

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

SEPTEMBER 2002

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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>
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 three government securities issues under Regulation No. 5, including two discount treasury bills issues (Nos. BG3011002006 and BG3011102004) and one tap treasury bonds issue (No. BG2030402114). The three-year treasury bonds issues were opened for the first time in September.

At the auctions primary dealers' bids totaled BGN 100,831.1 thousand: BGN 26,230 thousand for three-month government securities, BGN 40,901.1 thousand for twelve-month and BGN 33,700 thousand for three-year government securities (Chart 1). Approved bids totaled BGN 57,000 thousand nominal value, including three-month of BGN 12,000 thousand, twelve-month of BGN 20,000 thousand and three-year of BGN 25,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in September accounted for 1.77: 1.29 on three-month, 2.05 on twelve-month and 1.35 on three-year government securities (Chart 4). Government securities issued in September decreased by BGN 9.18 million on a year earlier basis (Chart 2).

Chart 1

Government Securities Issue in September

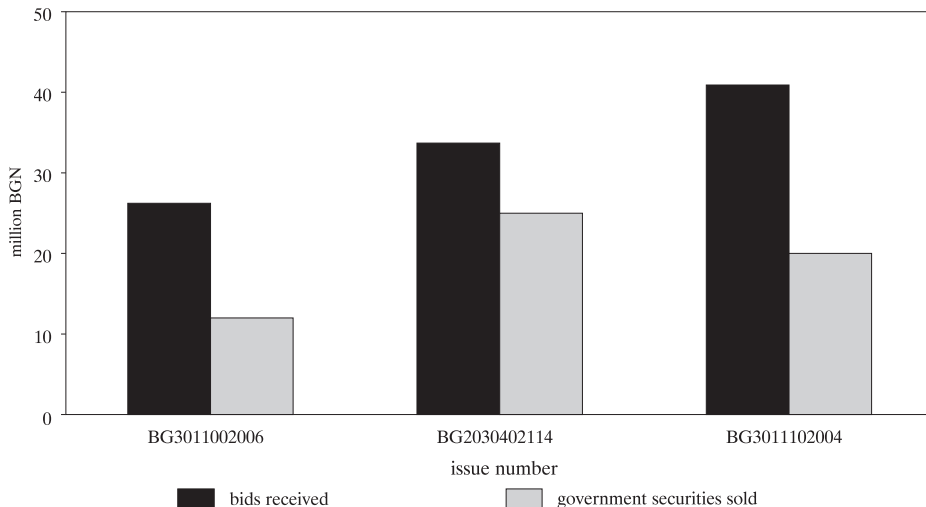


Chart 2

Sales of Government Securities Issues

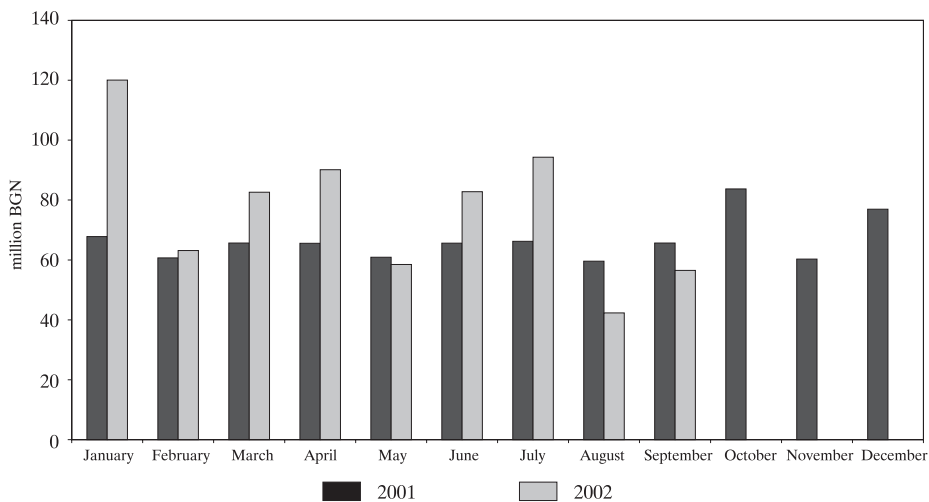
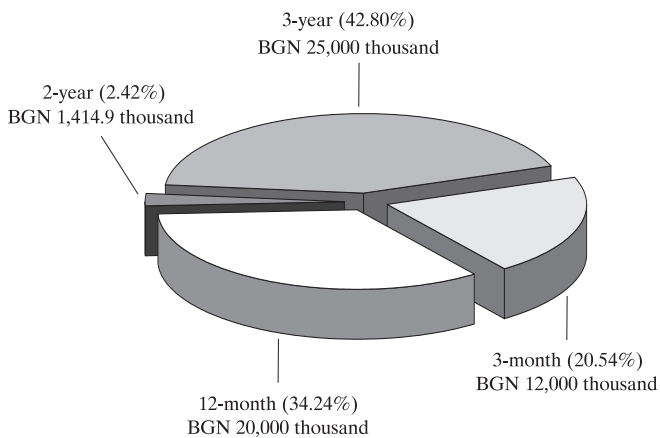


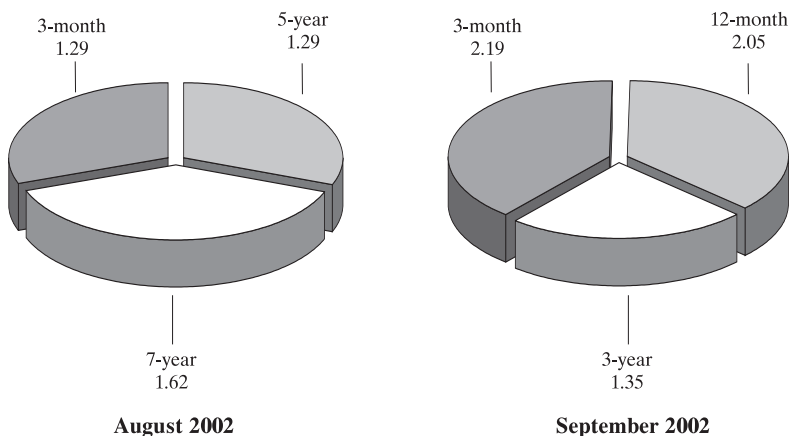
Chart 3

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.

The yield on three-month government securities attained in the primary market indicated a slight decrease in September. The yield on government securities with other terms increased compared with the previous months. The yield on twelve-month government securities rose from 5.19% to 5.36%, or by 0.17 percentage points. The yield on three-year government securities attained in September accounted for 6.32%, an increase of 0.1 percentage points compared with the previous opening of the issue in July (Charts 5, 6 and 8).

One 2002 treasury bills issue (BG3010602004) matured in September.

In the review period two issues of two-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 718 of 11 September 2002 and issue No. 719 of 25 September 2002. Issue No. 718 totaled BGN 848.3 thousand nominal value and issue No. 719 is still in circulation (Chart 11). Two 2000 issues, amounting to BGN 1,570.1 thousand, matured in September. During the period under review reverse repurchases accounted for BGN 125.8 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

AUGUST 2002

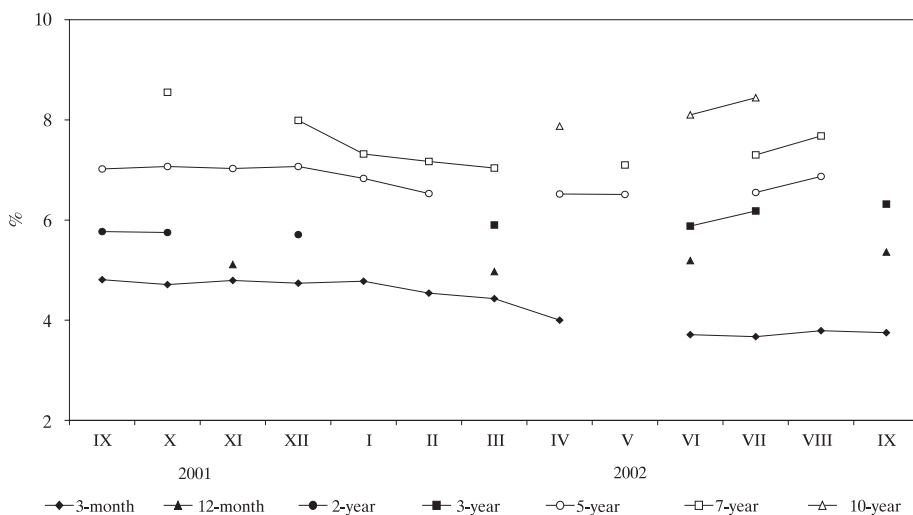
	3-month	5-year	7-year
	BG3010902008	BG2030202118	BG2040302213
Minimum	98.50	86.68	92.00
Average-weighted	99.04	98.45	96.38
Maximum	99.08	99.10	97.86

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	3-month	12-month	3-year
	BG3011002006	BG3011102004	BG2030402114
Minimum	99.04	94.72	98.75
Average-weighted	99.06	94.85	99.13
Maximum	99.15	96.01	99.78

Chart 5

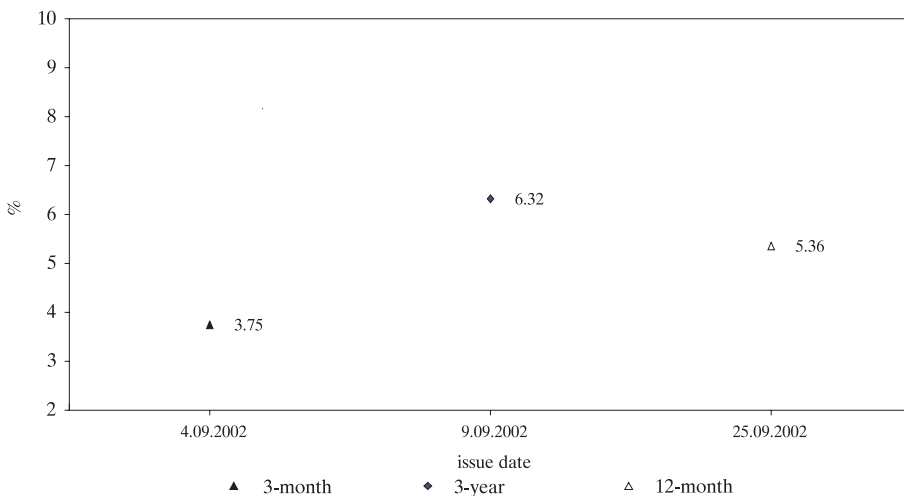
Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.

Chart 6

Dynamics of the Average Annual Yield of Primary Market Government Securities



Note: Three-year tap government securities issue; the above date indicates the auction date.

Chart 7

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

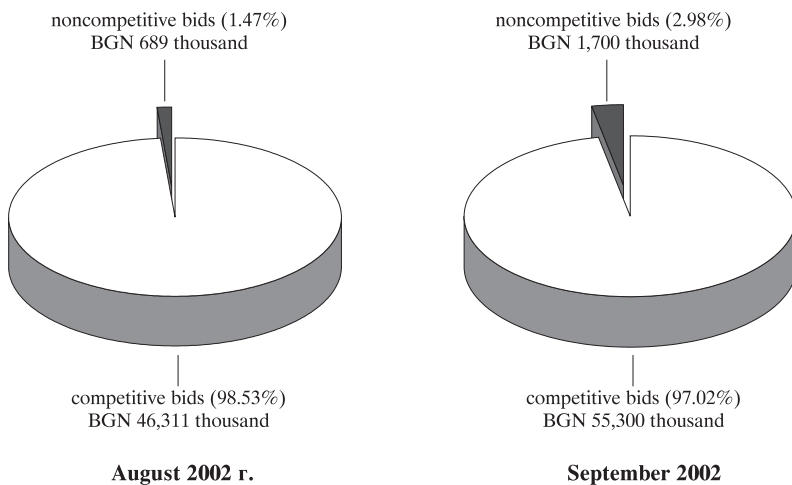
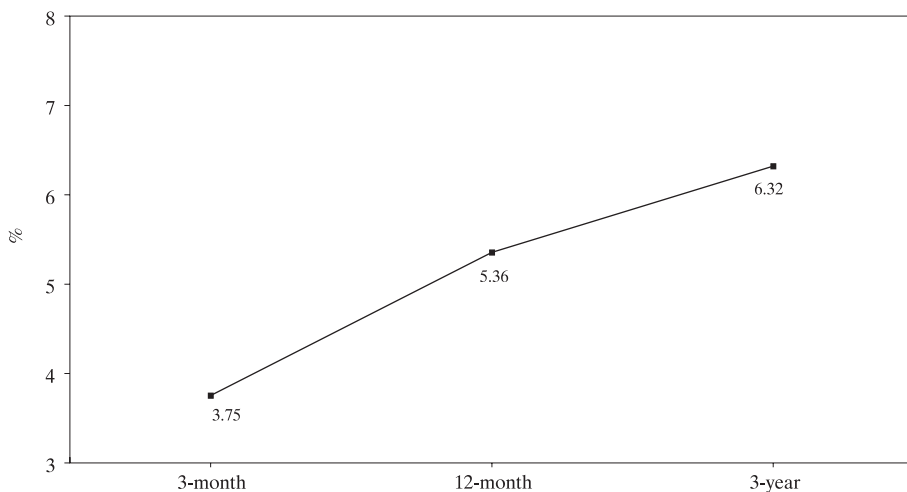


Chart 8

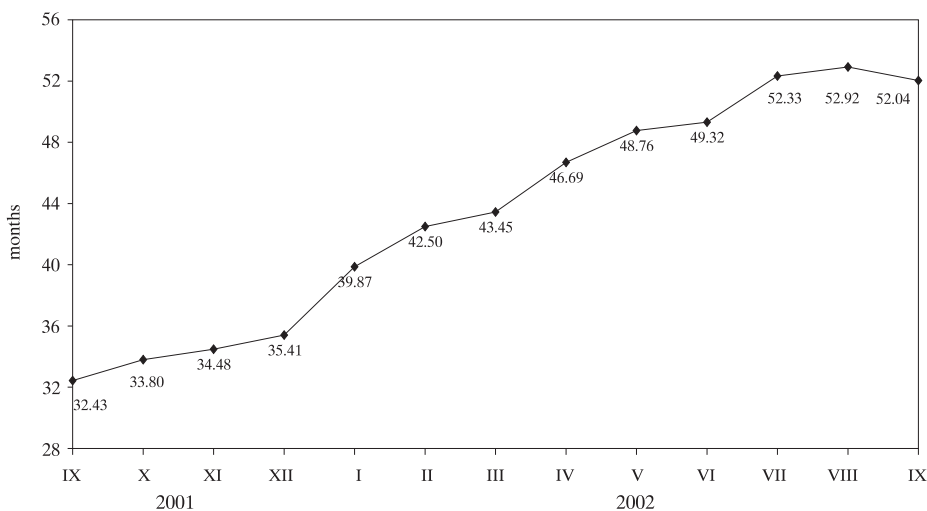
Yield Curve of Primary Market Government Securities in September



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

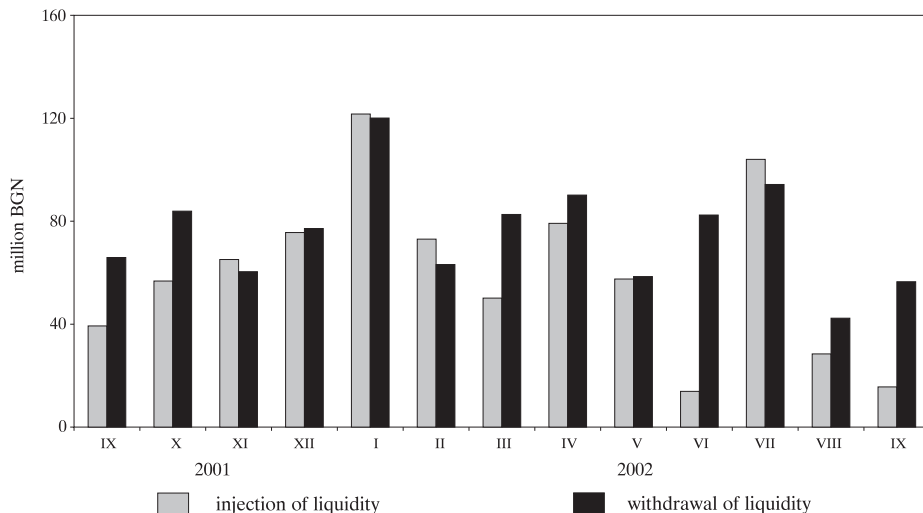
Chart 9

Average Term of Outstanding Government Securities Issues by Month

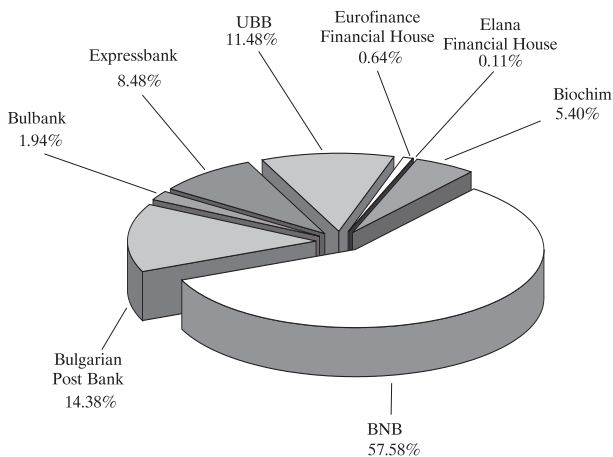


Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

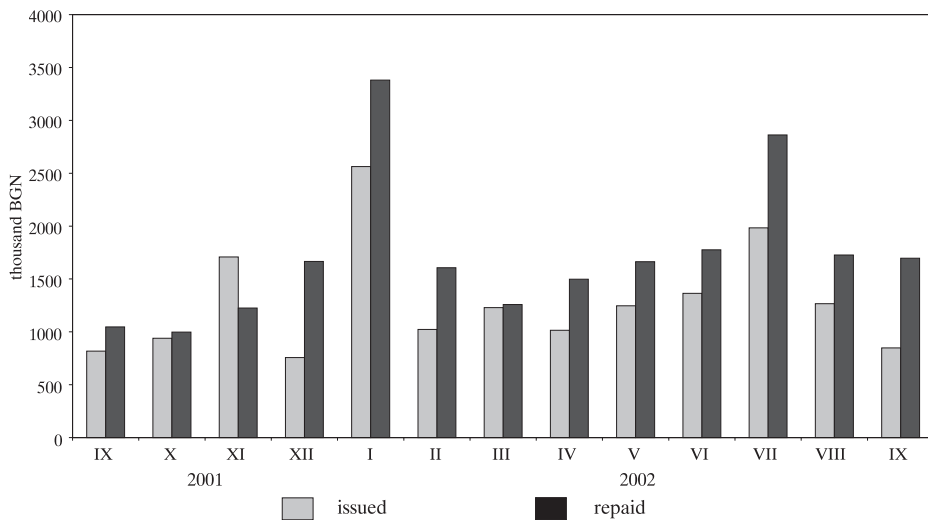
Monthly Liquidity Regulation through Government Securities Issues and Maturities



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.	BG3012401009	BG3010302001	BG3010702002	BG3010802000	BG3010902008	BG3011002006	BG3011102004
Issue date	14.11.2001	27.03.2002	26.06.2002	03.07.2002	07.08.2002	04.09.2002	25.09.2002
Maturity date	14.11.2002	27.03.2003	26.06.2003	03.10.2002	07.11.2002	04.12.2002	25.09.2003
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	20 000.00
Total nominal value of the bids received (thousand BGN)	30 300.00	40 420.00	21 700.00	31 190.00	15 430.00	26 230.00	40 901.05
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	20 000.00
Average price of the bids approved per BGN 100 (%)	95.07	95.20	95.00	99.07	99.04	99.06	94.85
Average discount per BGN 100 (%)	4.93	4.80	5.00	0.93	0.96	0.94	5.15
Average annual yield (%)	5.11	4.97	5.19	3.67	3.79	3.75	5.36
Effective annual yield (%)	5.11	4.97	5.19	3.72	3.85	3.81	5.35
Coverage coefficient	1.52	2.02	1.09	2.60	1.29	2.19	2.05

Treasury Bonds

Issue No.	BG2030798115	BG2030998111	BG2031198117	BG2030699115	BG2030999119	BG2030100114 ¹	BG2030500115 ²	BG2030700111 ²
Issue date	30.04.1998	28.05.1998	02.07.1998	31.03.1999	29.04.1999	09.02.2000	19.04.2000	19.07.2000
Maturity date	24.04.2003	22.05.2003	26.06.2003	24.03.2004	22.04.2004	05.02.2003	16.04.2003	16.07.2003
Nominal value of the offer (thousand BGN)	1 000.00	2 000.00	2 000.00	2 000.00	3 000.00	50 000.00	30 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	3 605.00	3 440.00	2070.00	2 795.00	1 190.00	192 244.60	120 312.85	131 450.00
Total nominal value of the bids approved (thousand BGN)	1 000.00	2 000.00	2000.00	2 000.00	1 190.00	50 000.00	30 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	87.14	84.78	76.20	86.35	78.37	100.83	99.94	101.43
Interest rate	8.00	8.00	7.00	9.00	9.00	9.00	8.00	8.00
Coverage coefficient	3.61	1.72	1.04	1.40	0.40	3.84	4.01	4.38

(continued)

(continued)

Issue No.	BG2030800119²	BG2030900117²	BG2031000115²	BG2030001114³	BG2030101112²	BG2030201110³	BG2030301118²	BG2030401116³
Issue date	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001	11.04.2001	25.04.2001	11.07.2001
Maturity date	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006	11.04.2003	25.04.2006	11.07.2003
Nominal value of the offer (thousand BGN)	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	126 512.50	113 365.10	110 383.00	121 965.00	253 630.14	95 565.00	165 396.00	87 163.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	101.30	99.51	101.53	101.05	104.22	101.78	104.25	100.72
Interest rate	7.00	9.00	7.50	6.50	9.00	6.50	8.00	6.00
Coverage coefficient	2.53	2.83	3.68	2.44	4.23	1.91	2.76	1.74

(continued)

(continued)

Issue No.	BG2030501113²	BG2030601111³	BG2030701119²	BG2040001211³	BG2030002112¹	BG2040002219³	BG2040102217²	BG2030102110
Issue date	25.07.2001	10.10.2001	24.10.2001	31.10.2001	09.01.2002	16.01.2002	20.02.2002	13.03.2002
Maturity date	25.07.2006	10.10.2003	24.10.2006	31.10.2008	09.01.2007	16.01.2009	20.05.2009	13.03.2005
Nominal value of the offer (thousand BGN)	60 000.00	50 000.00	60 000.00	30 000.00	90 000.00	60 000.00	90 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	140 070.00	77 900.00	127 550.00	108 287.00	218 650.00	205 626.00	180 462.00	116 901.00
Total nominal value of the bids approved (thousand BGN)	60 000.00	50 000.00	60 000.00	30 000.00	90 000.00	80 000.00*	90 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.43	100.66	100.29	96.46	101.66	101.09	99.40	101.65
Interest rate	7.00	6.00	7.00	7.50	7.00	7.50	7.00	6.50
Coverage coefficient	2.33	1.56	2.13	3.61	2.43	3.43	2.01	2.34

(continued)

(continued)

Issue No.	BG2040202215^{1,4}	BG2030202118^{4, 8 **}	BG2040302213^{6, 8 **}	BG2030302116⁷	BG2030402114⁵
Issue date	17.04.2002	10.07.2002	17.07.2002	31.07.2002	11.09.2002
Maturity date	17.04.2012	10.07.2007	17.07.2009	31.07.2005	11.09.2005
Nominal value of the offer (thousand BGN)	90 000.00	45 000.00	35 000.00	25 000.00	25 000.00
Total nominal value of the bids received (thousand BGN)	202 867.40	57 180.00	54 102.50	24 200.00	33 700.00
Total nominal value of the bids approved (thousand BGN)	84 920.00	39 750.00	35 000.00	16 900.00	25 000.00
Average price of the bids approved per BGN 100 (%)	96.06	99.31	97.53	99.83	99.13
Interest rate	7.50	6.50	7.00	5.75	6.00
Coverage coefficient	2.25	1.27	1.55	0.97	1.35

¹ The above price is a result of the four auctions organized for sale of this issue.

² The above price is a result of the three auctions organized for sale of this issue.

³ The above price is a result of the two auctions organized for sale of this issue.

⁴ The total volume of the issue is BGN 90,000,000; the MF will sell the remaining portion on an auction principle.

⁵ The total volume of the issue is BGN 50,000,000; the MF will sell the remaining portion on an auction principle.

⁶ The total volume of the issue is BGN 70,000,000; the MF will sell the remaining portion on an auction principle.

⁷ The total volume of the issue is BGN 75,000,000; the MF will sell the remaining portion on an auction principle.

⁸ The above price is a result of the two auctions organized for sale of this issue and does not include the interest accrued as of auction dates.

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

** In accordance with a joint letter of the MF and BNB, as of 1 July 2002 auctions for sale of tap government securities shall be based on a net value. The average price of approved bids per BGN 100 nominal value of all tap government securities issues is based on net value less the interest accrued as of auction dates.

Guaranty Government Securities

Issue No.	BG2040296225	BG2040396223	BG2040596228	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	28.05.2003	01.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	857.14	905.53	113.30	8 451.94	1 398.31	4 555.87	6 209.87
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7	7	7	7

In compliance with Article 8 and Article 9, para. 1, item 1 of the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), the Ministry of Finance issues levy guaranty government securities. These are issued under the following conditions:

- 7-year redemption term;
- interest – BIR for the respective period, payable semiannually;
- redemption schedule – equal annual installments.

The Law on Bank Deposit Guaranty (published in the State Gazette, issue 49 of 29 April of 1998) repeals the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings. The repealed law is applicable to deposits and accounts with banks which had been declared insolvent before the enforcement of the Law on Bank Deposit Guaranty, as well as to the special fund for state protection of deposits and accounts and guaranty government securities service.

Principals of guaranty government securities are based on actual data as of 30 September 2002.

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
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018
Maturity (years)	19	24	25	25	25
Grace period (years)	4	4	5	5	5
Redemption term (years)	15	20	20	20	20
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	2476.56 (BGN)	1907.75 (BGN)	7335.87 (BGN)	198 212.90 (USD)	785.48 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR

* 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. Principals are based on actual data as of 30 September 2002. 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, 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.

EUR-denominated Government Securities

Issue No.	BG2040099223
Issue date	01.07.1999
Maturity date	01.01.2019
Principal (thousand EUR)	126 661.98
Interest rate	EURIBOR*
Interest payments dates	semiannual
Repayments	20 equal annual installments

EUR-denominated government securities are issued pursuant to § 10 of the Transitional and Final Provisions of 1999 State Budget Law of the Republic of Bulgaria.

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

EUR-denominated issue BG 2040099223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).
The principal of issue BG 2040099223 is based on actual data as of 30 September 2002.

Pending Payments on Government Securities in November 2002

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
					1
bills bonds					
	4	5	6	7	8
bills target issues			528.1	12 000 32.3	16.1
	11	12	13	14	15
bills target issues	10.9			20 000	
	18	19	20	21	22
bonds target issues			3175.9 466.9	79.8 15.1	18.5
	25	26	27	28	29
target issues GGS	10.9	17			

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 2002

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
04.11.2002	06.11.2002	06.02.2003	3-month	12 000 000	
11.11.2002*	10.07.2002	10.07.2007	5-year	20 000 000	90 000 000
18.11.2002*	17.07.2002	17.07.2009	7-year	15 000 000	70 000 000
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 2002 domestic debt totaled BGN 2,029,590.4 thousand and domestic government debt accounted for BGN 2,026,617 thousand. Share of the debt on government securities issued for budget deficit financing was 66.6% and that of government securities issued for structural reform, 33.3%. Domestic government guaranteed debt comprised 0.2% (Chart 13).

By end-September government securities issued for budget deficit financing accounted for BGN 1,350,715 thousand. Issued government securities totaled BGN 56,488.2 thousand, including BGN 1,414.9 thousand sold directly to physical persons. Newly issued bonds amounted to BGN 55,639.9 thousand. Securities repaid in September accounted for BGN 13,583 thousand, including short-term treasury bills of BGN 11,887.1 thousand. As a result of effected operations, the share of twelve-month government securities in the maturity structure of government securities issued for budget deficit financing increased by 1.3 percentage points to 5.6%, the share of three-year bonds increased by 1.3 percentage points to 17.1%. The share of government securities with other terms decreased (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached four years and four months. Government securities issued for structural reform reached BGN 675,902 thousand. In the review period USD ZUNK bonds of USD 123 thousand nominal value were replaced by EUR-denominated government long-term bonds (issue No. 400 of 1999) of EUR 125 thousand nominal value. In addition, ZUNK bonds of USD 70 thousand were used for repayment of obligations to the state.

Debt movements in September caused changes in debt forex structure (Chart 15). The share of government securities in euro and US dollars decreased to 12.2% and 19.4% respectively at the expense of government securities denominated in levs which rose to 68.4%. Debt maturity structure also changed. Short-term securities increased to 5.5%, medium-term securities remained almost unchanged – 45.6%. Long-term securities slightly decreased, reaching 48.8% (Chart 16). Government securities with fixed interest coupons comprised 66.7% and government securities with floating interest coupons reached 33.3%.

Since early-2002 repaid interest and discounts have totaled BGN 87,553.5 thousand. Interest and discounts on government securities for budget deficit financing of BGN 59,424.3 thousand, or 67.9% of the total repaid interest and discounts, were repaid in September (Chart 19). Expenditure on two-year government bonds occupied the largest share, 35.7%, followed by five-year bonds, 31.8%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2001	Change in 2002		Amount as of 30 Sept. 2002
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
1. Government securities issued in 1997	20 000.0		20 000.0	-
5-year	20 000.0		20 000.0	-
2. Government securities issued in 1998	4 090.9		-	4 090.9
5-year	4 090.9		-	4 090.9
3. Government securities issued in 1999	2 659.7		-	2 659.7
5-year	2 659.7		-	2 659.7
4. Government securities issued in 2000	432 328.0		199 570.4	232 757.6
2-year	252 608.6		199 570.4	53 038.2
3-year	139 929.7		-	139 929.7
5-year	39 789.7		-	39 789.7
5. Government securities issued in 2001	618 167.9		117 990.8	500 177.1
5.1. Short-term	135 454.2		116 440.4	19 013.9
3-month	59 298.5		59 298.5	-
12-month	76 155.7		57 141.8	19 013.9
5.2. Medium-term	482 713.7		1 550.4	452 225.6
2-year	213 819.2		1 550.4	212 268.8
5-year	239 956.9		-	239 956.9
5.3. Long-term	28 937.6		-	28 937.6
7-year	28 937.6		-	28 937.6
6. Government securities issued in 2002		682 063.2	71 033.6	611 029.5
6.1. Short-term		163 442.0	70 773.6	92 668.4
3-month		106 434.5	70 773.6	35 660.9
12-month		57 007.5	-	57 007.5
6.2. Medium-term		233 457.4	260.0	233 197.4
2-year		12 538.0	260.0	12 278.0
3-year		91 478.7	-	91 478.7
5-year		129 440.6	-	129 440.6
6.3. Long-term		285 163.8	-	285 163.8
7-year		203 593.5	-	203 593.5
10-year		81 570.3	-	81 570.3
TOTAL (I)	1 077 246.6	682 063.2	408 594.8	1 350 715.0
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM				
A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 751.7		275.2	2 476.6
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	2 034.9		127.2	1 907.7
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	7 335.9		-	7 335.9
denominated in USD	277 123.8		78 910.9	198 212.9

(continued)

(continued)

lev equivalent	615 009.9			393 175.1
denominated in EUR	60 606.3	69 422.7	3 367.0	126 662.0
lev equivalent	118 535.6			247 729.3
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	785.5		-	785.5
A5. Government bonds issued pursuant to Article 2 of CM Decree No. 89 of 1995	1 553.4		1 553.4	-
TOTAL (A)	748 006.8			653 410.1
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	28 593.9			22 492.0
Government securities issued in 1996	3 751.9		1 876.0	1 876.0
Government securities issued in 1997	24 842.0		4 226.0	20 616.0
TOTAL (B)	28 593.9			22 492.0
TOTAL (II)	776 600.7			675 902.0
GOVERNMENT DEBT, TOTAL	1 853 847.3			2 026 617.0
III. DOMESTIC GOVERNMENT GUARANTEES	6 653.3			2 973.4
DOMESTIC DEBT, TOTAL	1 860 500.6			2 029 590.4

Notes:

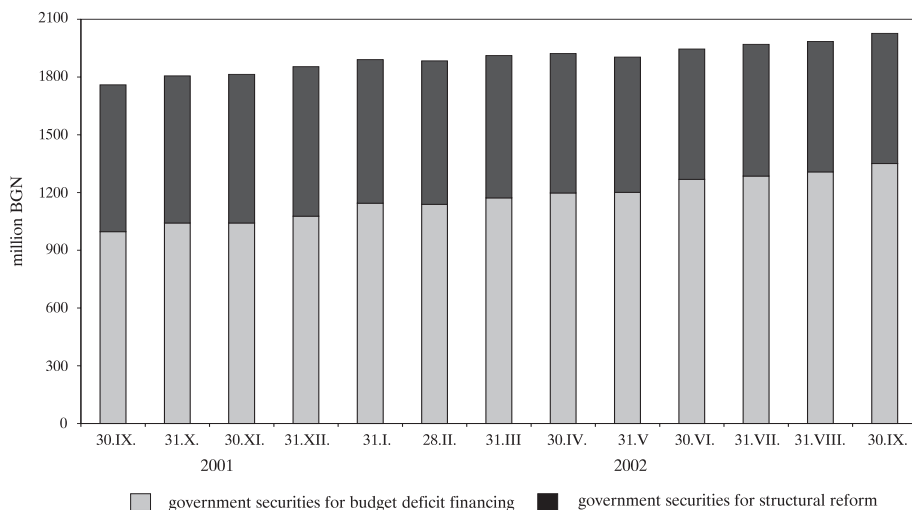
Actual amount of the debt on government securities issued for budget deficit financing.

The lev equivalent of the debt denominated in foreign currency is calculated on the basis of the exchange rate of the relevant currency against the lev at the end of month:

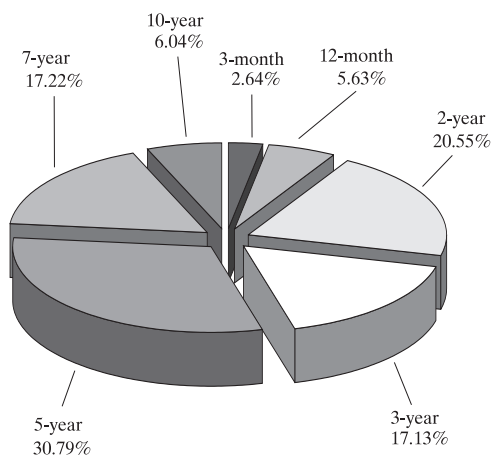
on 28 December 2001: USD 1/BGN 2.21926, EUR 1/BGN 1.95583.

on 30 September 2002: USD 1/BGN 1.98360, EUR 1/BGN 1.95583.

Changes in Domestic Government Debt

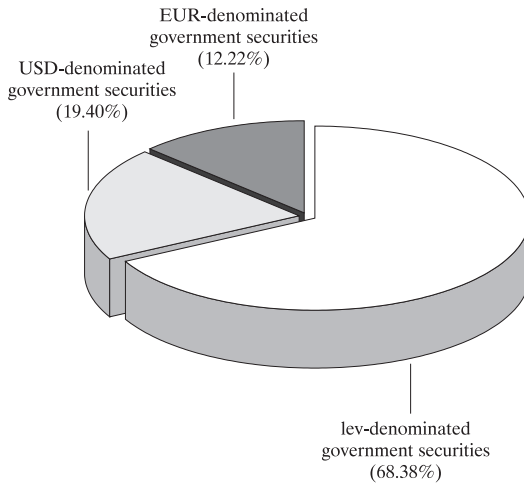


Outstanding Government Securities Issued for Budget Deficit Financing as of 30 September

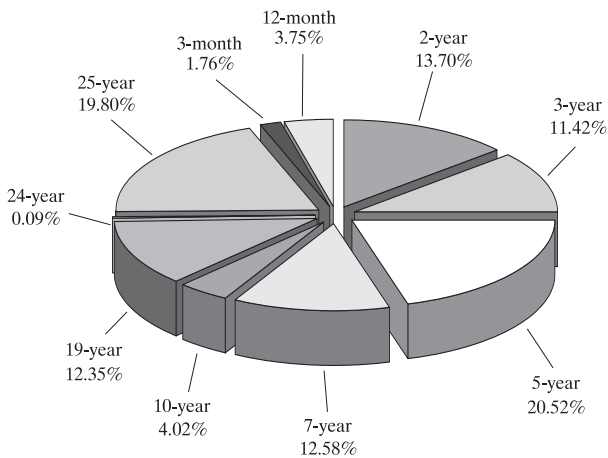


Note: The average-weighted maturity of government securities issued for budget deficit financing is four years and four months.

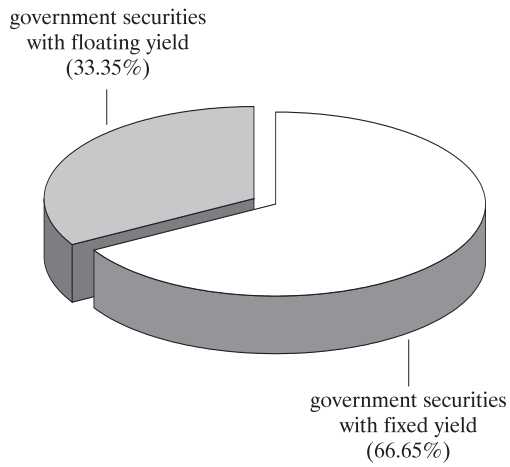
Forex Composition of Outstanding Government Securities as of 30 September



Maturity Structure of Outstanding Government Securities as of 30 September



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



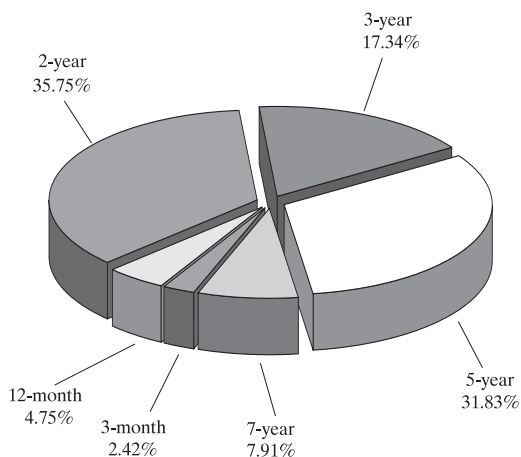
Expenditure on Domestic Debt between 1 January and 30 September 2002

(thousand BGN)

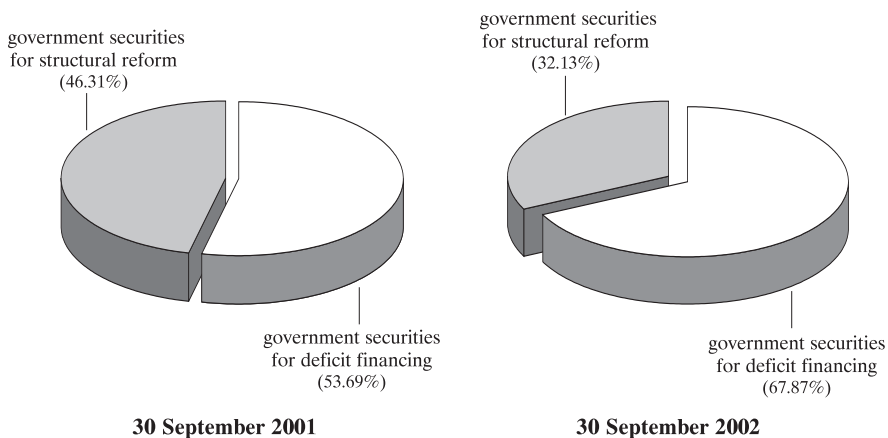
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 1997	848.6
5-year	848.6
2. Government securities issued in 1998	189.5
5-year	189.5
3. Government securities issued in 1999	232.9
5-year	232.9
4. Government securities issued in 2000	22 310.5
2-year	11 315.7
3-year	9 199.7
5-year	1 795.1
5. Government securities issued in 2001	28 831.1
5.1. Short-term	3 559.6
3-month	701.5
12-month	2 858.2
5.2. Medium-term*	24 155.7
2-year	10 068.0
5-year	14 087.7
5.3. Long-term	1 115.8
7-year	1 115.8
6. Government securities issued in 2002	7 011.8
6.1. Short-term	756.4
3-month	756.4
6.2. Medium-term	3 370.8
2-year	132.3
3-year	1 233.4
5-year	2 005.2
6.3. Long-term	2 884.6
7-year	3 642.5
10-year	-757.9
TOTAL (I)	59 424.3
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	142.9
2. Bonds issued pursuant to CM Decree No. 186 of 1992	90.6
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	26 951.2
lev bonds	165.6
USD-denominated (in BGN at the current exchange rate)	20 739.9
EUR-denominated (in BGN at the fixed exchange rate)	6 045.7
4. Bonds issued pursuant to CM Decree No. 89 of 1995	34.6
Total (A)	27 219.3
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	909.9
Total (B)	909.9
TOTAL (II)	28 129.2
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	87 553.5
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	87 553.5

* Including interest revenues 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 the end of September foreign debt totaled USD 8,519.4 million. Government debt accounted for USD 7,967.3 million and government guaranteed debt amounted to USD 552.1 million.

In September new foreign financing totaled BGN 44,498.3 thousand, including BGN 12,882.2 thousand receipts on government credits and the remaining portion of BGN 31,616.1 thousand on government guaranteed loans. Payments on the debt totaled BGN 98,166.7 thousand, of which BGN 77,562.6 thousand principal repayments and BGN 20,604.1 thousand interest. Repayments were mainly made to the Paris Club (BGN 44,756.3 thousand) and the IMF (BGN 20,613.8 thousand). In September repayments on government guaranteed loans totaled BGN 9,514.8 thousand. Interest was repaid mainly to Paris Club (BGN 11,517.8 thousand), government investment loans (BGN 2,710.2 thousand) and the European Union (BGN 2,158.5 thousand).

Since early-2002 received loans have totaled BGN 503,235.7 thousand, of which BGN 174,048.3 thousand receipts from tranches on government guaranteed loans. Payments on the debt have amounted to BGN 1,630,892.3 thousand, including BGN 1,053,261.5 thousand principal repayments. The largest amounts were repaid on the IMF loans (BGN 364,010.9 thousand), the Paris Club loans (BGN 280,618.6 thousand), Brady bonds (BGN 168,899.1 thousand) and government guaranteed loans (BGN 147,802.1 thousand). By end-September net foreign financing was negative: USD -550,025.8 thousand.

No significant changes occurred in foreign debt structure as a result of effected operations. Debt denominated in other currencies reached 15.6% and debt denominated in euro and US dollars comprised 29% and 55.4% respectively. A slight change was reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 72.7% to 27.3%. The average-weighted residual term to maturity of the foreign debt was 11 years and two months with an increased share of the debt from five to ten years and a decreased share of the debt over ten years.

The percentage share of the debt on Brady bonds amounts to 39.4%. Debt to the IMF slightly decreased and reached 12.1%. Obligations to the World Bank occupied 10%, the Paris Club, 3.3%, and the European Union, 4.5%. The share of government guaranteed credits was 6.5%.

Foreign Debt

(million USD)

Structure	as of 31.XII. 2001	2002				
		as of 31.III.	as of 30.VI.	as of 31.VII.	as of 31.VIII.	as of 30.IX.
Government debt	8 016.8	7 920.9	8 103.2	7 997.2	7 997.3	7 967.3
I. Bonds	4 979.3	4 961.0	5 017.8	4 928.9	4 934.3	4 937.2
1. Brady bonds	4 759.0	4 742.9	3 423.5	3 355.4	3 355.4	3 355.4
2. Other bonds	220.3	218.1	1 594.3	1 573.4	1 578.8	1 581.8
II. Credits	3 037.5	2 960.0	3 085.4	3 068.3	3 063.0	3 030.1
1. Paris Club	382.0	352.2	328.2	322.6	305.9	282.7
2. World Bank	829.4	813.9	873.3	867.3	857.1	855.4
2.1. World Bank	708.8	698.3	744.2	739.7	731.8	733.2
2.2. JBIC (JEXIM)	120.6	115.6	129.2	127.5	125.4	122.2
3. G-24	47.5	47.3	50.2	49.5	49.7	49.6
4. European Union	343.7	340.2	389.0	381.5	383.5	384.5
5. IMF	1 042.9	1 021.0	1 018.2	1 029.9	1 047.7	1 033.6
6. Other	120.4	119.2	136.3	133.6	134.3	134.7
7. Government investment loans	211.8	207.3	224.6	218.6	220.8	226.1
7.1. World Bank	49.4	52.0	60.7	59.9	61.3	61.5
7.2. European Investment Bank	112.3	112.6	119.9	115.7	115.8	120.7
7.3. EBRD	30.7	29.2	28.9	27.0	27.0	27.0
7.4. Other	19.3	13.5	15.1	16.0	16.7	16.8
8. Called government guarantees	59.8	58.9	65.7	65.3	63.9	63.5
8.1. World Bank	43.9	43.3	50.4	50.3	48.9	49.0
8.2. European Investment Bank	3.2	2.9	2.9	2.7	2.7	2.7
8.3. Other	12.7	12.7	12.3	12.3	12.3	11.7
Government guaranteed debt	507.9	503.2	529.1	525.6	542.5	552.1
1. World Bank	147.8	144.2	146.0	146.0	142.7	142.8
2. European Investment Bank	122.6	115.2	124.8	120.6	121.1	118.7
3. EBRD	68.9	66.7	67.0	64.7	64.9	64.9
4. Other	168.6	177.1	191.4	194.3	213.9	225.7
FOREIGN DEBT, TOTAL	8 524.7	8 424.1	8 632.3	8 522.8	8 539.8	8 519.4

Notes:

1. Debt recalculation in US dollars and euro is based on BNB central exchange rate of the relevant currencies against the Bulgarian lev valid for the last working day of the period.
2. Preliminary data for September 2002.

New Foreign Financing and Foreign Debt Payments as of 30 September

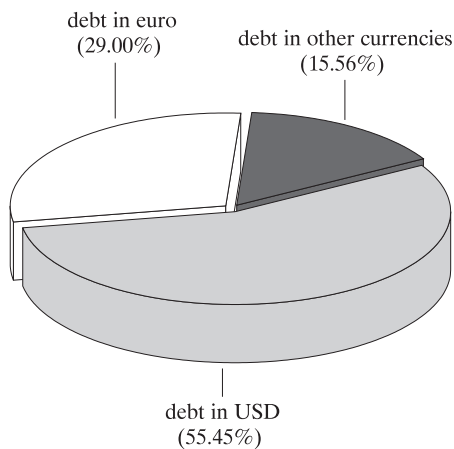
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		Installments	Interest
Government debt	329 187.5	905 459.4	538 946.8
I. Bonds	0.0	168 899.1	364 966.2
1. Brady bonds	0.0	168 899.1	342 824.3
2. Other bonds	0.0	0.0	22 141.9
II. Credits	329 187.5	736 560.3	173 980.6
1. Paris Club	0.0	280 618.6	33 065.0
2. World Bank	36 759.7	53 720.2	44 723.5
2.1. World Bank	36 759.7	37 585.4	39 476.5
2.2. JBIC (JEXIM)	0.0	16 134.8	5 247.0
3. G-24	0.0	0.0	2 113.8
4. European Union	0.0	0.0	21 545.1
5. IMF	226 643.8	364 010.9	44 682.8
6. Other	0.0	0.0	2 328.4
7. Government investment loans	53 230.2	27 428.7	21 016.0
7.1. World Bank	16 607.9	2 650.3	3 174.4
7.2. European Investment Bank	29 065.6	15 812.5	14 926.5
7.3. EBRD	1 325.7	8 965.9	2 525.9
7.4. Other	6 231.0	0.0	389.1
8. Called government guarantees	12 553.8	10 781.9	4 506.0
8.1. World Bank	12 553.8	7 685.1	3 965.7
8.2. European Investment Bank	0.0	943.7	448.8
8.3. Other	0.0	2 153.0	91.5
Government guaranteed debt	174 048.3	147 802.1	38 684.0
1. World Bank	1 238.3	16 199.5	11 496.6
2. European Investment Bank	3 911.7	34 999.9	12 602.3
3. EBRD	803.8	15 578.2	5 423.6
4. Other	168 094.5	81 024.5	9 161.5
TOTAL	503 235.7	1 053 261.5	577 630.8

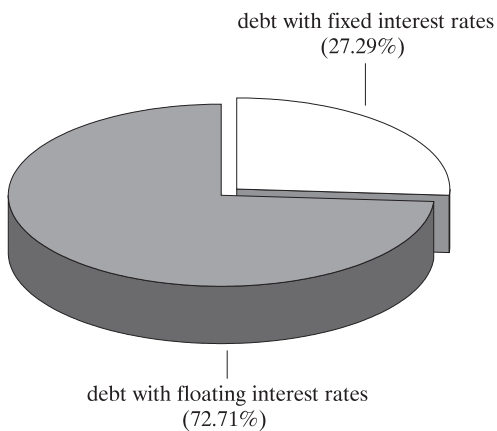
Notes:

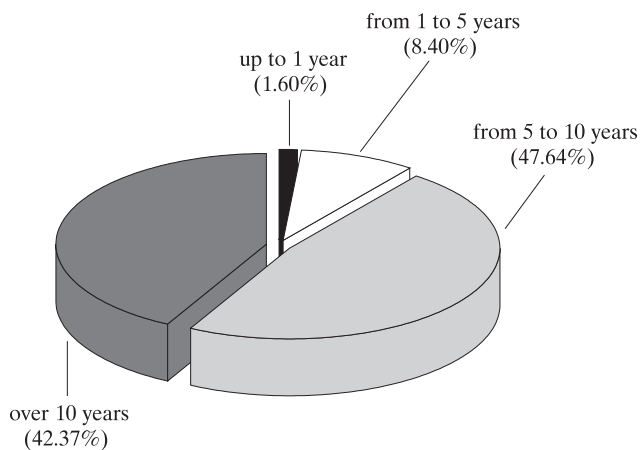
1. Values in USD of the new foreign financing and payments effected is calculated on the basis of BNB central exchange rates of the lev against respective foreign currencies valid until 4.00 p.m. on the day of corresponding payment.
2. Values in BGN of the new foreign financing and payments effected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

Foreign Currency Composition of the Foreign Debt as of 30 September



Interest Rate Structure of the Foreign Debt as of 30 September



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 11 years and two months.

By-end September government and government guaranteed debt totaled EUR 9,678.1 million, including domestic debt of EUR 1,037.7 million and foreign debt of EUR 8,640.4 million. The decrease in absolute terms was EUR 23.1 million on the previous month mainly due to foreign debt repayments (to the Paris Club and the IMF) and to a smaller degree due to changes in US dollar exchange rate against the euro.

By-end September the value of the key macroeconomic indicator identifying the *debt to GDP* ratio was 61.5%, down 0.1% on August. The value of this indicator measured by *domestic debt to GDP* ratio and the *foreign debt to GDP* ratio accounted for 6.6% and 54.9% respectively.

Domestic debt occupied 10.72% in debt structure and foreign debt – 89.28% (Chart 23). The share of domestic debt tends to increase, reflecting the policy intended to overcome the disequilibrium between domestic and foreign debts of Bulgaria. Therefore, a positive domestic financing and a negative foreign net financing were maintained.

Forex debt composition remained almost unchanged. By-end September the share of the debt in US dollars stayed relatively high, accounting for 51.6% (Chart 24). This circumstance was mainly due to repayments to the Paris Club and the IMF, as well as changes in US dollar exchange rate against the single European currency.

Debt to the London Club (Brady bonds) occupied the largest share in debt structure by type of creditor, 35.16%, followed by other bonds (global bonds used to replace a part of the Brady debt, and Eurobonds), 16.58%, debt to the IMF, 10.83%, and domestic debt (government securities), 10.71% (Chart 25). The analysis of debt structure does not indicate any substantial changes. The upward trend in the share of domestic debt issues is preserved.

By end-September debt interest structure reflected a decrease in the debt with floating interest (68.49%) over the debt with fixed interest 31.51% (Chart 26). Improvement in this proportion was also one of the priorities of pursued debt policy intended to minimize interest risk impact and to ensure acceptable interest rate burden for the state budget.

Since early 2002 payments effected on government and government guaranteed debt have totaled EUR 1,112.5 million, including domestic debt payments of EUR 278.7 million and foreign debt payments of EUR 833.9 million (Chart 27). Payments on the debt in September are EUR 58.2 million, of which those to the Paris club and the IMF comprise the most significant share; as to the domestic debt, the main repayments are on government securities issued for state budget financing.

By end-September payments in US dollars (EUR 330.5 million) and in levs (EUR 278.7 million) accounted for the biggest share in the forex composition of debt payments, followed by payments in SDR, the currency of the IMF (EUR 250.8 million) (Chart 28).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2001	2002			
		as of 31.III.	as of 30.VI.	as of 31.VII.	as of 30.IX.
Domestic debt	951.3	980.2	996.6	1 008.8	1 037.7
I. Government debt	947.9	977.4	994.6	1 006.9	1 036.2
1. Government securities issued for budget deficit financing	550.8	599.2	648.6	657.4	690.6
2. Government securities issued for structural reform	397.1	378.1	346.0	349.5	345.6
II. Government guaranteed debt	3.4	2.9	2.0	1.9	1.5
Foreign debt	9 672.9	9 656.3	8 653.9	8 711.8	8 640.4
I. Government debt	9 096.6	9 079.5	8 123.5	8 174.5	8 080.4
1. Bonds	5 650.0	5 686.6	5 030.4	5 038.2	5 007.3
2. Credits	3 446.6	3 392.9	3 093.1	3 136.4	3 073.1
- Government investment loans	240.3	237.6	225.1	223.4	229.3
- Called government guarantees	67.8	67.6	65.8	66.7	64.4
II. Government guaranteed debt	576.3	576.8	530.5	537.3	559.9
Debt, total	10 624.13	10 636.5	9 650.5	9 720.6	9 678.1
Debt/GDP, total (%)	70.2	67.6	61.3	61.8	61.6
- Domestic debt/GDP (%)	6.3	6.2	6.3	6.4	6.6
- Foreign debt/GDP (%)	63.9	61.4	55.0	55.4	54.9

Note: GDP projection for 2002: BGN 30,783 million.

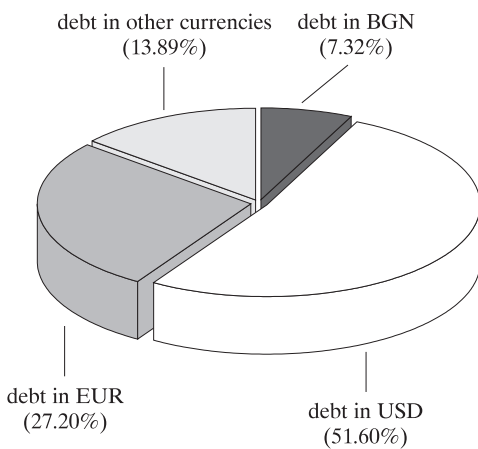
GDP real for 2001: BGN 29,618.1 million.

A misprint in *Debt/GDP, total* item for 2001 has been made in issue No. 8 of *Government Debt Management Bulletin*.

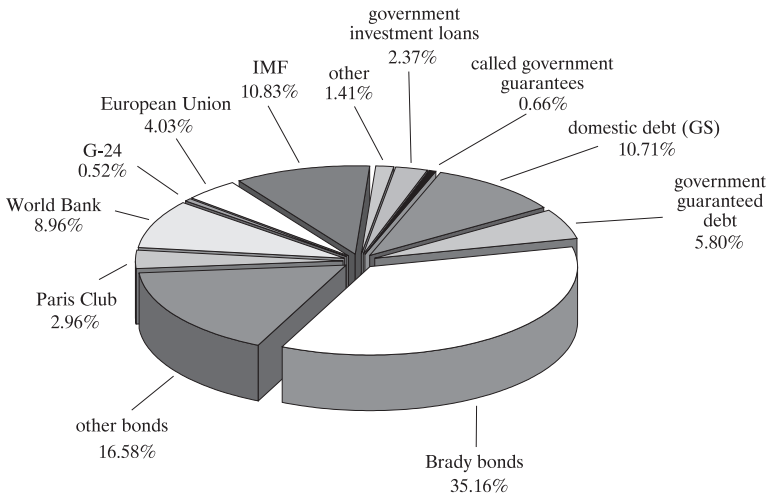
Debt Structure as of 30 September



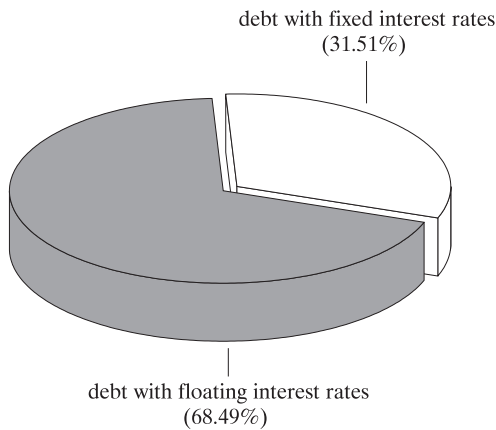
Debt Forex Structure as of 30 September



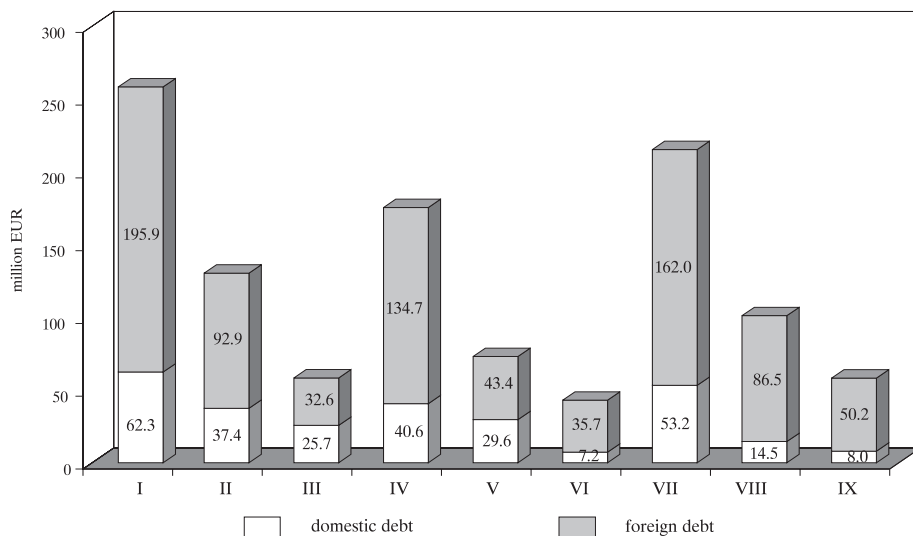
Debt Structure by Creditor as of 30 September



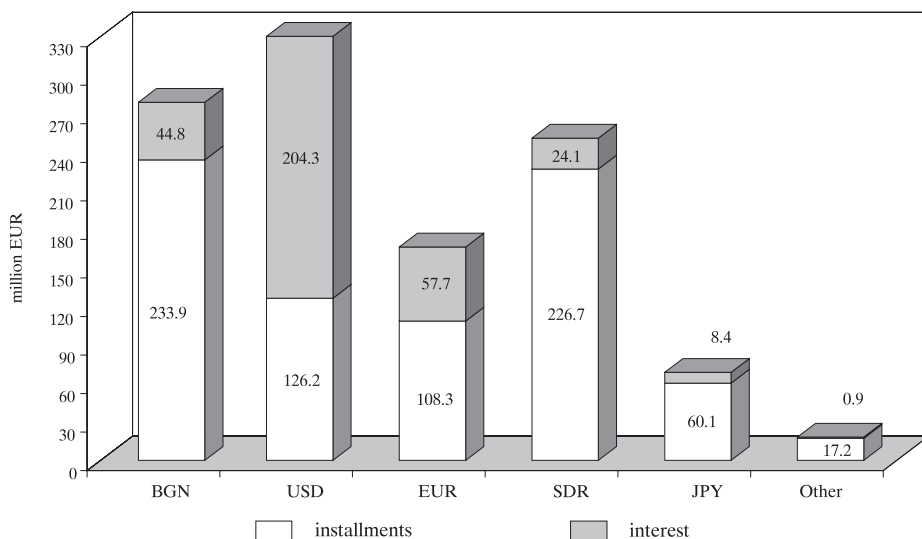
Debt Interest Structure as of 30 September



Government Debt Payments in 2002



Currency Structure of Government Debt Payments as of 30 September



Government Securities Issued in Domestic Market and Acquired by Nonresidents

Government securities type	2002										(thousand BGN)
	31.XII. 2001	31.I.	28.II.	31.III.	30.IV.	31.V.	30.VI.	31.VII.	31.VIII.		
Government securities issued for budget deficit financing	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Government securities issued for structural reform	97 100.3	93 473.4	93 329.9	87 262.9	86 618.9	85 820.3	84 818.9	78 335.9	78 288.0	78 335.9	78 288.0
- in USD	91 850.9	88 515.6	88 372.2	20 424.8	19 780.8	18 982.2	15 902.5	9 419.5	9 371.6	9 419.5	9 371.6
- in EUR	5 249.4	4 957.8	4 957.8	66 838.1	66 838.1	66 838.1	68 916.5	68 916.5	68 916.5	68 916.5	68 916.5
Total	97 100.4	93 473.5	93 330.0	87 263.0	86 619.0	85 820.4	84 819.04	78 336.0	78 288.1	78 336.0	78 288.1

Government Securities Issued in International Market and Acquired by Residents

Government securities type	2002										(million USD)
	31.XII. 2001	31.I.	28.II.	31.III.	30.IV.	31.V.	30.VI.	31.VII.	31.VIII.		
Brady bonds	14.3	15.4	18.1	22.4	14.0	19.4	26.9	32.6	30.2	32.6	30.2
Eurobonds	41.2	37.9	50.8	63.3	60.1	72.0	74.2	67.6	67.9	67.6	67.9
Global bonds	-	-	-	-	135.6	156.0	188.7	186.6	173.7	186.6	173.7
- in EUR	-	-	-	-	117.9	136.0	156.3	157.2	146.8	157.2	146.8
- in USD	-	-	-	-	17.7	20.0	32.3	29.4	26.9	29.4	26.9
Total	55.5	53.3	68.9	85.7	209.6	247.5	289.7	286.9	271.7	286.9	271.7