

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

DECEMBER 2004

CONTENTS

1	Budget Deficit Financing by Government Securities Issues	5
2	Domestic Debt Dynamics	29
3	Foreign Debt Dynamics	38
4	Government Debt Structure	43
5	Municipal Debt and Social Security Funds Debt	49
6	Consolidated Government Debt	51

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>

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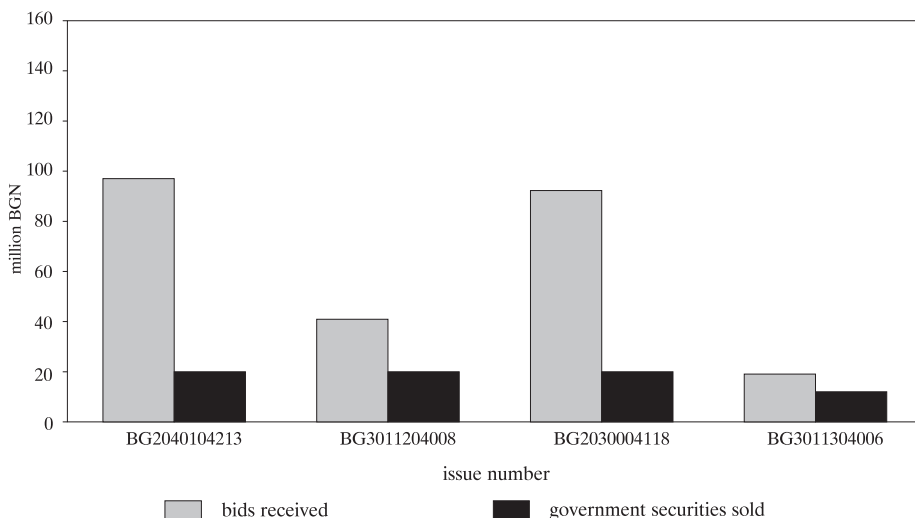
BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In December the Ministry of Finance issued through auctions organized by the BNB four government securities issues under Regulation No. 5, including two short-term discount treasury bills issues (No. BG3011204008: twelve-month and No. BG3011304006: three-month), one medium-term tap treasury bonds issue (No. BG2030004118: five-year) and one long-term tap treasury bonds issue (No. BG2040104213: seven-year). Five- and seven-year government securities issues were reopened in December.

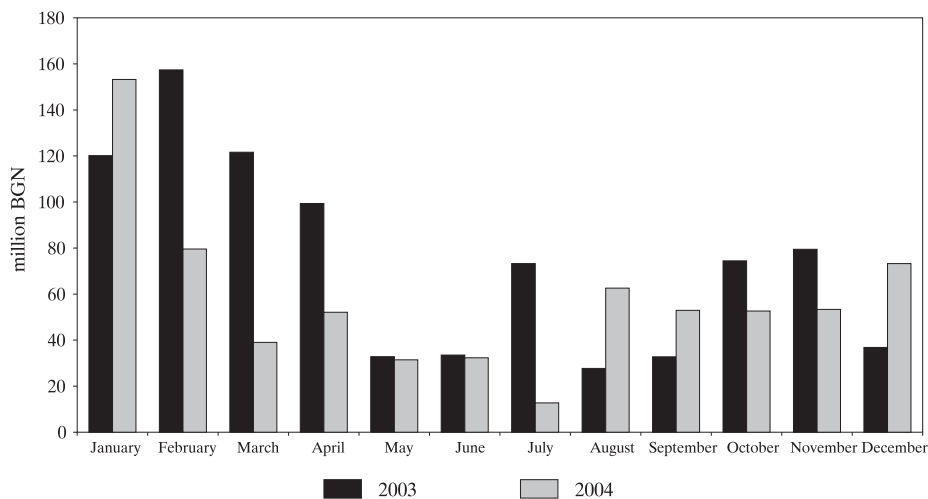
At the auctions primary dealers' bids totaled BGN 249,315 thousand: BGN 19,080 thousand for three-month government securities, BGN 40,950 thousand for twelve-month, BGN 92,285 thousand for five-year and BGN 97,000 thousand for seven-year government securities (Chart 1). Approved bids totaled BGN 72,000 thousand nominal value, including three-month of BGN 12,000 thousand, twelve-month of BGN 20,000 thousand, five-year of BGN 20,000 thousand and seven-year of BGN 20,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in December accounted for 3.46: 1.59 on three-month, 2.05 on twelve-month, 4.61 on five-year and 4.85 on seven-year (Chart 4).

Chart 1

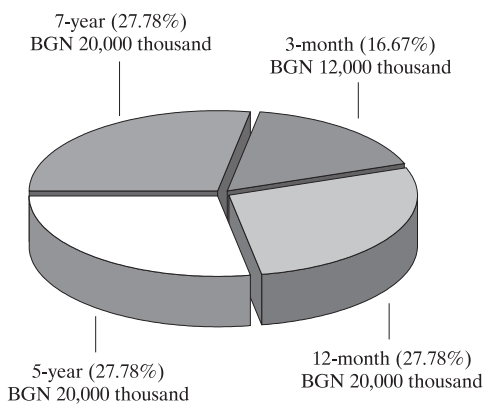
Government Securities Issue in December



Sales of Government Securities Issues

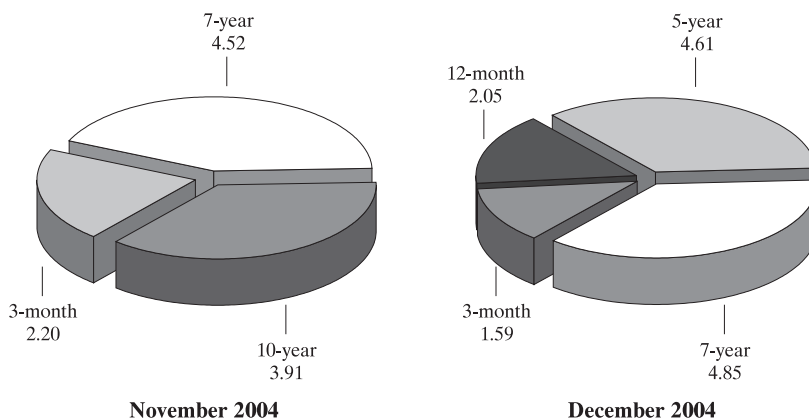


Structure and Volume of Government Securities Issued for Budget Deficit Financing in December



Note: Including target government securities.

Bid-to-Cover Ratios of Issues Sold



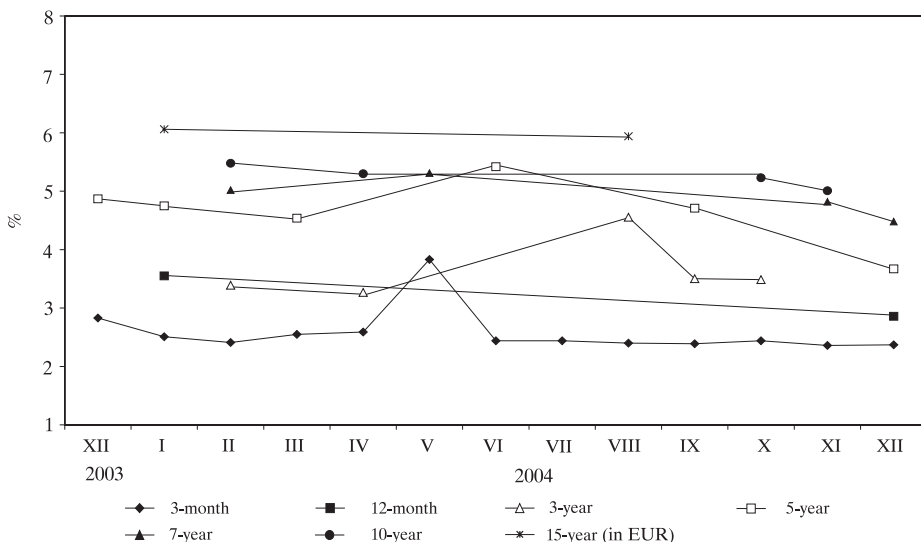
Government securities issued in December increased by BGN 36.4 million on the same period of 2003 (Chart 2).

The yield registered in the primary market reflected overall trends in government securities demand and the specific preferences for instruments with various maturity options. Attained yield levels indicated decreasing values on the yield curve. The yield of three-month treasury bills posted a 0.01 basis points decrease compared to the previous month and reached 2.37%. The yield of twelve-month treasury bills came to 2.86%, a decrease of 0.69 basis points compared to January 2004 when the last government securities issue with a term of twelve months was sold. In December five-year and seven-year tap bonds also reported downward trends, more clearly pronounced in five-year bond yields: a decrease of 1.04 basis points to 3.67% for five-year and a fall of 0.34 points to 4.48% for seven-year bonds (Charts 5, 6 and 8).

One 2004 treasury bills issue matured in December (No. BG3010904004).

In the reporting period one 2002 issue of BGN 547.2 thousand matured. Reverse repurchases of this type accounted for BGN 112.9 thousand (Chart 11).

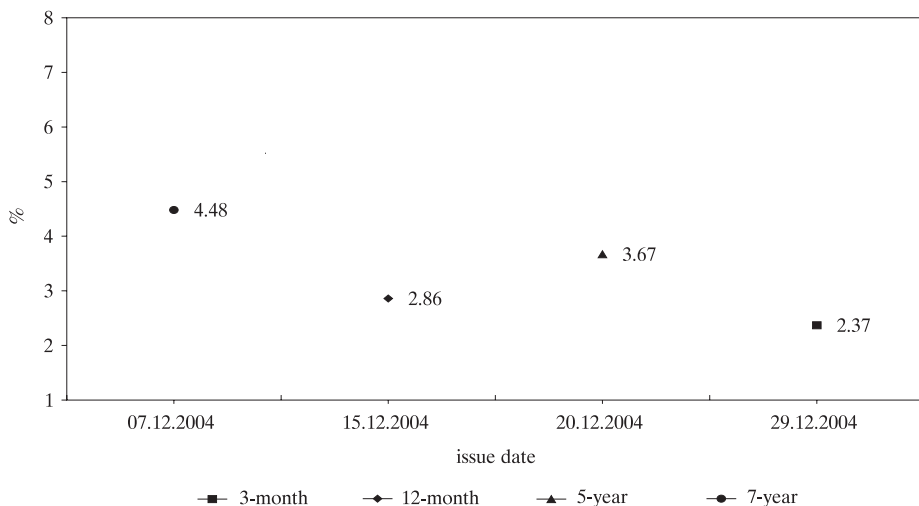
Yield of Primary Market Government Securities



Notes: The yield is on an effective annual basis.

Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Dynamics of the Average Annual Yield of Primary Market Government Securities



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

Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Chart 7

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

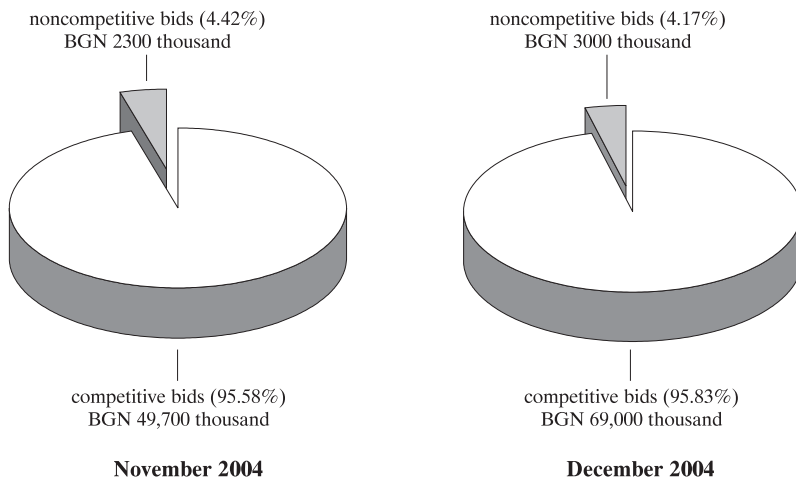
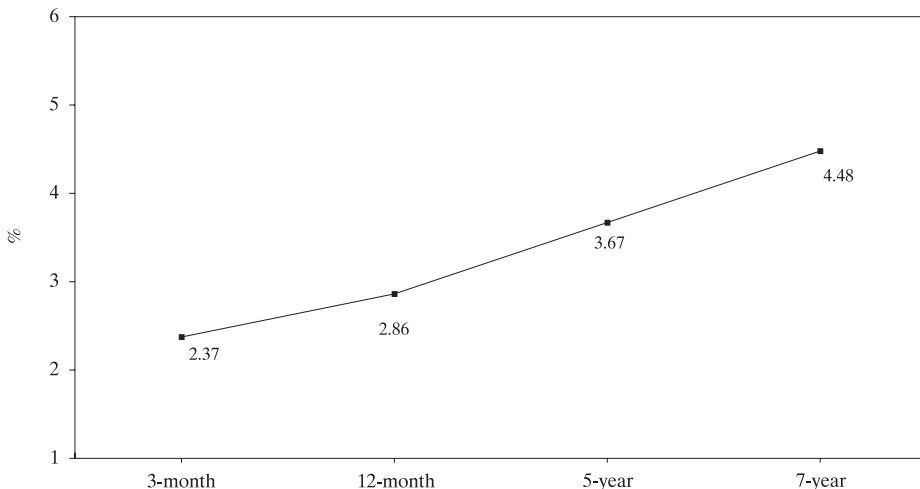


Chart 8

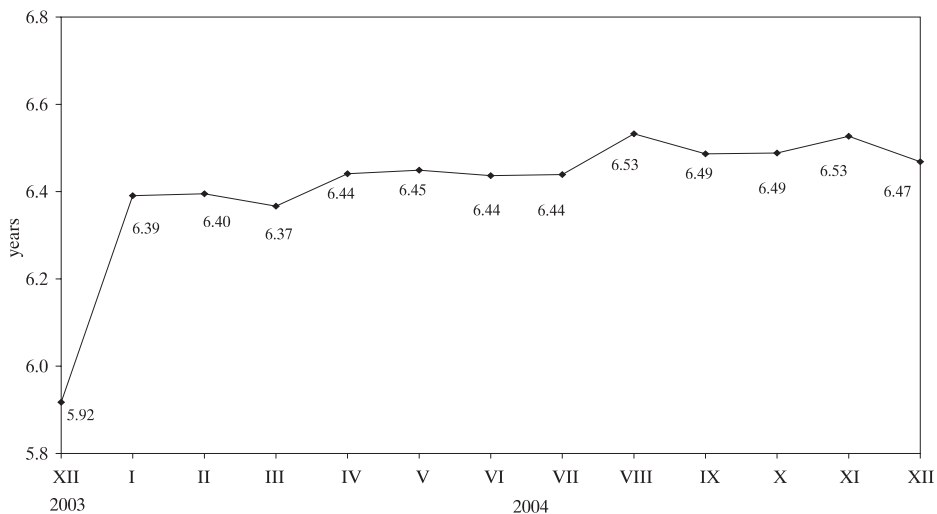
Yield Curve of Primary Market Government Securities in December



Note: Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Chart 9

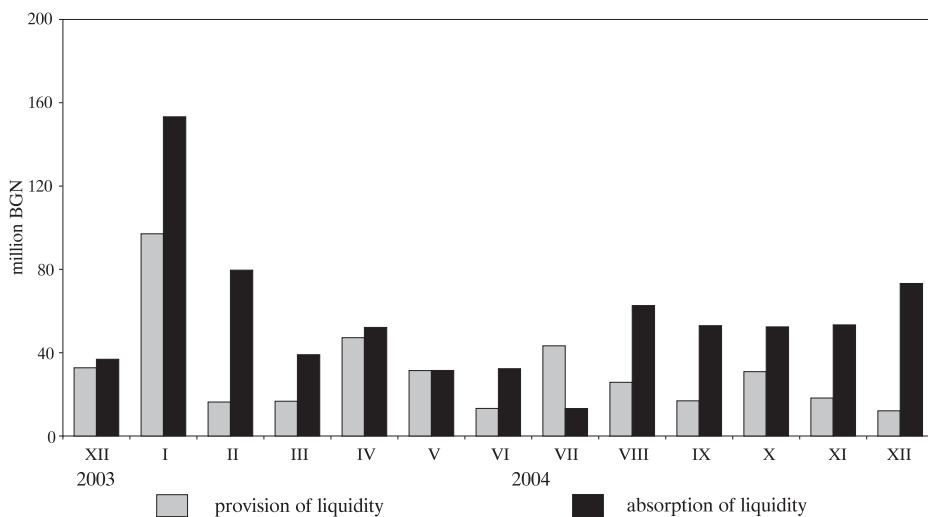
An Average Term of Outstanding Government Securities Issues by Year



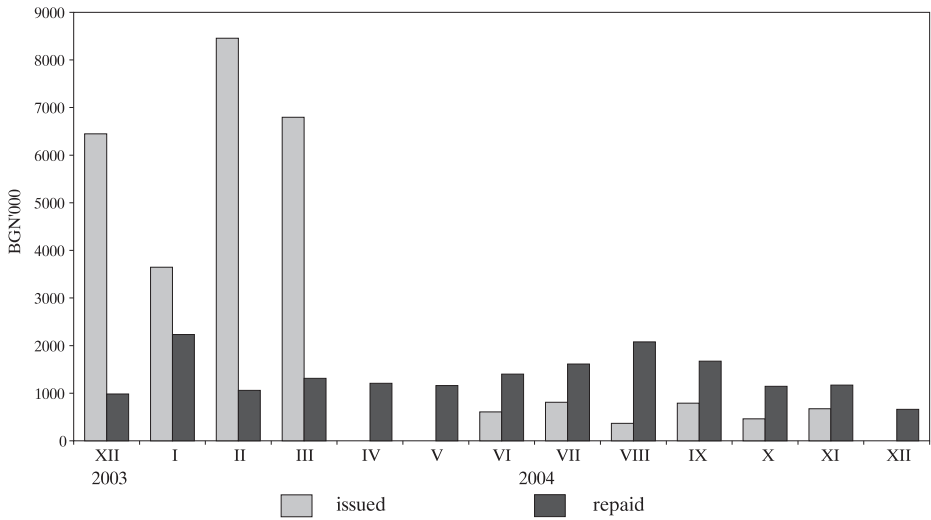
Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

Chart 10

Monthly Liquidity Regulation through Government Securities Maturities and Issues



Issued and Repaid Target Government Securities



Outstanding Government Securities

Discount Treasury Bills

	3-month government securities			12-month government securities		
Issue No.	BG3011004002	BG3011104000	BG3011304006	BG3010004003	BG3011204008	
Issue date	27.10.2004	24.11.2004	29.12.2004	14.01.2004	15.12.2004	
Maturity date	27.01.2005	24.02.2005	29.03.2005	14.01.2005	15.12.2005	
Nominal value of the offer (BGN'000)	12 000.00	12 000.00	12 000.00	20 000.00	20 000.00	
Total nominal value of the bids received (BGN'000)	14 300.00	26 380.00	19 080.00	40 350.00	40 950.00	
Total nominal value of the bids approved (BGN'000)	12 000.00	12 000.00	12 000.00			
Average price of the bids approved per BGN 100 (%)	99.38	99.40	99.41	20 000.00	20 000.00	
Average discount per BGN 100 (%)	0.62	0.60	0.59	96.52	97.18	
Average annual yield (%)	2.44	2.36	2.37	3.48	2.82	
Effective annual yield (%)	2.46	2.38	2.40	3.55	2.86	
Bid-to-cover ratio	1.19	2.20	1.59	3.55	2.86	
				2.02	2.05	

Note: Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

Treasury Bonds

3-year government securities

Issue No.	BG2030102110 ⁴	BG2030302116 ³	BG2030402114 ⁴	Total for the issue	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	11.03.2002	10.06.2002	28.10.2002	29.07.2002	25.11.2002	09.09.2002	09.12.2002	31.07.2002	11.09.2002	11.09.2002	11.09.2002
Issue date	13.03.2002	13.03.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002	11.09.2002	11.09.2002	11.09.2002
Maturity date	13.03.2005	13.03.2005	31.07.2005	31.07.2005	31.07.2005	31.07.2005	31.07.2005	31.07.2005	11.09.2005	11.09.2005	11.09.2005
Nominal value of the offer (BGN'000)	25 000.00	25 000.00	25 000.00	25 000.00	33 100.00	25 000.00	25 000.00	83 100.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	72 750.00	44 151.00	116 901.00	24 200.00	92 265.70	33 700.00	66 700.00	160 615.70	33 700.00	25 000.00	100 400.00
Total nominal value of the bids approved (BGN'000)	25 000.00	25 000.00	50 000.00	16 900.00	33 100.00	25 000.00	25 000.00	75 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	101.62	101.68	101.65	98.83	99.57	99.13	100.80	99.10	99.13	100.80	99.97
Interest rate	6.50	6.50	6.50	5.75	5.75	6.00	6.00	5.75	6.00	6.00	6.00
Bid-to-cover ratio	2.91	1.77	2.34	0.97	2.79	1.35	2.67	1.93	1.35	2.67	2.01
Average annual yield (%)	5.90	5.88	5.89	6.18	5.91	6.32	5.71	6.08	6.32	5.71	6.01

(continued)

3-year government securities

(continued)

Issue No.	BG2030103118 ⁴			BG2030104116 ¹			Total for the issue	Fifth opening	Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening			
Auction date	20.01.2003	21.04.2003	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 (BGN'000)	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 (BGN'000)	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 (BGN'000)	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.	BG2030900117 ³			BG2030101112 ³			Total for the issue**
	First opening	Second opening	Third opening	First opening	Second opening	Third opening	
Auction date	09.10.2000	06.11.2000	11.12.2000	22.01.2001	26.02.2001	26.03.2001	
Issue date	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (BGN'000)	10 000.00	15 000.00	15 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (BGN'000)	46 780.00	35 511.11	31 074.00	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (BGN'000)	10 000.00	15 000.00	15 000.00	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	98.78	99.63	99.87	101.65	104.60	106.40	104.22
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	4.68	2.37	2.07	4.80	4.36	3.52	4.23
Average annual yield (%)	9.31	9.09	9.03	8.59	7.87	7.44	7.96

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Total for the issue**	BG2030501113 ³ First opening	Second opening	Third opening	Total for the issue
Auction date	23.04.2001	21.05.2001	25.06.2001		23.07.2001	20.08.2001	24.09.2001	
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (BGN'000)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (BGN'000)	55 846.00	60 050.00	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00	140 070.00
Total nominal value of the bids approved (BGN'000)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.40	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90	6.90

(continued)

5-year government securities

(continued)

Issue No.	BG2030701119 ³			BG2030002112 ²			Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening			
Auction date	22.10.2001	26.11.2001	21.12.2001	07.01.2002	11.02.2002	08.04.2002	07.05.2002		
Issue date	24.10.2001	24.10.2001	24.10.2001	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002
Maturity date	24.10.2006	24.10.2006	24.10.2006	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007
Nominal value of the offer (BGN'000)	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 (BGN'000)	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 (BGN'000)	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 (BGN'000)	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 (BGN'000)	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 (BGN'000)	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.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
			BG2030203116 ¹			
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003	
Issue date	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003
Maturity date	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008
Nominal value of the offer (BGN'000)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Total nominal value of the bids received (BGN'000)	47 300.00	37 150.00	43 600.00	56 500.00	60 750.00	245 300.00
Total nominal value of the bids approved (BGN'000)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	99.12	98.33	98.25	99.22	99.48	98.92
Interest rate	4.75	4.75	4.75	4.75	4.75	4.75
Bid-to-cover ratio	1.89	2.48	2.18	2.83	3.04	2.45
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87	5.00

(continued)

5-year government securities

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
			BG2030004118¹			
Auction date	05.01.2004	01.03.2004	07.06.2004	13.09.2004	20.12.2004	
Issue date	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004	07.01.2004
Maturity date	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009	07.01.2009
Nominal value of the offer (BGN'000)	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 (BGN'000)	84 450.00	60 120.00	35 850.00	76 600.00	92 285.00	284 855.00
Total nominal value of the bids approved (BGN'000)	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 (%)	99.79	100.72	96.88	99.94	103.98	100.26
Interest rate	4.70	4.70	4.70	4.70	4.70	4.70
Bid-to-cover ratio	4.22	3.01	1.79	3.83	4.61	2.85
Average annual yield (%)	4.75	4.54	5.42	4.71	3.67	4.62

(continued)

7-year government securities

(continued)

Issue No.	BG2040001211 ⁴		BG2040002219 ⁴		BG2040102217 ³		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second opening			
Auction date	29.10.2001	30.11.2001	14.01.2002	21.01.2002	18.02.2002	18.03.2002	13.05.2002		
Issue date	31.10.2001	31.10.2001	16.01.2002	16.01.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002	20.02.2002
Maturity date	31.10.2008	31.10.2008	16.01.2008	16.01.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009	20.05.2009
Nominal value of the offer (BGN'000)	30 000.00	11 070.00	30 000.00	30 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Total nominal value of the bids received (BGN'000)	53 672.00	54 615.00	106 295.00	99 331.00	63 350.00	58 812.00	58 300.00	180 462.00	
Total nominal value of the bids approved (BGN'000)	18 930.00	11 070.00	30 000.00	50 000.00	30 000.00	25 000.00	35 000.00	30 000.00	90 000.00
Average price of the bids approved per BGN 100 (%)	95.45	98.19	100.47	101.46	99.05	99.77	99.44	99.40	99.40
Interest rate	7.50	7.50	7.50	7.50	7.50	7.00	7.00	7.00	7.00
Bid-to-cover ratio	1.79	4.93	3.54	3.31	2.11	2.35	1.67	2.01	2.01
Average annual yield (%)	8.37	7.84	8.17	7.23	7.17	7.04	7.10	7.10	7.10

(continued)

7-year government securities

(continued)

Issue No.	BG2040302213 ²				BG2040103215 ¹				Total for the issue	Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Fourth opening		
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003	
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	05.02.2010	06.02.2010	05.02.2010	05.02.2010	05.02.2010	05.02.2010
Nominal value of the offer (BGN'000)	20 000.00	15 000.00	20 000.00	15 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Total nominal value of the bids received (BGN'000)	29 863.50	24 239.00	48 880.30	86 964.00	77 850.00	49 650.00	34 800.00	46 260.00	68 030.00	276 590.00
Total nominal value of the bids approved (BGN'000)	20 000.00	15 000.00	20 000.00	15 000.00	20 000.00	20 000.00	20 000.00	15 000.00	30 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	100.42	98.90	98.06	101.92	102.27	100.42
Interest rate	7.00	7.00	7.00	7.00	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	1.49	1.62	2.44	5.80	3.89	2.48	1.74	3.08	2.27	2.63
Average annual yield (%)	7.30	7.68	7.63	7.17	5.80	6.07	6.22	5.54	5.48	5.80

(continued)

7-year government securities

(continued)

Issue No.	BG2040203213 ^{4*}			BG2040104213 ²			Total for the issue
	First opening	Second opening	Total for opening	First the issue	Second opening	Third opening	
Auction date	18.02.2003	10.03.2003		09.02.2004	03.05.2004	01.11.2004	07.12.2004
Issue date	24.02.2003	24.02.2003	24.02.2003	11.02.2004	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	11.02.2011
Nominal value of the offer (BGN'000)	50 000,00	25 000,00	75 000,00	20 000,00	20 000,00	20 000,00	20 000,00
Total nominal value of the bids received (BGN'000)	139 990,00	76 475,00	216 465,00	76 850,00	39 060,00	90 400,00	97 000,00
Total nominal value of the bids approved (BGN'000)	50 000,00	55 000,00	105 000,00	20 000,00	20 000,00	20 000,00	20 000,00
Average price of the bids approved per BGN 100 (%)	100,99	100,55	100,76	98,42	96,77	99,61	101,69
Interest rate	5,75	5,75	5,75	4,75	4,75	4,75	4,75
Bid-to-cover ratio	2,80	3,06	2,89	3,84	1,95	4,52	4,85
Average annual yield (%)	5,58	5,65	5,62	5,02	5,31	4,82	4,48

(continued)

10 -year government securities

(continued)

Issue No.	BG2040202215 ²				BG2040003217 ⁴			Total for the issue
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	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	17.04.2002	08.01.2003	08.01.2003	08.01.2003
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012	08.01.2013	08.01.2013	08.01.2013
Nominal value of the offer (BGN'000)	15 000.00	25 000.00	25 000.00	25 000.00	90 000.00	30 000.00	20 000.00	50 000.00
Total nominal value of the bids received (BGN'000)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40	94 289.80	56 355.00	150 644.80
Total nominal value of the bids approved (BGN'000)	15 000.00	25 000.00	25 000.00	19 920.00	84 920.00	30 000.00	20 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	96.06	104.08	105.18	104.52
Interest rate	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	2.25	3.14	2.82	3.01
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.93	6.78	6.87

(continued)

10 -year government securities

(continued)

Issue No.	BG2040303211 ⁴			BG2040004215 ⁵			Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening			
Auction date	30.06.2003	29.09.2003		02.02.2004	13.04.2004	04.10.2004		15.11.2004	
Issue date	02.07.2003	02.07.2003	02.07.2003	04.02.2004	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	04.02.2014
Nominal value of the offer (BGN'000)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	20 000.00		20 000.00	40 000.00
Total nominal value of the bids received (BGN'000)	69 350.00	78 753.00	148 103.00	85 300.00	82 680.00	86 010.00		78 128.00	167 980.00
Total nominal value of the bids approved (BGN'000)	20 000.00	30 000.00	50 000.00	20 000.00	20 000.00	20 000.00		20 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	98.82	97.71	98.15	97.85	99.20	99.75		101.47	99.57
Interest rate	5.75	5.75	5.75	5.20	5.20	5.20		5.20	5.20
Bid-to-cover ratio	3.47	2.63	2.96	4.27	4.13	4.30		3.91	4.20
Average annual yield (%)	5.91	6.06	6.00	5.48	5.30	5.23		5.01	5.26

(continued)

15-year government securities

Issue No.	First opening	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 (BGN'000)	20 000.00	50 000.00	15 000.00	85 000.00
Total nominal value of the bids received (BGN'000)	73 628.54	124 820.00	62 878.00	261 326.54
Total nominal value of the bids approved (BGN'000)	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

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

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

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

⁴ The 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.

Note: Since 22 November 2004 government securities yield has been calculated according to ISMA-International Yield.

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 148,994.09	BGN 646.87	EUR 125,400.97
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 the 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 the 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 December 2004.

Pending Payments on Government Securities in February 2005

(BGN'000)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3	4
bonds target issues					2 091.4 164.1
	7	8	9	10	11
target issues bonds	37.9 3 101.2				1 910.4
	14	15	16	17	18
target issues bonds					915.7
	21	22	23	24	25
bills target issues	30.2			12 000.0	7.4
	28				
bonds					

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 February 2005

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
14.02.2005*	16.02.2005	16.02.2010	5-year**	25,000,000	
21.02.2005	23.02.2005	23.05.2005	3-month	15,000,000	
TOTAL, incl.:				40,000,000	
bills				15,000,000	
bonds				25,000,000	

* Tap issue.

** The nominal value will be additionally increased by replacement with other government securities issues.

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

By end-December 2004 domestic debt totaled BGN 2,680,616.6 thousand in nominal terms. Budget deficit financing government securities comprised 82.5% (BGN 2,211,159.3 thousand) of overall debt and government securities issued for structural reform came to 17.5% (BGN 469,457.3 thousand, Chart 12).

Between January and December 2004 issued government securities accounted for BGN 693,736.2 thousand, including BGN 22,607.3 thousand directly sold to individuals. Repaid government securities accounted for BGN 202,072.9 thousand, including BGN 182,170 thousand on short-term treasury bills. As a result of newly issued volumes, the share of twelve-month, five-year and seven-year government securities in the maturity structure of government securities issued for budget deficit financing increased to 1.8%, 30.7% and 29.9% at the expense of all other types of government securities whose shares decreased in December (Chart 13). The average-weighted maturity of government securities issued for budget deficit financing reached six years and six months. By end-December government securities issued for structural reform decreased to BGN 469,457.3 thousand. Over the review period USD-denominated ZUNK bonds of USD 444.9 thousand and EUR-denominated ZUNK bonds to the amount of EUR 134.1 thousand, as well as USD 77.2 thousand issued for participation in privatization under ZUNK were used for repayment of obligations to the state.

In December debt foreign currency structure underwent slight changes owing both to government securities issued and repayments effected (Chart 14). The shares of government securities in euro and in US dollars decreased to 21.9% and 8% respectively, while government securities in levs rose to 70.1%. Debt maturity structure also experienced changes. Medium-term and long-term government securities decreased to 38.9% and 58.2% respectively at the expense of short-term securities which rose to 2.8% (Chart 15). Government securities with fixed interest coupons comprised 78.8% and government securities with floating interest coupons, 21.2%.

Since early 2004 repaid interest and discounts on government securities issued in the domestic market have totaled BGN 128,784.5 thousand. Interest and discounts on government securities for budget deficit financing amounted to BGN 119,314.6 thousand, or 92.6% of the total (Chart 18). Interest expenditure on seven-year government bonds occupied the largest share (34%) due to the increasing volume of these issues, followed by interest payments on five-year bonds, 32.5% (Chart 17).

Domestic Debt

(BGN'000/EUR'000/USD'000)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 Dec. 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	-	14 058.7	674 670.0
4.1. Medium-term	363 808.7	-	14 058.7	349 750.0
2-year	14 058.7		14 058.7	0.0
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	75 810.9	829 290.6
5.1. Short-term	74 170.0	-	74 170.0	-
3-month	34 170.0		34 170.0	-
12-month	40 000.0		40 000.0	-
5.2. Medium-term	254 323.8	-	1 640.9	252 682.9
3-year	79 323.8		1 640.9	77 682.9
5-year	175 000.0			175 000.0
5.3. Long-term	449 478.8	127 129.0	-	576 607.7
7-year	310 362.2			310 362.2
EUR-denominated (lev equivalent)	205 362.2			205 362.2
10-year	100 000.0			100 000.0
15-year	39 116.6	127 129.0		166 245.6
EUR-denominated (lev equivalent)	39 116.6	127 129.0		166 245.6
6. Government securities issued in 2004	-	566 607.3	109 013.4	457 593.9
6.1. Short-term	-	184 000.0	108 000.0	76 000.0
3-month		144 000.0	108 000.0	36 000.0
12-month		40 000.0	-	40 000.0
6.2. Medium-term	-	222 607.3	1 013.4	221 593.9
3-year		113 104.0	707.1	112 396.9
5-year		109 503.3	306.2	109 197.1
EUR-denominated (lev equivalent)		9 503.3	306.2	9 197.1
6.3. Long-term	-	160 000.0	-	160 000.0
7-year		80 000.0		80 000.0
10-year		80 000.0		80 000.0
TOTAL (I)	1 719 496.0	693 736.2	202 072.9	2 211 159.3

(continued)

(continued)

(BGN'000/EUR'000/USD'000)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 31 Dec. 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		15 584.8	148 994.1
lev equivalent	254 860.2			213 939.1
denominated in EUR	134 433.1	571.0	9 603.2	125 401.0
lev equivalent	262 928.4			245 263.0
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1		46.2	646.9
TOTAL (A)	528 923.0			469 457.3
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			469 457.3
GOVERNMENT DEBT, TOTAL	2 256 699.6			2 680 616.6
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 256 699.6			2 680 616.6

Notes:

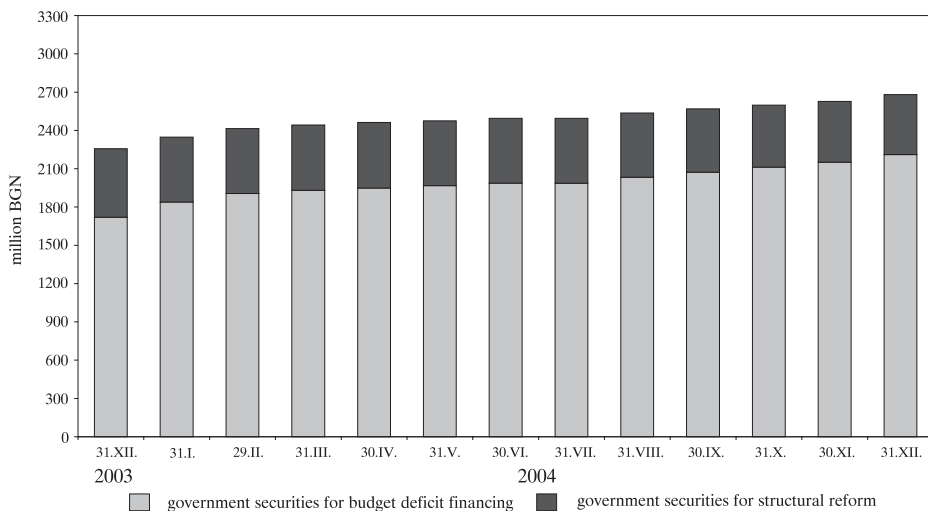
As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change, securities included in domestic and foreign debt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

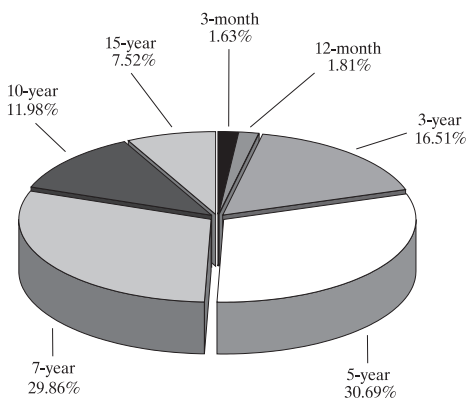
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

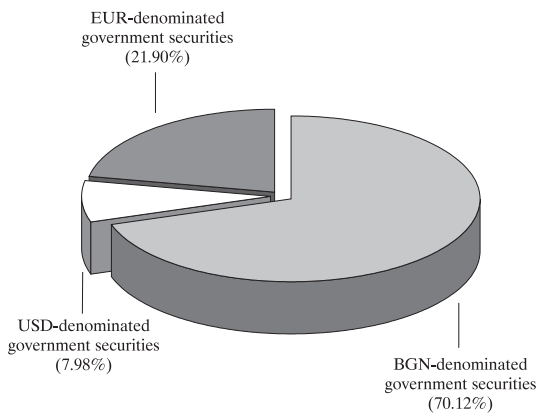


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 December

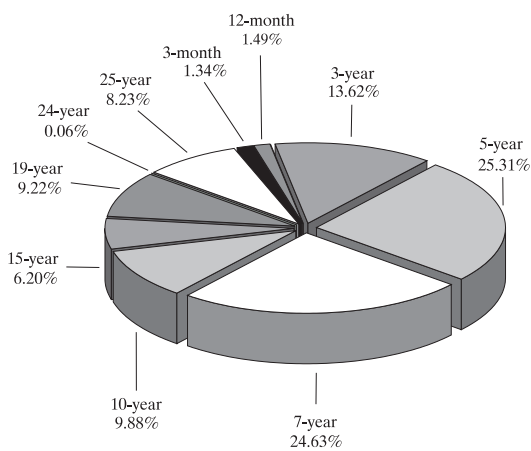


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and six months.

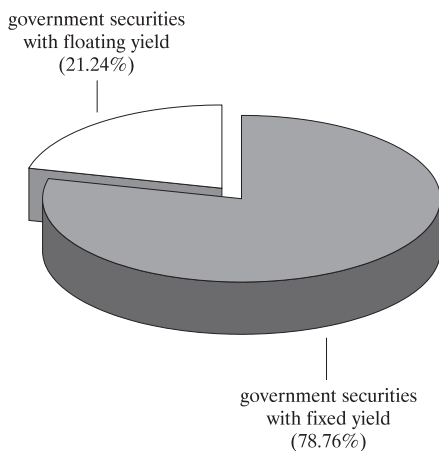
Forex Composition of Outstanding Government Securities as of 31 December



Maturity Structure of Outstanding Government Securities as of 31 December



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



Expenditure on Domestic Debt between 1 January and 31 December 2004

(BGN'000)

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	16 647.8
3.1. Medium-term*	16 647.8
5-year	14 397.8
7-year	2 250.0
4. Government securities issued in 2002	46 683.3
4.1. Medium-term*	23 088.6
2-year	704.2
3-year	10 567.0
5-year	11 817.4
4.2. Long-term	23 594.7
7-year	17 216.9
10-year	6 377.7
5. Government securities issued in 2003	49 405.6
5.1. Short-term	1 907.8
3-month	231.0
12-month	1 676.8
5.2. Medium-term	13 343.6
3-year	4 369.0
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	3 366.7
6.1. Short-term	712.2
3-month	712.2
6.2. Medium-term	2 095.3
3-year	1 670.4
5-year	424.9
6.3. Long-term	559.1
7-year	200.8
10-year	358.3
TOTAL (I)	119 314.6
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	76.0
2. Bonds issued pursuant to CM Decree No. 186 of 1992	47.9

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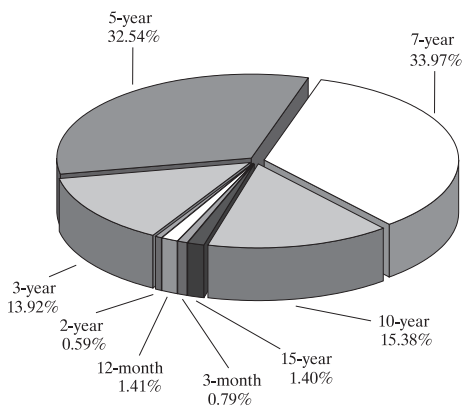
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(BGN'000)

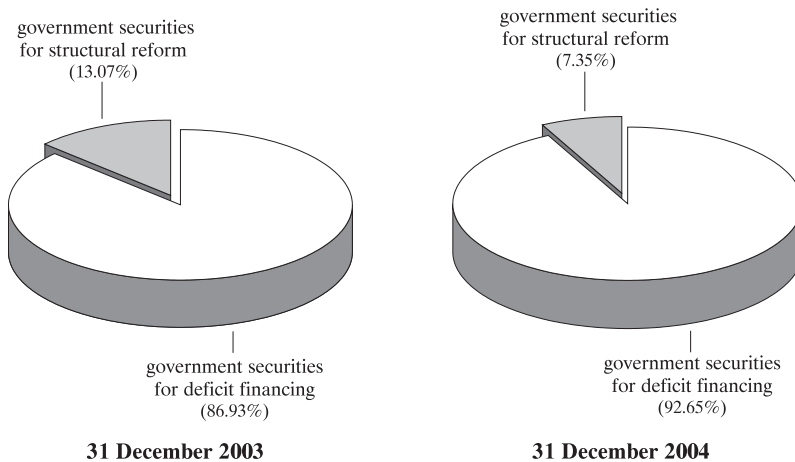
Structure	Amount of repaid interest (discount)
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	9 107.1
lev bonds	169.9
USD-denominated bonds (in BGN at the current exchange rate)	3 067.9
EUR-denominated bonds (in BGN at the fixed exchange rate)	5 869.3
4. Bonds issued pursuant to CM Decree No. 3 of 1994	18.2
Total (A)	9 249.3
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	220.6
Total (B)	220.6
TOTAL (II)	9 469.9
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	128 784.5

* 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-December foreign debt totaled EUR 6583.7 million. Government debt accounted for EUR 6139.6 million and government guaranteed debt amounted to EUR 444 million.

In December new foreign financing amounted to BGN 20,188.5 thousand. Debt payments totaled BGN 81,918.5 thousand, including principal repayments of BGN 54,544.6 thousand and interest payments of BGN 27,374 thousand. The bulk of repayments, worth BGN 29,487.5 thousand, were made to the IMF, followed by those to the World Bank of BGN 19,654.6 thousand, on government guaranteed loans, BGN 4225.7 thousand and on government investment loans, worth BGN 1176.8 thousand. Interest was repaid mainly to the World Bank (BGN 15,685.5 thousand), on government guaranteed loans (BGN 3642.7 thousand) and to the European Union (BGN 3384.8 thousand). By end-December net foreign financing was negative: BGN 34,356 thousand.

Since early 2004 loans drawn have totaled BGN 804,343 thousand, including BGN 121,164.7 thousand from the IMF, BGN 254,156.2 thousand on government guaranteed loans, and BGN 240,354.9 thousand from the World Bank. Debt payments since January 2004 have totaled BGN 2,495,436.1 thousand, including principal repayments of BGN 1,899,261.7 thousand. The largest amounts were repaid on Brady bonds (BGN 1,286,253.4 thousand), on the IMF debt (BGN 207,792 thousand), on government guaranteed loans (BGN 136,710.3 thousand), on the World Bank debt (BGN 86,434 thousand), and on government investment loans (BGN 76,424.7 thousand).

Payments effected in the review period prompted changes in debt foreign currency structure. By end-December the debt denominated in US dollars and in other currencies dropped on the previous month, reaching 39.4% and 16.3%. The debt in euro rose to 44.3%. Debt interest rate structure also experienced a slight change. The proportion of the debt with floating interest coupons and with fixed interest coupons was 58.8% to 41.2%. The average-weighted residual term to maturity of the foreign debt reached eight years and seven months.

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

Foreign Debt

Structure	2004												
	as of 31.XII. 2003	as of 31.I. 2004	as of 29.II. 2004	as of 31.III. 2004	as of 30.IV. 2004	as of 31.V. 2004	as of 30.VI. 2004	as of 31.VII. 2004	as of 31.VIII. 2004	as of 30.IX. 2004	as of 31.X. 2004	as of 30.XI. 2004	as of 31.XII. 2004
Government debt	6 961.1	7 016.4	7 013.2	7 083.9	7 152.9	7 068.1	7 064.8	6 492.7	6 458.2	6 450.3	6 373.4	6 232.4	6 139.6
I. Bonds	3 981.6	3 998.1	3 990.1	4 036.2	4 104.6	4 042.5	4 052.9	3 457.9	3 443.8	3 387.2	3 327.9	3 233.8	3 182.4
1. Brady bonds	1 890.1	1 886.6	1 881.5	1 911.3	1 955.6	1 915.4	1 922.2	1 317.1	1 309.3	1 277.8	1 244.9	1 192.7	1 164.1
2. Other bonds	2 091.4	2 111.4	2 108.6	2 124.9	2 149.0	2 127.1	2 130.8	2 140.8	2 134.6	2 109.4	2 083.0	2 041.1	2 018.3
II. Credits	2 979.5	3 018.3	3 023.1	3 047.7	3 048.3	3 025.6	3 011.9	3 034.8	3 014.4	3 063.1	3 045.5	2 998.6	2 957.3
1. Paris Club	218.9	219.4	218.8	198.2	197.9	197.8	197.8	197.7	197.8	176.3	176.3	176.3	176.3
2. World Bank	870.0	897.8	881.6	891.7	893.6	887.4	880.5	881.5	868.9	962.5	958.0	947.6	930.6
2.1. World Bank	769.7	794.4	785.2	788.7	794.4	789.2	783.0	785.4	775.5*	871.9	866.0	856.6	842.9
2.2. JBC (JEXIM)	100.3	103.4	96.4	103.0	99.1	98.1	97.4	96.1	93.4	90.6	92.0	91.0	87.7
3. G24	42.0	42.0	42.0	36.3	36.3	36.4	36.4	36.6	36.5	36.1	35.7	35.0	34.6
4. European Union	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
5. IMF	940.2	955.9	978.3	1 015.0	1 006.7	987.4	978.7	982.4	968.5	940.2	925.6	895.3	868.7
6. Other	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2	125.2
7. Government investment loans	383.0	377.7	378.5	382.3	388.7	392.4	394.1	412.6	420.4	426.2	428.7	424.7	427.8
7.1. World Bank	83.1	83.5	86.6	86.6	89.0	90.1	91.4	94.5	97.4*	100.9	101.8	104.2	108.0
7.2. European Investment Bank	193.5	190.7	189.4	187.5	191.5	195.1	195.5	211.4	216.8	220.9	220.1	215.9	214.8
7.3. EBRD	31.8	28.7	28.6	28.9	29.4	29.0	28.6	25.2	25.1	24.7	24.2	23.1	22.8
7.4. Other	74.6	74.9	74.1	79.2	78.8	78.2*	78.7	81.6	81.1*	79.7	82.6	81.4	82.2
8. Called government guarantees	50.2	50.1	48.6	49.0	49.5	49.0	49.1	48.7	47.1	46.5	46.0	44.4	43.9
8.1. World Bank	41.0	40.9	39.4	39.7	40.0	39.7	39.7	39.4	37.9	37.6	37.2	36.7	36.4
8.2. European Investment Bank	1.8	1.6	1.6	1.7	1.7	1.7	1.7	1.5	1.5	1.5	1.4	1.4	1.3
8.3. Other	7.4	7.5	7.5	7.6	7.8	7.6	7.7	7.7	7.7	7.5	7.3	6.3	6.2
Government guaranteed debt	394.9	442.4	440.2	447.1	452.2	454.5	453.1	459.1	463.3	444.1	442.2	447.1	444.0
1. World Bank	109.2	115.3	109.9	111.4	113.3	112.3	111.3	114.7	111.1	97.8	98.9	98.4	96.0
2. European Investment Bank	44.5	44.5	44.5	41.6	41.6	41.6	41.3	41.3	41.3	9.5	9.5	9.5	9.2
3. EBRD	39.5	40.4	40.5	41.2	41.4	41.5	40.5	41.2	42.3	37.4	35.8	36.9	37.2
4. Other	201.7	244.1	245.2	252.9	255.9	259.0	259.9	261.8	268.6	299.3	298.0	302.3*	301.7
FOREIGN DEBT, TOTAL	7 356.0	7 458.8	7 453.3	7 531.0	7 605.1	7 522.6	7 517.9	6 951.8	6 921.5	6 894.4	6 815.7	6 679.5	6 583.7
FOREIGN DEBT, TOTAL (million USD)	9 290.6	9 237.0	9 255.5	9 205.9	9 085.8	9 176.1	9 138.0	8 369.2	8 382.6	8 555.3	8 681.1	8 880.5	8 967.7

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* items 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 franchises 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 each period.
- Preliminary data for December 2004.
- Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 December

(BGN'000)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	550 186.8	1 762 551.4	564 532.8
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	550 186.8	476 298.0	168 302.3
1. Paris Club	-	84 056.7	14 590.1
2. World Bank	240 354.9	86 434.0	50 674.1
2.1. World Bank	240 354.9	67 826.2	45 753.0
2.2. JBIC (JEXIM)	-	18 607.9	4 921.1
3. G24	-	12 167.2	1 750.1
4. European Union	-	-	14 084.8
5. IMF	121 164.7	207 792.0	49 011.7
6. Other	-	-	3 370.9
7. Government investment loans	188 667.2	76 424.7	32 027.8
7.1. World Bank	53 571.9	4 286.7	4 650.6
7.2. European Investment Bank	105 614.8	51 060.9	21 611.6
7.3. EBRD	54.2	15 438.2	2 432.0
7.4. Other	29 426.3	5 638.9	3 333.5
8. Called government guarantees	-	9 423.5	2 792.9
8.1. World Bank	-	7 341.1	2 144.4
8.2. European Investment Bank	-	705.9	235.6
8.3. Other	-	1 376.4	412.9
Government guaranteed debt	254 156.2	136 710.3	31 641.6
1. World Bank	27 512.6	45 807.0	9 519.0
2. European Investment Bank	-	69 096.5	4 407.6
3. EBRD	17 190.4	19 033.1	1 593.9
4. Other	209 453.2	2 773.7	16 121.0
TOTAL	804 343.0	1 899 261.7	596 174.4

Notes:

1. Lev equivalence of the new foreign financing received and payments effected is 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.

Chart 19

Forex Composition of the Foreign Debt as of 31 December

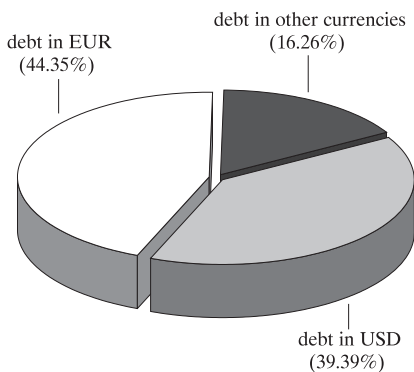
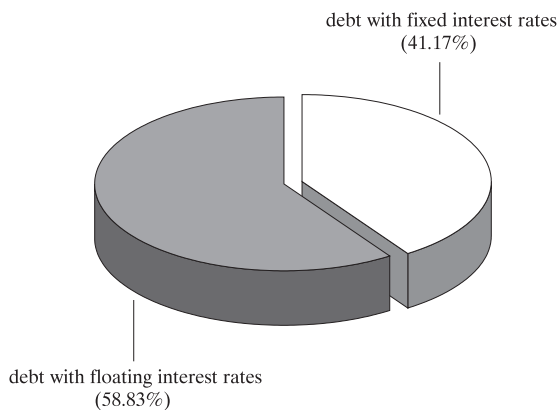
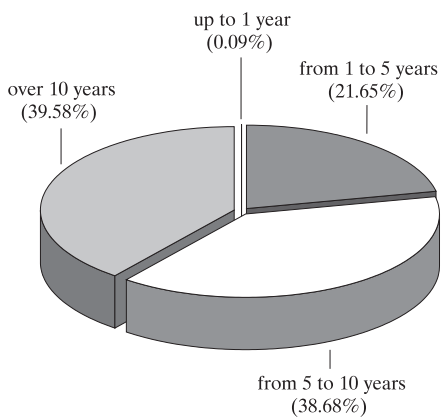


Chart 20

Interest Rate Structure of the Foreign Debt as of 31 December



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

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

By end-December government and government guaranteed debt totaled EUR 7954.3 million nominal value, including domestic debt of EUR 1370.6 million and foreign debt of EUR 6583.7 million. The decrease in nominal terms was EUR 68.6 million on the previous month, reflecting mainly exchange rate fluctuations.

By end-December the *debt to GDP* ratio was 40.9%, a decrease of 0.4 percentage points on end-November 2004. Domestic and foreign debts accounted for 7% and 33.8% respectively.

Domestic debt occupied 17.2% in debt structure and foreign debt 82.8% (Chart 22).

By end-December the share of USD-denominated debt accounted for 34%, EUR-denominated debt 40.5%, BGN-denominated debt 12.1% and in other currencies 13.5% (Chart 23).

The Other bonds item (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 25.4%, followed by domestic debt (government securities) 17.2%, Brady bonds 14.6%, the World Bank 11.7%, and the IMF 10.9% (Chart 24).

By end-December debt interest rate structure underwent changes: the debt with fixed interest increased to 47.6% and that with floating interest comprised 52.4% (Chart 25).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 2864.5 million, including domestic debt payments of BGN 369.1 million and foreign debt payments of BGN 2495.4 million (Chart 26). In December payments to the IMF, the World Bank and on government guaranteed 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 December 2004 the foreign currency composition of debt payments suggests that payments in US dollars accounted for the largest share (recalculated in levs: BGN 1631.1 million), followed by payments in euro (BGN 581.3 million) and in levs (BGN 369.1 million, Chart 27).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2003	2004									
	as of 31.I. as of 29.II.	as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.	as of 31.VII.	as of 31.VIII.	as of 30.IX.	as of 31.X.	as of 30.XI.	as of 31.XII.
Domestic debt	1 153.8	1 234.3	1 248.7	1 259.0	1 265.6	1 275.4	1 275.5	1 297.1	1 313.4	1 328.2	1 370.6
I. Government debt	1 153.8	1 234.3	1 248.7	1 259.0	1 265.6	1 275.4	1 275.5	1 297.1	1 313.4	1 328.2	1 370.6
1. Government securities issued for budget deficit financing	879.2	940.1	974.6	987.5	996.5	1 006.1	1 015.9	1 039.8	1 059.7	1 079.9	1 130.5
2. Government securities issued for structural reform	274.7	260.1	259.7	261.2	262.5	259.4	259.5	260.2	257.3	248.3	240.0
II. Government guaranteed debt	-	-	-	-	-	-	-	-	-	-	-
Foreign debt	7 356.0	7 458.8	7 531.0	7 605.1	7 522.6	7 517.9	6 951.8	6 921.5	6 894.4	6 815.7	6 583.7
I. Government debt	6 961.1	7 016.4	7 013.2	7 083.9	7 152.9	7 064.8	6 492.7	6 458.2	6 450.3	6 373.4	6 139.6
1. Bonds	3 981.6	3 998.1	3 990.1	4 036.2	4 104.6	4 042.5	3 457.9	3 443.8	3 387.2	3 327.9	3 182.4
2. Credits	2 979.5	3 018.3	3 023.1	3 047.7	3 048.3	3 025.6	3 011.9	3 034.8	3 063.1	3 045.5	2 998.6*
II. Government guaranteed debt	394.9	442.4	440.2	447.1	452.2	453.1	459.1	463.3	444.1	442.2	447.1*
Debt, total	8 509.8	8 659.0	8 687.6	8 779.7	8 864.1	8 793.3	8 227.3	8 215.8	8 207.9	8 143.9	7 954.3
Debt/GDP (%)	48.4	44.5	44.6	45.1	45.1	45.2	42.3	42.2	42.2	41.8	40.9
Domestic debt/GDP (%)	6.6	6.2	6.3	6.4	6.5	6.6	6.6	6.7	6.7	6.8	7.0
Foreign debt/GDP (%)	41.8	38.3	38.3	38.7	39.1	38.6	35.7	35.5	35.4	35.0	34.3

Notes:

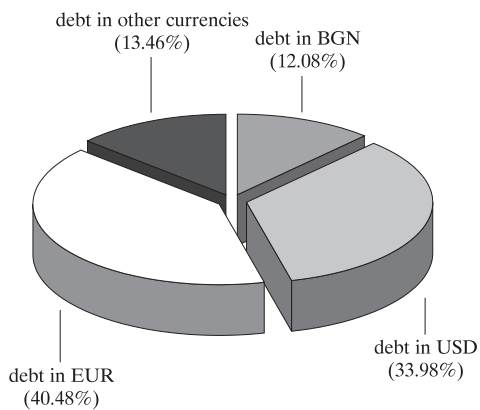
- As of 1 April 2004 statistical reporting of total government, government guaranteed and consolidated debts has changed. The practice adopted as of January 2003 of reporting bond obligations at acquisition value has been discontinued. After the change securities included in domestic and foreign debt are reported at nominal value.
- GDP projection for 2004: BGN 38,082 million. 2003 GDP: BGN 34,410.2 million.
- 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.
- 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 each period.

* Revised data.

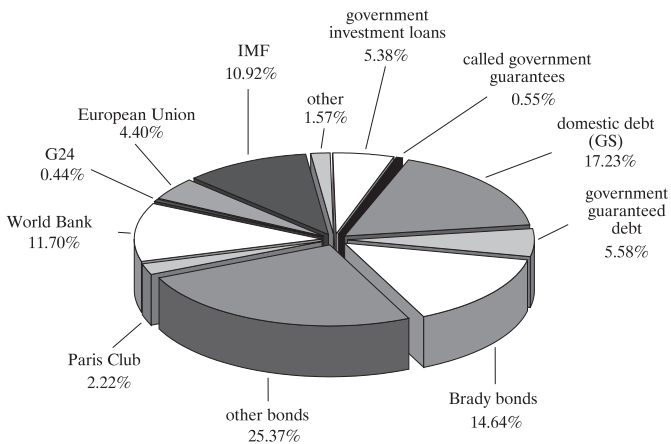
Debt Structure as of 31 December



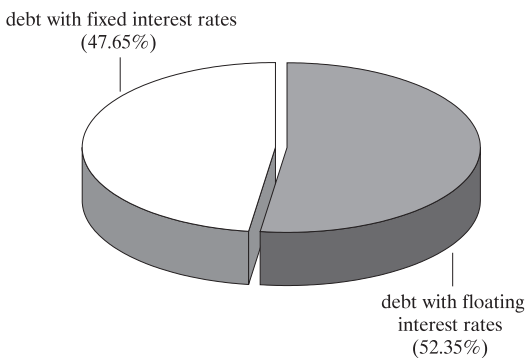
Debt Forex Structure as of 31 December



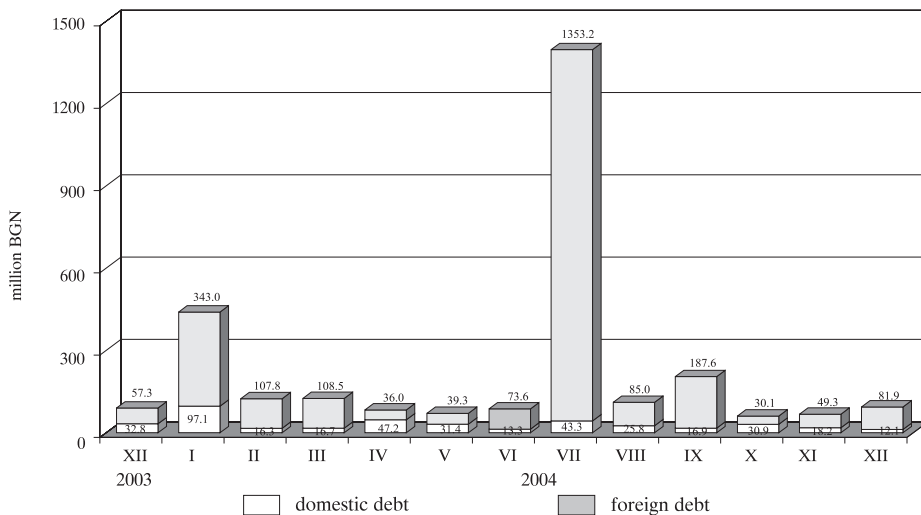
Debt Structure by Creditor as of 31 December



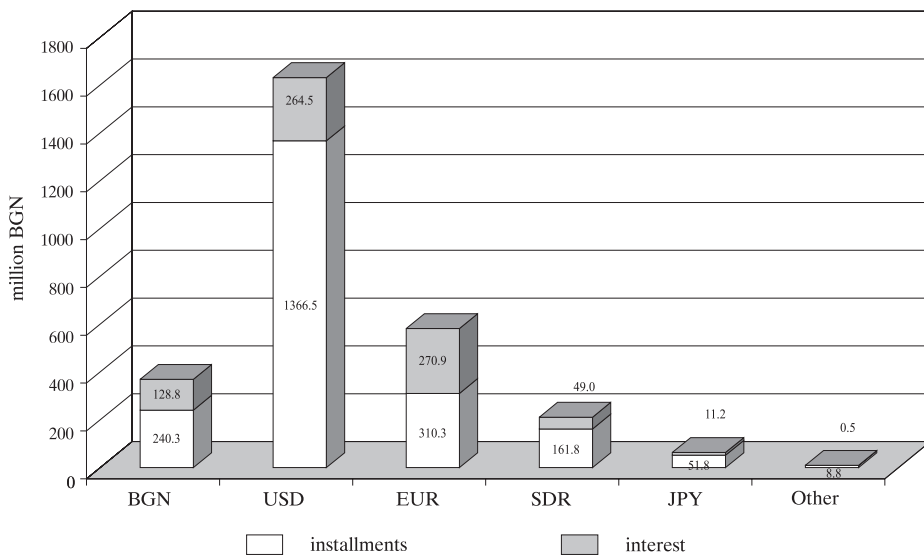
Debt Interest Structure as of 31 December



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 December



Government Securities Issued in Domestic Market and Held by Nonresidents

(BGN'000)

Government securities type	31.XII. 2003	2004				
		31.III.	30.VI.	30.IX.	31.X.	30.XI.
Government securities issued for budget deficit financing	4 380.1	11 559.0	11 148.2	27 002.2	29 294.4	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	27 002.2	29 294.4	29 294.4
Government securities issued for structural reform	4 455.9	4 185.8	4 186.9	4 130.8	4 127.5	4 119.2
– in USD	125.4	185.5	186.5	130.5	127.1	118.8
– in EUR	4 330.5	4 000.4	4 000.4	4 000.4	4 000.4	4 000.4
Total	8 835.9	15 744.8	15 335.1	31 133.0	33 421.9	33 413.6

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.	31.X.	30.XI.
Brady bonds	66.0	108.6	89.2	107.5	112.4	108.8
Eurobonds	65.3	57.4	56.8	62.5	68.4	75.7
Global bonds	166.0	150.7	103.6	105.7	90.2	96.5
– in EUR	122.8	113.7	78.3	91.6	76.0	78.3
– in USD	43.3	37.1	25.3	14.2	14.3	18.2
Total	297.3	316.7	249.6	275.8	271.0	281.0

5

MUNICIPAL DEBT AND
SOCIAL SECURITY FUNDS DEBT

Municipal Debt and Municipal Guarantees

(BGN'000)

Structure	as of 31.XII.	2004				
	2003	as of 31.03.	as of 30.06.	as of 30.09.	as of 31.10.	as of 30.11.
I. Municipal debt	66 075.0	68 633.3	74 122.0	77 596.0	74 203.1	87 103.7
<i>1. Domestic municipal debt</i>	<i>45 449.8</i>	<i>47 445.6</i>	<i>52 965.8</i>	<i>54 697.5</i>	<i>51 253.3</i>	<i>50 916.5</i>
1.1. Government securities issues (at nominal value as of corresponding period)	8 454.6	8 454.6	13 209.7*	13 209.7*	11 253.9	11 179.6
1.2. Loans from banks and other financial institutions	21 731.3	24 643.7	25 573.3	26 943.3	25 904.4*	25 210.0
1.3. Loans from the republican budget	2 730.0	2 730.0	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	6 590.5	5 996.9	5 761.9
1.5. Loans from other municipalities	-	-	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-	-	-
1.7. Other	5 745.4	5 142.6	5 338.9	5 223.9	5 368.1*	6 035.0
<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>	<i>22 949.8</i>	<i>36 187.3</i>
2.1. Loans from banks and other financial institutions	14 251.4	14 251.4	14 251.4	15 758.8	15 758.8	15 848.6
2.2. Government guaranteed municipal debt	6 373.8	6 936.3	6 904.8	7 139.7	7 191.0	20 338.7
II. Municipal guarantees	995.0	892.1	822.1	768.0	746.6	725.1
<i>1. Domestic municipal guarantees</i>	<i>995.0</i>	<i>892.1</i>	<i>822.1</i>	<i>768.0*</i>	<i>746.6</i>	<i>725.1</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total	67 070.0	69 525.4	74 944.2	78 364.0	74 949.7	87 828.8

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 each period.

* Revised data.

Social Security Funds Debt

(BGN'000)

Structure	as of 31.XII.	2004				
	2003	as of 31.03.	as of 30.06.	as of 30.09.	as of 31.10.	as of 30.11.
Domestic debt	35 378.2	35 432.6	34 530.7	34 496.8	34 454.9	34 388.4
I. National Insurance Institute	35 378.2	35 432.6	34 530.7	34 496.8	34 454.9	34 388.4
1. Other ¹	35 378.2	35 432.6	34 530.7	34 496.8	34 454.9	34 388.4
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 each period.

Consolidated Government Debt Amount

(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.	as of 30.11.
I. Consolidated government debt	8 148.7	8 367.7	8 378.1	7 803.4	7 739.6	7 620.3
1. Central government debt	8 114.9	8 332.6	8 340.2	7 763.8	7 701.7	7 575.8
2. Social security funds debt	0.0	0.0	0.0	0.0	0.0	0.0
3. Municipal debt	33.8	35.1	37.9	39.7	37.9	44.5
Debt/GDP, total (%)	46.32	42.97	43.03	40.08	39.75	39.14

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 38,082 million. 2003 GDP: BGN 34,410.2 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 each 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.

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