

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

MARCH 2003

**ISSN 1311 – 0047**

This issue includes materials and data received prior to 15 April 2003.

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

Web site: [www.minfin.government.bg](http://www.minfin.government.bg)

Subscription: tel. 9145-1351.

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

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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>
CGB	–	<i>Central Government Budget</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EAPA	–	<i>Economic Analyses and Projections Agency</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
EIB	–	<i>Economic and Investment Bank</i>
GDP	–	<i>Gross Domestic Product</i>
GGs	–	<i>Guarantee Government Securities</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>
SFRD	–	<i>State Fund for Reconstruction and Development</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

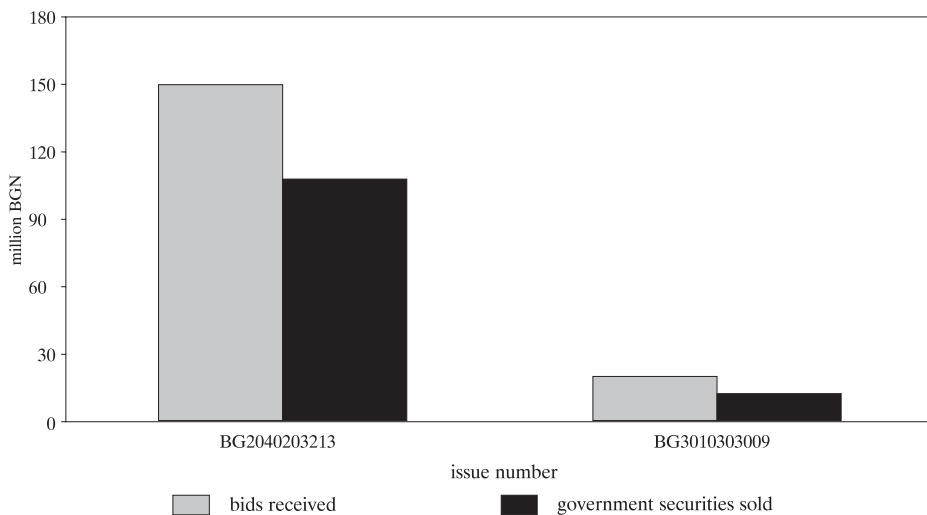
In March the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010303009) and one long-term (seven years and three months) treasury bonds issue (No. BG2040203213) denominated in euro. The MF issued tap treasury bonds opened again in March.

At the auctions primary dealers' bids totaled BGN 169,192.1 thousand; BGN 19,620 thousand for three-month government securities and BGN 149,572.1 thousand (EUR 76,475 thousand) for seven-year-and-three-month government securities (Chart 1). Approved bids totaled BGN 119,570.7 thousand nominal value, including three-month of BGN 12,000 thousand and seven-year-and-three-month of BGN 107,570.7 thousand (EUR 55,000 thousand) (Charts 2 and 3). Coverage coefficient of the issues approved for sale in March accounted for 3.46: 1.64 on three-month and 3.06 on seven-year-and-three-month government securities (Chart 4). Reported excess of demand over supply was a result of the stable investment interest in government securities. Government securities issued in March increased by BGN 38.5 million on a year earlier basis (Chart 2).

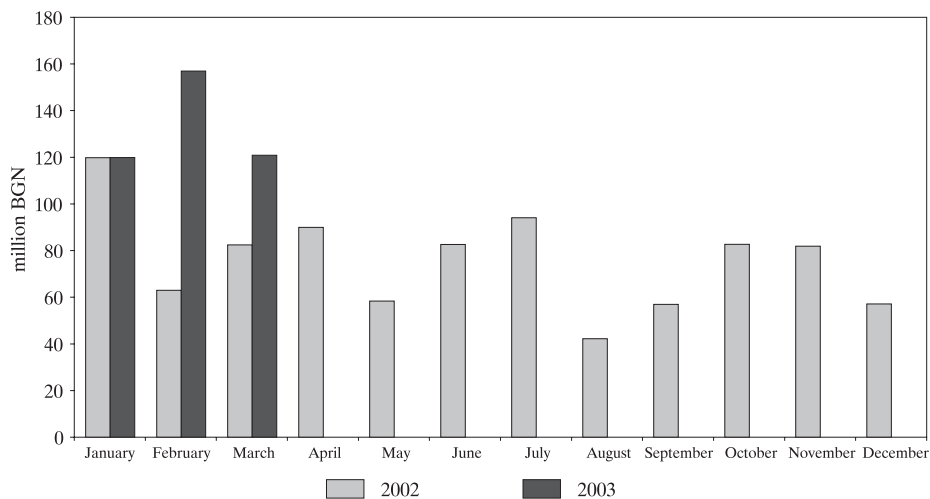
In the review period the yield attained in the primary market reflected the high demand for government securities as a whole, as well as specific preference to particular types of debt instruments. The yield on three-month treasury bills in-

Chart 1

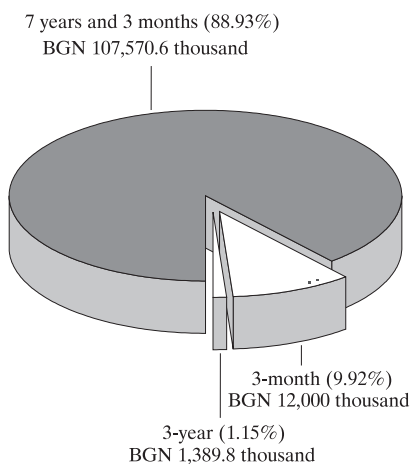
### Government Securities Issue in March



### Sales of Government Securities Issues

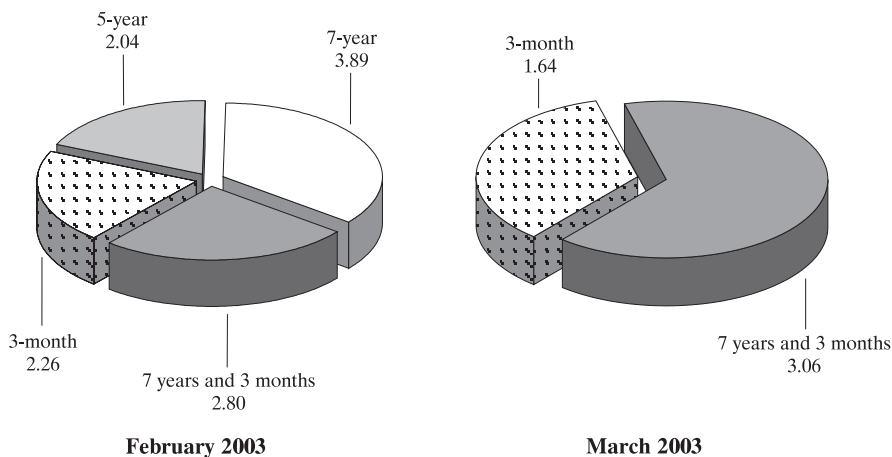


### Structure and Volume of Government Securities Issued for Budget Deficit Financing in March



**Note:** Including target issues of government securities.

### Coverage Coefficients of Issues Sold\*



\* Proportion between bids received and government securities sold at the auctions.

dicated a slight increase of 0.03 percentage points compared with the previous month, reaching 2.56%. The yield on seven-year-and-three-month government securities denominated in euro was 5.65%, a slight increase of 0.07 percentage points on the previous month (Charts 5, 6 and 8).

Two 2002 treasury bills issues (BG3010302001 and BG3011402008) matured in March.

In the review period two issues of three-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 804 of 5 March 2003 and issue No. 805 of 19 March 2003. Issue No. 804 totaled BGN 764.5 thousand nominal value and issue No. 805 is still traded (Chart 11). Two 2001 issues, amounting to BGN 1,037.6 thousand, matured in March. During the period under review reverse repurchases accounted for BGN 214.6 thousand (Chart 12).

## Prices of Issues Sold per BGN 100 Nominal Value

### FEBRUARY 2003

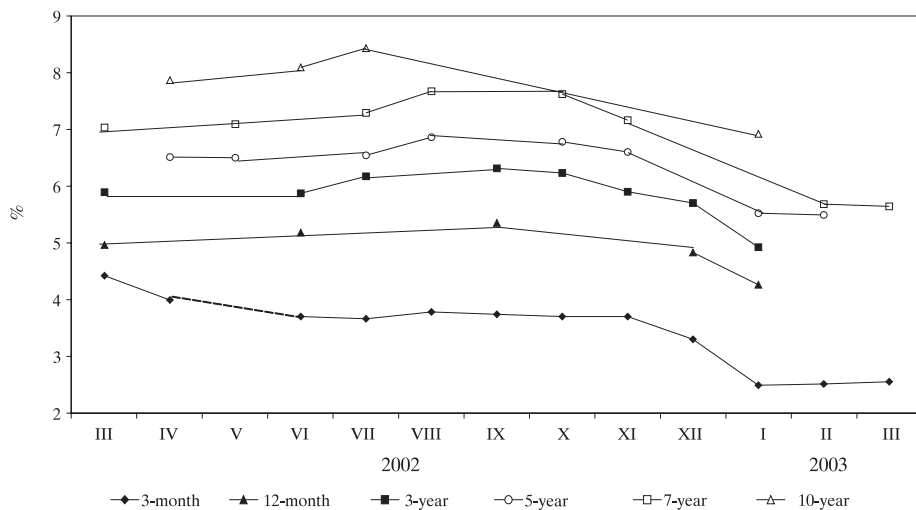
	3-month	5-year	7-year	7 years and 3 months
	BG3010203001	BG2030003110	BG2040103215	BG2040203213
Minimum	99.37	100.17	100.07	EUR 100.60
Average-weighted	99.38	100.55	100.42	EUR 100.99
Maximum	99.40	101.39	103.91	EUR 103.15

### MARCH 2003

	3-month	7 years and 3 months
	BG3010303009	BG2040203213
Minimum	99.32	EUR 100.10
Average-weighted	99.35	EUR 100.55
Maximum	99.37	EUR 101.95

Chart 5

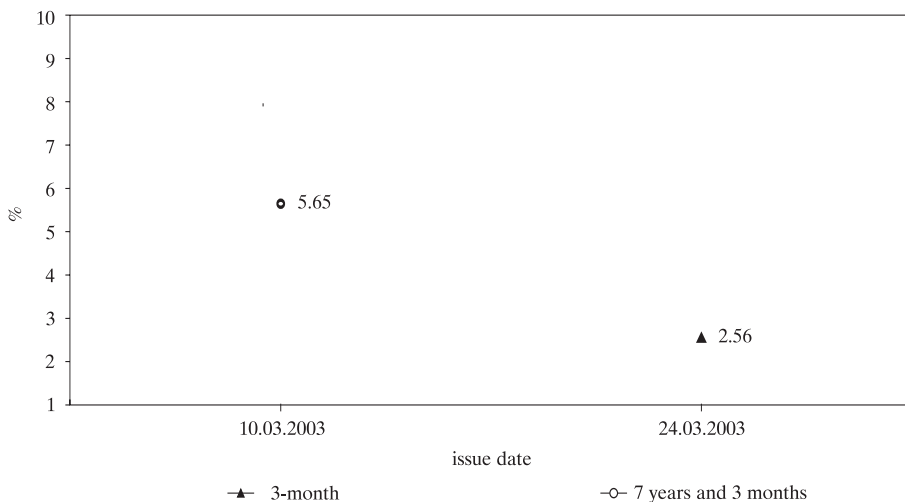
## Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.



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



**Note:** Seven-year-and-three-month tap government securities issue; the above dates indicate the auction dates.

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

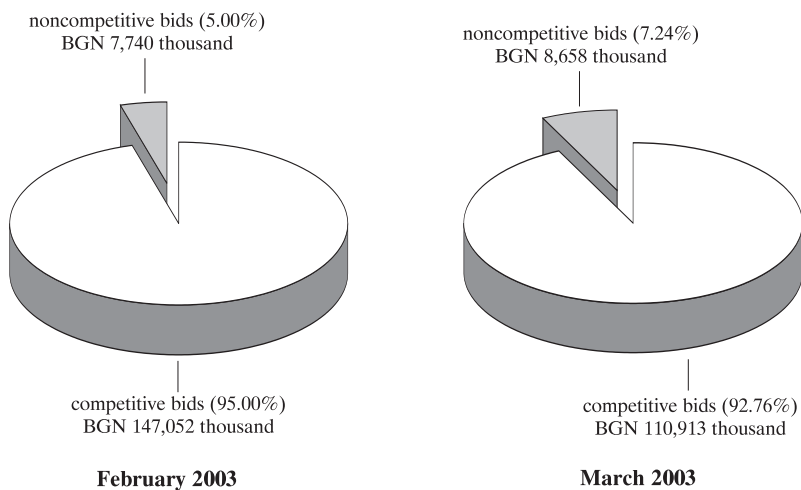
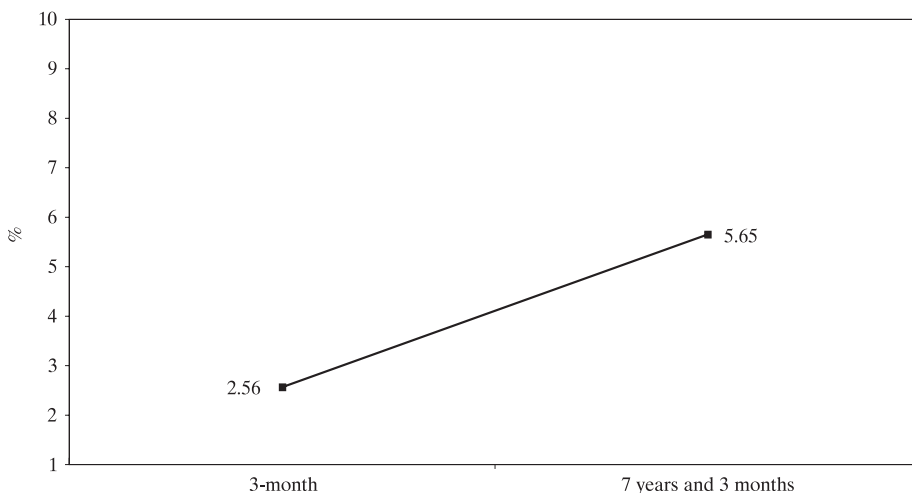


Chart 8

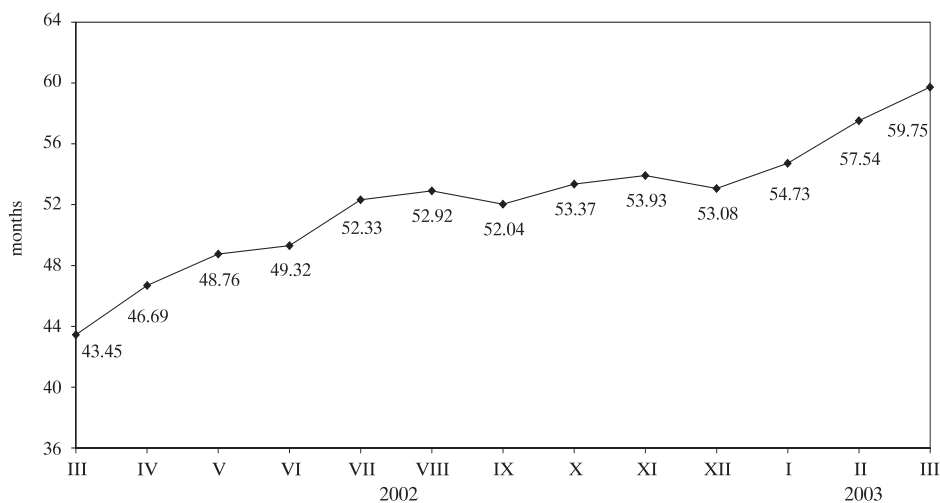
### Yield Curve of Primary Market Government Securities in March



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

Chart 9

### 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.

Chart 10

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

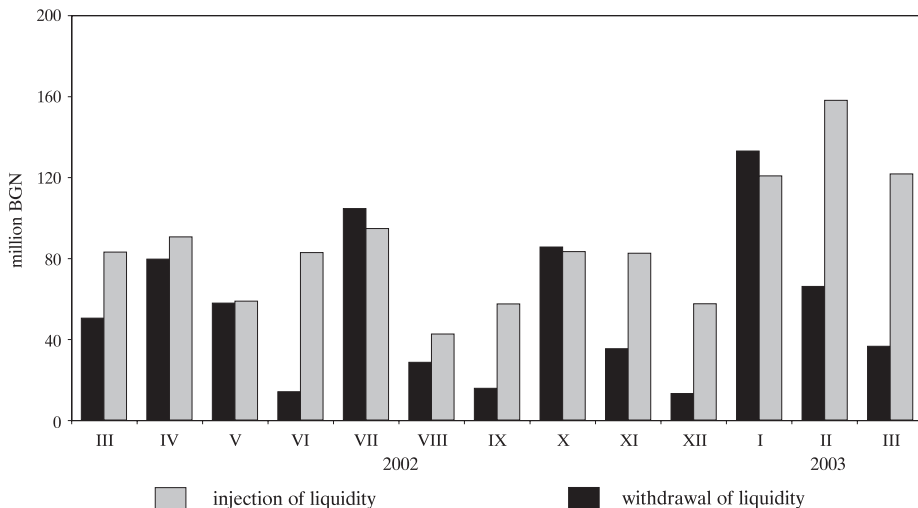
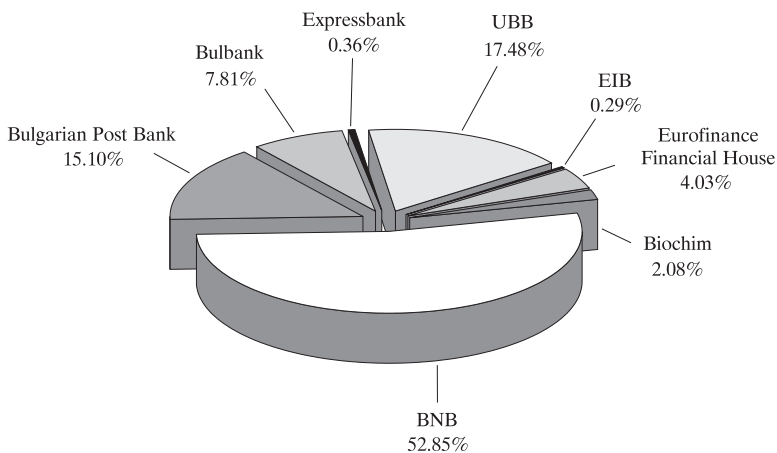
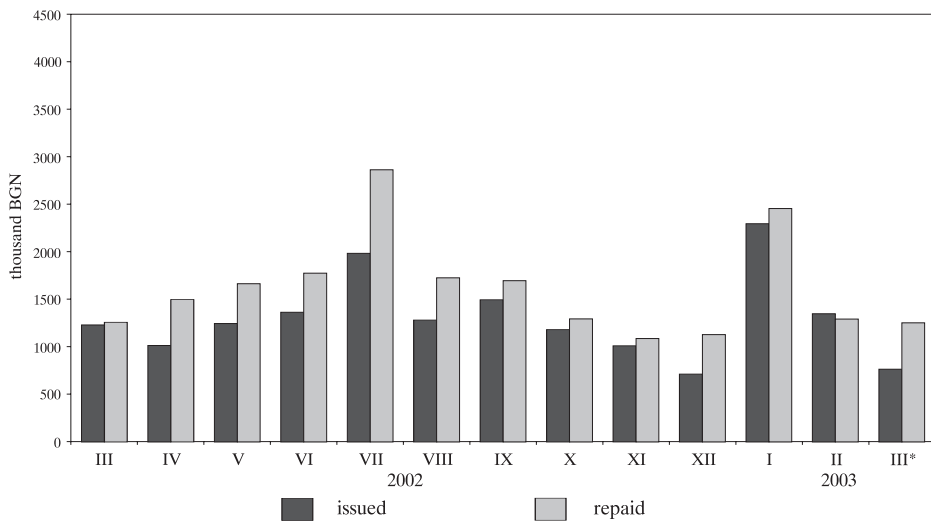


Chart 11

### Primary Dealers' Direct Sales of Government Securities from Target Issues in March



### Issued and Repaid Government Securities from Target Issues



\* Issue No. 805 of 19 March 2003 excluded from the amount of government securities issued in the review period.

# Outstanding Government Securities

## Discount Treasury Bills

Issue No.	BG3010702002	BG301102004	BG3011502005	BG3010003005	BG3010103003	BG3010203001	BG3010303009
Issue date	26.06.2002	25.09.2002	18.12.2002	16.01.2003	29.01.2003	26.02.2003	24.03.2003
Maturity date	26.06.2003	25.09.2003	18.12.2003	16.01.2004	29.04.2003	26.05.2003	26.06.2003
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	21 700.00	40 901.05	52 800.00	77 550.00	33 870.00	27 120.00	19 620.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	95.00	94.85	95.32	95.85	99.38	99.38	99.35
Average discount per BGN 100 (%)	5.00	5.15	4.68	4.15	0.62	0.62	0.65
Average annual yield (%)	5.19	5.36	4.91	4.27	2.50	2.52	2.56
Effective annual yield (%)	5.19	5.35	4.84	4.27	2.52	2.55	2.58
Coverage coefficient	1.09	2.05	2.64	3.88	2.82	2.26	1.64

## Treasury Bonds

Issue No.	BG2030798115	BG2030998111	BG2031198117	BG2030699115	BG2030999119	First opening	BG2030500115 <sup>2</sup> Second opening	Third opening	Total for the issue
Auction date						17.04.2000	15.05.2000	19.06.2000	
Issue date	30.04.1998	28.05.1998	02.07.1998	31.03.1999	29.04.1999	19.04.2000	19.04.2000	19.04.2000	19.04.2000
Maturity date	24.04.2003	22.05.2003	26.06.2003	24.03.2004	22.04.2004	16.04.2003	16.04.2003	16.04.2003	16.04.2003
Nominal value of the offer (thousand BGN)	1 000.00	2 000.00	2 000.00	2 000.00	3 000.00	10 000.00	10 000.00	10 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	3 605.00	3 440.00	2070.00	2 795.00	1 190.00	44 350.00	42 182.80	33 780.05	120 312.85
Total nominal value of the bids approved (thousand BGN)	1 000.00	2 000.00	2000.00	2 000.00	1 190.00	10 000.00	10 000.00	10 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	87.14	84.78	76.20	86.35	78.37	99.68	100.27	99.88	99.94
Interest rate	8.00	8.00	7.00	9.00	9.00	8.00	8.00	8.00	8.00
Coverage coefficient	3.61	1.72	1.04	1.40	0.40	4.44	4.22	3.38	4.01
Average annual yield (%)	11.46	12.16	13.75	12.79	15.37	8.12	7.90	8.05	8.02

(continued)

(continued)

Issue No.	BG2030700111 <sup>2</sup>			BG2030900117 <sup>2</sup>			Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening	
Auction date	17.07.2000	14.08.2000	18.09.2000	09.10.2000	06.11.2000	11.12.2000	
Issue date	19.07.2000	19.07.2000	19.07.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000
Maturity date	16.07.2003	16.07.2003	16.07.2003	05.10.2005	05.10.2005	05.10.2005	05.10.2005
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	15 000.00	15 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	37 920.00	52 900.00	40 630.00	46 780.00	35 511.11	31 074.00	113 365.10
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	15 000.00	15 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	100.67	101.43	102.19	98.78	99.63	99.87	99.51
Interest rate	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Coverage coefficient	3.79	5.29	4.06	4.68	2.37	2.07	2.83
Average annual yield (%)	7.74	7.46	7.17	9.31	9.09	9.03	9.12

(continued)

(continued)

Issue No.	BG2031000115 <sup>2</sup>			BG2030101112 <sup>2</sup>				
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	16.10.2000	13.11.2000	18.12.2000		22.01.2001	26.02.2001	26.03.2001	
Issue date	18.10.2000	18.10.2000	18.10.2000	18.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	15.10.2003	15.10.2003	15.10.2003	15.10.2003	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	30 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	42 068.00	35 393.00	32 922.00	110 383.00	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	30 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	101.44	101.44	101.70	101.53	101.65	104.60	106.40	104.22
Interest rate	7.50	7.50	7.50	7.50	9.00	9.00	9.00	9.00
Coverage coefficient	4.21	3.54	3.29	3.68	4.80	4.36	3.52	4.23
Average annual yield (%)	6.96	6.96	6.86	6.92	8.59	7.87	7.44	7.96

(continued)



(continued)

Issue No.	BG2030201110 <sup>3</sup>			BG2030301118 <sup>2</sup>			BG2030401116 <sup>3</sup>		
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	First opening	Second opening	Total for the issue
Auction date	09.04.2001	11.06.2001		23.04.2001	21.05.2001	25.06.2001	09.07.2001	10.09.2001	
Issue date	11.04.2001	11.04.2001	11.04.2001	25.04.2001	25.04.2001	25.04.2001	11.07.2001	11.07.2001	25.04.2001
Maturity date	11.04.2003	11.04.2003	11.04.2003	25.04.2006	25.04.2006	25.04.2006	11.07.2003	11.07.2003	25.04.2006
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	25 000.00	25 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	54 800.00	40 765.00	95 565.00	55 846.00	60 050.00	49 500.00	54 800.00	32 363.00	165 396.00
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	25 000.00	25 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	101.88	101.67	101.78	103.61	104.48	104.66	100.85	100.58	104.25
Interest rate	6.50	6.50	6.50	8.00	8.00	8.00	6.00	6.00	8.00
Coverage coefficient	2.19	1.63	1.91	2.79	3.00	2.48	2.19	1.29	2.76
Average annual yield (%)	5.49	5.61	5.55	7.13	6.92	6.88	5.55	5.69	6.98

(continued)

(continued)

Issue No.	BG2030501113 <sup>2</sup>			BG2030601111 <sup>3</sup>			BG2030701119 <sup>2</sup>			
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening
Auction date	23.07.2001	20.08.2001	24.09.2001		08.10.2001	10.12.2001		22.10.2001	26.11.2001	21.12.2001
Issue date	25.07.2001	25.07.2001	25.07.2001	25.07.2001	10.10.2001	10.10.2001	10.10.2001	24.10.2001	24.10.2001	24.10.2001
Maturity date	25.07.2006	25.07.2006	25.07.2006	25.07.2006	10.10.2003	10.10.2003	10.10.2003	24.10.2006	24.10.2006	24.10.2006
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	51 650.00	41 950.00	46 470.00	140 070.00	38 600.00	39 300.00	77 900.00	43 400.00	55 400.00	28 750.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	100.79	100.10	100.40	100.43	100.62	100.69	100.66	100.22	100.36	100.20
Interest rate	7.00	7.00	7.00	7.00	6.00	6.00	6.00	7.00	7.00	7.00
Coverage coefficient	2.58	2.10	2.32	2.33			1.56	2.17	2.77	1.44
Average annual yield (%)	6.81	6.98	6.90	6.90	5.67	5.63	5.65	6.95	6.91	6.95

(continued)

(continued)

Issue No.	BG203070119 <sup>2</sup>		BG2040001211 <sup>3</sup>		BG2030002112 <sup>1</sup>			BG2040002219 <sup>3</sup>		
	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening
Auction date		29.10.2001	30.11.2001		07.01.2002	11.02.2002	08.04.2002	07.05.2002		14.01.2002
Issue date	24.10.2001	31.10.2001	31.10.2001	31.10.2001	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	16.01.2002
Maturity date	24.10.2006	31.10.2008	31.10.2008	31.10.2008	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	16.01.2009
Nominal value of the offer (thousand BGN)	60 000.00	30 000.00	11 070.00	30 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	127 550.00	53 672.00	54 615.00	108 287.00	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	106 295.00
Total nominal value of the bids approved (thousand BGN)	60 000.00	18 930.00	11 070.00	30 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	100.29	95.45	98.19	96.46	100.71	101.98	102.01	102.07	101.66	100.47
Interest rate	7.00	7.50	7.50	7.50	7.00	7.00	7.00	7.00	7.00	7.50
Coverage coefficient	2.13	1.79	4.93	3.61	2.51	3.62	1.88	1.81	2.43	3.54
Average annual yield (%)	6.93	8.37	7.84	8.17	6.83	6.53	6.52	6.51	6.60	7.41

(continued)

(continued)

Issue No.	BG204000219 <sup>3</sup>	BG2040102217 <sup>2</sup>	BG2030102110 <sup>3</sup>	BG2040202215 <sup>1</sup>
	Second opening	First opening	Second opening	First opening
	Total for the issue	Third opening	Total for the issue	Total for the issue
Auction date	21.01.2002	18.02.2002	18.03.2002	11.03.2002
			13.05.2002	10.06.2002
Issue date	16.01.2002	20.02.2002	20.02.2002	13.03.2002
Maturity date	16.01.2009	20.05.2009	20.05.2009	13.03.2005
Nominal value of the offer (thousand BGN)	30 000.00	30 000.00	25 000.00	25 000.00
Total nominal value of the bids received (thousand BGN)	99 331.00	63 350.00	58 812.00	72 750.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	30 000.00	25 000.00	25 000.00
Average price of the bids approved per BGN 100 (%)	101.46	101.09	99.77	101.62
Interest rate	7.50	7.50	7.00	6.50
Coverage coefficient	3.31	3.43	2.35	2.91
Average annual yield (%)	7.23	7.30	7.04	5.90
			99.44	101.68
			99.40	101.65
			7.00	6.50
			2.01	1.77
			7.10	5.88
			7.10	5.89
			15 000.00	15 000.00
			180 462.00	116 901.00
			90 000.00	50 000.00
			98.14	98.14
			7.50	7.50
			4.81	4.81
			7.77	7.77

(continued)

(continued)

Issue No.	BG204020215 <sup>1</sup>				BG2030202118 <sup>1</sup>				BG204030213 <sup>1</sup>	
	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening
Auction date	22.04.2002	17.06.2002	22.07.2002		08.07.2002	12.08.2002	07.10.2002	11.11.2002		15.07.2002
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002	17.07.2002
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007	10.07.2007	10.07.2007	17.07.2009
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	25 000.00	90 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	59 589.60	42 338.50	28 859.30	202 867.40	38 080.00	19 100.00	49 950.00	67 184.70	174 314.70	29 863.50
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	19 920.00	84 920.00	25 000.00	14 750.00	25 000.00	20 000.00	84 750.00	20 000.00
Average price of the bids approved per BGN 100 (%)	96.77	95.92	93.76	96.06	99.81	98.45	98.78	99.52	99.20	98.39
Interest rate	7.50	7.50	7.50	7.50	6.50	6.50	6.50	6.50	6.50	7.00
Coverage coefficient	2.38	1.69	1.15	2.25	1.52	0.96	2.00	3.36	1.94	1.49
Average annual yield (%)	7.97	8.10	8.44	8.08	6.55	6.87	6.79	6.61	6.69	7.30

(continued)

(continued)

Issue No.	BG2040302213 <sup>1</sup>			BG2030302116 <sup>2</sup>				
	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	19.08.2002	14.10.2002	18.11.2002		29.07.2002	28.10.2002	25.11.2002	
Issue date	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	31.07.2005	31.07.2005	31.07.2005	31.07.2005
Nominal value of the offer (thousand BGN)	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)	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)	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 (%)	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	5.75	5.75	5.75	5.75
Coverage coefficient	1.62	2.44	5.80	2.71	0.97	1.77	2.79	1.93
Average annual yield (%)	7.68	7.63	7.17	7.44	6.18	6.24	5.91	6.08

(continued)

(continued)

Issue No.	BG2030402114 <sup>3</sup>			BG2040003217 <sup>3</sup>			BG2030003110 <sup>3</sup>		
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	09.09.2002	09.12.2002		06.01.2003	31.03.2003		13.01.2003	10.02.2003	
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
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
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	55 000.00
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	138 620.00
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	55 000.00
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	100.48
Interest rate	6.00	6.00	6.00	7.50	7.50	7.50	5.625	5.625	5.625
Coverage coefficient	1.35	2.67	2.01	3.14	2.82	3.01	2.92	2.04	2.52
Average annual yield (%)	6.32	5.71	6.01	6.93	6.78	6.87%	5.53	5.50	5.51

(continued)

(continued)

<b>Issue No.</b>	<b>BG2030103118</b>	<b>BG2040103215</b>	<b>BG2040203213<sup>3**</sup></b>
	<b>First opening</b>	<b>First opening</b>	<b>First opening</b>
	<b>Total for the issue</b>	<b>Total for the issue</b>	<b>Total for the issue</b>
Auction date	20.01.2003	03.02.2003	18.02.2003
Issue date	22.01.2003	05.02.2003	24.02.2003
Maturity date	22.01.2006	05.02.2010	24.05.2010
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00
Total nominal value of the bids received (thousand BGN)	62 650.00	77 850.00	139 990.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	20 000.00	55 000.00
Average price of the bids approved per BGN 100 (%)	101.57	100.42	100.99
Interest rate	5.50	5.875	5.75
Coverage coefficient	2.51	3.89	2.80
Average annual yield (%)	4.93	5.80	5.58

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

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

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

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

\*\* Issue No. BG2040203213 is denominated in euro and all values relating to it are also in euro.



## Guaranty Government Securities

Issue No.	BG2040296225	BG2040396223	BG2040596228	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	28.05.2003	01.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	857.14	905.53	113.30	8451.94	932.21	3037.25	4139.91
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	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 levy guaranty 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 guaranty government securities service.

Principals of guaranty government securities are based on actual data as of 31 March 2003.

## 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 2,201.39	BGN 1,907.75	BGN 6,890.01	USD 179,185.09	BGN 739.28	EUR 123,513.21
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.

\*\* 6-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 March 2003.

## Pending Payments on Government Securities in May 2003

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
				1	2
bills					
	5	6	7	8	9
target issues bonds		13.1	29.5	16.2	297.5
	12	13	14	15	16
bonds GGS (BGN)					
	19	20	21	22	23
target issues bonds		14.6 3124.1	15.6	19.3 2079.8	295.7
	26	27	28	29	30
bills GGS (BGN)	12000.0 869.1				

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

## Schedule of Government Securities Issues for May 2003

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
*07.05.2003	05.02.2003	05.02.2010	7-year	20 000 000	120 000 000
26.05.2003	28.05.2003	28.08.2003	3-month	12 000 000	
<b>TOTAL, incl.:</b>				<b>32 000 000</b>	
<b>bills</b>				<b>12 000 000</b>	
<b>bonds</b>				<b>20 000 000</b>	

\* Tap issue.

The Ministry of Finance is entitled to make relevant adjustments in the schedule where necessary.

By end-March 2003 domestic debt totaled BGN 2,290,599.5 thousand, including domestic government debt of BGN 2,289,407.5 thousand. Share of the debt on government securities issued for budget deficit financing was 74% and that of government securities issued for structural reform, 25.9%. Domestic government guaranteed debt comprised 0.1% (Chart 13).

By end-March government securities issued for budget deficit financing accounted for BGN 1,695,995.1 thousand. Issued government securities totaled BGN 393,440.7 thousand, including BGN 4,409.3 thousand sold directly to physical persons. Securities repaid in March accounted for BGN 159,715.6 thousand, including short-term treasury bills of BGN 54,716.1 thousand. As a result of effected operations, the maturity structure of government securities issued for budget deficit financing was changed: the share of seven-year treasury bonds increased considerably from 23.90% to 29.01% at the expense of decreased share of all other types of government securities (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached four years and eleven months. Government securities issued for structural reform reached BGN 593,412.4 thousand. In the review period USD-denominated ZUNK bonds of USD 252.7 thousand were used for repayment of obligations to the state under ZUNK.

Debt movements in March caused changes in debt forex structure (Chart 15). The share of government securities in levs and US dollars decreased to 66.43% and 14.05% respectively at the expense of government securities denominated in euro which rose to 19.52%. Debt maturity structure also changed. Short-term and medium-term securities decreased to 4.89% and 42.82% respectively at the expense of long-term securities which increased significantly, reaching 52.29% (Chart 16). Government securities with fixed interest coupons comprised 74.08% and government securities with floating interest coupons, 25.92%.

Since early-2003 repaid interest and discounts have totaled BGN 38,093.2 thousand. Interest and discounts on government securities for budget deficit financing of BGN 29,671.7 thousand, or 77.9% of the total repaid interest and discounts, were repaid in March (Chart 19). Expenditure on five-year government bonds occupied the largest share, 36.18%, followed by three-year bonds, 28.97%.

## Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 31 March 2003
		increase	decrease	
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>				
1. Government securities issued in 1998	4 090.9	-	-	4 090.9
5-year	4 090.9	-	-	4 090.9
2. Government securities issued in 1999	2 659.7	-	-	2 659.7
5-year	2 659.7	-	-	2 659.7
3. Government securities issued in 2000	179 719.4	50 000.0	-	129 719.4
3-year	139 929.7	50 000.0	-	89 929.7
5-year	39 789.7	-	-	39 789.7
4. Government securities issued in 2001	480 853.1	54 653.4	-	426 199.7
4.1. Medium-term	451 915.5	54 653.4	-	397 262.1
2-year	211 958.6	54 653.4	-	157 305.2
5-year	239 956.9	-	-	239 956.9
4.2. Long-term	28 937.6	-	-	28 937.6
7-year	28 937.6	-	-	28 937.6
5. Government securities issued in 2002	794 946.9	55 062.2	-	739 884.6
5.1. Short-term	111 748.7	54 716.1	-	57 032.6
3-month	35 676.8	35 676.8	-	-
12-month	76 071.8	19 039.3	-	57 032.6
5.2. Medium-term	363 847.6	346.1	-	363 501.4
2-year	15 709.9	346.1	-	15 363.8
3-year	174 103.5	-	-	174 103.5
5-year	174 034.2	-	-	174 034.2
5.3. Long-term	319 350.6	-	-	319 350.6
7-year	237 780.3	-	-	237 780.3
10-year	81 570.3	-	-	81 570.3
6. Government securities issued in 2003	-	393 440.7	-	393 440.7
6.1. Short-term	-	54 944.5	-	54 944.5
3-month	-	35 773.7	-	35 773.7
12-month	-	19 170.8	-	19 170.8
6.2. Medium-term	-	83 134.0	-	83 134.0
3-year	-	28 134.0	-	28 134.0
5-year	-	55 000.0	-	55 000.0
6.3. Long-term	-	255 362.2	-	255 362.2
7-year	-	225 362.2	-	225 362.2
EUR-denominated (lev equivalent)	-	205 362.2	-	205 362.2
10-year	-	30 000.0	-	30 000.0
<b>TOTAL (I)</b>	<b>1 462 270.1</b>	<b>393 440.7</b>	<b>159 715.6</b>	<b>1 695 995.1</b>

### I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM

A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 476.6	275.2	2 201.4
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 907.7		1 907.7

(continued)

(continued)

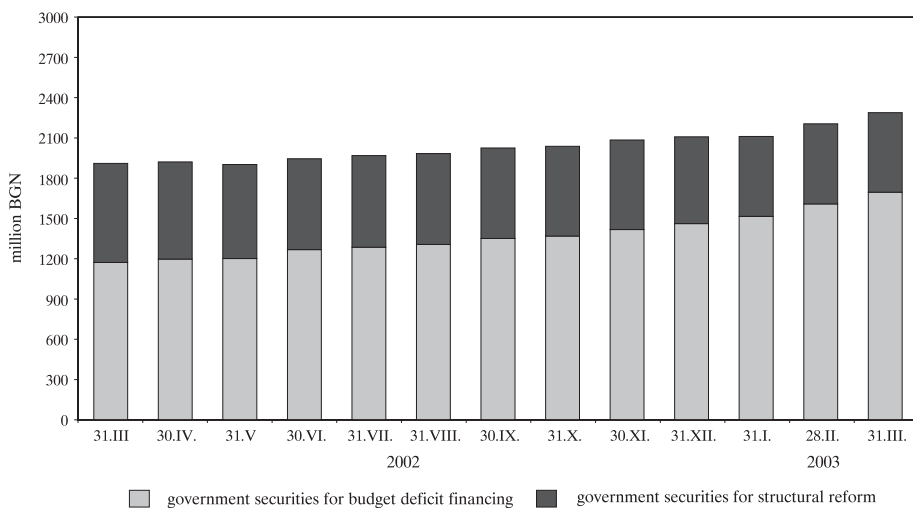
(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 28 Feb. 2003
		increase	decrease	
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 890.0			6 890.0
denominated in USD	195 836.5		16 651.4	179 185.1
lev equivalent	369 143.9			321 665.9
denominated in EUR	126 803.5	4 168.8	7 459.0	123 513.2
lev equivalent	248 006.0			241 570.8
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994				
	739.3			739.3
<b>TOTAL (A)</b>	<b>629 163.5</b>			<b>574 975.2</b>
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996				
Government securities issued in 1996	18 437.3			18 437.3
Government securities issued in 1997	1 876.0			1 876.0
	16 561.3			16 561.3
<b>TOTAL (B)</b>	<b>18 437.3</b>			<b>18 437.3</b>
<b>TOTAL (II)</b>	<b>647 600.8</b>			<b>593 412.4</b>
<b>GOVERNMENT DEBT, TOTAL</b>	<b>2 109 870.8</b>			<b>2 289 407.5</b>
III. DOMESTIC GOVERNMENT GUARANTEES				
	1 881.2			1 192.0
<b>DOMESTIC DEBT, TOTAL</b>	<b>2 111 752.0</b>			<b>2 290 599.5</b>

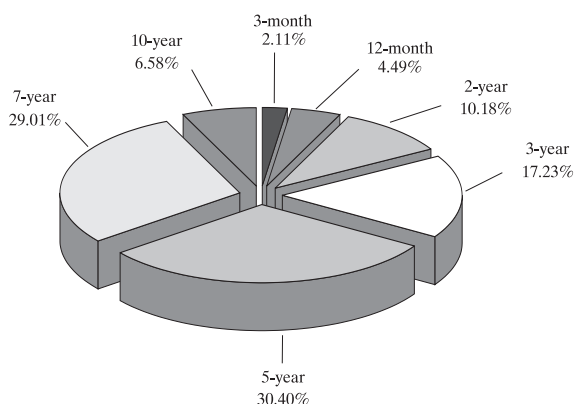
**Notes:**

- Domestic debt based on cash flows.
- 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 BNB *Monthly 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.
- The lev equivalent of the debt denominated in foreign currency is calculated on the basis of the exchange rate of the relevant currency against the lev at the end of month:
  - on 31 December 2002: USD 1/BGN 1.88496, EUR 1/BGN 1.95583.
  - on 31 March 2003: USD 1/BGN 1.79516, EUR 1/BGN 1.95583.

### Changes in Domestic Government Debt

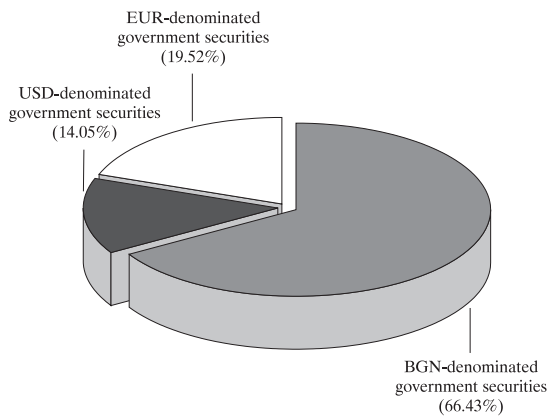


### Outstanding Government Securities Issued for Budget Deficit Financing as of 31 March

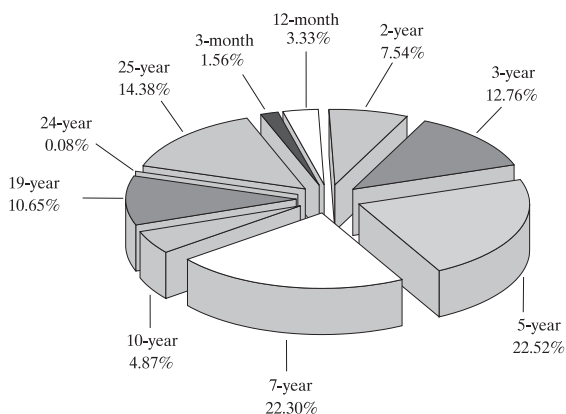


**Note:** The average-weighted maturity of government securities issued for budget deficit financing is four years and eleven months.

### Forex Composition of Outstanding Government Securities as of 31 March

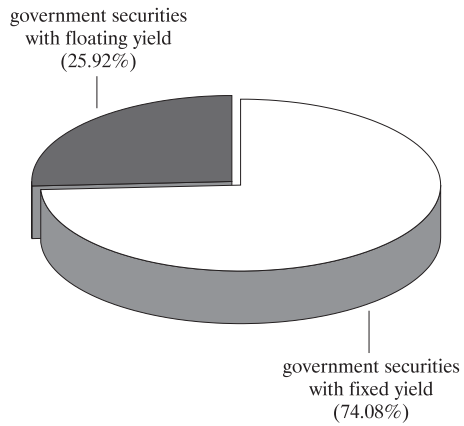


### Maturity Structure of Outstanding Government Securities as of 31 March





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



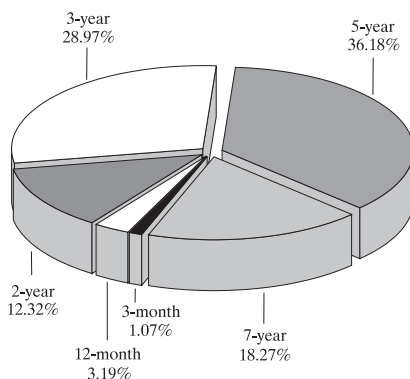
# Expenditure on Domestic Debt between 1 January and 31 March 2003

(thousand BGN)

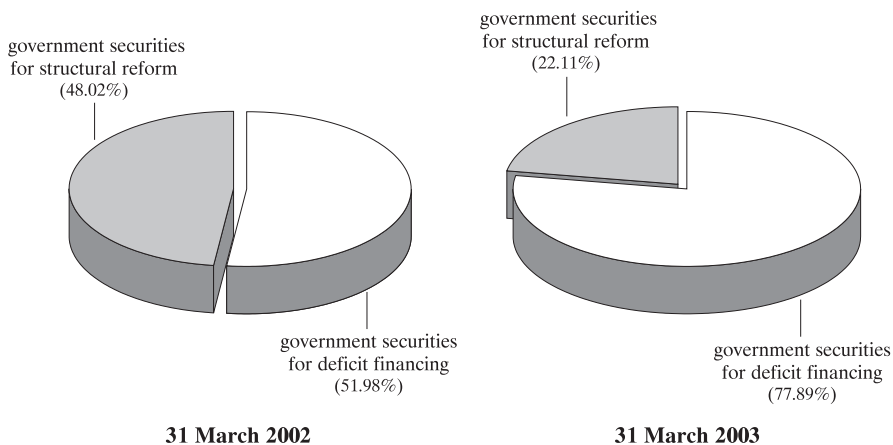
Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
1. Government securities issued in 1999	89.8
5-year	89.8
2. Government securities issued in 2000	3 440.5
3-year	3 440.5
3. Government securities issued in 2001	8 277.1
3.1. Medium-term*	8 277.1
2-year	3 437.7
5-year	4 839.5
4. Government securities issued in 2002	18 273.0
4.1. Short-term	1 283.9
3-month	323.2
12-month	960.7
4.2. Medium-term	11 494.3
2-year	268.1
3-year	5 273.3
5-year	5 952.9
4.3. Long-term	5 494.8
7-year	5 494.8
5. Government securities issued in 2003	-408.7
5.1. Long-term	-408.7
5-year	-107.5
7-year	-301.2
EUR-denominated (lev equivalent)	-301.2
<b>TOTAL (I)</b>	<b>29 671.7</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM</b>	
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	57.7
2. Bonds issued pursuant to CM Decree No. 186 of 1992	34.9
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	8 180.3
lev bonds	0.0
USD-denominated (in BGN at the current exchange rate)	3 858.7
EUR-denominated (in BGN at the fixed exchange rate)	4 321.6
Total (A)	8 273.0
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	148.5
Total (B)	148.5
<b>TOTAL (II)</b>	<b>8 421.5</b>
<b>EXPENDITURE ON GOVERNMENT DEBT, TOTAL</b>	<b>38 093.2</b>
<b>III. GOVERNMENT GUARANTEED DEBT</b>	<b>0.0</b>
<b>EXPENDITURE, TOTAL</b>	<b>38 093.2</b>

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

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



### Structure of Expenditure on Domestic Debt



By end-March foreign debt totaled EUR 7,807.3 million. Government debt accounted for EUR 7,425.4 million and government guaranteed debt amounted to EUR 381.9 million.

In March new foreign financing totaled BGN 3,519.4 thousand, including BGN 1,711.8 thousand receipts on government guaranteed loans and BGN 1,130.5 thousand on government investment loans. Payments on the debt totaled BGN 79,043.1 thousand, of which BGN 61,323.4 thousand principal repayments and BGN 17,719.7 thousand interest. Repayments were mainly made to the Paris Club (BGN 43,084.4 thousand) and the IMF (BGN 10,748.4 thousand). Interest was repaid mainly to the Paris Club (BGN 9,979.7 thousand), on government investment loans (BGN 2,884.1 thousand) and on government guaranteed loans (BGN 2,615.1 thousand).

Since early-2003 received loans have totaled BGN 107,111.1 thousand, of which BGN 64,805 thousand receipts from the IMF, BGN 32,015.3 thousand from government investment loans and BGN 10,290.8 thousand from government guaranteed loans. Payments on the debt have amounted to BGN 639,448.6 thousand, including BGN 280,384.7 thousand principal repayments. The largest amounts were repaid on Brady bonds (BGN 92,154.4 thousand), the Paris Club loans (BGN 78,628.3 thousand) and government guaranteed loans (BGN 31,547.1 thousand). By end-March net foreign financing was negative (BGN -173,273.6 thousand).

No changes occurred in foreign debt structure as a result of effected operations. Debt denominated in other currencies reached 15.5% and debt denominated in euro and US dollars comprised 31.5% and 53% respectively. A slight change was reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 62.8% to 37.2%. The average-weighted residual term to maturity of the foreign debt was ten years and six months with a decreased share of the debt from one to five years and an increased share of the debt from five to ten years.

The percentage share of the debt on Brady bonds amounted to 28.7%, other bonds comprised 28.1%. The share of the debt to the IMF slightly fell to reach 12.4%. Obligations to the World Bank occupied 10.2%, the Paris Club, 3.1%, and the European Union, 5%. The share of government guaranteed credits was 4.9%.

## Foreign Debt

(million EUR)

Structure	as of 31.XII.2002	as of 31.I.2003	as of 28.II.2003	as of 31.III.2003
<b>Government debt</b>	<b>7 623.3</b>	<b>7 498.5</b>	<b>7 505.9</b>	<b>7 425.4</b>
I. Bonds	4 646.4	4 453.2	4 464.0	4 428.6
1. Brady bonds	2 398.7	2 254.1	2 261.2	2 237.8
2. Other bonds	2 247.7	2 199.1	2 202.8	2 190.8
II. Credits	2 976.9	3 045.3	3 041.9	2 996.8
1. Paris Club	284.5	282.5	264.8	242.2
2. World Bank	836.1	814.4	804.6	798.4
2.1. World Bank	716.9	699.6	691.8	687.2
2.2. JBIC (JEXIM)	119.2	114.8	112.8	111.2
3. G-24	48.9	47.8	48.1	47.9
4. European Union	390.0	390.0	390.0	390.0
5. IMF	990.9	962.4	984.7	971.0
6. Other	129.2	129.2	129.2	129.2
7. Government investment loans	236.1	359.6	362.6	360.5
7.1. World Bank	69.0	71.6	72.3	72.4
7.2. European Investment Bank	122.5	189.2	189.5	188.4
7.3. EBRD	26.2	40.2	40.2	39.9
7.4. Other	18.4	58.7	60.5*	59.8
8. Called government guarantees	61.2	59.2	58.0	57.7
8.1. World Bank	48.7	47.5	46.1	46.0
8.2. European Investment Bank	2.6	2.3	2.3	2.3
8.3. Other	9.9	9.5	9.5	9.4
<b>Government guaranteed debt</b>	<b>530.5</b>	<b>395.3</b>	<b>386.0</b>	<b>381.9</b>
1. World Bank	137.1	132.7	129.7	128.6
2. European Investment Bank	115.8	48.4	50.4	47.5
3. EBRD	60.7	40.5	40.6	41.1
4. Other	216.8	173.7	165.3*	164.5
<b>FOREIGN DEBT, TOTAL</b>	<b>8 153.7</b>	<b>7 893.8</b>	<b>7 891.8</b>	<b>7 807.3</b>
<b>FOREIGN DEBT, TOTAL (million USD)</b>	<b>8 460.3</b>	<b>8 538.0</b>	<b>8 509.0</b>	<b>8 506.0</b>

### Notes:

1. Foreign debt based on cash flows.
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 BNB *Monthly 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 working day of the period.
5. Preliminary data for March 2003.

\* Revised data.

## New Foreign Financing and Foreign Debt Payments as of 31 March

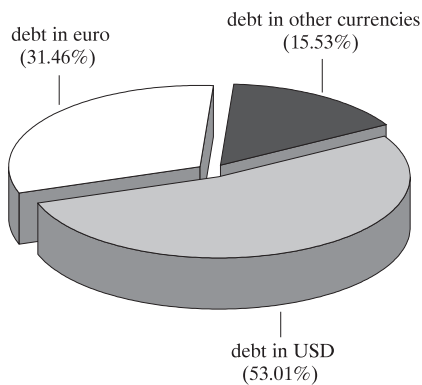
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
<b>Government debt</b>	<b>96 820.3</b>	<b>248 837.5</b>	<b>351 556.5</b>
I. Bonds	-	92 154.4	298 324.5
1. Brady bonds	-	92 154.4	61 792.5
2. Other bonds	-	-	236 532.0
II. Credits	96 820.3	156 683.1	53 232.0
1. Paris Club	-	78 628.3	10 804.1
2. World Bank	-	24 030.7	8 984.2
2.1. World Bank	-	16 902.2	7 832.8
2.2. JBIC (JEXIM)	-	7 128.5	1 151.4
3. G-24	-	-	315.7
4. European Union	-	-	7 179.6
5. IMF	64 805.0	30 141.3	12 359.8
6. Other	-	-	-
7. Government investment loans	32 015.3	19 865.1	11 634.1
7.1. World Bank	8 037.9	904.0	822.9
7.2. European Investment Bank	19 496.4	11 320.5	8 016.6
7.3. EBRD	-	7 640.6	1 856.6
7.4. Other	4 480.9	-	938.0
8. Called government guarantees	-	4 017.9	1 954.5
8.1. World Bank	-	3 599.6	1 778.0
8.2. European Investment Bank	-	418.3	176.5
8.3. Other	-	-	-
<b>Government guaranteed debt</b>	<b>10 290.8</b>	<b>31 547.1</b>	<b>7 507.4</b>
1. World Bank	-	6 339.2	3 212.5
2. European Investment Bank	3 911.7	5 648.7	2 548.2
3. EBRD	1 780.5	-	22.4
4. Other	4 598.6	19 559.3	1 724.4
<b>TOTAL</b>	<b>107 111.1</b>	<b>280 384.7</b>	<b>359 063.9</b>

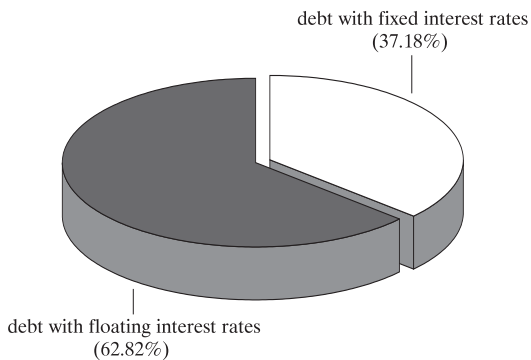
**Notes:**

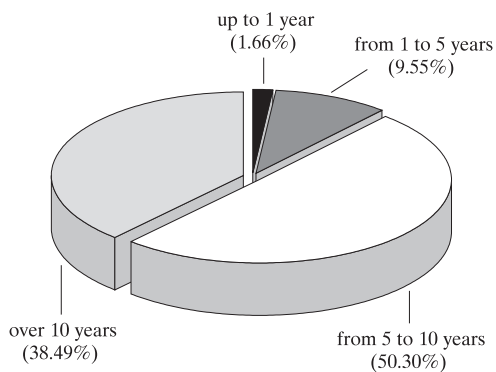
1. Values in BGN of the new foreign financing and payments effected are calculated on the basis of BNB central exchange rates of the lev against respective foreign currencies valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

### Foreign Currency Composition of the Foreign Debt as of 31 March



### Interest Rate Structure of the Foreign Debt as of 31 March



**Residual Term to Maturity of the Foreign Debt as of 31 March**

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



By end-March government and government guaranteed debt totaled EUR 8,978.4 million, including domestic debt of EUR 1,171.2 million and foreign debt of EUR 7,807.3 million. The decrease in absolute terms was EUR 40.1 million on the previous month, a result mainly of repayments made in March.

By end-March the key macroeconomic indicator identifying the *debt to GDP ratio* was 49.8%, down merely 0.2% on February 2003. The value of this indicator measured by the *domestic debt to GDP* ratio and the *foreign debt to GDP* ratio accounted for 6.5% and 43.3% respectively.

Domestic debt occupied 13% in total debt structure and foreign debt, 87% (Chart 23). The upward trend in the share of domestic debt was sustained reflecting the policy intended to overcome the disequilibrium between domestic and foreign debts of Bulgaria. Therefore, a positive domestic financing and a negative foreign net financing were maintained.

Forex debt composition experienced certain changes on the previous month. By end-March the share of the debt in US dollars stayed relatively high, amounting to 47.9%, but compared with February it decreased by 0.3 percentage points. In the review period debt in euro increased from 29.3% to 29.9%, while debt in levs and other currencies slightly fluctuated (Chart 24).

Debt to the London Club (Brady bonds) occupied the largest share in debt structure by type of creditor, 24.9%, followed by other bonds (global bonds used to replace a portion of the Brady debt, and eurobonds), 24.4%, domestic debt (government securities), 13%, and debt to the IMF, 10.8% (Chart 25). The analysis of debt structure indicated no significant changes compared to February 2003. The upward trend in the share of domestic debt issues was sustained.

By end-March debt interest structure reflected a slight decrease in the debt with floating interest, from 58.4% to 58%, over the debt with fixed interest which reached 42% (Chart 26). Improvement in this proportion was one of the priorities of pursued debt policy intended to minimize interest risk impact and to ensure acceptable interest rate burden for the state budget.

Since early 2003 payments effected on government and government guaranteed debt have totaled BGN 872.5 million, including domestic debt payments of BGN 234.4 million and foreign debt payments of BGN 638.1 million (Chart 27). In March payments on Paris Club loans, the IMF and government guaranteed loans comprised the most significant shares, while the main repayments related to domestic debt were effected on government securities issued for budget deficit financing.

By end-March payments in US dollars (BGN 290 million) and in euro (BGN 239.4 million) occupied the largest shares in the forex composition of debt payments followed by payments in levs (BGN 234.4 million, Chart 28).

## Government and Government Guaranteed Debt

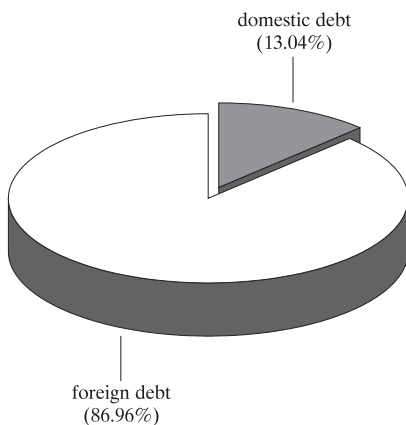
(million EUR)

Structure	as of 31.XII.2002	as of 31.I.2003	as of 28.II.2003	as of 31.III.2003
<b>Domestic debt</b>	<b>1 079.7</b>	<b>1 080.6</b>	<b>1 128.6</b>	<b>1 171.2</b>
I. Government debt	1 078.7	1 079.7	1 127.8	1 170.6
1. Government securities issued for budget deficit financing	747.6	774.8	822.4	867.1
2. Government securities issued for structural reform	331.1	304.9	305.4	303.4
II. Government guaranteed debt	1.0	0.9	0.8	0.6
<b>Foreign debt</b>	<b>8 153.7</b>	<b>7 893.8</b>	<b>7 891.8</b>	<b>7 807.3</b>
I. Government debt	7 623.3	7 498.5	7 505.9	7 425.4
1. Bonds	4 646.4	4 453.2	4 464.0	4 428.6
2. Credits	2 976.9	3 045.3	3 041.9	2 996.8
Government investment loans	236.1	359.6	362.6	360.5
Called government guarantees	61.2	59.2	58.0	57.7
II. Government guaranteed debt	530.5	395.3	386.0	381.9
<b>Debt, total</b>	<b>9 233.4</b>	<b>8 974.4</b>	<b>9 020.4</b>	<b>8 978.4</b>
<b>Debt/GDP, total (%)</b>	<b>55.6</b>	<b>49.7</b>	<b>50.0</b>	<b>49.8</b>
Domestic debt/GDP (%)	6.5	6.0	6.3	6.5
Foreign debt/GDP (%)	49.1	43.8	43.7	43.3

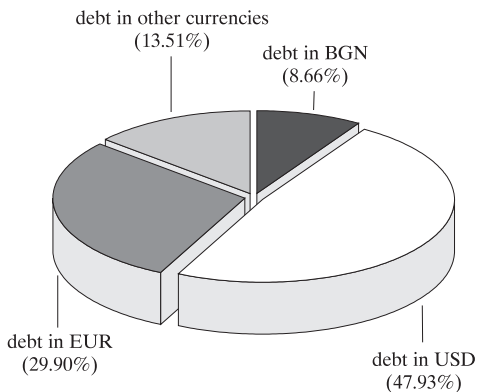
**Notes:**

Government debt based on cash flows. Foreign debt based on cash flows as of 1 January 2003.  
Revised GDP projection for 2003: BGN 35,285.5 million. GDP for 2002: BGN 32,466 million.

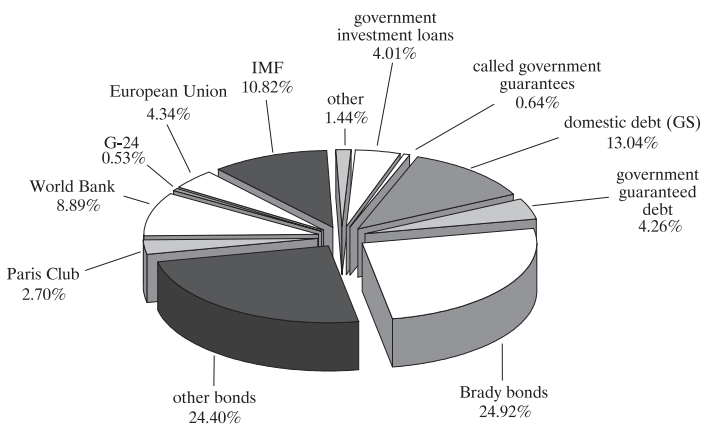
### Debt Structure as of 31 March



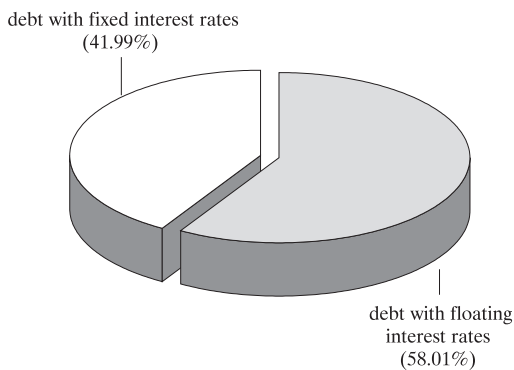
### Debt Forex Structure as of 31 March



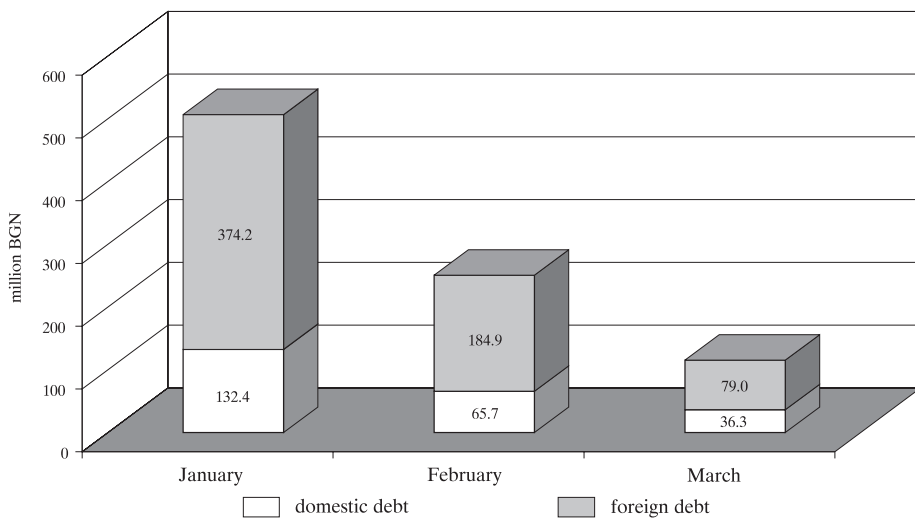
### Debt Structure by Creditor as of 31 March



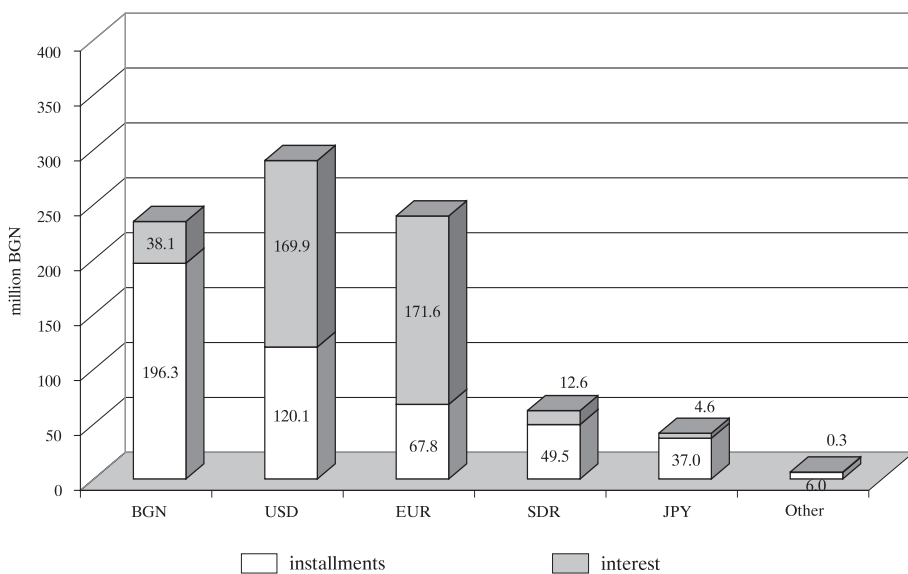
### Debt Interest Structure as of 31 March



### Government Debt Payments



### Currency Structure of Government Debt Payments as of 31 March



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

(thousand BGN)

Government securities type	31.XII. 2002	2003	
		31.I.	28.II.
Government securities issued for budget deficit financing	0.1	0.1	0.1
Government securities issued for structural reform	71 326.7	66 848.8	66 869.9
- in USD	7 368.0	6 652.4	6 673.4
- in EUR	63 958.7	60 196.4	60 196.4
<b>Total</b>	<b>71 326.8</b>	<b>66 848.9</b>	<b>66 870.0</b>

## Government Securities Issued in International Market and Acquired by Residents

(thousand USD)

Government securities type	31.XII. 2002	2003	
		31.I.	28.II.
Brady bonds	69.4	71.0	73.9
Eurobonds	74.4	72.8	69.4
Global bonds	189.2	197.2	199.1
- in EUR	136.3	140.7	140.4
- in USD	52.9	56.6	58.6
<b>Total</b>	<b>332.9</b>	<b>341.0</b>	<b>342.4</b>

## MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

### Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	as of 31.XII.2003
<b>I. Domestic municipal debt and municipal guarantees</b>	<b>44 559.33</b>
<i>1. Municipal debt</i>	<i>42 304.23</i>
1.1 Government securities debt (at nominal value as of corresponding period)	9 164.70
1.2 Loans from banks and other financial institutions	9 052.02
1.3 Loans from the republican budget	11 169.60
1.4 Loans from extrabudgetary accounts and funds	10 080.86
1.5 Loans from other municipalities	-
1.6 Called municipal guarantees	-
1.7 Other	2 837.06
<i>2. Municipal guarantees</i>	<i>2 255.10</i>
<b>II. Foreign municipal debt and municipal guarantees</b>	<b>4 205.04</b>
<i>1. Municipal debt</i>	<i>4 205.04</i>
1.1 Loans from banks and other financial institutions	4 205.04
<i>2. Municipal guarantees</i>	<i>-</i>
<b>III. Municipal debt and municipal guarantees, total</b>	<b>48 764.38</b>

### Social Security Funds Debt

(thousand BGN)

Structure	2002	2003		
	as of 31.XII.	as of 31.I.	as of 28.II.	as of 31.III.
<b>Domestic debt</b>	<b>37 482.3</b>	<b>37 397.1</b>	<b>37 403.5</b>	<b>37 382.6</b>
I. National Insurance Institute	37 482.3	37 397.1	37 403.5	37 382.6
1. Other*	37 482.3	37 397.1	37 403.5	37 382.6
2. National Health Insurance Fund	-	-	-	-
3. Teachers' Pension Fund	-	-	-	-
Foreign debt	-	-	-	-

**Note:**

\* The loan was extended by the Ministry of Finance to the National Insurance Institute under the subloan agreement concluded on the basis of credit agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project.