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MANAGEMENT**

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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>
GGG	–	<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>

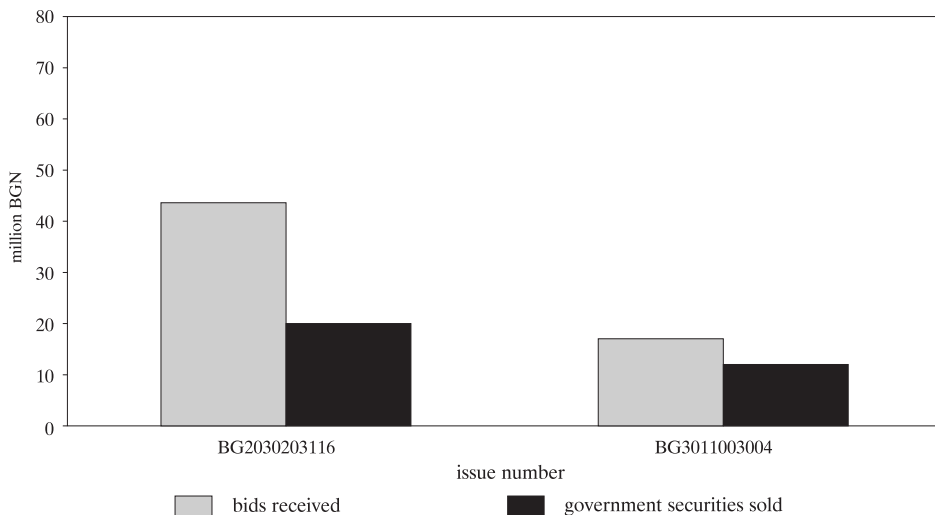
BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In September 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. BG2030203116) and one medium-term (five-year) tap treasury bonds issue (No. BG3011003004). Government securities issued in September included a tap treasury bonds issue opened again in this month.

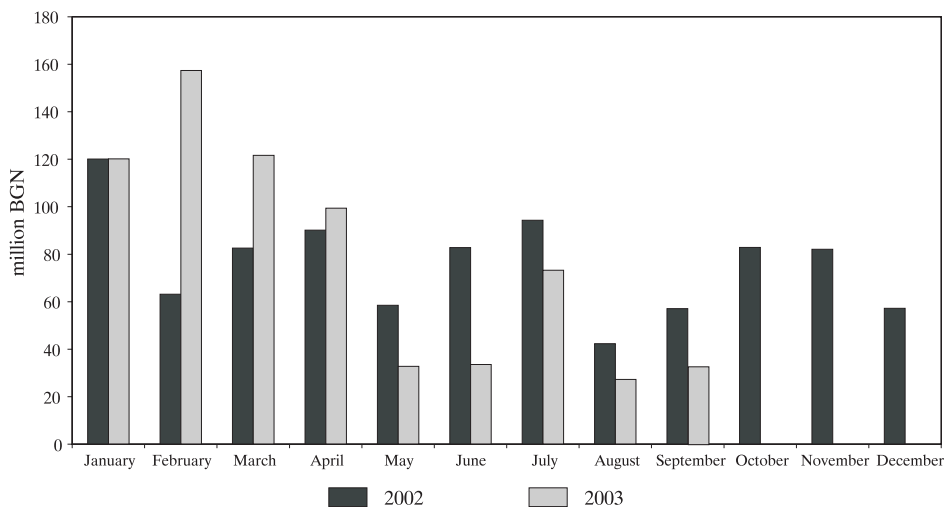
At the auctions primary dealers' bids totaled BGN 60,620 thousand: BGN 17,020 thousand for three-month and BGN 43,600 thousand for five-year government securities (Chart 1). Approved bids totaled BGN 32,000 thousand nominal value, including three-month of BGN 12,000 thousand and five-year of BGN 20,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in September accounted for 1.89: 1.42 on three-month and 2.18 on five-year (Chart 4). Reported excess of demand over supply reflected the stable investors' interest in government securities investment. Government securities issued in September decreased by BGN 24.3 million on a year earlier basis (Chart 2).

Chart 1

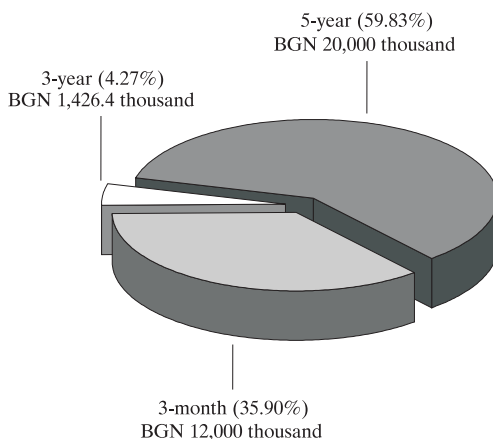
Government Securities Issue in September



Sales of Government Securities Issues

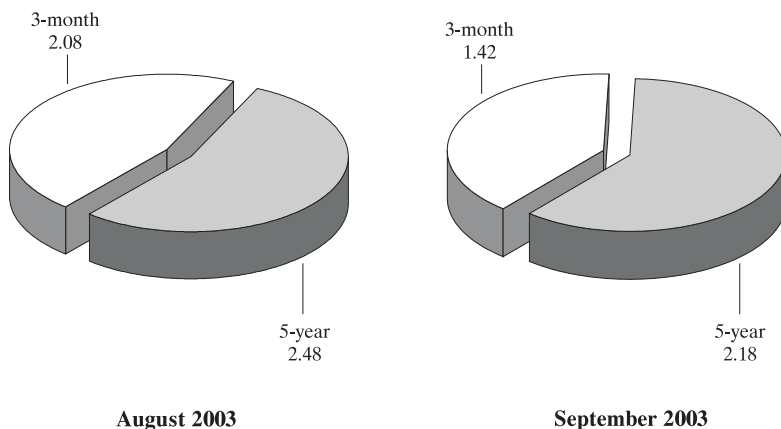


Structure and Volume of Government Securities Issued for Budget Deficit Financing in September



Note: Including target issues of government securities.

Coverage Coefficients of Issues Sold*



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

In the review period the yield attained in the primary market reflected both the overall increased demand for government securities and specific preferences for individual debt instruments. The yield of three-month treasury bills slightly increased on the previous month (by 0.03 base points) reaching 2.59%. The yield of five-year bonds rose to 5.15% (Charts 5, 6 and 8).

One 2002 treasury bills issue (BG3011102004) and one 2003 treasury bills issue (BG3010703000) matured in September.

During the period under review two issues of three-year treasury bonds earmarked for direct sale to individuals were put into circulation: issue No. 817 of 3 September 2003 and issue No. 818 of 17 September 2003. Issue No. 817 totaled BGN 573.8 thousand nominal value and issue No. 818 amounted to BGN 449.7 thousand (Chart 11). Two 2001 issues in the amount of BGN 597.8 thousand matured in September. Over the review period reverse repurchases accounted for BGN 157.2 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

AUGUST 2003

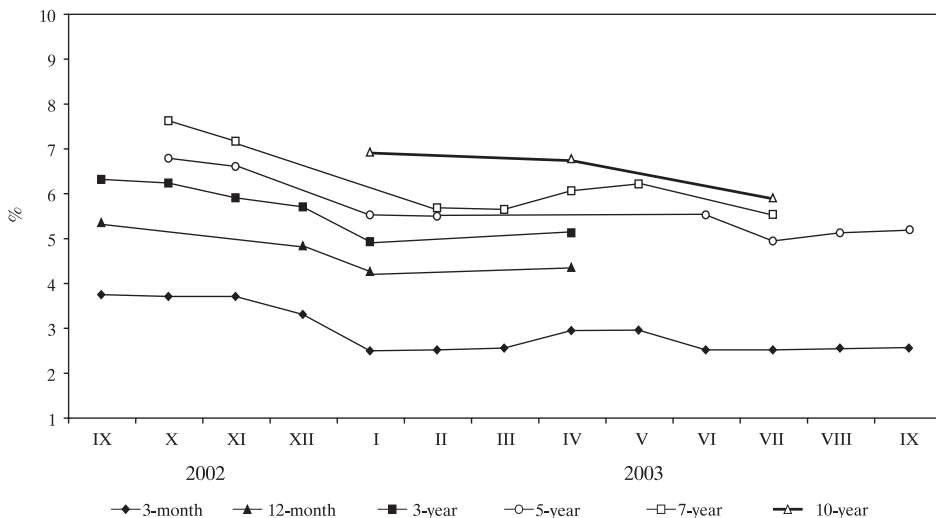
	3-month	5-year
	BG3010903006	BG2030203116
Minimum	99.00	95.00
Average-weighted	99.35	98.33
Maximum	99.39	99.55

SEPTEMBER 2003

	3-month	5-year
	BG3011003004	BG2030203116
Minimum	99.30	97.97
Average-weighted	99.35	98.25
Maximum	99.38	99.10

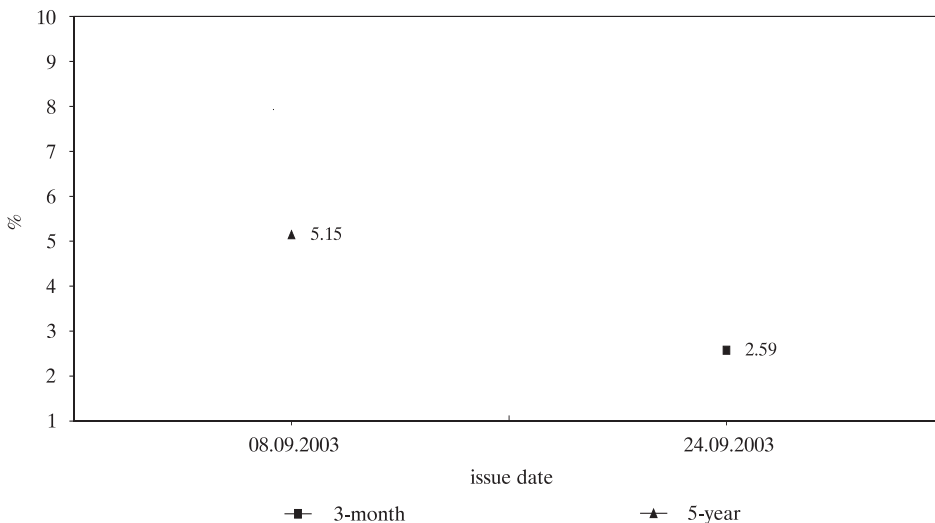
Chart 5

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: Five-year tap government securities issue; the above dates indicate the auction dates.

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

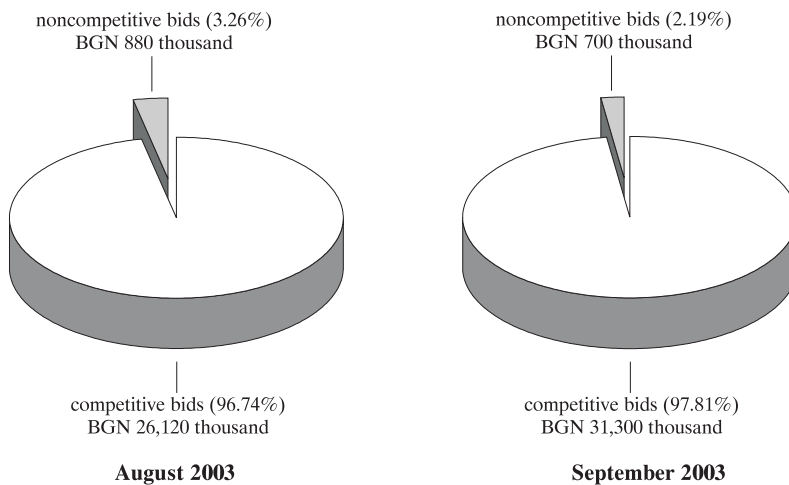
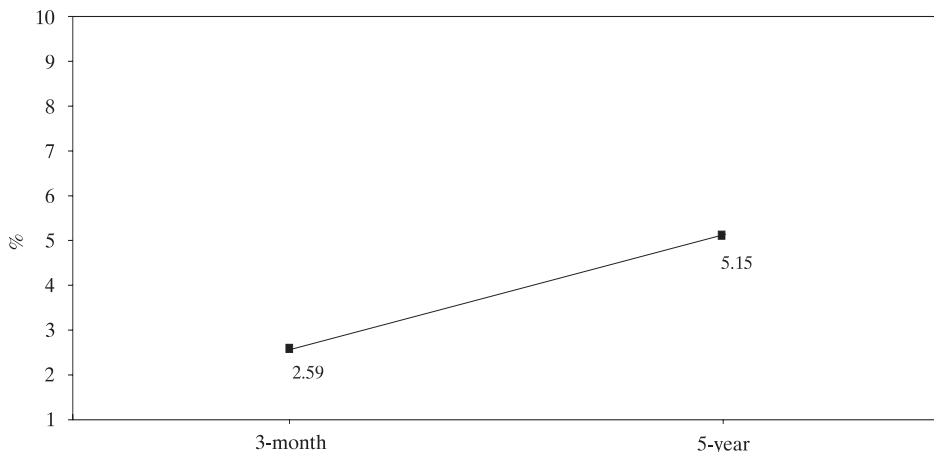


Chart 8

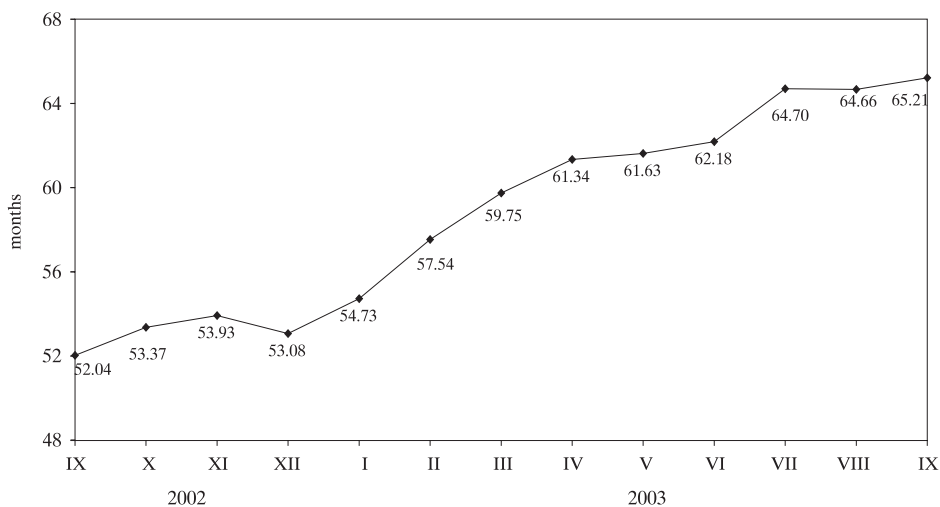
Yield Curve of Primary Market Government Securities in September



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 Maturities and Issues

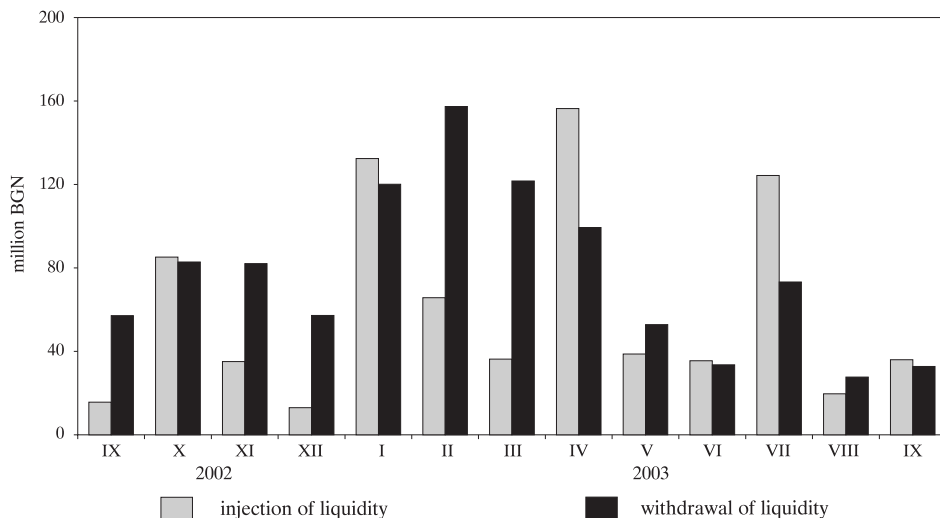
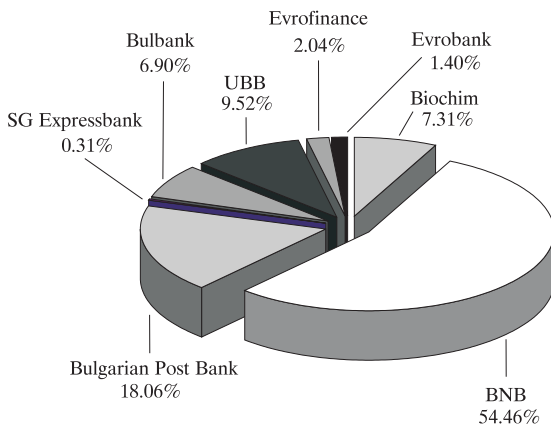
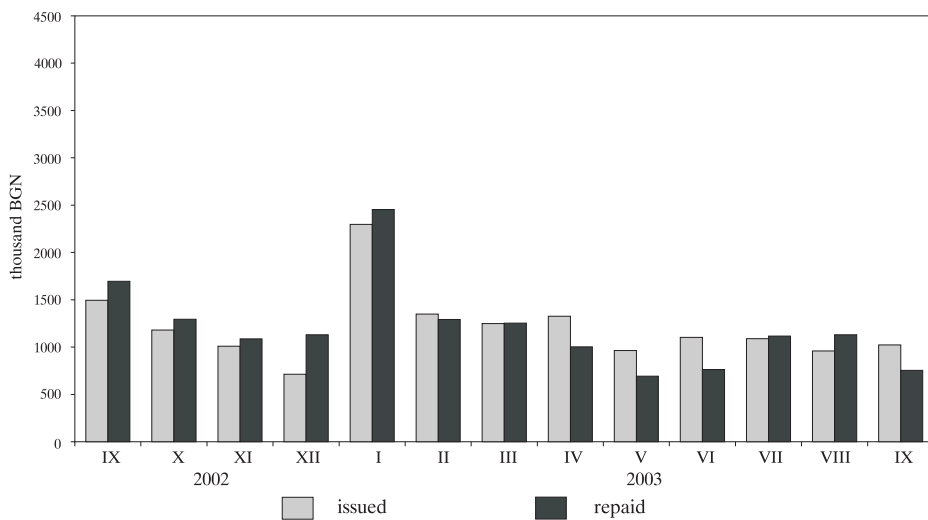


Chart 11

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



Issued and Repaid Government Securities from Target Issues



Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3011502005	BG3010003005	BG3010403007	BG3010803008	BG3010903006	BG3011003004
Issue date	18.12.2002	16.01.2003	09.04.2003	30.07.2003	27.08.2003	24.09.2003
Maturity date	18.12.2003	16.01.2004	09.04.2004	30.10.2003	27.11.2003	24.12.2003
Nominal value of the offer (thousand BGN)	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)	52 800.00	77 550.00	51 600.00	20 320.00	25 010.00	17 020.00
Total nominal value of the bids approved (thousand BGN)	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 (%)	95.32	95.85	95.76	99.36	99.35	99.35
Average discount per BGN 100 (%)	4.68	4.15	4.24	0.64	0.65	0.65
Average annual yield (%)	4.91	4.27	4.36	2.52	2.56	2.59
Effective annual yield (%)	4.84	4.27	4.35	2.54	2.58	2.61
Coverage coefficient	2.64	3.88	2.58	1.69	2.08	1.42

Treasury Bonds

Issue No.	BG2030699115	BG2030999119	BG2030900117 ²	BG2031000115 ²	Total for the issue***	First opening	Second opening	Third opening	First opening	Second opening	Third opening	Total for the issue
Auction date			09.10.2000	06.11.2000	11.12.2000	16.10.2000	13.11.2000	18.12.2000	16.10.2000	13.11.2000	18.12.2000	18.10.2000
Issue date	31.03.1999	29.04.1999	11.10.2000	11.10.2000	11.10.2000	18.10.2000	18.10.2000	18.10.2000	18.10.2000	18.10.2000	18.10.2000	18.10.2000
Maturity date	24.03.2004	22.04.2004	05.10.2005	05.10.2005	05.10.2005	15.10.2003	15.10.2003	15.10.2003	15.10.2003	15.10.2003	15.10.2003	15.10.2003
Nominal value of the offer (thousand BGN)	2 000.00	3 000.00	10 000.00	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	46 780.00	35 511.11	31 074.00	42 068.00	113 365.10	32 922.00	42 068.00	35 393.00	32 922.00	110 383.00
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	15 000.00	15 000.00	10 000.00	28 755.89	10 000.00	10 000.00	10 000.00	10 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	86.35	78.37	98.78	99.63	99.87	101.44	99.51	101.70	101.44	101.44	101.70	101.53
Interest rate	9.00	9.00	9.00	9.00	9.00	7.50	9.00	7.50	7.50	7.50	7.50	7.50
Coverage coefficient	1.40	0.40	4.68	2.37	2.07	4.21	2.83	3.29	4.21	3.54	3.29	3.68
Average annual yield (%)	12.79	15.37	9.31	9.09	9.03	6.96	9.12	6.86	6.96	6.96	6.86	6.92

(continued)

(continued)

Issue No.	BG2030101112 ²				BG2030301118 ²			
	First opening	Second opening	Third opening	Total for the issue***	First opening	Second opening	Third opening	Total for the issue***
Auction date	22.01.2001	26.02.2001	26.03.2001		23.04.2001	21.05.2001	25.06.2001	
Issue date	24.01.2001	24.01.2001	24.01.2001	24.01.2001	25.04.2001	25.04.2001	25.04.2001	25.04.2001
Maturity date	24.01.2006	24.01.2006	24.01.2006	24.01.2006	25.04.2006	25.04.2006	25.04.2006	25.04.2006
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	95 924.14	87 276.00	70 430.00	253 650.14	55 846.00	60 050.00	49 500.00	165 396.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	29 325.90	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	101.65	104.60	106.40	104.22	103.61	104.48	104.66	104.25
Interest rate	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00
Coverage coefficient	4.80	4.36	3.52	4.23	2.79	3.00	2.48	2.76
Average annual yield (%)	8.59	7.87	7.44	7.96	7.13	6.92	6.88	6.98

(continued)

(continued)

Issue No.	BG2030501113 ²			BG2030601111 ³			
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	23.07.2001	20.08.2001	24.09.2001		08.10.2001	10.12.2001	
Issue date	25.07.2001	25.07.2001	25.07.2001	25.07.2001	10.10.2001	10.10.2001	10.10.2001
Maturity date	25.07.2006	25.07.2006	25.07.2006	25.07.2006	10.10.2003	10.10.2003	10.10.2003
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
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
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
Average price of the bids approved per BGN 100 (%)	100.79	100.10	100.40	100.43	100.62	100.69	100.66
Interest rate	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Coverage coefficient	2.58	2.10	2.32	2.33			1.56
Average annual yield (%)	6.81	6.98	6.90	6.90	5.67	5.63	5.65

(continued)

(continued)

Issue No.	BG2030701119 ²			BG2040001211 ³			
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	22.10.2001	26.11.2001	21.12.2001		29.10.2001	30.11.2001	
Issue date	24.10.2001	24.10.2001	24.10.2001	24.10.2001	31.10.2001	31.10.2001	31.10.2001
Maturity date	24.10.2006	24.10.2006	24.10.2006	24.10.2006	31.10.2008	31.10.2008	31.10.2008
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	30 000.00	11 070.00	30 000.00
Total nominal value of the bids received (thousand BGN)	43 400.00	55 400.00	28 750.00	127 550.00	53 672.00	54 615.00	108 287.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	18 930.00	11 070.00	30 000.00
Average price of the bids approved per BGN 100 (%)	100.22	100.36	100.20	100.29	95.45	98.19	96.46
Interest rate	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Coverage coefficient	2.17	2.77	1.44	2.13	1.79	4.93	3.61
Average annual yield (%)	6.95	6.91	6.95	6.93	8.37	7.84	8.17

(continued)

(continued)

Issue No.	BG2030002112 ¹			BG2040002219 ³				
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	07.01.2002	11.02.2002	08.04.2002	07.05.2002		14.01.2002	21.01.2002	
Issue date	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	16.01.2002	16.01.2002	16.01.2002
Maturity date	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	16.01.2009	16.01.2009	16.01.2009
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	30 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	106 295.00	99 331.00	205 626.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	50 000.00	80 000.00*
Average price of the bids approved per BGN 100 (%)	100.71	101.98	102.01	102.07	101.66	100.47	101.46	101.09
Interest rate	7.00	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Coverage coefficient	2.51	3.62	1.88	1.81	2.43	3.54	3.31	3.43
Average annual yield (%)	6.83	6.53	6.52	6.51	6.60	7.41	7.23	7.30

(continued)

(continued)

Issue No.	First opening	BG20401022172 Second opening	Third opening	Total for the issue	First opening	BG20301021103 Second opening	Total for the issue
Auction date	18.02.2002	18.03.2002	13.05.2002		11.03.2002	10.06.2002	
Issue date	20.02.2002	20.02.2002	20.02.2002	20.02.2002	13.03.2002	13.03.2002	13.03.2002
Maturity date	20.05.2009	20.05.2009	20.05.2009	20.05.2009	13.03.2005	13.03.2005	13.03.2005
Nominal value of the offer (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	63 350.00	58 812.00	58 300.00	180 462.00	72 750.00	44 151.00	116 901.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	99.05	99.77	99.44	99.40	101.62	101.68	101.65
Interest rate	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Coverage coefficient	2.11	2.35	1.67	2.01	2.91	1.77	2.34
Average annual yield (%)	7.17	7.04	7.10	7.10	5.90	5.88	5.89

(continued)

(continued)

Issue No.	BG2040202215 ¹				BG2030202118 ¹					
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	17.04.2002	08.07.2002	12.08.2002	07.10.2002	11.11.2002	10.07.2002
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2012	10.07.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007	10.07.2007	10.07.2007
Nominal value of the offer (thousand BGN)	15 000.00	25 000.00	25 000.00	25 000.00	90 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00
Total nominal value of the bids received (thousand BGN)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40	38 080.00	19 100.00	49 950.00	67 184.70	174 314.70
Total nominal value of the bids approved (thousand BGN)	15 000.00	25 000.00	25 000.00	19 920.00	84 920.00	25 000.00	14 750.00	25 000.00	20 000.00	84 750.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	96.06	99.81	98.45	98.78	99.52	99.20
Interest rate	7.50	7.50x	7.50	7.50	7.50	6.50	6.50	6.50	6.50	6.50
Coverage coefficient	4.81	2.38	1.69	1.15	2.25	1.52	0.96	2.00	3.36	1.94
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.55	6.87	6.79	6.61	6.69

(continued)

(continued)

Issue No.	BG2040302213 ¹			BG2030302116 ²					
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	15.07.2002	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	17.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	31.07.2005	31.07.2005	31.07.2005	31.07.2005
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	25 000.00	25 000.00	33 100.00	83 100.00
Total nominal value of the bids received (thousand BGN)	29 863.50	24 239.00	48 880.30	86 964.00	189 946.80	24 200.00	44 150.00	92 265.70	160 615.70
Total nominal value of the bids approved (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	16 900.00	25 000.00	33 100.00	75 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	97.61	98.83	98.67	99.57	99.10
Interest rate	7.00	7.00	7.00	7.00	7.00	5.75	5.75	5.75	5.75
Coverage coefficient	1.49	1.62	2.44	5.80	2.71	0.97	1.77	2.79	1.93
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	6.18	6.24	5.91	6.08

(continued)

(continued)

Issue No.	BG2030402114 ³			BG2040003217 ³			BG2030003110 ²			
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	09.09.2002	09.12.2002		06.01.2003	31.03.2003		13.01.2003	10.02.2003	02.06.2003	
Issue date	11.09.2002	11.09.2002	11.09.2002	08.01.2003	08.01.2003	08.01.2003	15.01.2003	15.01.2003	15.01.2003	15.01.2003
Maturity date	11.09.2005	11.09.2005	11.09.2005	08.01.2013	08.01.2013	08.01.2013	15.01.2008	15.01.2008	15.01.2008	15.01.2008
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	50 000.00	30 000.00	20 000.00	50 000.00	30 000.00	25 000.00	20 000.00	75 000.00
Total nominal value of the bids received (thousand BGN)	33 700.00	66 700.00	100 400.00	94 289.80	56 355.00	150 644.80	87 720.00	50 900.00	49 450.00	188 070.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	50 000.00	30 000.00	20 000.00	50 000.00	30 000.00	25 000.00	20 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	99.13	100.80	99.97	104.08	105.18	104.52	100.42	100.55	100.40	100.46
Interest rate	6.00	6.00	6.00	7.50	7.50	7.50	5.625	5.625	5.625	5.625
Coverage coefficient	1.35	2.67	2.01	3.14	2.82	3.01	2.92	2.04	2.47	2.51
Average annual yield (%)	6.32	5.71	6.01	6.93	6.78	6.87	5.53	5.50	5.53	5.52

(continued)

(continued)

Issue No.	BG2030103118 ³		BG2040103215 ³				Total for the issue	Third opening	Fourth opening	Total for the issue
	First opening	Second opening	First opening	Second opening	Third opening	Fourth opening				
Auction date	20.01.2003	21.04.2003	03.02.2003	14.04.2003	07.05.2003	21.07.2003				
Issue date	22.01.2003	22.01.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003			05.02.2003	
Maturity date	22.01.2006	22.01.2006	05.02.2010	06.02.2010	05.02.2010	05.02.2010			05.02.2010	
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	20 000.00	20 000.00	20 000.00	15 000.00			75 000.00	
Total nominal value of the bids received (thousand BGN)	62 650.00	42 850.00	77 850.00	49 650.00	34 800.00	46 260.00			208 560.00	
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	20 000.00	20 000.00	20 000.00	15 000.00			75 000.00	
Average price of the bids approved per BGN 100 (%)	101.57	101.01	100.42	98.90	98.06	101.92			99.69	
Interest rate	5.50	5.50	5.875	5.875	5.875	5.875			5.875	
Coverage coefficient	2.51	1.71	3.89	2.48	1.74	3.08			2.78	
Average annual yield (%)	4.93	5.13	5.80	6.07	6.22	5.54			5.93	

(continued)

(continued)

Issue No.	BG2040203213***			BG2040303211 ³			BG2030203116 ²			Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	
Auction date	18.02.2003	10.03.2003	24.02.2003	30.06.2003	29.09.2003	02.07.2003	07.07.2003	04.08.2003	08.09.2003	09.07.2003
Issue date	24.02.2003	24.02.2003	24.02.2003	02.07.2003	02.07.2003	02.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003
Maturity date	24.05.2010	24.05.2010	24.05.2010	02.07.2013	02.07.2013	02.07.2013	09.07.2008	09.07.2008	09.07.2008	09.07.2008
Nominal value of the offer (thousand BGN)	50 000.00	25 000.00	75 000.00	20 000.00	30 000.00	50 000.00	25 000.00	15 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	139 990.00	76 475.00	216 465.00	69 350.00	78 753.00	148 103.00	47 300.00	37 150.00	43 600.00	128 050.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	55 000.00	105 000.00	20 000.00	30 000.00	50 000.00	25 000.00	15 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	100.99	100.55	100.76	98.82	97.71	98.15	99.12	98.33	98.25	98.63
Interest rate	5.75	5.75	5.75	5.75	5.75	5.75	4.75	4.75	4.75	4.75
Coverage coefficient	2.80	3.06	2.89	3.47	2.63	2.96	1.89	2.48	2.18	2.13
Average annual yield (%)	5.58	5.65	5.62	5.91	6.06	6.00	4.95	5.13	5.15	5.06

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

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

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

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

*** Issue No. BG2040203213 is denominated in euro and all related values are also in euro.

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

Guaranty Government Securities

Issue No.	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	4225.97	932.21	3037.25	4139.91
Interest rate	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7

In compliance with Article 8 and Article 9, para. 1, item 1 of the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), the Ministry of Finance issues 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 30 September 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 1,780.57	BGN 6,890.01	USD 167,797.32	BGN 739.28	EUR 132,270.87
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR	EURIBOR**

* Six-month LIBOR of the US dollar for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

** Six-month EURIBOR for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

EUR-denominated issue BG 2040099223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, negotiated until 31 December 1990, CM Decrees No. 244 of 1991, No. 186 of 1993 and No. 3 of 1994 may use them as legal tender in privatization transactions.

Pursuant to CM Decree No. 22 of 1995, long-term government bonds issued under ZUNK may be used to repay obligations of state-owned enterprises, firms and commercial companies to the government, transformed under Article 10 of ZUNK. In meeting these obligations, long-term government bonds are valued at their nominal for the bonds denominated in US dollars, and 80% for those denominated in levs.

Principals are based on actual data as of 30 September 2003.

Pending Payments on Government Securities in November 2003

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
	3	4	5	6	7
target issues				13.1	935.2
	10	11	12	13	14
target issues bonds	16.7				13.0
	17	18	19	20	21
target issues bonds				15.6 3 167.2	490.3
	24	25	26	27	28
bills target issues	19.0			12 000.0	13.6

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

Schedule of Government Securities Issues for November 2003

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
10.11.2003*	12.11.2003	09.07.2008	5-year	20 000 000	100 000 000
17.11.2003*	19.11.2003	05.02.2010	7-year	15 000 000	145 000 000
24.11.2003	26.11.2003	26.02.2004	3-month	12 000 000	
TOTAL, incl.:				47 000 000	
bills				12 000 000	
bonds				35 000 000	

* Tap issue.

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

By end-September 2003 domestic debt totaled BGN 2,218,154.1 thousand. Government securities issued for budget deficit financing comprised 74.6% in total debt amount and government securities issued for structural reform, 25.4% (Chart 13).

By end-September government securities issued for budget deficit financing accounted for BGN 1,653,853.6 thousand. Issued government securities totaled BGN 690,666.6 thousand, including BGN 11,360.2 thousand sold directly to physical persons. Securities repaid in September accounted for BGN 499,083 thousand, including short-term treasury bills of BGN 164,203.3 thousand. As a result of effected operations, the maturity structure of government securities issued for budget deficit financing changed: the share of three-year and five-year treasury bonds rose reaching 16% and 32.1% at the expense of decreased share of all other types of government securities (the most significant decrease of 1.2 percentage points occurred in the share of twelve-month government securities, Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached five years and five months. By end-September government securities issued for structural reform reached BGN 564,300.4 thousand. In the review period USD-denominated ZUNK bonds of USD 567.2 thousand and EUR-denominated bonds of issue No. 400 of 1999 in the amount of EUR 11.8 thousand were used for repayment of obligations to the state under ZUNK.

Debt movements in September resulted in its changed forex structure (Chart 15). The share of government securities in levs and in euro increased to 66.4% and 20.9% respectively at the expense of government securities denominated in US dollars which fell to 12.7%. Debt maturity structure also changed. Short-term and long-term government securities dropped to 4.2% and 56.9% respectively at the expense of medium-term government securities which rose to 38.9% (Chart 16). Government securities with fixed interest coupons comprised 74.6% and those with floating interest coupons occupied 25.4%.

Since early-2003 repaid interest and discounts have totaled BGN 103,172.2 thousand. Of these, interest and discounts on government securities for budget deficit financing of BGN 87,874.4 thousand, or 85.2% of overall interest and discounts, have been repaid (Chart 19). Expenditure on five-year government bonds occupied the largest share, 40.4%, followed by expenditure on three-year bonds, 21.3%, and on seven-year bonds, 18.3%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 30 Sept. 2003
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
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		121 653.8	58 065.6
3-year	139 929.7		109 929.7	30 000.0
5-year	39 789.7		11 724.1	28 065.6
4. Government securities issued in 2001	480 853.1		207 805.4	273 047.7
4.1. Medium-term	451 915.5		207 805.4	244 110.1
2-year	211 958.6		159 134.3	52 824.3
5-year	239 956.9		48 671.1	191 285.8
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		93 868.9	701 078.0
5.1. Short-term	111 748.7		92 684.4	19 064.3
3-month	35 676.8		35 676.8	-
12-month	76 071.8		57 007.5	19 064.3
5.2. Medium-term	363 847.6		1 184.5	362 663.0
2-year	15 709.9		1 184.5	14 525.3
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	-	690 666.6	71 664.0	619 002.7
6.1. Short-term	-	145 610.0	71 519.0	74 091.0
3-month		107 286.8	71 519.0	35 767.8
12-month		38 323.2		38 323.2
6.2. Medium-term	-	195 539.1	145.0	195 394.2
3-year		61 360.2	145.0	61 215.2
5-year		134 178.9		134 178.9
6.3. Long-term	-	349 517.5	-	349 517.5
7-year		279 753.6		279 753.6
EUR-denominated (lev equivalent)		205 362.2		205 362.2
10-year		69 763.9		69 763.9
TOTAL (I)	1 462 270.1	690 666.6	499 083.0	1 653 853.6
II. 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		127.2	1 780.6

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 30 Sept. 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		28 039.1	167 797.3
lev equivalent	369 143.9			281 654.5
denominated in EUR	126 803.5	13 206.3	7 738.9	132 270.9
lev equivalent	248 006.0			258 699.3
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	739.3			739.3
TOTAL (A)	629 163.5			551 965.1
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	18 437.3			12 335.3
Government securities issued in 1996	1 876.0		1 876.0	-
Government securities issued in 1997	16 561.3		4 226.0	12 335.3
TOTAL (B)	18 437.3			12 335.3
TOTAL (II)	647 600.8			564 300.4
GOVERNMENT DEBT, TOTAL	2 109 870.8			2 218 154.1
III. DOMESTIC GOVERNMENT GUARANTEES	1 881.2			-
DOMESTIC DEBT, TOTAL	2 111 752.0			2 218 154.1

Notes:

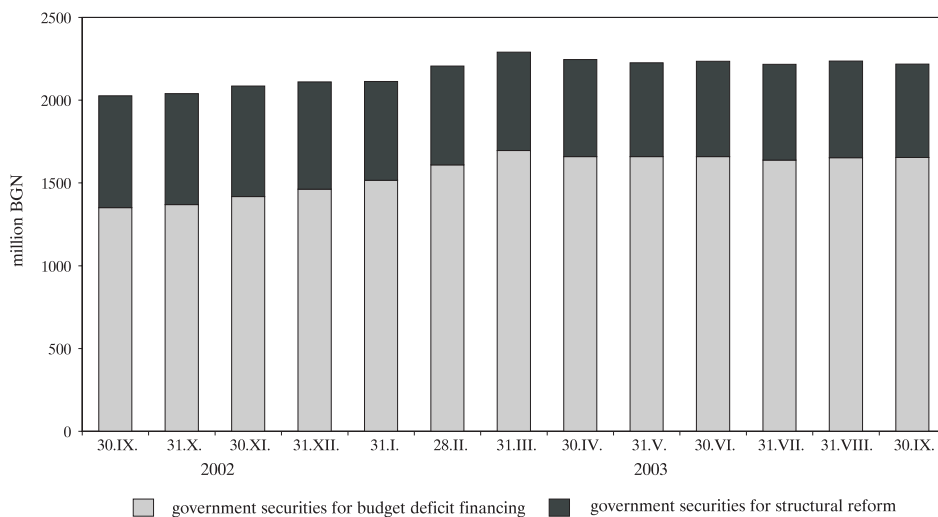
Domestic debt based on cash flows.

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.

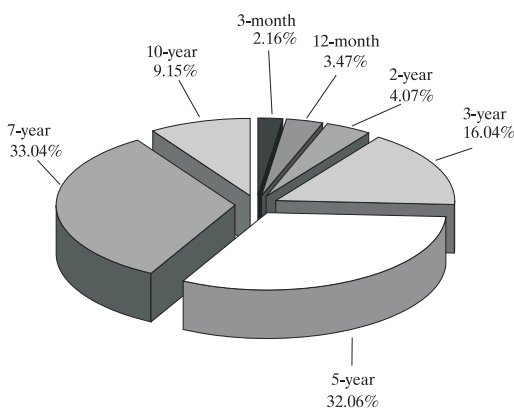
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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 month.

Changes in Domestic Government Debt



Outstanding Government Securities Issued for Budget Deficit Financing as of 30 September



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

Forex Composition of Outstanding Government Securities as of 30 September

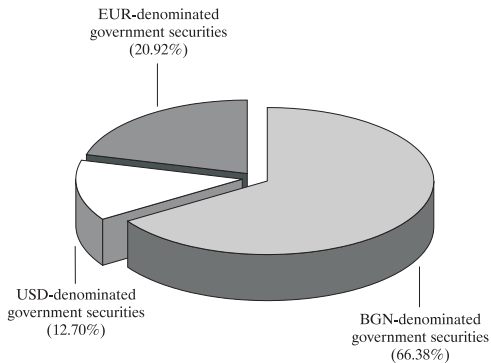


Chart 16

Maturity Structure of Outstanding Government Securities as of 30 September

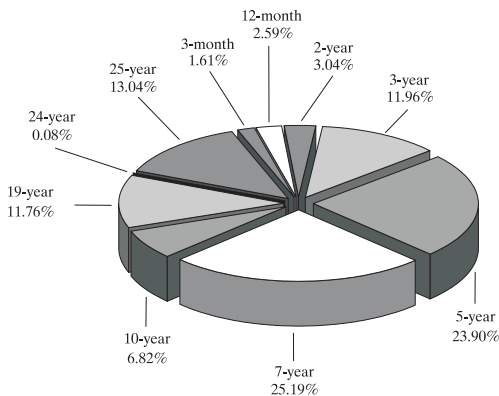
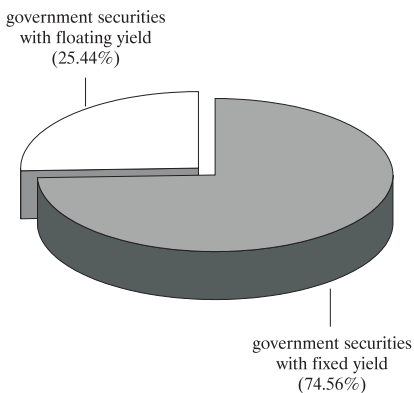


Chart 17

Shares of Outstanding Government Securities with Fixed and Floating Yield as of 30 September



Expenditure on Domestic Debt between 1 January and 30 September 2003

(thousand BGN)

Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 1998	1 098.6
5-year	1 098.6
2. Government securities issued in 1999	232.9
5-year	232.9
3. Government securities issued in 2000	9 946.8
3.1. Medium-term	9 946.8
3-year	7 026.2
5-year	2 920.6
4. Government securities issued in 2001	27 546.1
4.1. Medium-term*	27 546.1
2-year	8 298.9
5-year	18 131.4
7-year	1 115.8
5. Government securities issued in 2002	43 612.5
5.1. Short-term	3 315.6
3-month	323.2
12-month	2 992.5
5.2. Medium-term	23 097.0
2-year	730.2
3-year	10 558.0
5-year	11 808.8
5.3. Long-term	17 199.9
7-year	14 024.1
10-year	3 175.8
6. Government securities issued in 2003	5 437.5
6.1. Short-term	481.0
3-month	481.0
6.2. Medium-term	1 155.5
3-year	1 155.5
6.3. Long-term	3 800.9
5-year	1 334.5
7-year	952.8
EUR-denominated (lev equivalent)	-301.2
10-year	1 513.6
TOTAL (I)	87 874.4

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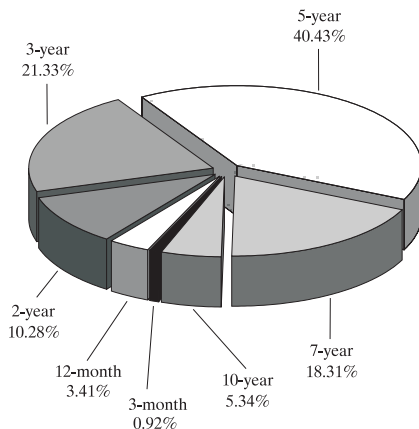
(continued)

(thousand BGN)

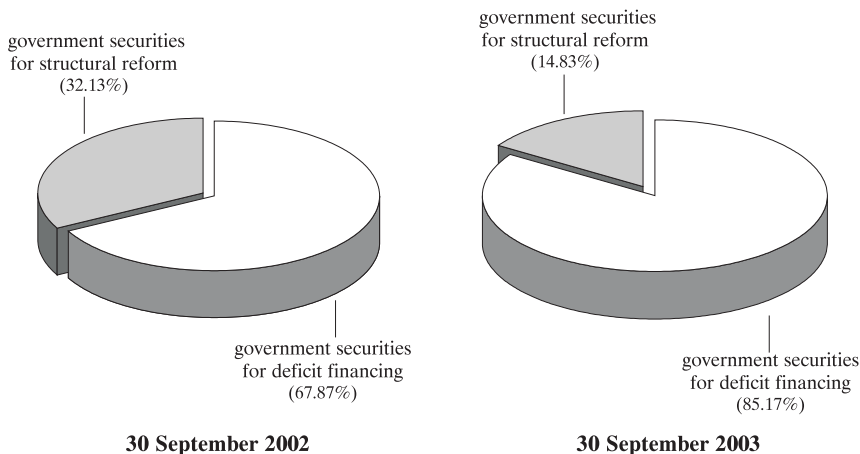
Structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	99.3
2. Bonds issued pursuant to CM Decree No. 186 of 1992	61.4
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	14 727.0
lev bonds	131.8
USD-denominated bonds (in BGN at the current exchange rate)	6 466.6
EUR-denominated bonds (in BGN at the fixed exchange rate)	8 128.6
Total (A)	14 887.8
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	410.0
Total (B)	410.0
TOTAL (II)	15 297.8
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	103 172.2
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	103 172.2

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

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



Structure of Expenditure on Domestic Debt



By end-September foreign debt totaled EUR 7,657.4 million. Government debt accounted for EUR 7,261.4 million and government guaranteed debt amounted to EUR 395.9 million.

In September new foreign financing totaled BGN 925.7 thousand. Payments on the debt totaled BGN 32,438.4 thousand, of which BGN 21,548 thousand principal repayments and BGN 10,890.4 thousand interest. Repayments were mainly directed to the IMF (BGN 10,555.8 thousand) and government guaranteed loans (BGN 5,648.7 thousand). Interest was repaid mainly on government investment loans (BGN 3,594.7 thousand), to the World Bank (BGN 3,312.1 thousand) and on government guaranteed loans (BGN 2,442.2 thousand).

Since early-2003 received loans have totaled BGN 761,011.4 thousand, of which BGN 295,721.5 thousand receipts from the World Bank, BGN 256,649.9 thousand receipts from the IMF and BGN 110,250.8 thousand receipts from government investment loans. Payments on the debt have amounted to BGN 1,238,814.3 thousand, including BGN 645,950 principal repayments. The largest amounts were repaid on Brady bonds (BGN 178,820.1 thousand), to the IMF (BGN 104,392.6 thousand), to the Paris Club (BGN 78,628.3 thousand), government guaranteed loans (BGN 74,177.8 thousand) and to the World Bank (BGN 61,401.6 thousand). By end-September net foreign financing totaled BGN 115,061.4 thousand.

Certain changes occurred in foreign debt structure as a result of effected operations. Debt denominated in euro amounted to 34.1% and debt denominated in US dollars and other currencies comprised 49.7% and 16.2% respectively. A slight change was also reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 62.9% to 37.1%. The average-weighted residual term to maturity of the foreign debt was ten years and one month with a decreased share of the debt from five to ten years and an increased share of the debt of over ten years.

The percentage share of the debt on other bonds amounted to 27.6% and on Brady bonds to 26.8%. The percentage share of the debt to the IMF slightly increased and comprised 13.1%. Obligations to the World Bank occupied 11.8%, to the Paris Club, 3.2%, to the European Union, 4.6%, and on government guaranteed credits, 5.2%.

Foreign Debt

(million EUR)

Structure	as of 31.XII.	2003				
	2002	as of 31.03.	as of 30.06.	as of 31.07.	as of 31.08.	as of 30.09.
Government debt	7 623.6	7 425.9	7 367.2	7 397.2	7 541.8	7 261.4
I. Bonds	4 646.4	4 428.6	4 271.5	4 257.6	4 372.2	4 165.8
1. Brady bonds	2 398.7	2 237.8	2 133.6	2 109.2	2 184.7	2 048.8
2. Other bonds	2 247.7	2 190.8	2 137.9	2 148.4	2 187.5	2 117.0
II. Credits	2 977.3	2 997.3	3 095.7	3 139.6	3 169.5	3 095.6
1. Paris Club	284.5	242.2	240.3	240.6	242.5	241.8
2. World Bank	836.1	798.4	917.5	922.3	929.7	904.3
2.1. World Bank	716.9	687.2	814.1	817.7	821.9	797.8
2.2. JBIC (JEXIM)	119.2	111.2	103.3	104.6	107.8	106.5
3. G24	48.9	47.9	43.9	43.9	44.8	43.5
4. European Union	390.0	390.0	390.0	390.0	350.0*	350.0
5. IMF	990.9	971.0	949.2	984.2	1 036.0	1 003.2
6. Other	129.2	129.2	127.8	127.8	127.8	127.8
7. Government investment loans	236.7	361.2	371.6	375.6	384.1	372.0
7.1. World Bank	69.0	72.4	76.9	78.2	79.6*	79.1
7.2. European Investment Bank	122.5	186.5	191.0	196.6	199.4	190.8
7.3. EBRD	26.2	40.0	38.2	34.7	35.6*	34.0
7.4. Other	19.0	62.4	65.4	66.1	69.5*	68.1
8. Called government guarantees	61.0	57.4	55.5	55.1	54.7	53.0
8.1. World Bank	48.5	45.7	44.4	44.1	43.3	42.2
8.2. European Investment Bank	2.6	2.3	2.2	2.0	2.1	1.9
8.3. Other	9.9	9.4	9.0	9.1	9.4	8.8
Government guaranteed debt	530.5	388.2	397.7	401.0	409.1	395.9
1. World Bank	137.1	128.6	122.3	123.2	123.2	117.3
2. European Investment Bank	115.8	47.5	47.5	47.5	47.5	44.7
3. EBRD	60.7	41.1	38.5	40.0	42.0	40.3
4. Other	216.8	170.9	189.3	190.2	196.3	193.7
FOREIGN DEBT, TOTAL	8 154.1	7 814.1	7 764.9	7 798.2	7 950.9	7 657.4
FOREIGN DEBT, TOTAL (million USD)	8 460.6	8 513.4	8 872.9	8 826.0	8 687.9	8 922.3

Notes:

- Foreign debt based on cash flows as of 1 January 2003.
- Credits in *Government investment loans* and *Government guaranteed debt* groups have been rearranged according to the provisions of the Law on the Government Debt (published in the State Gazette, issue 93 of 1 October 2002).
- The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.
- Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
- Preliminary data for September 2003.

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 30 September

(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	661 555.0	571 772.2	567 986.1
I. Bonds	-	178 820.1	434 769.0
1. Brady bonds	-	178 820.1	107 644.3
2. Other bonds	-	-	327 124.6
II. Credits	661 555.0	392 952.1	133 217.2
1. Paris Club	-	78 628.3	11 064.9
2. World Bank	295 721.5	61 401.6	37 762.8
2.1. World Bank	295 721.5	45 024.3	33 882.7
2.2. JBIC (JEXIM)	-	16 377.3	3 880.1
3. G24	-	5 991.8	1 626.9
4. European Union	-	78 233.2	17 190.3
5. IMF	256 649.9	104 392.6	31 672.0
6. Other	-	-	2 103.8
7. Government investment loans	110 250.8	56 300.5	28 351.9
7.1. World Bank	23 791.1	2 697.5	3 129.3
7.2. European Investment Bank	64 906.3	37 851.0	19 499.8
7.3. EBRD	59.4	15 752.0	3 462.2
7.4. Other	21 494.1	-	2 260.6
8. Called government guarantees	-1 067.3	8 004.2	3 444.5
8.1. World Bank	-1 067.3	7 194.3	3 116.6
8.2. European Investment Bank	-	809.9	327.9
8.3. Other	-	-	-
Government guaranteed debt	99 456.4	74 177.8	24 878.2
1. World Bank	-	16 197.0	9 162.4
2. European Investment Bank	3 911.7	11 297.3	5 041.2
3. EBRD	9 997.8	6 441.6	1 396.8
4. Other	85 546.9	40 241.9	9 277.8
TOTAL	761 011.4	645 950.0	592 864.3

Notes:

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

Forex Composition of the Foreign Debt as of 30 September

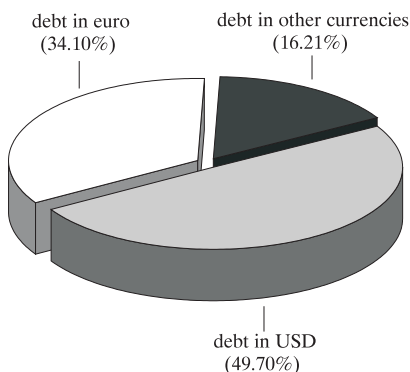


Chart 21

Interest Rate Structure of the Foreign Debt as of 30 September

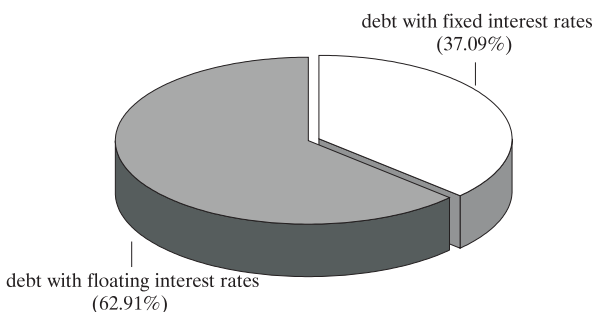
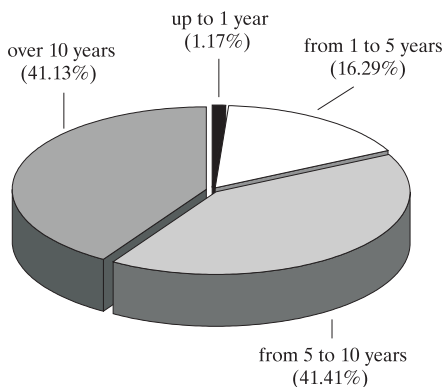


Chart 22

Residual Term to Maturity of the Foreign Debt as of 30 September



Note: The average-weighted residual term to maturity of the foreign debt is ten years and one month.

By end-September government and government guaranteed debt totaled EUR 8,791.5 million, including domestic debt of EUR 1,134.1 million and foreign debt of EUR 7,657.4 million. The decrease in absolute terms was EUR 301.3 million on the previous month mainly due to repayments effected in the review period and USD/EUR exchange rate fluctuations.

By end-September value of the key macroeconomic indicator identifying the *debt to GDP* ratio was 48.7%, down 1.7% on August 2003. The value of this indicator measured by *domestic debt to GDP* ratio and the *foreign debt to GDP* ratio accounted for 6.3% and 42.4% respectively.

Domestic debt occupied 12.9% in debt structure and foreign debt – 87.1% (Chart 23). The upward trend in the share of domestic debt was sustained. Positive domestic net financing and negative foreign net financing were maintained reflecting the policy intended to overcome the disequilibrium between domestic and foreign debts of Bulgaria.

Forex debt composition experienced certain changes. By end-September the share of the debt in US dollars stayed relatively high, amounting to 44.9%. In the review period debt in euro increased from 31.7% to 32.4%, while debt in levs and other currencies slightly fluctuated (Chart 24).

Debt on other bonds (global bonds used to replace a portion of the Brady debt, and eurobonds) occupied the largest share in debt structure by type of creditor, 24.1%, followed by the London Club (Brady bonds), 23.3%, domestic debt (government securities), 12.9%, debt to the IMF, 11.4%, and debt to the World Bank, 10.3% (Chart 25).

By end-September debt interest structure reflected an increase in the debt with fixed interest from 41.3% to 41.9%, at the expense of the debt with floating interest which comprised 58.1% (Chart 26).

Since early 2003 payments effected on government and government guaranteed debt have totaled BGN 1,804.7 million, including domestic debt payments of BGN 645 million and foreign debt payments of BGN 1,159.6 million (Chart 27). In September payments to the IMF, on government investment loans and on 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-September payments in levs (BGN 645 million) accounted for the biggest share in the forex composition of debt payments, followed by payments in US dollars (lev equivalent: BGN 565.3 million) and in euro (lev equivalent: BGN 357.6 million, Chart 28).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2002	2003				
		as of 31.03.	as of 30.06.	as of 31.07.	as of 31.08.	as of 30.09.
Domestic debt	1 079.7	1 172.1	1 142.5	1 133.0	1 143.7	1 134.1
I. Government debt	1 078.8	1 171.5	1 142.5	1 133.0	1 143.7	1 134.1
1. Government securities issued for budget deficit financing	747.6	868.0	848.1	837.7	845.1*	845.6
2. Government securities issued for structural reform	331.1	303.4	294.4	295.4	298.6	288.5
II. Government guaranteed debt	1.0	0.6	0.0	0.0	0.0	0.0
Foreign debt	8 154.1	7 814.0	7 764.9	7 798.2	7 950.9	7 657.4
I. Government debt	7 623.6	7 425.8	7 367.2	7 397.2	7 541.8	7 261.4
1. Bonds	4 646.4	4 428.6	4 271.5	4 257.6	4 372.2	4 165.8
2. Credits	2 977.3	2 997.2	3 095.7	3 139.6	3 169.5*	3 095.6
Government investment loans	236.7	361.2	371.6	375.6	384.1*	372.0
Called government guarantees	61.0	57.4	55.5	55.1	54.7	53.0
II. Government guaranteed debt	530.5	388.2	397.7	401.0	409.1	395.9
Debt, total	9 233.8	8 986.1	8 907.4	8 931.2	9 094.6	8 791.5
Debt/GDP, total (%)	55.6	49.8	49.4	49.5	50.4	48.7
Domestic debt/GDP (%)	6.5	6.5	6.3	6.3	6.3	6.3
Foreign debt/GDP (%)	49.1	43.3	43.0	43.2	44.1	42.4

Notes:

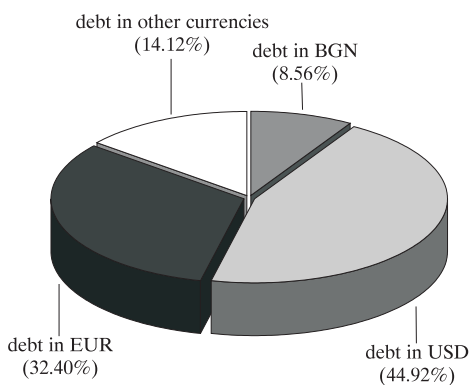
1. Debt based on cash flows. Foreign debt based on cash flows as of 1 January 2003.
2. Revised GDP projection for 2003: BGN 35,285.5 million. GDP for 2002: BGN 32,466 million.
3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.
In the present issue of *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.
4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
5. Preliminary data for September 2003.

* Revised data.

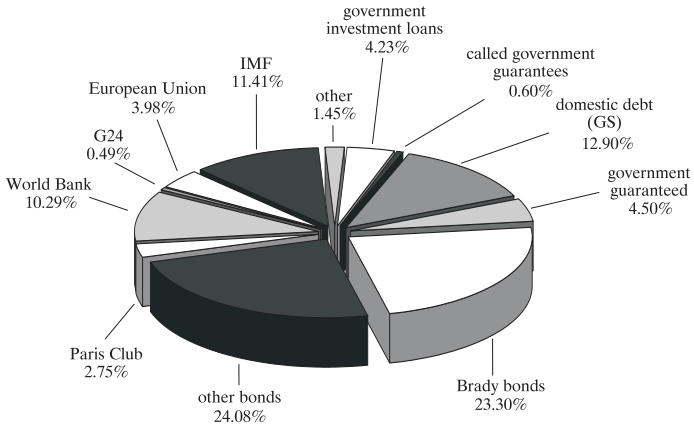
Debt Structure as of 30 September



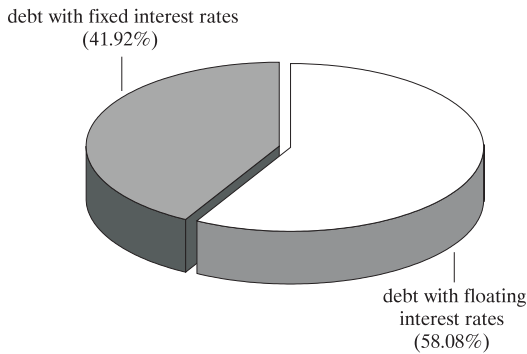
Debt Forex Structure as of 30 September



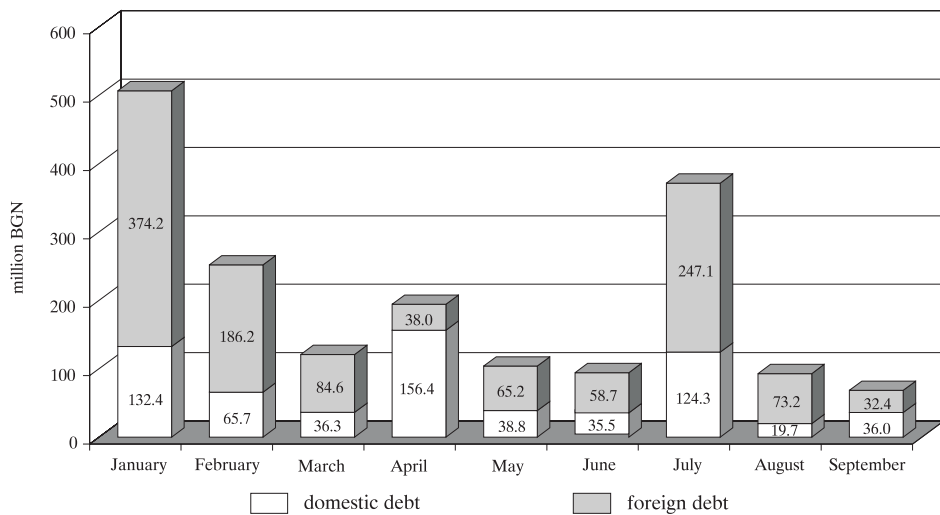
Debt Structure by Creditor as of 30 September



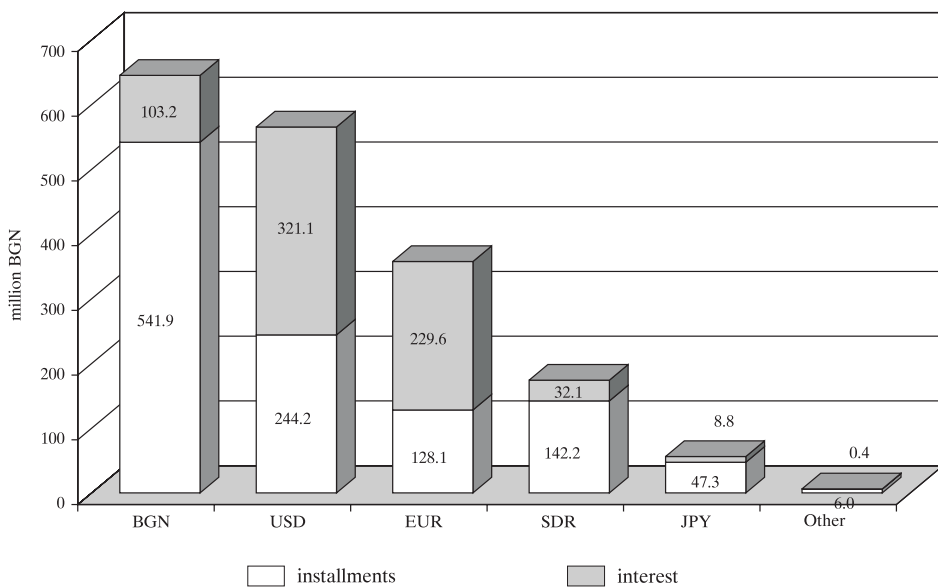
Debt Interest Structure as of 30 September



Government Debt Payments



Currency Structure of Government Debt Payments as of 30 September



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2002	2003			
		31.III.	30.VI.	31.VII.	31.VIII.
Government securities issued for budget deficit financing	0.1	0.1	-	2 540.5	2 540.5
Government securities issued for structural reform	71 326.7	66 800.6	65 011.8	65 058.2	65 232.1
– in USD	7 368.0	6 604.2	4 815.4	4 861.7	5 035.7
– in EUR	63 958.7	60 196.4	60 196.4	60 196.4	60 196.4
Total	71 326.8	66 800.7	65 011.8	67 598.7	67 772.7

Government Securities Issued in International Market and Held by Residents

(million USD)

Government securities type	31.XII. 2002	2003			
		31.III.	30.VI.	31.VII.	31.VIII.
Brady bonds	69.4	76.8	78.2	81.2	82.8
Eurobonds	74.4	70.5	68.3	70.4	71.6
Global bonds	189.2	217.2	210.6	214.3	220.1
– in EUR	136.3	151.5	152.4	150.6	145.8
– in USD	52.9	65.7	58.2	63.7	74.3
Total	332.9	364.4	357.1	365.9	374.5

* Revised data.

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

Structure	(thousand BGN)	
	2002 as of 31.XII.	2003 as of 31.VI.
I. Domestic municipal debt and municipal guarantees	44 597.65	36 717.56
	32 738.52	40 039.15
	42 342.55	38 626.48
I. Municipal debt		
1.1. Government securities issues (at nominal value as of corresponding period)	9 164.70	10 484.70
1.2. Loans from banks and other financial institutions	9 122.33	15 471.79*
1.3. Loans from the republican budget	11 169.60	2 875.73
1.4. Loans from extrabudgetary accounts and funds	9 611.36	7 068.68
1.5. Loans from other municipalities	-	-
1.6. Called municipal guarantees	-	-
1.7. Other	3 274.56	2 725.58
	2 255.10	1 413.49
2. Municipal guarantees		
	1 848.84	3 627.95
II. Foreign municipal debt and municipal guarantees		
	1 848.84	3 627.95
I. Municipal debt		
1.1. Loans from banks and other financial institutions	1 848.84	3 627.95
	-	-
2. Municipal guarantees		
	46 446.49	43 667.10
III. Municipal debt and municipal guarantees, total		
	41 572.08	45 395.70

Notes:

- The loan extended by the Council of Europe Development Bank (CEB) under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) is excluded from *II. Foreign municipal debt and municipal guarantees, I. Municipal debt, I.1. Loans from banks and other financial institutions*, since it is reported under *Chapter Four (Government and Government Guaranteed Debt), Foreign Debt, I. Government debt, 2. Credits*.
- The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is reported under *II. Foreign municipal debt and municipal guarantees, I. Municipal debt, I.1. Loans from banks and other financial institutions* as a foreign 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 under *Chapter Four (Government and Government Guaranteed Debt), Foreign Debt, II. Government guaranteed debt*.
- Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.

* Revised data.

Social Security Funds Debt

(thousand BGN)

Structure	2002	2003		
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 31.VII.
Domestic debt	37 482.3	37 382.6	36 432.6	36 517.6
I. National Insurance Institute	37 482.3	37 382.6	36 432.6	36 517.6
1. Other ¹	37 482.3	37 382.6	36 432.6	36 517.6
2. National Health Insurance Fund	-	-	-	-
3. Teachers' Pension Fund	-	-	-	-
Foreign debt	-	-	-	-

¹ The loan was extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project.

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

* Revised data.

CONSOLIDATED DEBT

Consolidated Debt Amount

Structure	2003			(million EUR)
	2002 as of 31.XII.	as of 30.VI.	as of 31.VII.	
I. Consolidated government debt	8 724.9	8 529.5	8 551.9	8 708.0
1. Central government debt	8 702.3	8 509.7	8 530.3*	8 685.5
2. Social security funds debt	0.0	0.0	0.0	0.0
3. Municipal debt	22.6	19.8*	21.6*	22.5
II. Government guaranteed debt	531.5	388.8	401.0	409.1
III. Municipal guarantees	1.2	0.7	0.7	0.7
Debt, total (I+II+III)	9 257.5	8 927.9	8 953.5	9 117.8
Debt/GDP (%)	55.77	49.91	49.63	50.54

Notes:

1. Government debt based on cash flows. Foreign debt based on cash flows as of 1 January 2003.

2. GDP projection for 2003; BGN 35,285.5 million. GDP for 2002; BGN 32,466 million.

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

4. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand. In the *Government Debt Management Bulletin*, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.

5. The loan extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis of the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project is excluded from 2. *Social Security Funds Debt* and is reported under 1. *Central government debt*.

6. The loan extended by the Council of Europe Development Bank (CEB) under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) is excluded from 3. *Municipal debt* and is reported under 1. *Central government debt*.

7. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is reported under 1. *Consolidated government debt*. 3. *Municipal debt* as a foreign 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 under II. *Government guaranteed debt*.

* Revised data.