

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

OCTOBER 2003

CONTENTS

1	Budget Deficit Financing by Government Securities Issues	5
2	Domestic Debt Dynamics	27
3	Foreign Debt Dynamics	35
4	Government Debt Structure	39
5	Municipal Debt and Social Security Funds	45
6	Consolidated Debt	47

Abbreviations

BGN	–	<i>The abbreviation of the Redenominated Bulgarian Lev</i>
BIR	–	<i>Base Interest Rate</i>
BNB	–	<i>Bulgarian National Bank</i>
CB	–	<i>Commercial Banks</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
EIB	–	<i>Economic and Investment Bank</i>
GDP	–	<i>Gross Domestic Product</i>
GS	–	<i>Government Securities</i>
IMF	–	<i>International Monetary Fund</i>
JBIC	–	<i>Japan Bank for International Cooperation</i>
LBNB	–	<i>Law on the Bulgarian National Bank</i>
LSPDACB	–	<i>Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings</i>
MF	–	<i>Ministry of Finance</i>
SBL of RB	–	<i>State Budget Law of the Republic of Bulgaria</i>
SDR	–	<i>Special Drawing Rights</i>
TFP	–	<i>Transitional and Final Provisions</i>
UBB	–	<i>United Bulgarian Bank</i>
ZUNK	–	<i>Bulgarian abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)</i>

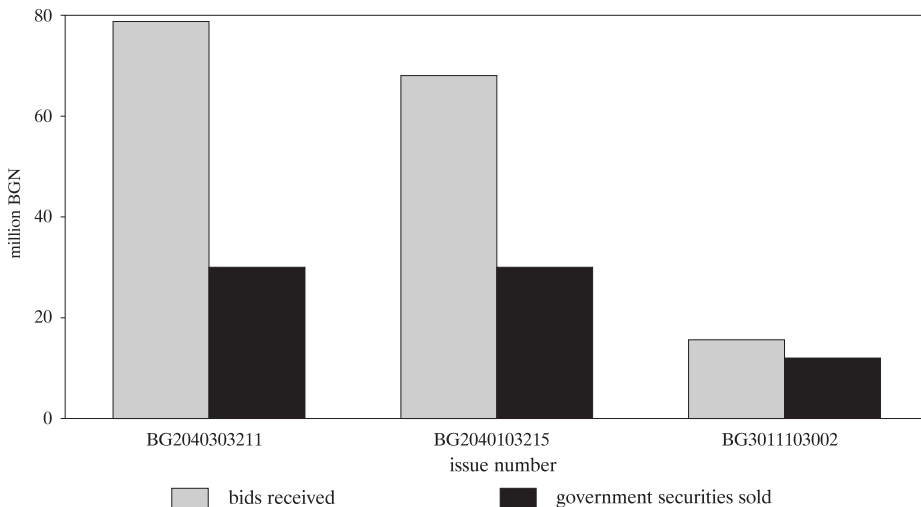
BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In October the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3011103002) and two long-term (one seven-year, No. BG2040103215, and one ten-year, No. BG2040303211) treasury bonds issues (No. BG2040103215). Issued bonds involved tap treasury bonds opened again in October.

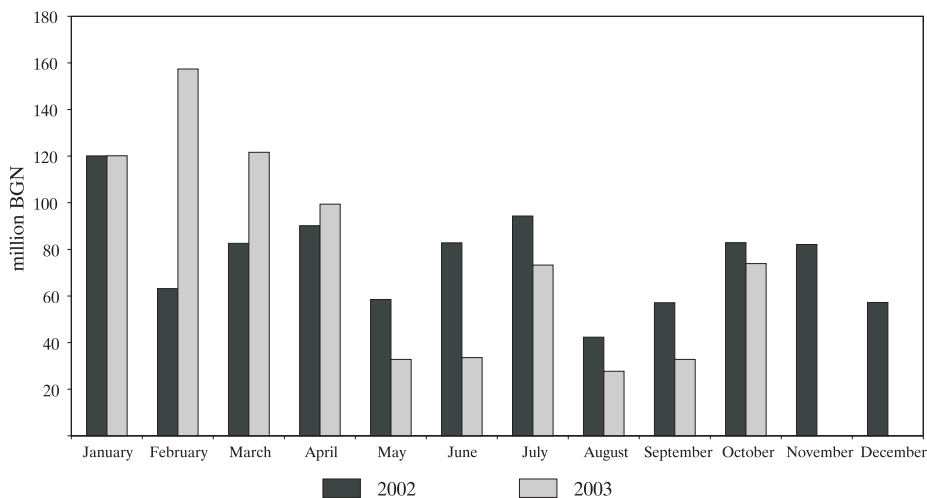
At the auctions primary dealers' bids totaled BGN 162,403 thousand: BGN 15,620 thousand for three-month government securities, BGN 68,030 thousand for seven-year and BGN 78,753 thousand for ten-year (Chart 1). Approved bids totaled BGN 72,000 thousand nominal value, including three-month of BGN 12,000 thousand, seven-year of BGN 30,000 thousand and ten-year of BGN 30,000 (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in October accounted for 2.26: 1.3 on three-month, 2.27 on seven-year and 2.63 on ten-year government securities (Chart 4). Reported excess of demand over supply was a result of stable interest in government securities investment. Government securities issued in October decreased by BGN 8.96 million on a year earlier basis (Chart 2).

Chart 1

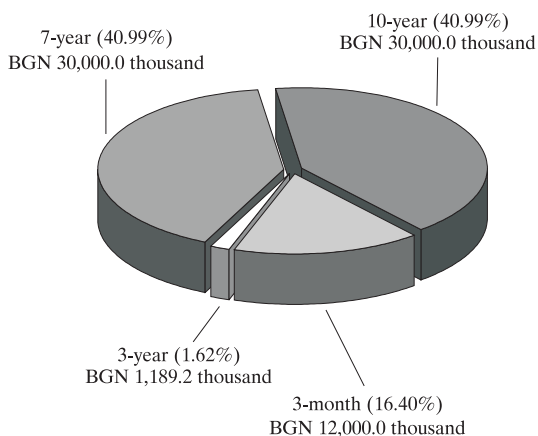
Government Securities Issue in October



Sales of Government Securities Issues

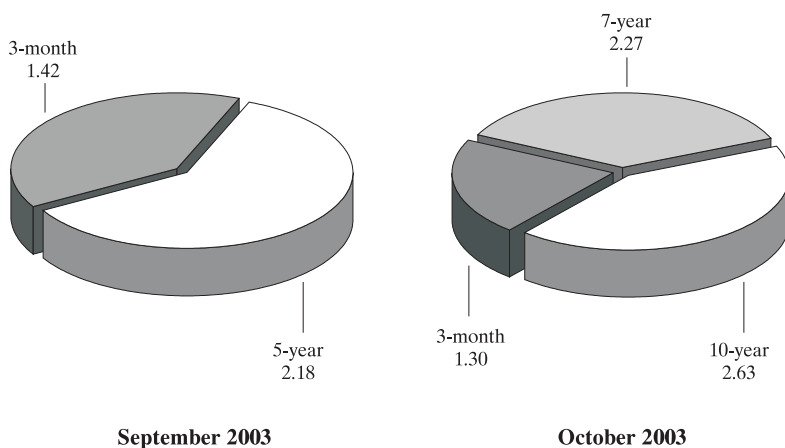


Structure and Volume of Government Securities Issued for Budget Deficit Financing in October



Note: Including target issues of government securities.

Bid-to Cover Ratios of Issues Sold*



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

In the review period the yield of three-month government securities attained in the primary market was 2.6%. The yield of seven-year government securities decreased from 5.54% (at their previous opening) to 5.48%. The yield of ten-year bonds increased to 6.06% (Charts 5, 6 and 8).

Three government securities issues matured in October: one 2000 issue (BG2031000115), one 2001 issue (BG 2030601111) and one 2003 issue (BG3010803008).

In the reporting period three issues of three-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 819 of 1 October 2003, issue No. 820 of 15 October 2003 and issue 821 of 29 October 2003. Issue No. 819 totaled BGN 624.3 thousand nominal value, issue No. 820 amounted to BGN 564.8 thousand nominal value and issue No. 821 is still in circulation (Chart 11). Two 2001 issues, totaling BGN 803.7 thousand, matured in October. During the period under review reverse purchases accounted for BGN 377.6 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

SEPTEMBER 2003

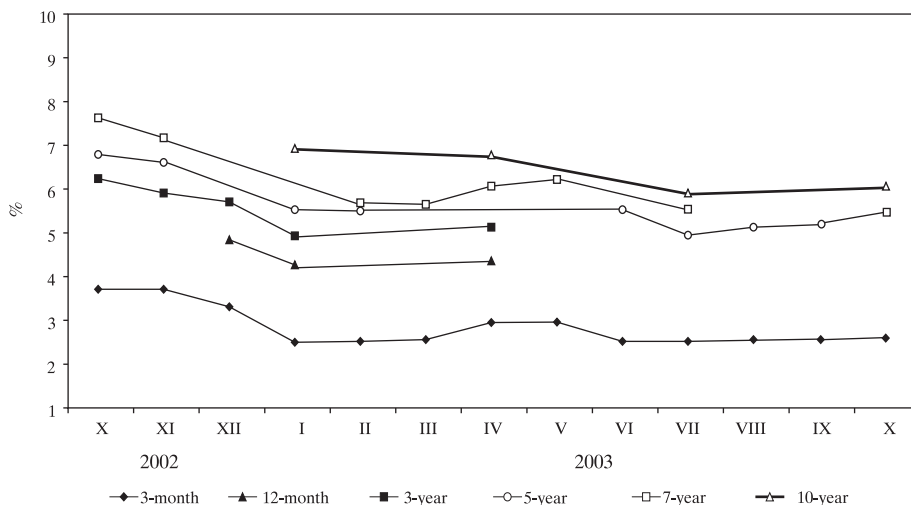
	3-month	5-year
	BG3011003004	BG2030203116
Minimum	99.30	97.97
Average-weighted	99.35	98.25
Maximum	99.38	99.10

OCTOBER 2003

	3-month	7-year	10-year
	BG3011103002	BG2040103215	BG2040303211
Minimum	99.28	101.77	97.30
Average-weighted	99.34	102.27	97.71
Maximum	99.37	103.03	98.99

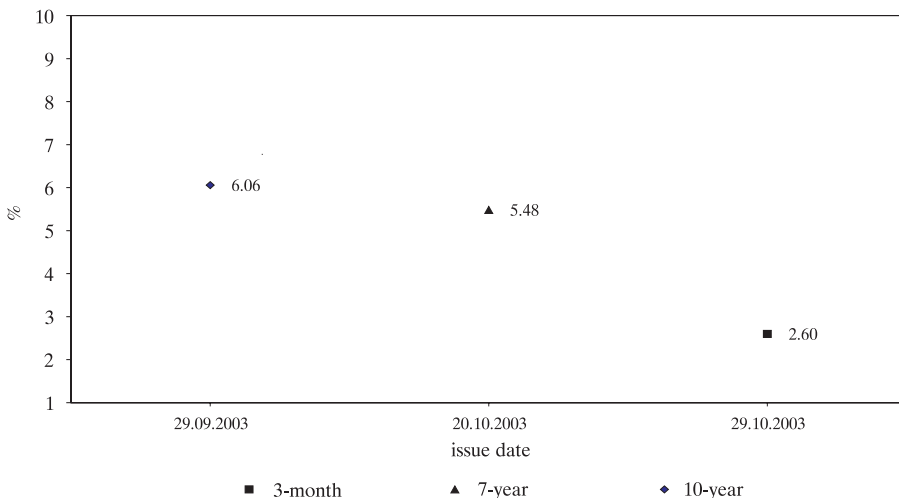
Chart 5

Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.

Dynamics of the Average Annual Yield of Primary Market Government Securities



Note: Seven- and ten-year tap government securities issues; the above dates indicate the auction dates.

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

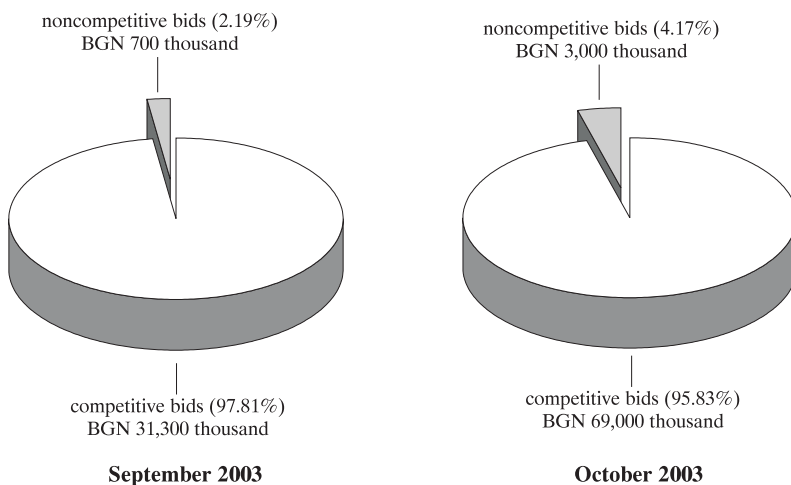
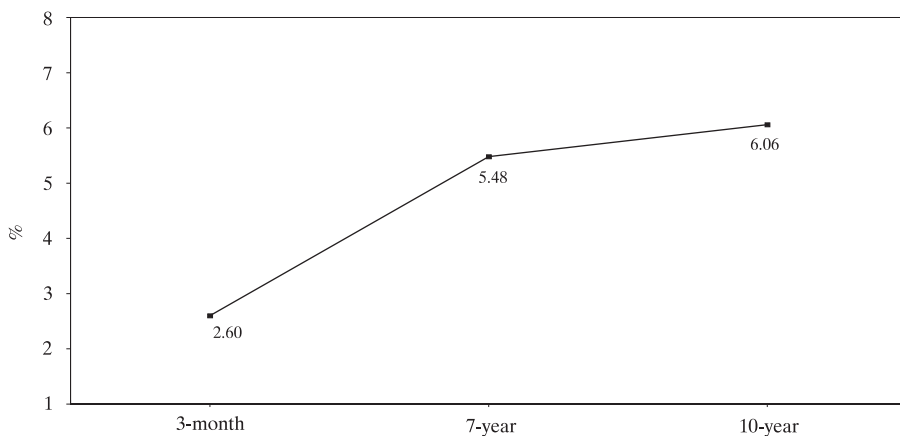


Chart 8

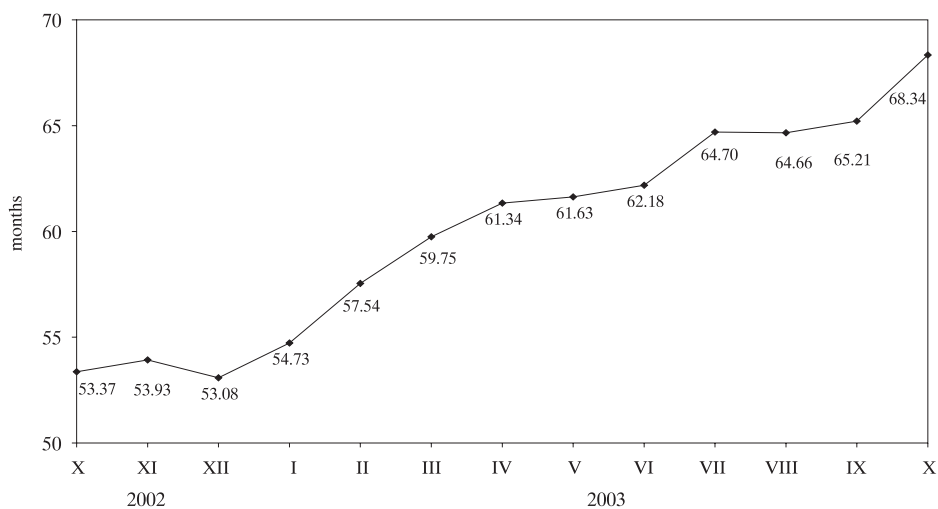
Yield Curve of Primary Market Government Securities in October



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

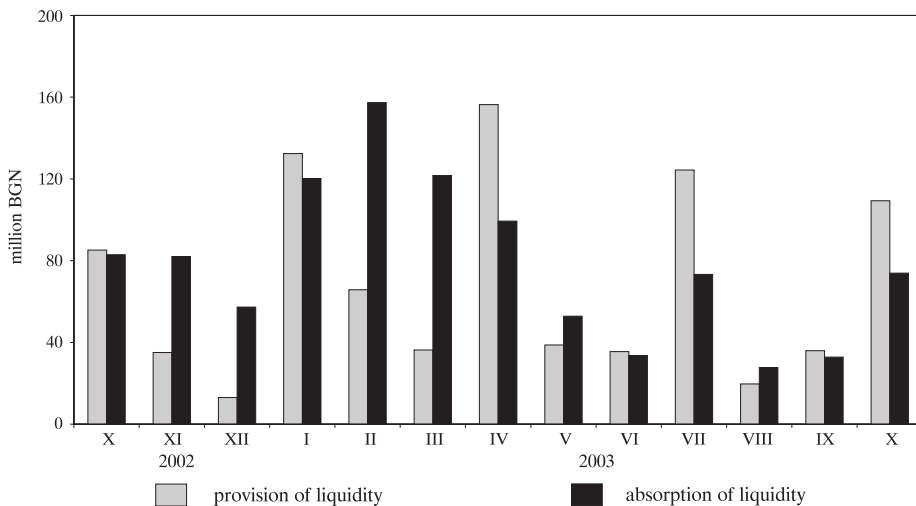
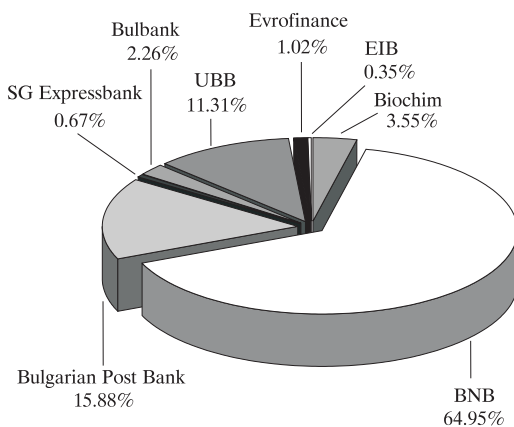
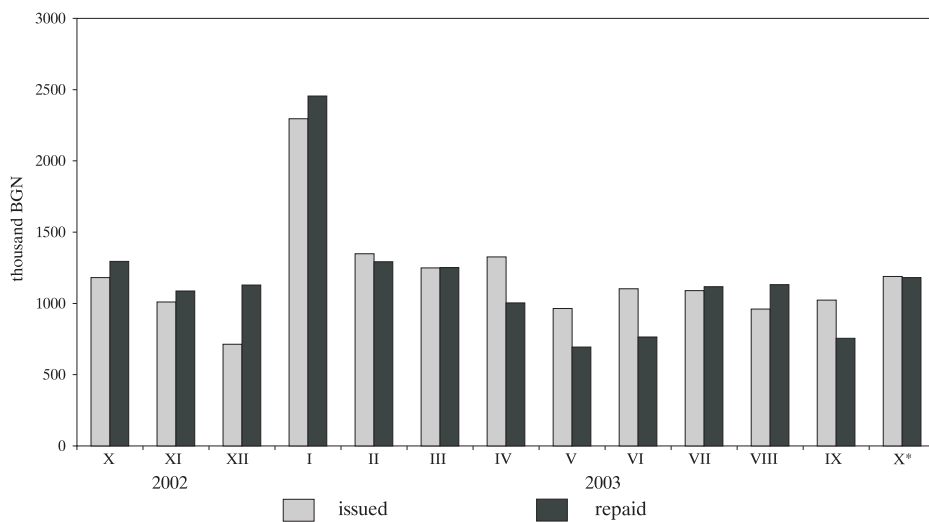


Chart 11

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



Issued and Repaid Government Securities from Target Issues



* Excluding issue No. 821 of 29 October 2003 from government securities issued in October.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3011502005	BG3010003005	BG3010403007	BG3010903006	BG3011003004	BG3011103002
Issue date	18.12.2002	16.01.2003	09.04.2003	27.08.2003	24.09.2003	29.10.2003
Maturity date	18.12.2003	16.01.2004	09.04.2004	27.11.2003	24.12.2003	29.01.2004
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	25 010.00	17 020.00	15 620.00
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	99.35	99.35	99.34
Average discount per BGN 100 (%)	4.68	4.15	4.24	0.65	0.65	0.66
Average annual yield (%)	4.91	4.27	4.36	2.56	2.59	2.60
Effective annual yield (%)	4.84	4.27	4.35	2.58	2.61	2.63
Bid-to-cover ratio	2.64	3.88	2.58	2.08	1.42	1.30

Treasury Bonds

Issue No.	BG2030699115	BG2030999119	First opening	BG2030900117 ³ Second opening	Third opening	Total for the issue***	First opening	BG2030101112 ³ Second opening	Third opening	Total for the issue***
Auction date			09.10.2000	06.11.2000	11.12.2000		22.01.2001	26.02.2001	26.03.2001	
Issue date	31.03.1999	29.04.1999	11.10.2000	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	24.03.2004	22.04.2004	05.10.2005	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	2 000.00	3 000.00	10 000.00	15 000.00	15 000.00	40 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	46 780.00	35 511.11	31 074.00	113 365.10	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	15 000.00	15 000.00	28 755.89	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	86.35	78.37	98.78	99.63	99.87	99.51	101.65	104.60	106.40	104.22
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	1.40	0.40	4.68	2.37	2.07	2.83	4.80	4.36	3.52	4.23
Average annual yield (%)	12.79	15.37	9.31	9.09	9.03	9.12	8.59	7.87	7.44	7.96

(continued)

(continued)

Issue No.	BG2030301118 ²			BG2030501113 ²			Total for the issue
	First opening	Second opening	Third opening	Total for the issue***	First opening	Second opening	
Auction date	23.04.2001	21.05.2001	25.06.2001		23.07.2001	20.08.2001	24.09.2001
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	55 846.00	60 050.00	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90

(continued)

(continued)

Issue No.	BG2030701119 ³			BG2040001211 ⁴			
	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
Bid-to-cover ratio	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.	First opening	BG2030002112² Second opening	Third opening	Fourth opening	Total for the issue	First opening	BG2040002219⁴ 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
Bid-to-cover ratio	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	BG2040102217³ Second opening	Third opening	Total for the issue	First opening	BG2030102110⁴ 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
Bid-to-cover ratio	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 ²				BG2030202118 ²				Total for the issue	Fourth opening	Total for the issue
	First opening	Second opening	Third opening	Fourth opening	First opening	Second opening	Third opening	Fourth opening			
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	08.07.2002	12.08.2002	07.10.2002	11.11.2002			
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002			
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007	10.07.2007			
Nominal value of the offer (thousand BGN)	15 000.00	25 000.00	25 000.00	25 000.00	25 000.00	20 000.00	25 000.00	20 000.00			
Total nominal value of the bids received (thousand BGN)	72 080.00	59 589.60	42 338.50	28 859.30	38 080.00	19 100.00	49 950.00	67 184.70			
Total nominal value of the bids approved (thousand BGN)	15 000.00	25 000.00	25 000.00	19 920.00	25 000.00	14 750.00	25 000.00	20 000.00			
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	99.81	98.45	98.78	99.52			
Interest rate	7.50	7.50	7.50	7.50	6.50	6.50	6.50	6.50			
Bid-to-cover ratio	4.81	2.38	1.69	1.15	1.52	0.96	2.00	3.36			
Average annual yield (%)	7.77	7.97	8.10	8.44	6.55	6.87	6.79	6.61			

(continued)

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
			BG2040302213²				BG2030302116³		
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	17.07.2002	29.07.2002	28.10.2002	25.11.2002	31.07.2002
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	17.07.2009	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
Bid-to-cover ratio	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 ⁴		BG2040003217 ⁴		BG20300003110 ³			Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening		
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	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	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	30 000.00	20 000.00	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	94 289.80	56 355.00	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	30 000.00	20 000.00	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	104.08	105.18	100.42	100.55	100.40	100.46
Interest rate	6.00	6.00	7.50	7.50	5.625	5.625	5.625	5.625
Bid-to-cover ratio	1.35	2.67	3.14	2.82	2.92	2.04	2.47	2.51
Average annual yield (%)	6.32	5.71	6.93	6.78	5.53	5.50	5.53	5.52

(continued)

(continued)

Issue No.	BG2030103118 ⁴		BG2040103215 ¹					Total for the issue	Total for the issue
	First opening	Second opening	First opening	Second opening	Third opening	Fourth opening	Fifth opening		
Auction date	20.01.2003	21.04.2003	03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003		
Issue date	22.01.2003	22.01.2003	05.02.2003	05.02.2003	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	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	30 000.00	105 000.00	105 000.00
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	68 030.00	276 590.00	276 590.00
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	30 000.00	105 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	101.57	101.01	100.42	98.90	98.06	101.92	102.27	100.42	100.42
Interest rate	5.50	5.50	5.875	5.875	5.875	5.875	5.875	5.875	5.875
Bid-to-cover ratio	2.51	1.71	3.89	2.48	1.74	3.08	2.27	2.63	2.63
Average annual yield (%)	4.93	5.13	5.80	6.07	6.22	5.54	5.48	5.80	5.80

(continued)

(continued)

Issue No.	BG2040203213***			BG2040303211 ⁴			BG2030203116 ³			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	
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
Bid-to-cover ratio	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 five auctions organized for sale of this issue.

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

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

⁴ 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.

Deposit Insurance 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	466.10	1518.62	2069.96
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 lev deposit insurance 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 deposit insurance government securities service.

Principals of deposit insurance government securities are based on actual data as of 31 October 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 6,459.39	USD 167,735.18	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 31 October 2003.

Pending Payments on Government Securities in December 2003

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3	4	5
target issues CMD No. 3	66.4			16.1	672.4
	8	9	10	11	12
target issues bonds				13.2	
	15	16	17	18	19
bills target issues				20 000.0	21.6
	22	23	24	25	26
bills target issues			12 000.0	17.1	
	29	30	31		
bills target issues					

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

Auction Calendar of Government Securities Issues for December 2003

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
01.12.2003*	09.07.2003	09.07.2008	5-year	20 000 000	100 000 000
22.12.2003	23.12.2003	23.03.2004	3-month	12 000 000	
TOTAL, incl.:				32 000 000	
bills				12 000 000	
bonds				20 000 000	

* Tap issue.

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

By end-October 2003 domestic debt totaled BGN 2,193,610.3 thousand. The share of budget deficit financing government securities was 74.5% in overall debt and that of government securities issued for structural reform, 25.5% (Chart 13).

By end-October government securities issued for budget deficit financing accounted for BGN 1,633,173.2 thousand. Issued government securities totaled BGN 763,090.5 thousand, including BGN 12,549.4 thousand sold directly to individuals. Securities repaid in October accounted for BGN 592,187.3 thousand, including short-term treasury bills of BGN 176,126.4 thousand. As a result of effected operations, the maturity structure of government securities issued for budget deficit financing changed: the share of seven-year and ten-year bonds increased to 35.3% and 11.1% respectively (compared to 33% for seven-year and 9.2% for ten-year bonds in September) at the expense of the share of two- and three-year bonds which decreased to 1% and 14.5% respectively. The share of all other types of government securities slightly increased (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached five years and eight months. By end-October government securities issued for structural reform reached BGN 560,437.1 thousand. In the review period USD-denominated ZUNK bonds of USD 62,143.2 thousand were used for repayment of obligations to the state under ZUNK. Lev-denominated ZUNK bonds of BGN 430.6 thousand were repaid, as well as EUR 104.6 thousand paid under ZUNK from issue No. 400 of 1999.

Debt movements in October led to a change in debt forex structure (Chart 15). The share of government securities in US dollars and euro increased to 12.9% and 21.2% respectively at the expense of government securities denominated in levs which fell to 66%. Debt maturity structure also changed. Short-term and long-term government securities increased to 4.3% and 60.1% respectively at the expense of medium-term securities which decreased to 35.7% (Chart 16). Government securities with fixed interest coupons comprised 74.5% and government securities with floating interest coupons 25.5%.

Since early-2003 repaid interest and discounts have totaled BGN 114,885.2 thousand. Interest and discounts on government securities for budget deficit financing of BGN 99,369.9 thousand, or 86.5% of overall repaid interest and discounts, were repaid in October (Chart 19). Expenditure on five-year government bonds occupied the largest share, 40.9%, followed by three-year bonds, 20%, and seven-year bonds, 17%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 31 Oct. 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		151 653.8	28 065.6
3-year	139 929.7		139 929.7	0.0
5-year	39 789.7		11 724.1	28 065.6
4. Government securities issued in 2001	480 853.1		258 625.3	222 227.8
4.1. Medium-term	451 915.5		258 625.3	193 290.2
2-year	211 958.6		209 954.2	2 004.4
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		94 152.6	700 794.3
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		1 468.2	362 379.3
2-year	15 709.9		1 468.2	14 241.6
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	-	763 090.5	83 664.7	679 425.9
6.1. Short-term	-	157 530.7	83 442.0	74 088.7
3-month	-	119 207.5	83 442.0	35 765.5
12-month	-	38 323.2	-	38 323.2
6.2. Medium-term	-	196 728.3	222.7	196 505.6
3-year	-	62 549.4	222.7	62 326.7
5-year	-	134 178.9	-	134 178.9
6.3. Long-term	-	408 831.6	-	408 831.6
7-year	-	309 753.6	-	309 753.6
EUR-denominated (lev equivalent)	-	205 362.2	-	205 362.2
10-year	-	99 078.0	-	99 078.0
TOTAL (I)	1 462 270.1	763 090.5	592 187.3	1 633 173.2
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 31 Oct. 2003
		increase	decrease	
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 890.0		430.6	6 459.4
denominated in USD	195 836.5		28 101.3	167 735.2
lev equivalent	369 143.9			282 276.5
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			552 156.4
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	18 437.3			8 280.7
Government securities issued in 1996	1 876.0		1 876.0	-
Government securities issued in 1997	16 561.3		8 280.7	8 280.7
TOTAL (B)	18 437.3			8 280.7
TOTAL (II)	647 600.8			560 437.1
GOVERNMENT DEBT, TOTAL	2 109 870.8			2 193 610.3
III. DOMESTIC GOVERNMENT GUARANTEES	1 881.2			-
DOMESTIC DEBT, TOTAL	2 111 752.0			2 193 610.3

Notes:

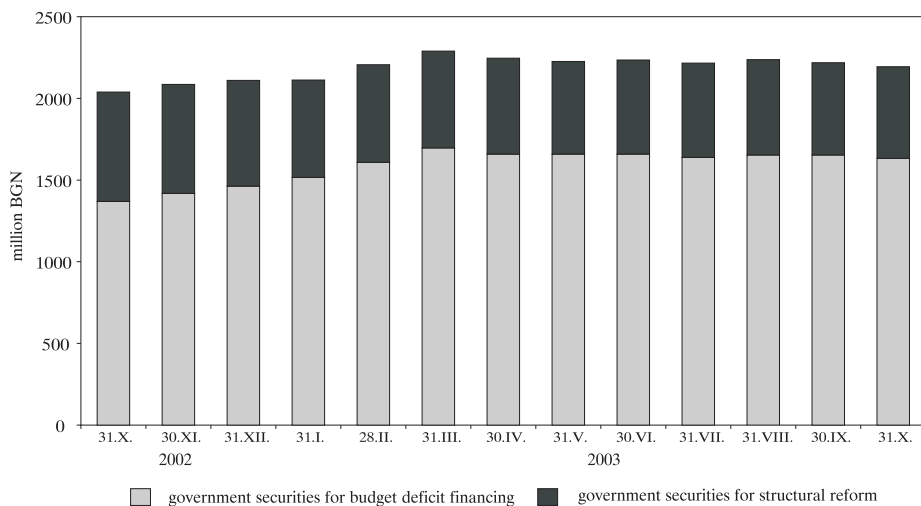
Domestic debt based on cash flows.

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.

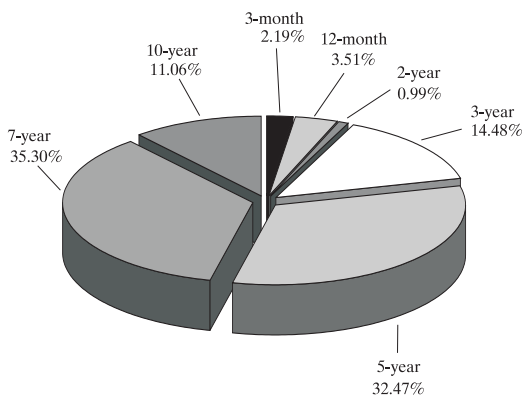
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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 respective period.

Changes in Domestic Government Debt



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



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

Forex Composition of Outstanding Government Securities as of 31 October

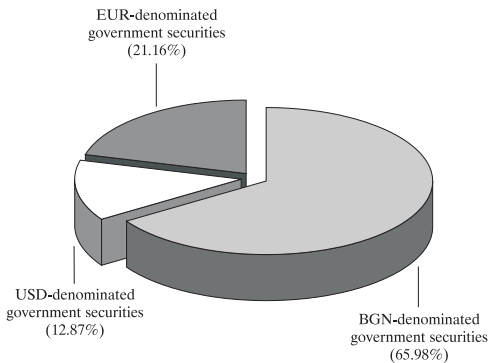


Chart 16

Maturity Structure of Outstanding Government Securities as of 31 October

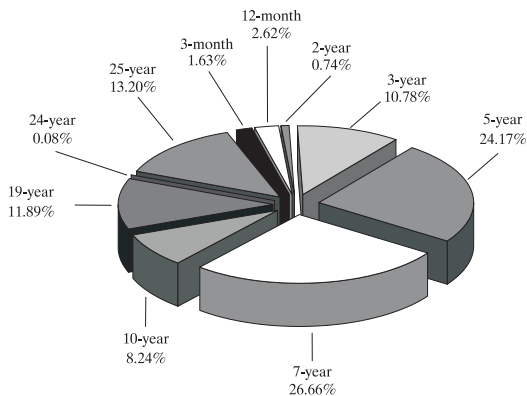
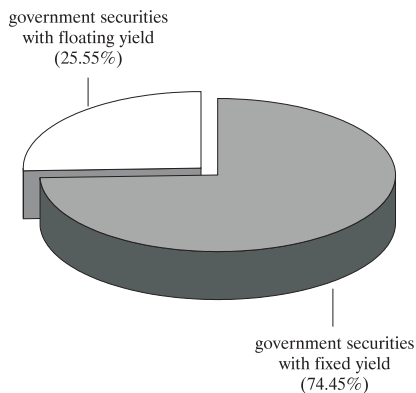


Chart 17

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



Expenditure on Domestic Debt between 1 January and 31 October 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	286.3
5-year	286.3
3. Government securities issued in 2000	12 337.6
3.1. Medium-term	12 337.6
3-year	8 148.1
5-year	4 189.5
4. Government securities issued in 2001	34 039.0
4.1. Medium-term*	34 039.0
2-year	9 831.7
5-year	21 957.3
7-year	2 250.0
5. Government securities issued in 2002	46 864.1
5.1. Short-term	3 315.6
3-month	323.2
12-month	2 992.5
5.2. Medium-term	23 164.1
2-year	797.3
3-year	10 558.0
5-year	11 808.8
5.3. Long-term	20 384.4
7-year	14 024.1
10-year	6 360.3
6. Government securities issued in 2003	4 744.3
6.1. Short-term	558.0
3-month	558.0
6.2. Medium-term	1 192.4
3-year	1 192.4
6.3. Long-term	2 993.9
5-year	1 334.5
7-year	574.8
EUR-denominated (lev equivalent)	-301.2
10-year	1 084.6
TOTAL (I)	99 369.9

(continued)

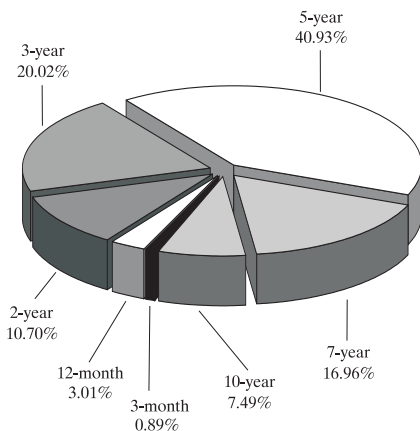
(continued)

(thousand BGN)

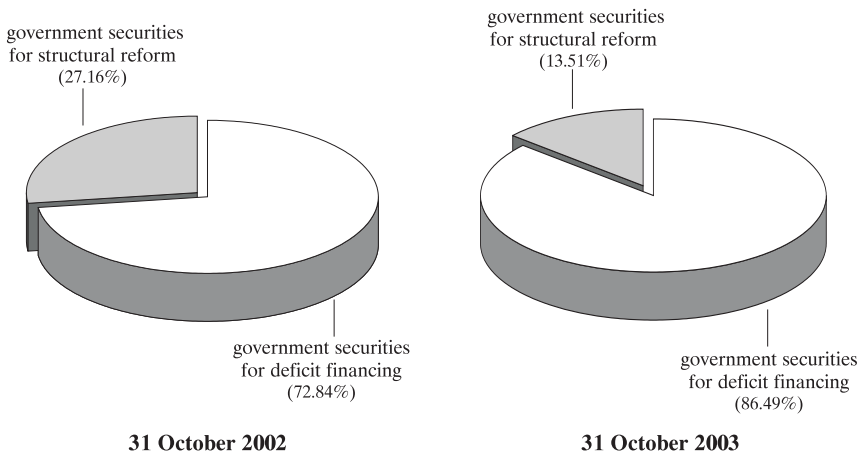
Structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	99.3
2. Bonds issued pursuant to CM Decree No. 186 of 1992	61.4
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	14 836.4
lev bonds	241.2
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)	14 997.2
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	518.1
Total (B)	518.1
TOTAL (II)	15 515.3
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	114 885.2
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	114 885.2

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

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



Structure of Expenditure on Domestic Debt



By end-October foreign debt totaled EUR 7,642.1 million. Government debt accounted for EUR 7,242.5 million and government guaranteed debt amounted to EUR 399.5 million.

In October new foreign financing amounted to BGN 3,595.6 thousand. Payments on the debt totaled BGN 34,369.9 thousand, of which BGN 32,145.3 thousand principal repayments and BGN 1,953.6 thousand interest. Predominant among them were repayments to the IMF (BGN 23,090 thousand) and on government investment loans (BGN 6,659.5 thousand). Interest was repaid mainly on government investment loans (BGN 1,342.6 thousand) and on government guaranteed loans (BGN 611.1 thousand).

Since early-2003 received loans have totaled BGN 772,697 thousand, of which BGN 295,721.5 thousand receipts from the World Bank, BGN 256,649.9 thousand from the IMF and BGN 114,061.8 thousand on government investment loans. Payments on the debt have amounted to BGN 1,325,154.9 thousand, including BGN 721,515.2 principal repayments. The largest amounts were repaid on Brady bonds (BGN 178,820.1 thousand), to the IMF (BGN 127,482.7 thousand), to the Paris Club (BGN 121,589.3 thousand), on government guaranteed loans (BGN 77,032.4 thousand) and to the World Bank (BGN 61,401.6 thousand). By end-October net foreign financing totaled BGN 51,181.8 thousand.

Foreign debt structure underwent certain changes as a result of effected operations. Debt denominated in euro amounted to 34% and debt denominated in US dollars and other currencies comprised 49.9% and 16.1% respectively. A slight change was 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 with an increased share of the debt from five to ten years.

The percentage share of the debt on other bonds amounted to 27.7% and on Brady bonds to 26.9%. The share of the debt to the IMF slightly decreased and comprised 13%. Obligations to the World Bank occupied 11.9%, to the Paris Club, 2.9%, 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.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
Government debt	7 623.6	7 425.9	7 367.2	7 239.7	7 242.5
I. Bonds	4 646.4	4 428.6	4 271.5	4 165.8	4 173.8
1. Brady bonds	2 398.7	2 237.8	2 133.6	2 048.8	2 054.1
2. Other bonds	2 247.7	2 190.8	2 137.9	2 117.0	2 119.8
II. Credits	2 977.3	2 997.3	3 095.7	3 073.9	3 068.7
1. Paris Club	284.5	242.2	240.3	220.0 *	220.3
2. World Bank	836.1	798.4	917.5	904.3	907.0
2.1. World Bank	716.9	687.2	814.1	797.8	798.7
2.2. JBIC (JEXIM)	119.2	111.2	103.3	106.5	108.2
3. G24	48.9	47.9	43.9	43.5	43.7
4. European Union	390.0	390.0	390.0	350.0	350.0
5. IMF	990.9	971.0	949.2	1 003.2	995.3
6. Other	129.2	129.2	127.8	127.8	127.8
7. Government investment loans	236.7	361.2	371.6	372.2	371.7
7.1. World Bank	69.0	72.4	76.9	79.1	81.0
7.2. European Investment Bank	122.5	186.5	191.0	190.8	187.7
7.3. EBRD	26.2	40.0	38.2	34.0	34.1
7.4. Other	19.0	62.4	65.4	68.2 *	68.9
8. Called government guarantees	61.0	57.4	55.5	53.0	53.0
8.1. World Bank	48.5	45.7	44.4	42.2	42.3
8.2. European Investment Bank	2.6	2.3	2.2	1.9	1.9
8.3. Other	9.9	9.4	9.0	8.8	8.8
Government guaranteed debt	530.5	388.2	397.7	399.7	399.5
1. World Bank	137.1	128.6	122.3	117.3	117.5
2. European Investment Bank	115.8	47.5	47.5	44.7	44.7
3. EBRD	60.7	41.1	38.5	41.8 *	40.5
4. Other	216.8	170.9	189.3	196.0 *	196.9
FOREIGN DEBT, TOTAL	8 154.1	7 814.1	7 764.9	7 639.4	7 642.1
FOREIGN DEBT, TOTAL (million USD)	8 460.6	8 513.4	8 872.9	8 901.4	8 881.6

Notes:

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

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 October

(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	665 365.9	644 482.8	578 111.9
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	665 365.9	465 662.6	143 343.0
1. Paris Club	-	121 589.3	19 828.8
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	127 482.7	31 672.0
6. Other	-	-	2 103.8
7. Government investment loans	114 061.8	62 959.9	29 713.8
7.1. World Bank	27 386.7	2 697.5	3 129.3
7.2. European Investment Bank	64 906.3	44 510.5	20 842.4
7.3. EBRD	59.4	15 752.0	3 462.2
7.4. Other	21 709.4	-	2 279.9
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	107 331.1	77 032.4	25 527.8
1. World Bank	-	16 197.0	9 162.4
2. European Investment Bank	3 911.7	11 297.3	5 041.2
3. EBRD	12 898.0	9 107.4	1 971.5
4. Other	90 521.4	40 430.7	9 352.7
TOTAL	772 697.0	721 515.2	603 639.7

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 31 October

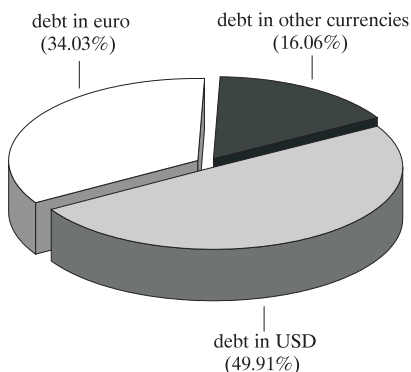


Chart 21

Interest Rate Structure of the Foreign Debt as of 31 October

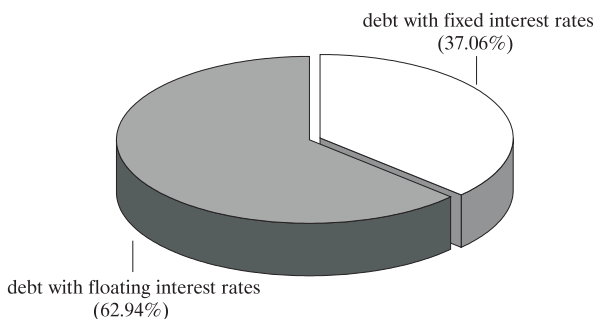
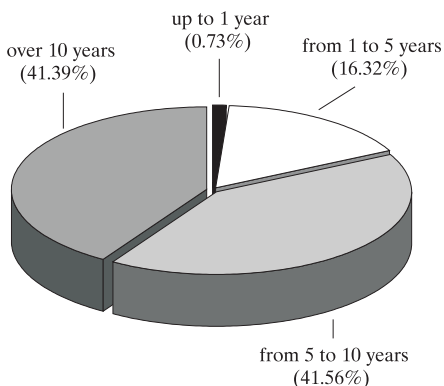


Chart 22

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



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

By end-October government and government guaranteed debt totaled EUR 8,763.6 million, including domestic debt of EUR 1,121.6 million and foreign debt of EUR 7,642.1 million. The decrease in absolute terms was EUR 9.9 million on the previous month mainly due to received foreign financing on government investment loans and USD/EUR exchange rate fluctuations.

By end-October value of the key macroeconomic indicator identifying the *debt to GDP ratio* was 48.6%, down 0.1% on September 2003. The value of this indicator measured by the *domestic debt to GDP* ratio and the *foreign debt to GDP* ratio accounted for 6.2% and 42.4% respectively.

Domestic debt occupied 12.8% in debt structure and foreign debt 87.2% (Chart 23). A slight decrease in the share of domestic debt by 0.1 basis points occurred at the expense of the foreign debt.

Forex debt composition underwent certain changes on the previous month. By end-October the share of the debt in US dollars stayed relatively high, amounting to 45.2%. In the review period debt in euro reached 32.4%, while debt in levs and other currencies decreased to 8.44% and 14% respectively (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, 24.2%, followed by the London Club (Brady bonds), 23.4%, domestic debt (government securities), 12.8%, debt to the IMF, 11.4%, and debt to the World Bank, 10.4% (Chart 25).

By end-October debt interest structure reflected slight fluctuations of the debt with fixed interest (41.9%) while the debt with floating interest comprised 58.1% (Chart 26).

Since early 2003 payments effected on government and government guaranteed debt have totaled BGN 2,079.5 million, including domestic debt payments of BGN 754.3 million and foreign debt payments of BGN 1,325.2 million (Chart 27). In October 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 involved government securities issued for budget deficit financing.

By end-October payments in levs (BGN 754.3 million) accounted for the biggest share in the forex composition of debt payments, followed by payments in US dollars (recalculated in levs: BGN 569.1 million) and in euro (BGN 365.1 million, Chart 28).

Government and Government Guaranteed Debt

(million EUR)

Structure	as of 31.XII. 2002	2003			
		as of 31.III.	as of 30.VI.	as of 30.IX.	as of 31.X.
Domestic debt	1 079.7	1 172.1	1 142.5	1 134.1	1 121.6
I. Government debt	1 078.8	1 171.5	1 142.5	1 134.1	1 121.6
1. Government securities issued for budget deficit financing	747.6	868.0	848.1	845.6	835.0
2. Government securities issued for structural reform	331.1	303.4	294.4	288.5	286.5
II. Government guaranteed debt	1.0	0.6	0.0	0.0	0.0
Foreign debt	8 154.1	7 814.0	7 764.9	7 639.4	7 642.1
I. Government debt	7 623.6	7 425.8	7 367.2	7 239.7	7 242.5
1. Bonds	4 646.4	4 428.6	4 271.5	4 165.8	4 173.8
2. Credits	2 977.3	2 997.2	3 095.7	3 073.9 *	3 068.7
Government investment loans	236.7	361.2	371.6	372.2 *	371.7
Called government guarantees	61.0	57.4	55.5	53.0	53.0
II. Government guaranteed debt	530.5	388.2	397.7	399.7 *	399.5
Debt, total	9 233.8	8 986.1	8 907.4	8 773.5	8 763.6
Debt/GDP (%)	55.6	49.8	49.4	48.7	48.6
Domestic debt/GDP (%)	6.5	6.5	6.3	6.3	6.2
Foreign debt/GDP (%)	49.1	43.3	43.0	42.4	42.4

Notes:

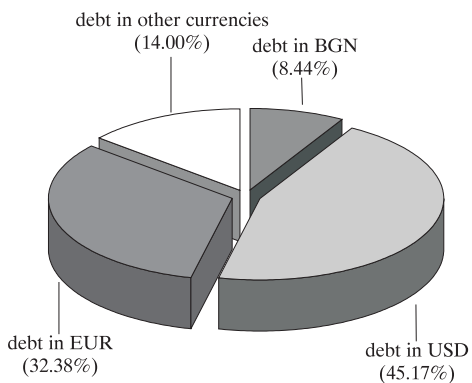
1. Debt based on cash flows. Foreign debt based on cash flows as of 1 January 2003.
2. Revised GDP projection for 2003: BGN 35,285.5 million. GDP for 2002: BGN 32,466 million.
3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on 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 October 2003.

* Revised data.

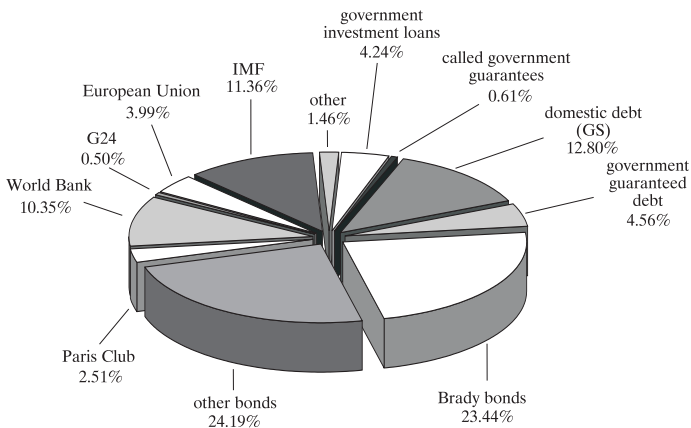
Debt Structure as of 31 October



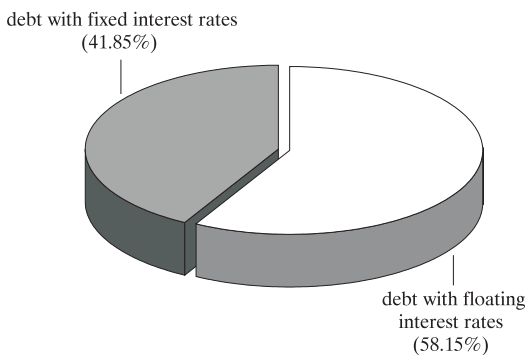
Debt Forex Structure as of 31 October



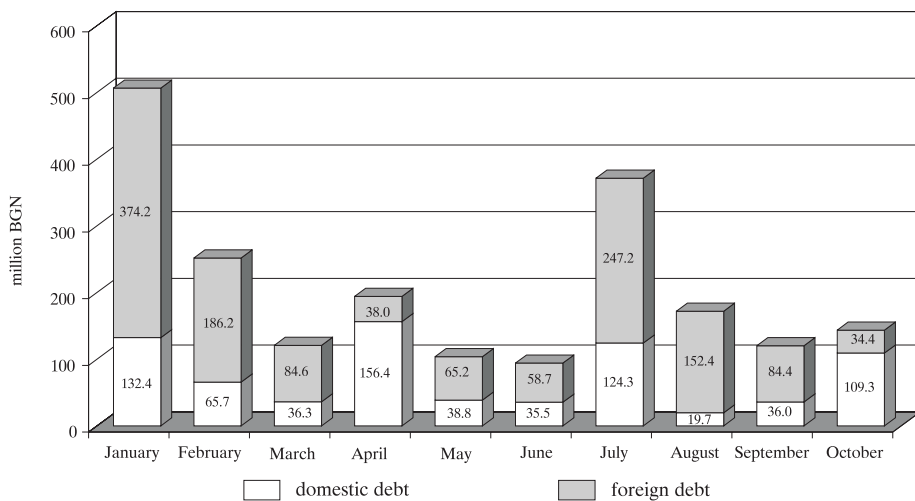
Debt Structure by Creditor as of 31 October



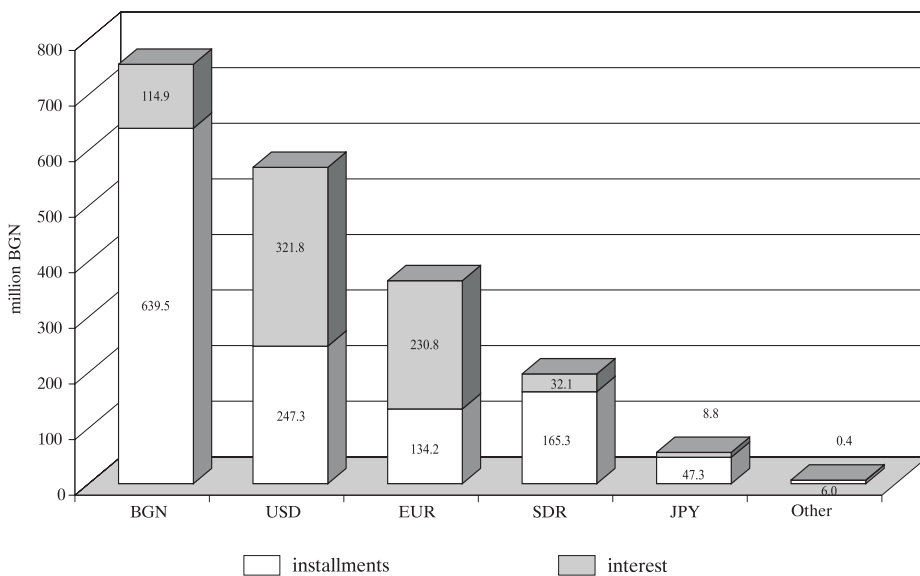
Debt Interest Structure as of 31 October



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 October



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2002	2003				
		31.III.	30.VI.	31.VII.	31.VIII.	30.IX.
Government securities issued for budget deficit financing	0.1	0.1	-	2 540.5	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	61 007.2
– in USD	7 368.0	6 604.2	4 815.4	4 861.7	5 035.7	4 722.4
– in EUR	63 958.7	60 196.4	60 196.4	60 196.4	60 196.4	56 284.8
Total	71 326.8	66 800.7	65 011.8	67 598.7	67 772.7	63 547.7

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.	30.IX.
Brady bonds	69.4	76.8	78.2	81.2	82.8	86.1
Eurobonds	74.4	70.5	68.3	70.4	71.6	77.3
Global bonds	189.2	217.2	210.6	214.3	220.1	215.1
– in EUR	136.3	151.5	152.4	150.6	145.8	148.7
– in USD	52.9	65.7	58.2	63.7	74.3	66.5
Total	332.9	364.4	357.1	365.9	374.5	378.5

* Revised data.

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

Structure	(thousand BGN)			
	2002 as of 31.XII.	2003 as of 30.VI. as of 31.III.	2003 as of 31.VII. as of 31.VIII.	30.IX.
I. Domestic municipal debt and municipal guarantees	44 597.65	32 738.52	40 039.15	41 724.08
I. Municipal debt	42 342.55	31 295.02	38 626.48	40 311.41
1.1. Government securities issues (at nominal value as of corresponding period)	9 164.70	9 164.70	10 484.70	10 484.70
1.2. Loans from banks and other financial institutions	9 123.33	9 664.69	15 471.79	16 854.46
1.3. Loans from the republican budget	11 169.60	2 772.50	2 875.73	3 036.28
1.4. Loans from extrabudgetary accounts and funds	9 611.36	6 632.59	7 068.68	7 007.82 *
1.5. Loans from other municipalities	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-
1.7. Other	3 274.56	3 060.54	2 725.58	3 111.50
2. Municipal guarantees	2 255.10	1 443.51	1 412.67	1 412.67
II. Foreign municipal debt and municipal guarantees	1 848.84	2 998.50	3 627.95	3 823.63
I. Municipal debt	1 848.84	2 998.50	3 627.95	3 823.63
1.1. Loans from banks and other financial institutions	1 848.84	2 998.50	3 627.95	3 823.63
2. Municipal guarantees	-	-	-	-
III. Municipal debt and municipal guarantees, total	46 446.49	35 737.03	43 667.10	45 547.70
49 887.16				49 887.16

Notes:

1. 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*, 1. *Municipal debt*, 1.1. *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*.

2. 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*, 1. *Municipal debt*, 1.1. *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*.

3. 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	2003		
	2002 as of 31.XII.	as of 30.VI.	as of 30.IX. as of 31.X.
Domestic debt	37 482.3	37 382.6	36 396.8
I. National Insurance Institute	37 482.3	36 432.6	36 401.5
1. Other ¹	37 482.3	36 432.6	36 401.5
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	2002		2003		30.IX.
	as of 31.XII.	as of 31.III.	as of 30.VI.	as of 31.VII.	
I. Consolidated government debt	8 724.9	8 614.8	8 529.5	8 551.9	8 398.6
1. Central government debt	8 702.3	8 597.3	8 509.7	8 530.3	8 373.8
2. Social security funds debt	0.0	0.0	0.0	0.0	0.0
3. Municipal debt	22.6	17.5	19.8	21.6	24.8
II. Government guaranteed debt	531.5	388.8	397.7	401.0	399.7
III. Municipal guarantees	1.2	0.7	0.7	0.7	0.7
Debt, total (I+II+III)	9 257.5	9 004.3	8 927.9	8 953.5	8 799.0
Debt/GDP (%)	55.77	49.91	49.49	49.63	48.77

(million EUR)

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 35,283.5 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.

ISSN 1311 – 0047

This issue includes materials and data received prior to 14 November 2003.

The contents of the *Government Debt Management* Bulletin may be quoted or reproduced without further permission. Due acknowledgment is requested.

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

Web site: www.minfin.bg

Subscription: tel. 9145 1351

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