included in domestic and foreign debt are reported at nominal value.
- Credits in the *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 debt 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 October 2004.

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 October

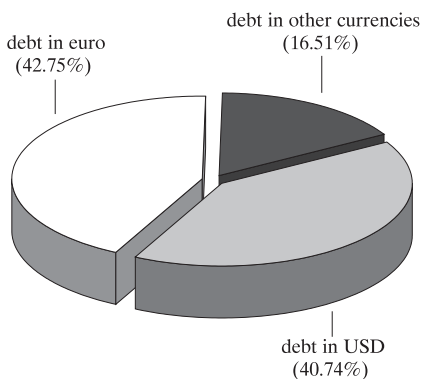
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	529 421.8	1 683 064.5	523 903.7
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	529 421.8	396 811.1	127 673.2
1. Paris Club	-	84 056.7	14 588.2
2. World Bank	241 564.6	66 779.4	34 988.5
2.1. World Bank	241 564.6	50 605.8	31 767.0
2.2. JBIC (JEXIM)	-	16 173.6	3 221.5
3. G24	-	12 167.2	1 056.8
4. European Union	-	-	10 700.0
5. IMF	121 164.7	151 856.6	34 571.1
6. Other	-	-	1 684.5
7. Government investment loans	166 692.6	73 904.2	27 704.0
7.1. World Bank	39 946.6	3 109.9	2 722.2
7.2. European Investment Bank	103 659.0	50 525.2	19 619.0
7.3. EBRD	-	14 630.2	2 294.8
7.4. Other	23 087.0	5 638.9	3 067.9
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	223 853.8	132 484.6	24 736.0
1. World Bank	21 409.7	42 237.6	7 097.8
2. European Investment Bank	-	68 440.3	4 303.9
3. EBRD	11 666.1	19 033.1	1 593.9
4. Other	190 777.9	2 773.7	11 740.4
TOTAL	753 275.6	1 815 549.1	548 639.7

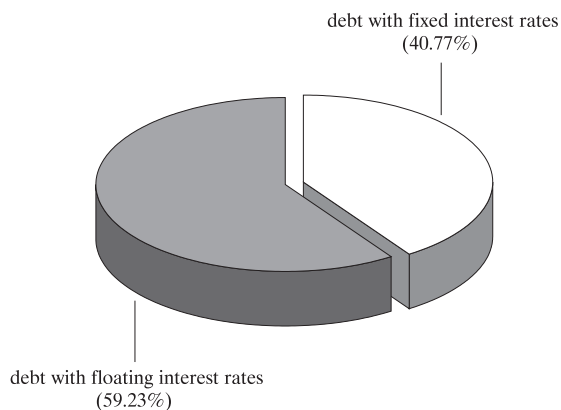
Notes:

1. Values in levs 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.

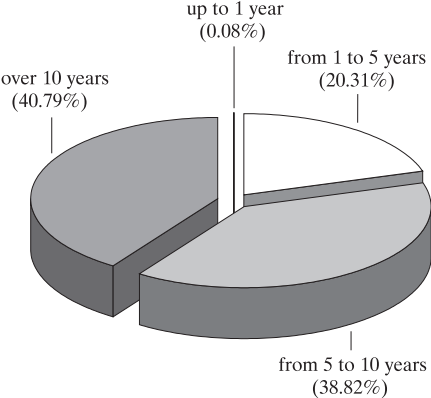
Forex Composition of the Foreign Debt as of 31 October



Interest Rate Structure of the Foreign Debt as of 31 October



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



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

By end-October government and government guaranteed debt totaled EUR 8143.6 million nominal value, including domestic debt of EUR 1,328.2 million and foreign debt of EUR 6815.4 million. The decrease in nominal terms was EUR 64.9 million on the previous month due mainly to exchange rate fluctuations.

By end-October the *debt to GDP* ratio was 41.9%, a decrease of 0.3% on September 2004. The values of domestic and the foreign debts accounted for 6.8% and 35.1% respectively.

Domestic debt occupied 16.3% in debt structure and foreign debt 83.7%, matching the previous month's levels (Chart 23).

By end-October the share of USD-denominated debt accounted for 35.5%, EUR-denominated debt 39.5%, BGN-denominated debt 11.2% and that denominated in other currencies 13.8% (Chart 24).

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor: 25.6%, followed by domestic debt (government securities) 16.3%, Brady bonds 15.3%, debt to the World Bank 11.8% and debt to the IMF 11.4% (Chart 25).

By end-October debt interest rate structure also experienced some changes: the debt with fixed interest increased to 46.8% and that with floating interest comprised 53.2% (Chart 26).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 2703 million, including domestic debt payments of BGN 338.8 million and foreign debt payments of BGN 2364.8 million (Chart 27). In October payments to the IMF and those on government investment loans made up the largest share. The bulk of domestic debt payments were made on government securities issued for budget deficit financing.

Between January and October 2004 the foreign currency composition of debt payments suggests that payments in US dollars accounted for the biggest share (recalculated in levs: BGN 1620.9 million), followed by payments in euro (BGN 489.8 million) and in levs (BGN 338.8 million, Chart 28).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2003	2004			
		as of 31.03.	as of 30.06.	as of 30.09.	as of 31.10.
Domestic debt	1 153.8	1 248.7	1 275.4	1 313.4	1 328.2
I. Government debt	1 153.8	1 248.7	1 275.4	1 313.4	1 328.2
1. Government securities issued for budget deficit financing	879.2	987.5	1 015.9	1 059.7	1 079.9
2. Government securities issued for structural reform	274.7	261.2	259.5	253.7	248.3
II. Government guaranteed debt	-	-	-	-	-
Foreign debt	7 356.0	7 531.0	7 518.2	6 895.1	6 815.4
I. Government debt	6 961.1	7 083.9	7 065.2	6 450.9	6 373.3
1. Bonds	3 981.6	4 036.2	4 052.9	3 387.2	3 327.9
2. Credits	2 979.5	3 047.7	3 012.3	3 063.7*	3 045.4
II. Government guaranteed debt	394.9	447.1	453.1	444.1	442.0
Debt, total	8 509.8	8 779.7	8 793.6	8 208.5	8 143.6
Debt/GDP (%)	48.2	45.2	45.3	42.3	41.9
Domestic debt/GDP (%)	6.5	6.4	6.6	6.8	6.8
Foreign debt/GDP (%)	41.7	38.8	38.7	35.5	35.1

Notes:

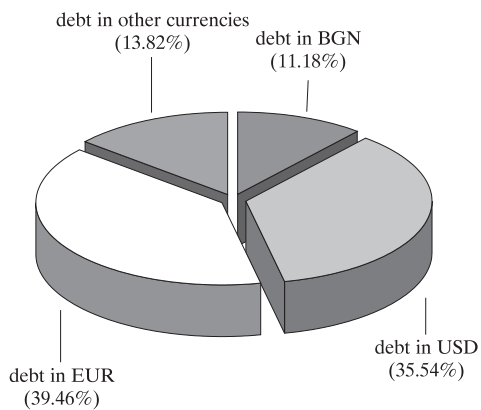
1. As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change securities included in domestic and foreign debt 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 debt of the BNB to the IMF, on the other hand.
Debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in the present issue of *Government Debt Management* bulletin.
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 October 2004.

* Revised data.

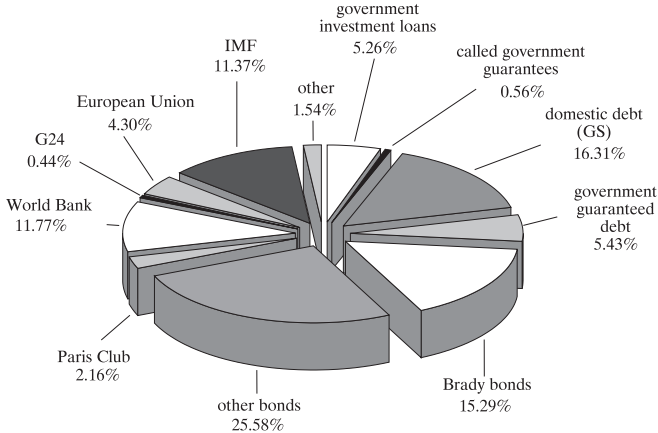
Debt Structure as of 31 October



Debt Forex Structure as of 31 October



Debt Structure by Creditor as of 31 October



Debt Interest Structure as of 31 October

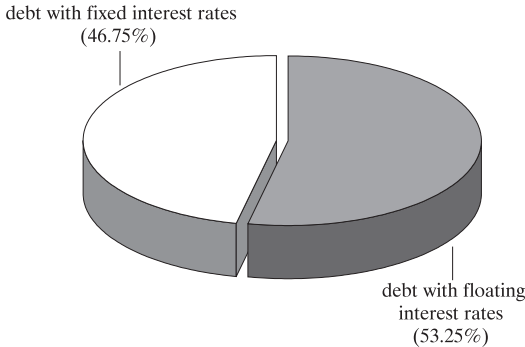


Chart 27

Government Debt Payments

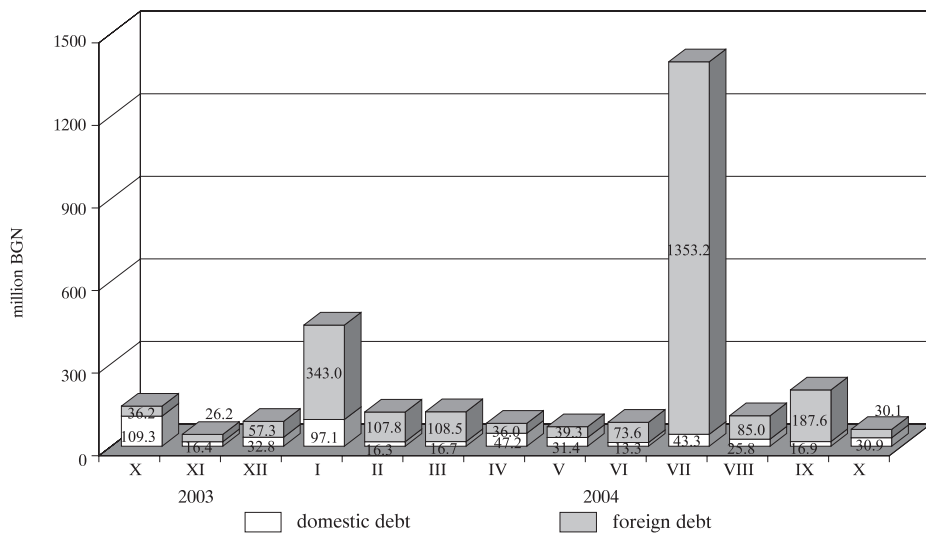
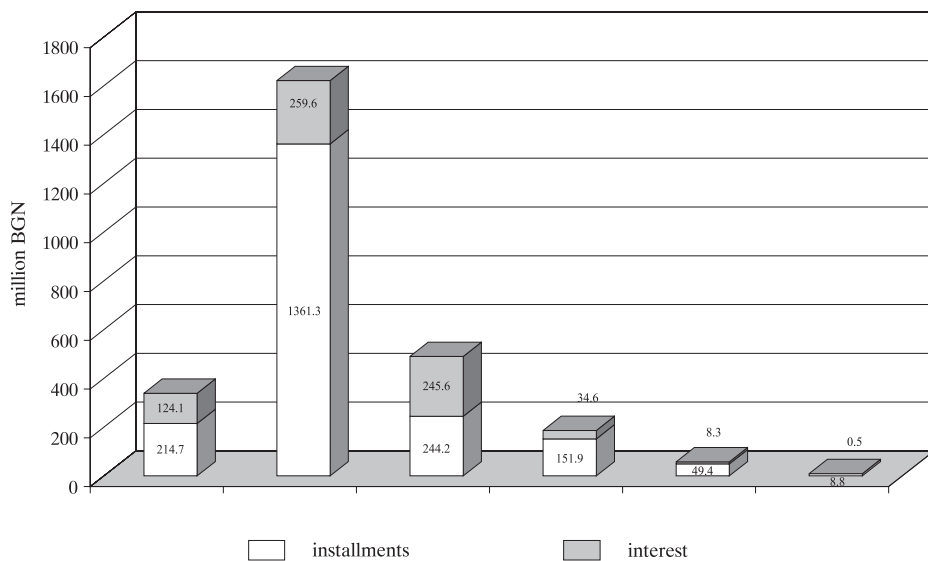


Chart 28

Currency Structure of Government Debt Payments as of 31 October



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2003	2004		
		31.III.	30.VI.	30.IX.
Government securities issued for budget deficit financing	4 380.1	11 559.0	11 148.2	29 294.4
– in BGN	-	-	-	-
– 7 years and 3 months (in EUR)	194.6	-	-	-
– 15 years (in EUR)	4 185.5	11 559.0	11 148.2	29 294.4
Government securities issued for structural reform	4 455.9	4 185.8	4 186.9	4 127.5
– in USD	125.4	185.5	186.5	127.1
– in EUR	4 330.5	4 000.4	4 000.4	4 000.4
Total	8 835.9	15 744.8	15 335.1	33 421.9

Government Securities Issued in International Markets and Held by Residents

(million EUR)

Government securities type	31.XII. 2003	2004		
		31.III.	30.VI.	30.IX.
Brady bonds	66.0	108.6	89.2	110.2
Eurobonds	65.3	57.4	56.8	62.5
Global bonds	166.0	150.7	103.6	106.1
– in EUR	122.8	113.7	78.3	91.6
– in USD	43.3	37.1	25.3	14.5
Total	297.3	316.7	249.6	278.8

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	as of 31.XII.	2004		
	2003	as of 31.III.	as of 30.VI.	as of 30.IX.
I. Municipal debt	66 075.0	68 633.3	69 036.9	71 022.5
<i>1. Domestic municipal debt</i>	<i>45 449.8</i>	<i>47 445.6</i>	<i>47 880.6</i>	<i>48 123.9</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	24 643.7	25 573.3	26 255.2
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	6 788.5	6 474.7	6 113.8	5 908.2
1.5. Loans from other municipalities	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-
1.7. Other	5 745.4	5 142.6	5 338.9	5 105.9
<i>2. Foreign municipal debt</i>	<i>20 625.2</i>	<i>21 187.8</i>	<i>21 156.3</i>	<i>22 898.6</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	6 373.8	6 936.3	6 904.8	7 139.7
II. Municipal guarantees	995.0	892.1	822.1	753.0
<i>1. Domestic municipal guarantees</i>	<i>995.0</i>	<i>892.1</i>	<i>822.1</i>	<i>753.0</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total	67 070.0	69 525.4	69 859.0	71 775.5

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

Social Security Funds Debt

(thousand BGN)

Structure	as of 31.XII. 2003	2004		
		as of 31.III.	as of 30.VI.	as of 30.IX.
Domestic debt	35 378.2	35 432.6	34 530.7	34 496.8
I. National Insurance Institute	35 378.2	35 432.6	34 530.7	34 496.8
1. Other ¹	35 378.2	35 432.6	34 530.7	34 496.8
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	as of 31.XII. 2003	2004		
		as of 31.III.	as of 30.VI.	as of 30.IX.
I. Consolidated government debt	8 147.0	8 367.4	8 375.5	7 800.7
1. Central government debt	8 114.9	8 332.6	8 340.2	7 764.4
2. Social security funds debt	0.0	0.0	0.0	0.0
3. Municipal debt	32.0	34.8	35.3*	36.3
Debt/GDP, total (%)	46.17	43.09	43.13	40.17

Notes:

- As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change securities included in domestic and 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 debt of the BNB to the IMF, on the other hand. Debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in the *Government Debt Management* bulletin.
- 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.

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