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Abbreviations

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

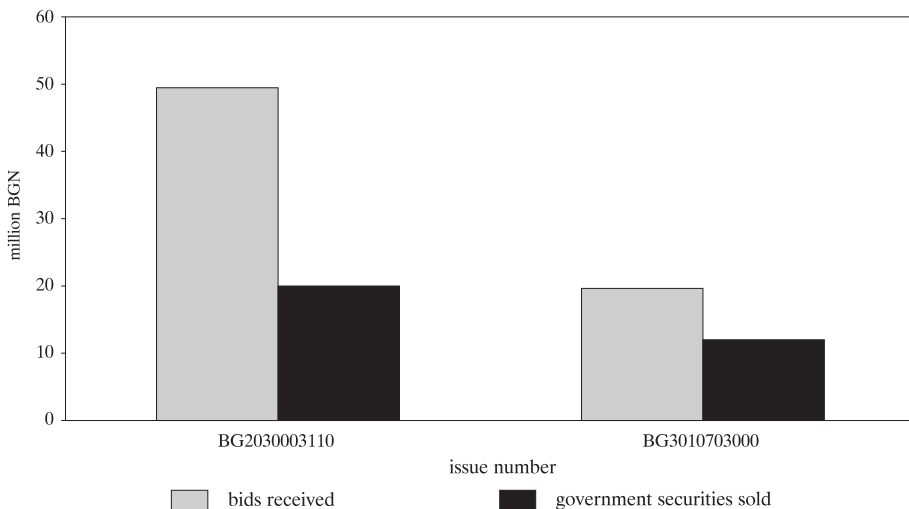
BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In June the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010703000) and one medium-term (five-year) tap treasury bonds issue (No. BG2030003110). Government securities issued in June were tap treasury bonds opened again in this month.

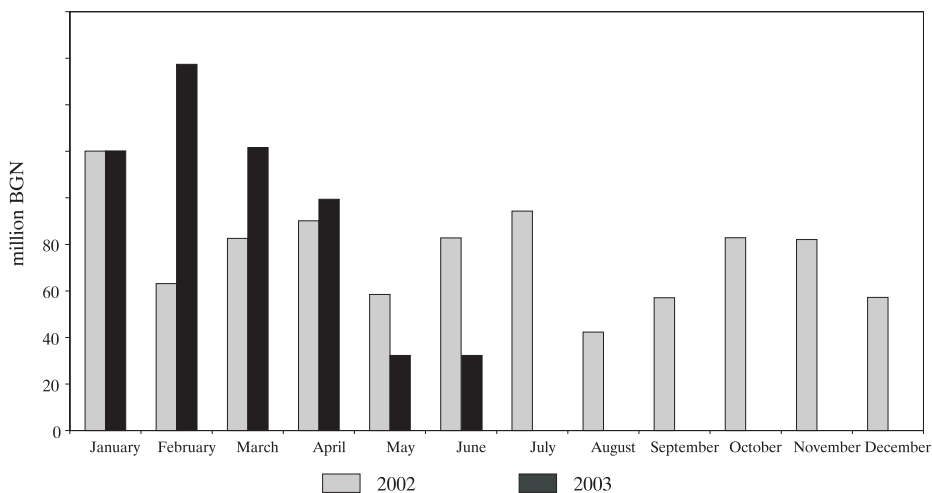
At the auctions primary dealers' bids totaled BGN 69,080 thousand: BGN 19,630 thousand for three-month and BGN 49,450 thousand for five-year government securities (Chart 1). Approved bids totaled BGN 32,000 thousand nominal value, including three-month of BGN 12,000 thousand and five-year of BGN 20,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in June accounted for 2.16: 1.64 on three-month and 2.47 on five-year government securities (Chart 4). Reported excess of demand over supply was a result of stable investors' interest in government securities. Government securities issued in June decreased by BGN 49.9 million on a year earlier basis (Chart 2).

Chart 1

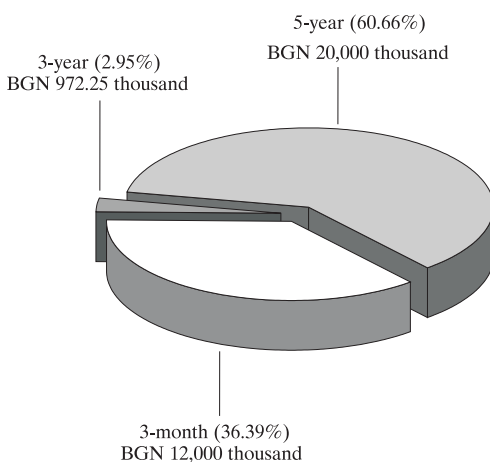
Government Securities Issue in June



Sales of Government Securities Issues

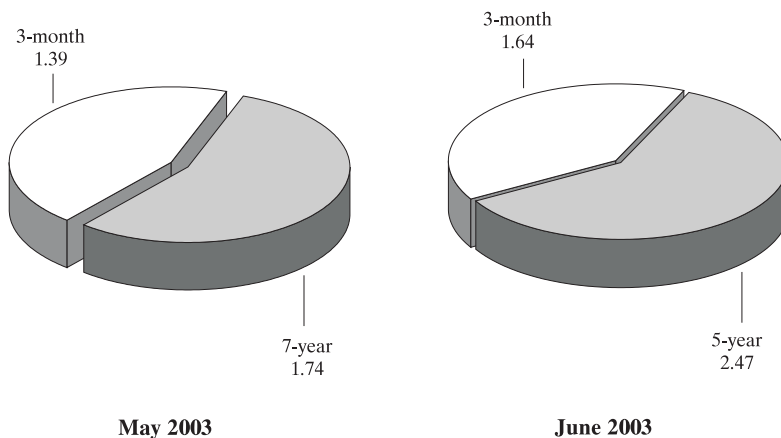


Structure and Volume of Government Securities Issued for Budget Deficit Financing in June



Note: Including target issues of government securities.

Coverage Coefficients of Issues Sold*



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

In the review period the yield attained in the primary market reflected increased demand for government securities and specific preferences for individual debt instruments. The yield of three-month treasury bills indicated a decrease of 0.4 base points compared with the previous month, reaching 2.52%. The yield of five-year treasury bonds slightly increased amounting to 5.53% (Charts 5, 6 and 8).

One 2002 treasury bills issue (BG3010702002), one 2003 treasury bills issue (BG3010303009) and one 1998 treasury bonds issue (BG2031198117) matured in June.

In the review period two issues of three-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 811 of 11 June 2003 and issue No. 812 of 25 June 2003. Issue No. 811 totaled BGN 480.4 thousand nominal value and issue No. 812 is still in circulation (Chart 11). Two 2001 issues, amounting to BGN 544.3 thousand, matured in June. During the period under review reverse repurchases accounted for BGN 220.1 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

MAY 2003

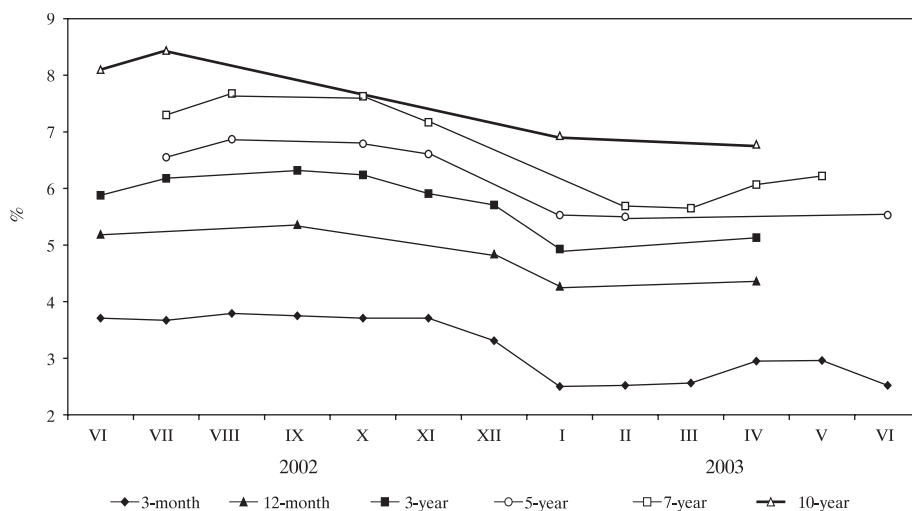
	3-month	7-year
	BG3010603002	BG2040103215
Minimum	99.12	97.43
Average-weighted	99.25	98.06
Maximum	99.32	98.81

JUNE 2003

	3-month	5-year
	BG3010703000	BG2030003110
Minimum	99.29	100.21
Average-weighted	99.36	100.40
Maximum	99.46	101.02

Chart 5

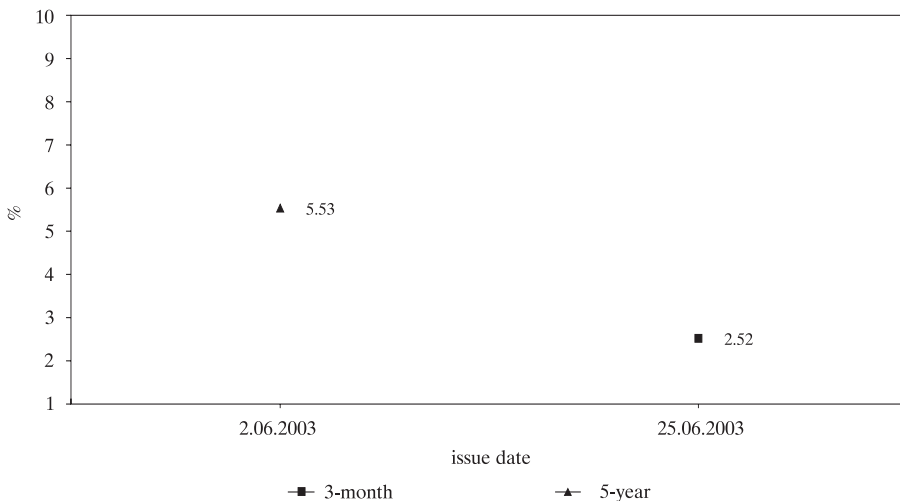
Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.

Chart 6

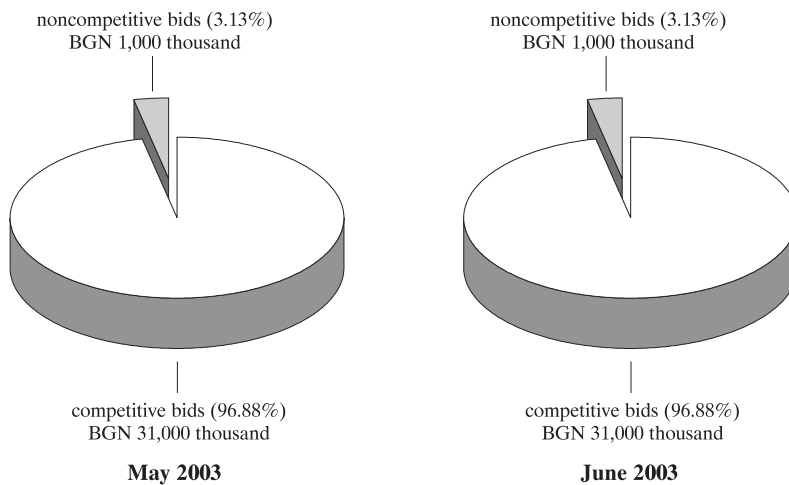
Dynamics of the Average Annual Yield of Primary Market Government Securities



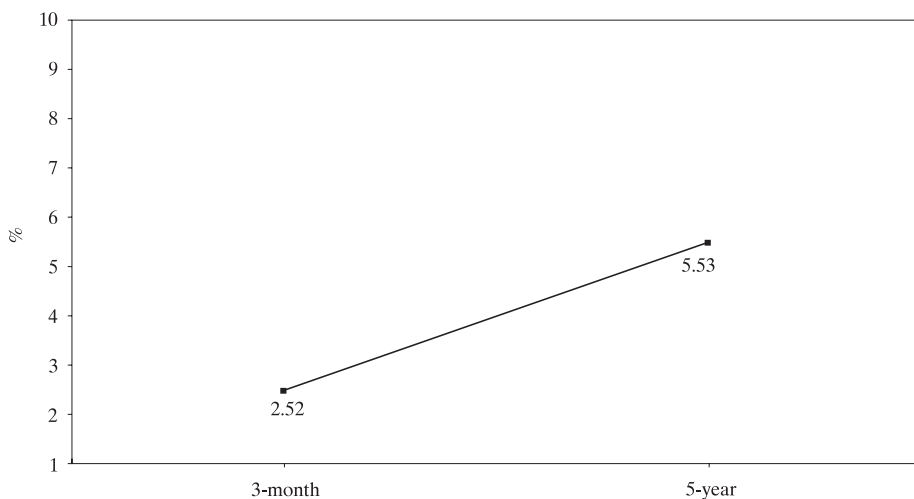
Note: Five-year tap government securities issue; the above date indicates the auction date.

Chart 7

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

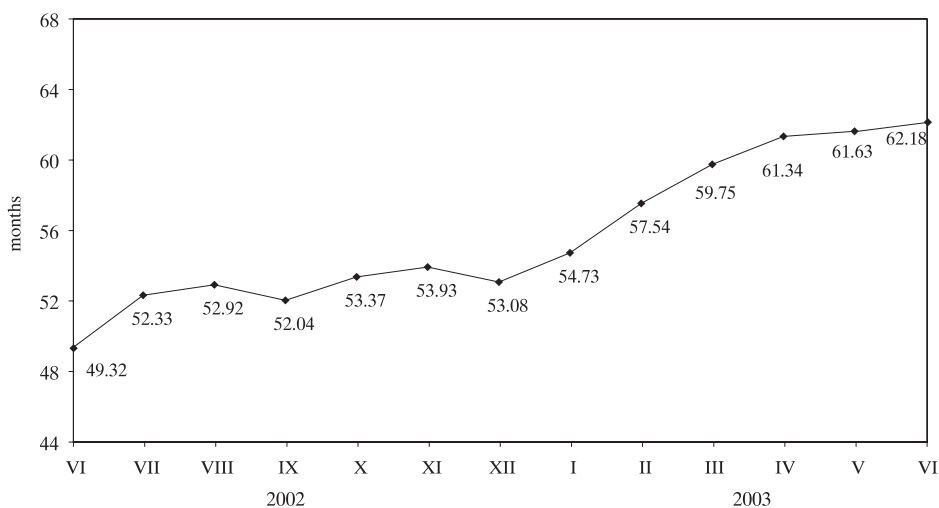


Yield Curve of Primary Market Government Securities in June



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

Average Term of Outstanding Government Securities Issues by Month



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

Chart 10

Monthly Liquidity Regulation through Government Securities Issues and Maturities

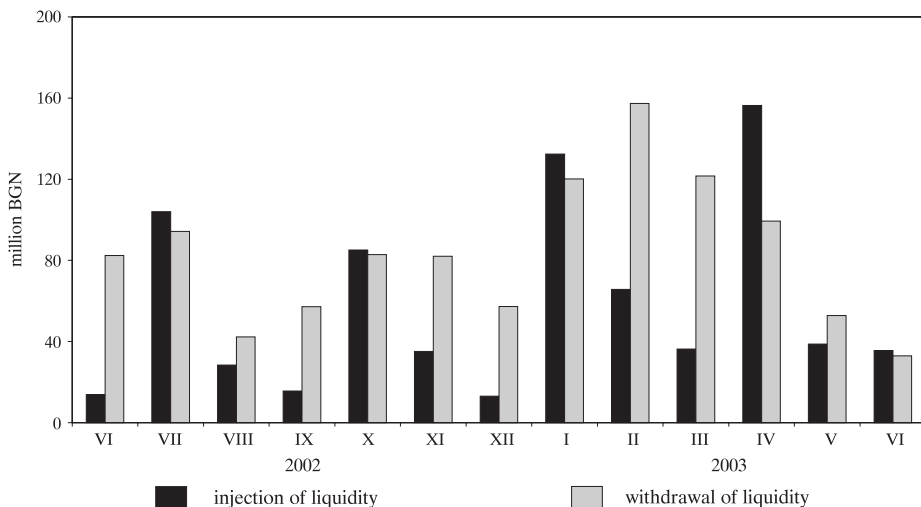
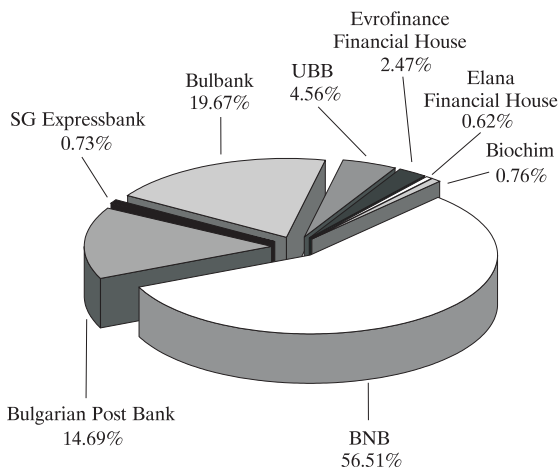
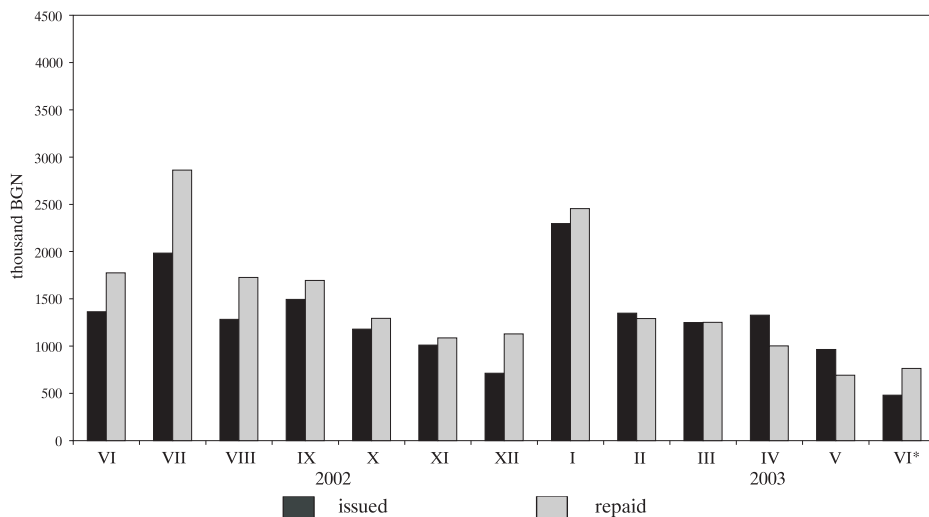


Chart 11

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



Issued and Repaid Government Securities from Target Issues



* Issue No. 812 of 26 June 2003 excluded from the amount of government securities issued in the review period.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3011102004	BG3011502005	BG3010003005	BG3010403007	BG3010503004	BG3010603002	BG3010703000
Issue date	25.09.2002	18.12.2002	16.01.2003	09.04.2003	30.04.2003	28.05.2003	25.06.2003
Maturity date	25.09.2003	18.12.2003	16.01.2004	09.04.2004	30.07.2003	28.08.2003	25.09.2003
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	40 901.05	52 800.00	77 550.00	51 600.00	16 860.00	16 620.00	19 630.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	94.85	95.32	95.85	95.76	99.26	99.25	99.36
Average discount per BGN 100 (%)	5.15	4.68	4.15	4.24	0.74	0.75	0.64
Average annual yield (%)	5.36	4.91	4.27	4.36	2.95	2.96	2.52
Effective annual yield (%)	5.35	4.84	4.27	4.35	2.98	2.99	2.54
Coverage coefficient	2.05	2.64	3.88	2.58	1.41	1.39	1.64

Treasury Bonds

Issue No.	BG2030699115	BG2030999119	BG2030700112	BG20309001172	Total for the issue	First opening	Second opening	Third opening	First opening	Second opening	Third opening	Total for the issue***
Auction date			18.09.2000	11.12.2000		09.10.2000	06.11.2000	11.10.2000	09.10.2000	06.11.2000	11.10.2000	11.10.2000
Issue date	31.03.1999	29.04.1999	19.07.2000	19.07.2000	19.07.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000
Maturity date	24.03.2004	22.04.2004	16.07.2003	16.07.2003	16.07.2003	05.10.2005	05.10.2005	05.10.2005	05.10.2005	05.10.2005	05.10.2005	05.10.2005
Nominal value of the offer (thousand BGN)	2 000.00	3 000.00	10 000.00	10 000.00	30 000.00	10 000.00	15 000.00	15 000.00	10 000.00	15 000.00	15 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	40 630.00	40 630.00	131 450.00	46 780.00	35 511.11	31 074.00	46 780.00	35 511.11	31 074.00	113 365.10
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	10 000.00	30 000.00	10 000.00	15 000.00	15 000.00	10 000.00	15 000.00	15 000.00	28 755.89
Average price of the bids approved per BGN 100 (%)	86.35	78.37	102.19	102.19	101.43	98.78	99.63	99.87	98.78	99.63	99.87	99.51
Interest rate	9.00	9.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	1.40	0.40	4.06	4.06	4.38	4.68	2.37	2.07	4.68	2.37	2.07	2.83
Average annual yield (%)	12.79	15.37	7.17	7.17	7.46	9.31	9.09	9.03	9.31	9.09	9.03	9.12

(continued)

(continued)

Issue No.	BG2031000115 ²			BG2030101112 ²				
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue***
Auction date	16.10.2000	13.11.2000	18.12.2000	18.10.2000	22.01.2001	26.02.2001	26.03.2001	24.01.2001
Issue date	18.10.2000	18.10.2000	18.10.2000	18.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	15.10.2003	15.10.2003	15.10.2003	15.10.2003	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	30 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	42 068.00	35 393.00	32 922.00	110 383.00	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	30 000.00	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	101.44	101.44	101.70	101.53	101.65	104.60	106.40	104.22
Interest rate	7.50	7.50	7.50	7.50	9.00	9.00	9.00	9.00
Coverage coefficient	4.21	3.54	3.29	3.68	4.80	4.36	3.52	4.23
Average annual yield (%)	6.96	6.96	6.86	6.92	8.59	7.87	7.44	7.96

(continued)

(continued)

Issue No.	First opening	Second opening	BG2030301118² Third opening	Total for the issue***	First opening	BG2030401116³ Second opening	Total for the issue
Auction date	23.04.2001	21.05.2001	25.06.2001	25.04.2001	09.07.2001	10.09.2001	11.07.2001
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2006	11.07.2001	11.07.2001	11.07.2003
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	11.07.2003	11.07.2003	11.07.2003
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	55 846.00	60 050.00	49 500.00	165 396.00	54 800.00	32 363.00	87 163.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.85	100.58	100.72
Interest rate	8.00	8.00	8.00	8.00	6.00	6.00	6.00
Coverage coefficient	2.79	3.00	2.48	2.76	2.19	1.29	1.74
Average annual yield (%)	7.13	6.92	6.88	6.98	5.55	5.69	5.61

(continued)

(continued)

Issue No.	First opening	Second opening	BG2030501113² Third opening	Total for the issue	First opening	BG2030601111³ Second opening	Total for the issue
Auction date	23.07.2001	20.08.2001	24.09.2001		08.10.2001	10.12.2001	
Issue date	25.07.2001	25.07.2001	25.07.2001	25.07.2001	10.10.2001	10.10.2001	10.10.2001
Maturity date	25.07.2006	25.07.2006	25.07.2006	25.07.2006	10.10.2003	10.10.2003	10.10.2003
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	51 650.00	41 950.00	46 470.00	140 070.00	38 600.00	39 300.00	77 900.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.79	100.10	100.40	100.43	100.62	100.69	100.66
Interest rate	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Coverage coefficient	2.58	2.10	2.32	2.33			1.56
Average annual yield (%)	6.81	6.98	6.90	6.90	5.67	5.63	5.65

(continued)

(continued)

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

(continued)

(continued)

Issue No.	BG20300021121				BG2040002219 ³			
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	07.01.2002	11.02.2002	08.04.2002	07.05.2002	09.01.2002	14.01.2002	21.01.2002	16.01.2002
Issue date	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	16.01.2002	16.01.2002	16.01.2002
Maturity date	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	16.01.2009	16.01.2009	16.01.2009
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	30 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	106 295.00	99 331.00	205 626.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	50 000.00	80 000.00*
Average price of the bids approved per BGN 100 (%)	100.71	101.98	102.01	102.07	101.66	100.47	101.46	101.09
Interest rate	7.00	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Coverage coefficient	2.51	3.62	1.88	1.81	2.43	3.54	3.31	3.43
Average annual yield (%)	6.83	6.53	6.52	6.51	6.60	7.41	7.23	7.30

(continued)

(continued)

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

(continued)

(continued)

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

(continued)

(continued)

Issue No.	BG2040302213 ¹			BG2030302116 ²			Total for the issue	Third opening	Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening			
Auction date	15.07.2002	19.08.2002	14.10.2002	29.07.2002	28.10.2002	25.11.2002	17.07.2002	31.07.2002	31.07.2002
Issue date	17.07.2002	17.07.2002	17.07.2002	31.07.2002	31.07.2002	31.07.2002	17.07.2009	31.07.2005	31.07.2005
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	31.07.2005	31.07.2005
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	20 000.00	25 000.00	25 000.00	33 100.00	70 000.00	25 000.00	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	160 615.70	189 946.80	44 150.00	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	75 000.00	70 000.00	25 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	97.61	99.57	97.61	98.83	99.10
Interest rate	7.00	7.00	7.00	7.00	7.00	5.75	7.00	5.75	5.75
Coverage coefficient	1.49	1.62	2.44	5.80	2.71	2.79	2.71	0.97	1.93
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	6.08	7.44	6.18	6.08

(continued)

(continued)

Issue No.	BG2030402114 ³		BG2040003217 ³		BG2030003110 ²		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second 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	08.01.2003	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	08.01.2013	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	50 000.00	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	150 644.80	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	50 000.00	20 000.00	75 000.00
Average price of the bids approved per BGN 100 (%)	99.13	100.80	104.08	105.18	104.52	100.55	104.52	100.40	100.46
Interest rate	6.00	6.00	7.50	7.50	7.50	5.625	7.50	5.625	5.625
Coverage coefficient	1.35	2.67	3.14	2.82	3.01	2.04	3.01	2.47	2.51
Average annual yield (%)	6.32	5.71	6.93	6.78	6.87	5.50	6.87	5.53	5.52

(continued)

(continued)

Issue No.	BG2030103118 ³			BG2040103215 ³			BG2040203213 ^{3**}			
	First opening	Second opening	Total for the issue	First opening	Second opening	Total for the issue	Third opening	First opening	Second opening	Total for the issue
Auction date	20.01.2003	21.04.2003		03.02.2003	14.04.2003		07.05.2003	18.02.2003	10.03.2003	
Issue date	22.01.2003	22.01.2003	22.01.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003	24.02.2003	24.02.2003	24.02.2003
Maturity date	22.01.2006	22.01.2006	22.01.2006	05.02.2010	06.02.2010	05.02.2010	05.02.2010	24.05.2010	24.05.2010	24.05.2010
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	60 000.00	20 000.00	50 000.00	25 000.00	75 000.00
Total nominal value of the bids received (thousand BGN)	62 650.00	42 850.00	105 500.00	77 850.00	49 650.00	162 300.00	34 800.00	139 990.00	76 475.00	216 465.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	60 000.00	20 000.00	50 000.00	55 000.00	105 000.00
Average price of the bids approved per BGN 100 (%)	101.57	101.01	101.29	100.42	98.90	99.13	98.06	100.99	100.55	100.76
Interest rate	5.50	5.50	5.50	5.875	5.875	5.875	5.875	5.75	5.75	5.75
Coverage coefficient	2.51	1.71	2.11	3.89	2.48	2.71	1.74	2.80	3.06	2.89
Average annual yield (%)	4.93	5.13	5.03	5.80	6.07	6.03	6.22	5.58	5.65	5.62

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

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

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

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

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

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

Guaranty Government Securities

Issue No.	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	8451.94	932.21	3037.25	4139.91
Interest rate	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7

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

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

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

Principals of guaranty government securities are based on actual data as of 30 June 2003.

Government Securities Issued to Settle Nonperforming Credits of State-owned Companies to Banks

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	§ 10 of TFP of SBL/99
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 2040099223
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	01.07.1999
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	01.01.2019
Maturity (years)	19	24	25	25	25	19.5
Grace period (years)	4	4	5	5	5	
Redemption term (years)	15	20	20	20	20	19.5
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	BGN 2,201.39	BGN 1,907.75	BGN 6,890.01	USD 179,085.70	BGN 739.28	EUR 123,245.21
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR	EURIBOR**

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

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

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

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

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

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

Pending Payments on Government Securities in August 2003

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
					1
target issues					305.8
	4	5	6	7	8
target issues bonds		19.7 2 913.4			
	11	12	13	14	15
target issues GGS	4 352.1		16.1	19.4	390.0
	18	19	20	21	22
target issues		17.1			
	25	26	27	28	29
bills target issues			14.1	12 000.0 16.4	270.2

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

Schedule of Government Securities Issues for August 2003

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
04.08.2003*	06.08.2003	06.08.2008	5-year	15 000 000	75 000 000
25.08.2003	27.08.2003	27.11.2003	3-month	12 000 000	
TOTAL, incl.:				27 000 000	
bills				12 000 000	
bonds				15 000 000	

* Tap issue.

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

By end-June 2003 domestic debt totaled BGN 2,233,871.9 thousand. Government securities issued for budget deficit financing comprised 74.2% in total debt amount and government securities issued for structural reform, 25.8%. Domestic government guaranteed debt was redeemed in June (Chart 13).

By end-June government securities issued for budget deficit financing accounted for BGN 1,658,165.3 thousand. Issued government securities totaled BGN 557,260.4 thousand, including BGN 7,664.6 thousand sold directly to physical persons. Securities repaid in June accounted for BGN 361,365.2 thousand, including short-term treasury bills of BGN 109,489 thousand. Following effected operations, the maturity structure of government securities issued for budget deficit financing changed: the share of twelve-month bills dropped from 5.8% to 4.6% and two-year and three-year treasury bonds decreased to 7.25% and 17.6% respectively at the expense of slightly increased share of five-year bonds (28.4%). No changes occurred in the share of all other types of government securities (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached five years and two months. By end-June government securities issued for structural reform reached BGN 575,706.7 thousand. In the review period USD-denominated ZUNK bonds of USD 36.9 thousand were used for repayment of obligations to the state under ZUNK and another USD 20.8 thousand were used as legal tender in privatization transactions. Lev-denominated guaranty government securities, issue 1996, matured in June.

Debt movements in June resulted in a slight change in debt forex structure (Chart 15). The share of government securities in levs and euro decreased to 66.3% and 20% respectively at the expense of government securities denominated in US dollars which rose to 13.7%.

Debt maturity structure also changed. Short-term securities fell reaching 5% at the expense of medium-term and long-term government securities which rose to 39.5% and 55.5% (Chart 16). Government securities with fixed interest coupons comprised 74.2% and government securities with floating interest coupons occupied 25.8%.

Since early-2003 repaid interest and discounts have totaled BGN 65,250.6 thousand. Interest and discounts on government securities for budget deficit financing of BGN 56,547.9 thousand, or 86.7% of overall interest and discounts, were repaid in June (Chart 19). Expenditure on five-year government bonds occupied the largest share, 42.5%, followed by three-year bonds, 19%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 30 June 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		91 653.8	88 065.6
3-year	139 929.7		79 929.7	60 000.0
5-year	39 789.7		11 724.1	28 065.6
4. Government securities issued in 2001	480 853.1		155 351.6	325 501.5
4.1. Medium-term	451 915.5		155 351.6	296 563.9
2-year	211 958.6		106 680.5	105 278.1
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		74 495.2	720 451.7
5.1. Short-term	111 748.7		73 715.3	38 033.4
3-month	35 676.8		35 676.8	-
12-month	76 071.8		38 038.5	38 033.4
5.2. Medium-term	363 847.6		779.9	363 067.7
2-year	15 709.9		779.9	14 930.0
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	-	557 260.4	35 773.7	521 486.7
6.1. Short-term	-	109 842.2	35 773.7	74 068.5
3-month	-	71 519.0	35 773.7	35 745.3
12-month	-	38 323.2	-	38 323.2
6.2. Medium-term	-	132 664.6	-	132 664.6
3-year	-	57 664.6	-	57 664.6
5-year	-	75 000.0	-	75 000.0
6.3. Long-term	-	314 753.6	-	314 753.6
7-year	-	264 753.6	-	264 753.6
EUR-denominated (lev equivalent)	-	205 362.2	-	205 362.2
10-year	-	50 000.0	-	50 000.0
TOTAL (I)	1 462 270.1	557 260.4	361 365.2	1 658 165.3

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		1 907.7

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 30 June 2003
		increase	decrease	
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 890.0			6 890.0
denominated in USD	195 836.5		16 844.8	178 991.6
lev equivalent	369 143.9			306 360.3
denominated in EUR	126 803.5	4 168.8	7 727.0	123 245.2
lev equivalent	248 006.0			241 046.7
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	739.3			739.3
TOTAL (A)	629 163.5			559 145.4
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	18 437.3			16 561.3
Government securities issued in 1996	1 876.0		1 876.0	-
Government securities issued in 1997	16 561.3			16 561.3
TOTAL (B)	18 437.3			16 561.3
TOTAL (II)	647 600.8			575 706.7
GOVERNMENT DEBT, TOTAL	2 109 870.8			2 233 871.9
III. DOMESTIC GOVERNMENT GUARANTEES	1 881.2			-
DOMESTIC DEBT, TOTAL	2 111 752.0			2 233 871.9

Notes:

Domestic debt based on cash flows.

The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended by the BNB to the MF are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.

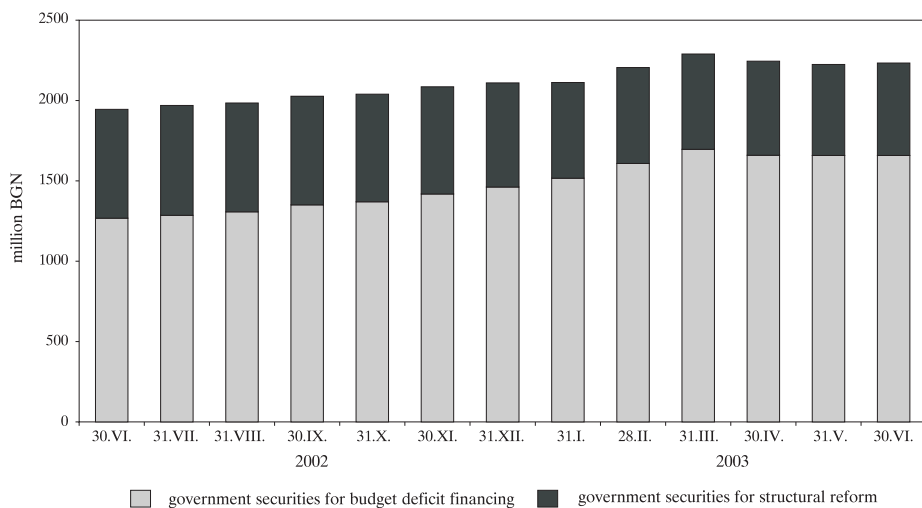
In the BNB *Monthly Bulletin* debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

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

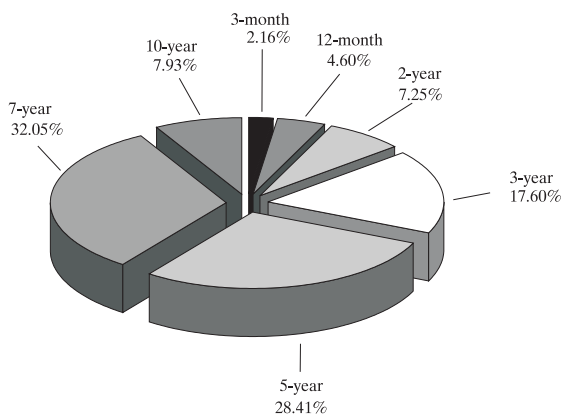
on 31 December 2002: USD 1/BGN 1.88496, EUR 1/BGN 1.95583.

on 30 June 2003: USD 1/BGN 1.71159, EUR 1/BGN 1.95583.

Changes in Domestic Government Debt

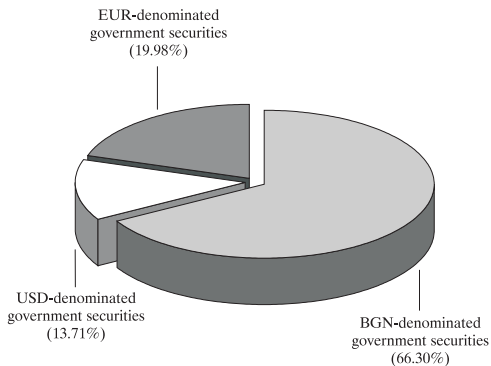


Outstanding Government Securities Issued for Budget Deficit Financing as of 30 June

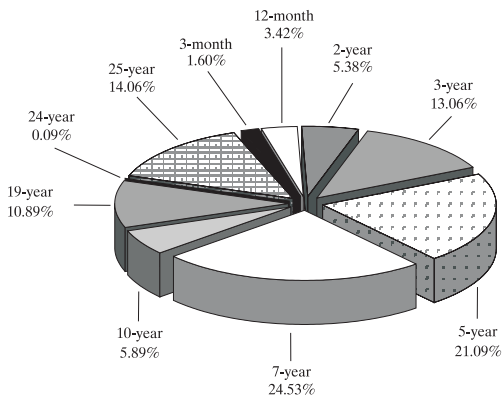


Note: The average-weighted maturity of government securities issued for budget deficit financing is five years and two months.

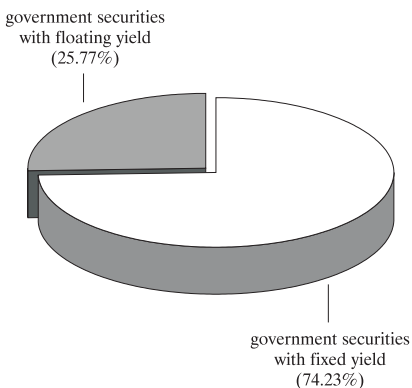
Forex Composition of Outstanding Government Securities as of 30 June



Residual Term to Maturity of Outstanding Government Securities as of 30 June



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



Expenditure on Domestic Debt between 1 January and 30 June 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	143.2
5-year	143.2
3. Government securities issued in 2000	8 750.1
3.1. Medium-term	8 750.1
3-year	5 829.5
5-year	2 920.6
4. Government securities issued in 2001	22 626.5
4.1. Medium-term*	22 626.5
2-year	6 726.2
5-year	14 784.5
7-year	1 115.8
5. Government securities issued in 2002	25 758.5
5.1. Short-term	2 284.7
3-month	323.2
12-month	1 961.5
5.2. Medium-term	11 679.1
2-year	453.0
3-year	5 273.3
5-year	5 952.9
5.3. Long-term	11 794.7
7-year	8 618.9
10-year	3 175.8
6. Government securities issued in 2003	-1 828.9
6.1. Short-term	226.3
3-month	226.3
6.2. Medium-term	-342.5
3-year	-342.5
6.3. Long-term	-1 712.7
5-year	-539.5
7-year	-827.2
EUR-denominated (lev equivalent)	-301.2
10-year	-346.0
TOTAL (I)	56 547.9

(continued)

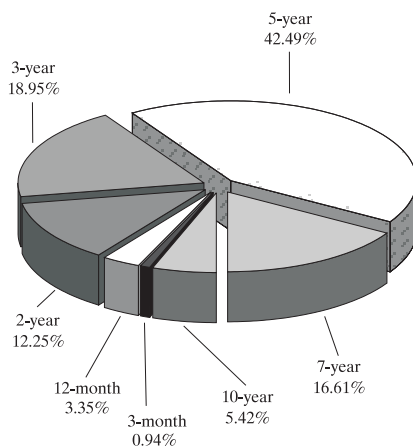
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(thousand BGN)

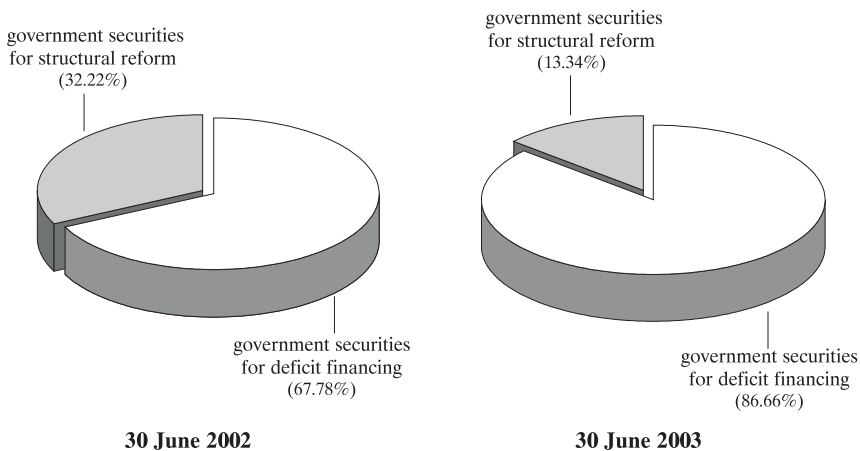
Structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	57.7
2. Bonds issued pursuant to CM Decree No. 186 of 1992	34.9
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	8 312.1
lev bonds	131.8
USD-denominated (in BGN at the current exchange rate)	3 858.7
EUR-denominated (in BGN at the fixed exchange rate)	4 321.6
Total (A)	8 404.7
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	297.9
Total (B)	297.9
TOTAL (II)	8 702.7
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	65 250.6
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	65 250.6

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

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



Structure of Expenditure on Domestic Debt



By end-June foreign debt totaled EUR 7,736.4 million. Government debt accounted for EUR 7,363.8 million and government guaranteed debt amounted to EUR 372.6 million.

In June new foreign financing amounted to BGN 6,774.1 thousand. Payments on the debt totaled BGN 54,076 thousand, of which BGN 23,033.7 thousand principal repayments and BGN 31,042.3 thousand interest. Repayments were mainly made to the World Bank (BGN 12,970.2 thousand), G-24 (BGN 5,991.8 thousand) and on government guaranteed loans (BGN 3,214.7 thousand). Interest was repaid to the World Bank (BGN 18,265.8 thousand), the European Union (BGN 4,459.8 thousand) and on government guaranteed loans (BGN 3,584.9 thousand).

Since early-2003 received loans have totaled BGN 541,378 thousand, of which BGN 295,721.5 thousand receipts from the World Bank, BGN 129,886.9 thousand from the IMF and BGN 78,518 thousand from government investment loans. Payments on the debt have amounted to BGN 802,248.1 thousand, including BGN 391,267.8 principal repayments. The largest amounts were repaid on Brady bonds (BGN 92,154.4 thousand), to the IMF (BGN 83,077.2 thousand), to the Paris Club (BGN 78,628.3 thousand) and on government guaranteed loans (BGN 55,409 thousand). By end-June net foreign financing totaled BGN 150,522 thousand.

Slight changes occurred in foreign debt structure as a result of effected operations. Debt denominated in euro amounted to 33.9% and debt denominated in US dollars and other currencies comprised 51% and 15.2% respectively. A slight change occurred in debt interest structure: proportion between the debt with floating interest coupons and fixed interest coupons reached 63.2% to 36.8%. The average-weighted residual term to maturity of the foreign debt was ten years and three months with a decreased share of the debt from five to ten years and an increased share of the debt over ten years.

The percentage share of the debt on other bonds was 27.6% and on Brady bonds 27.2%. Debt to the IMF slightly dropped and reached 12.3%. Obligations to the World Bank occupied 11.9%, to the Paris Club, 3.1%, to the European Union, 5%, and on government guaranteed credits, 4.8%.

Foreign Debt

(million EUR)

Structure	as of 31.XII. 2002	2003			
		as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.
Government debt	7 623.6	7 425.8	7 507.5	7 222.2	7 363.8
I. Bonds	4 646.4	4 428.6	4 357.1	4 164.0	4 271.5
1. Brady bonds	2 398.7	2 237.8	2 190.3	2 062.3	2 133.6
2. Other bonds	2 247.7	2 190.8	2 166.8	2 101.7	2 137.9
II. Credits	2 977.3	2 997.2	3 150.4	3 058.2	3 092.3
1. Paris Club	284.5	242.2	241.3	239.6	240.3
2. World Bank	836.1	798.4	938.0	909.6	917.5
2.1. World Bank	716.9	687.2	830.0	807.3	814.1
2.2. JBIC (JEXIM)	119.2	111.2	108.0	102.3	103.3
3. G-24	48.9	47.9	47.4	46.1	43.9
4. European Union	390.0	390.0	390.0	390.0	390.0
5. IMF	990.9	971.0	977.7	930.0	949.2
6. Other	129.2	129.2	129.2	127.8	127.8
7. Government investment loans	236.7	361.1	370.0	360.5	368.1
7.1. World Bank	69.0	72.4	75.1	75.1	76.9
7.2. European Investment Bank	122.5	186.5	193.9	187.4	191.0
7.3. EBRD	26.2	40.0	39.4	37.3	38.2
7.4. Other	19.0	62.3	61.7*	60.7*	62.0
8. Called government guarantees	61.0	57.4	56.8	54.6	55.5
8.1. World Bank	48.5	45.7	45.4	43.8	44.4
8.2. European Investment Bank	2.6	2.3	2.2	2.1	2.2
8.3. Other	9.9	9.4	9.2	8.7	9.0
Government guaranteed debt	530.5	388.2	386.1	366.9	372.6
1. World Bank	137.1	128.6	126.5	120.8	122.3
2. European Investment Bank	115.8	47.5	47.5	47.5	47.5
3. EBRD	60.7	41.1	39.4	38.2	40.3
4. Other	216.8	170.9	172.6	160.4*	162.5
FOREIGN DEBT, TOTAL	8 154.1	7 814.0	7 893.6	7 589.1	7 736.4
FOREIGN DEBT, TOTAL					
(million USD)	8 460.6	8 513.4	8 786.3	8 971.8	8 840.3

Notes:

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

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 30 June

(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	503 059.1	332 858.8	393 543.3
I. Bonds	-	92 154.4	298 324.5
1. Brady bonds	-	92 154.4	61 792.5
2. Other bonds	-	-	236 532.0
II. Credits	503 059.1	240 704.4	95 218.8
1. Paris Club	-	78 628.3	11 064.9
2. World Bank	295 721.5	37 000.9	27 250.0
2.1. World Bank	295 721.5	27 502.4	24 306.7
2.2. JBIC (JEXIM)	-	9 498.5	2 943.2
3. G-24	-	5 991.8	1 349.0
4. European Union	-	-	11 639.4
5. IMF	129 886.9	83 077.2	23 081.1
6. Other	-	-	2 103.8
7. Government investment loans	78 518.0	31 988.4	16 776.1
7.1. World Bank	18 401.2	1 760.9	2 469.5
7.2. European Investment Bank	45 348.0	21 682.0	11 085.2
7.3. EBRD	32.0	8 545.4	2 031.4
7.4. Other	14 736.8	-	1 190.0
8. Called government guarantees	-1 067.3	4 017.9	1 954.5
8.1. World Bank	-1 067.3	3 599.6	1 778.0
8.2. European Investment Bank	-	418.3	176.5
8.3. Other	-	-	-
Government guaranteed debt	38 318.9	58 409.0	17 437.0
1. World Bank	-	9 553.9	6 399.7
2. European Investment Bank	3 911.7	5 648.7	2 679.1
3. EBRD	5 441.7	2 964.5	822.2
4. Other	28 965.6	40 241.9	7 536.0
TOTAL	541 378.0	391 267.8	410 980.3

Notes:

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

Foreign Currency Composition of the Foreign Debt as of 30 June

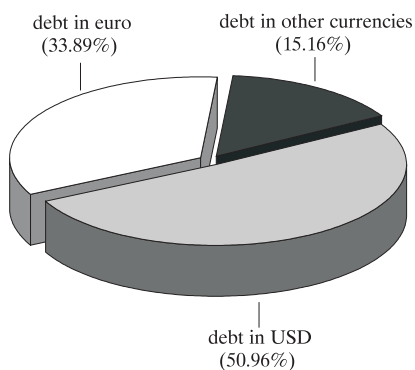


Chart 21

Interest Rate Structure of the Foreign Debt as of 30 June

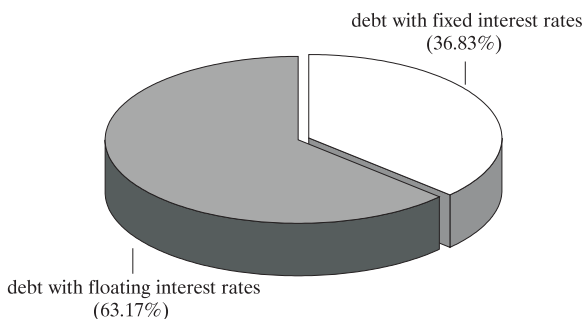
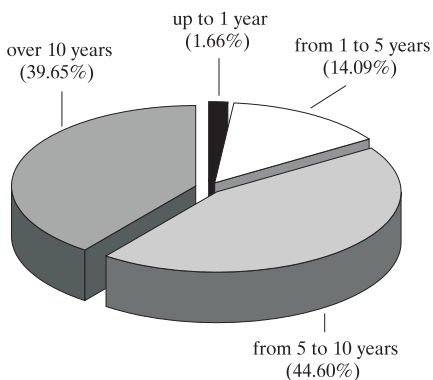


Chart 22

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



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

By end-June government and government guaranteed debt totaled EUR 8,878.5 million, including domestic debt of EUR 1,142.2 million and foreign debt of EUR 7,736.4 million. The increase in absolute terms was EUR 151.5 million on the previous month primarily due to foreign financing on government investment loans and USD/EUR exchange rate fluctuations.

By end-June the key macroeconomic indicator identifying the *debt to GDP ratio* was 49.2%, an increase of 0.8% on May 2003. The value of this indicator measured by *domestic debt to GDP* ratio and the *foreign debt to GDP* ratio accounted for 6.3% and 42.9% respectively.

Domestic debt occupied 12.9% in debt structure and foreign debt 87.1% (Chart 23). A slight decrease was reported in the share of domestic debt at the expense of the foreign debt compared with May (0.1 base points).

Forex debt composition experienced certain changes on the previous month. By end-June the share of the debt in US dollars stayed relatively high, amounting to 46.2%. In the review period debt in euro decreased from 32.6% to 32.1%, while debt in levs and other currencies slightly fluctuated (Chart 24).

Debt on other bonds (global bonds used to replace a portion of the Brady debt, and eurobonds) occupied the largest share in debt structure by type of creditor, 24.1%, followed by the debt to the London Club (Brady bonds), 24%, domestic debt (government securities), 12.9%, debt to the IMF, 10.7%, and debt to the World Bank, 10.3% (Chart 25). The share of domestic debt issues continued its upward trend in the period under review.

By end-June debt interest structure reflected a slight increase in the debt with floating interest, from 58.2% to 58.4%, over the debt with fixed interest which comprised 41.6% (Chart 26). Improvement in this proportion was one of the priorities of pursued debt policy intended to minimize interest risk effect and to ensure acceptable interest rate burden for the government debt.

Since early-2003 payments effected on government and government guaranteed debt have totaled BGN 1,266 million, including domestic debt payments of BGN 465.1 million and foreign debt payments of BGN 800.9 million (Chart 27). In June payments to the World Bank, the European Union and on government guaranteed loans comprised the most significant shares, while the main domestic debt repayments were effected on government securities issued for budget deficit financing.

By end-June payments in levs (BGN 465.1 million) accounted for the biggest share in the forex composition of debt payments followed by payments in US dollars (BGN 311.7 million) and in euro (BGN 293.1 million, Chart 28).

Government and Government Guaranteed Debt

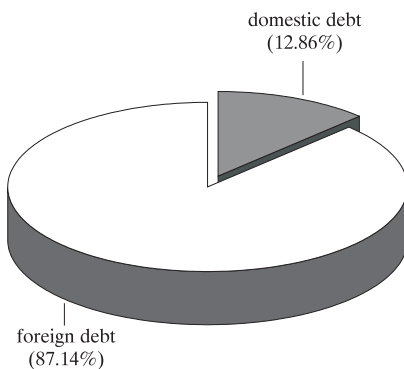
(million EUR)

Structure	as of 31.XII. 2002	2003			
		as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.
Domestic debt	1 079.7	1 171.2	1 148.4	1 137.9	1 142.2
I. Government debt	1 078.7	1 170.6	1 148.0	1 137.7	1 142.2
1. Government securities issued for budget deficit financing	747.6	867.1	848.2	848.0	847.8
2. Government securities issued for structural reform	331.1	303.4	299.8	289.7	294.4
II. Government guaranteed debt	1.0	0.6	0.4	0.3	0.0
Foreign debt	8 154.1	7 814.0	7 893.6	7 589.1	7 736.4
I. Government debt	7 623.6	7 425.8	7 507.5	7 222.2	7 363.8
1. Bonds	4 646.4	4 428.6	4 357.1	4 164.0	4 271.5
2. Credits	2 977.3	2 997.2	3 150.4	3 058.2	3 092.3
Government investment loans	236.7	361.1	370.0	360.5	368.1
Called government guarantees	61.0	57.4	56.8	54.6	55.5
II. Government guaranteed debt	530.5	388.2	386.1	366.9	372.6
Debt, total	9 233.8	8 985.2	9 042.0	8 727.0	8 878.5
Debt/GDP, total (%)	55.6	49.8	50.1	48.4	49.2
Domestic debt/GDP (%)	6.5	6.5	6.4	6.3	6.3
Foreign debt/GDP (%)	49.1	43.3	43.8	42.1	42.9

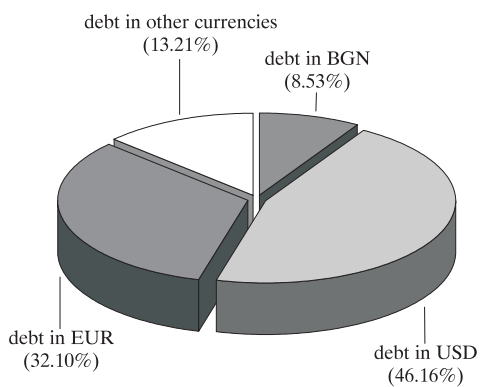
Notes:

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

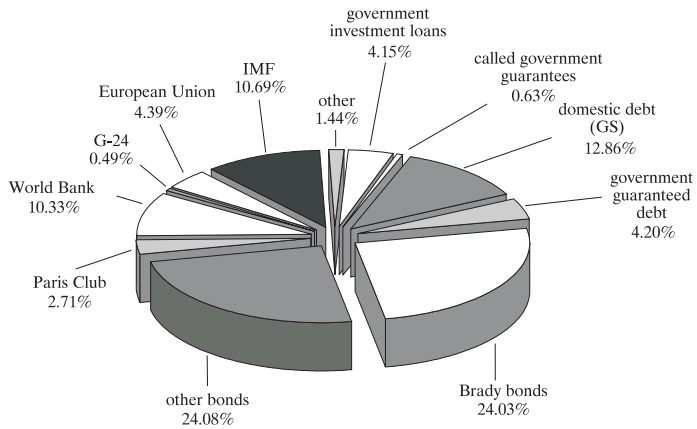
Debt Structure as of 30 June



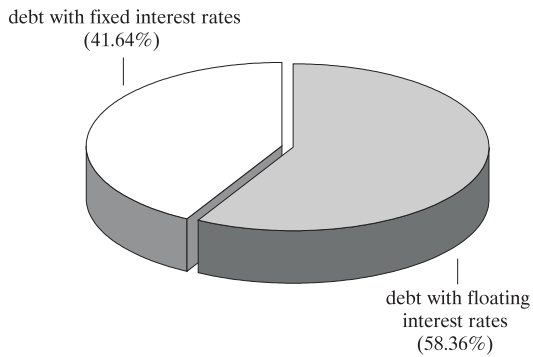
Debt Forex Structure as of 30 June



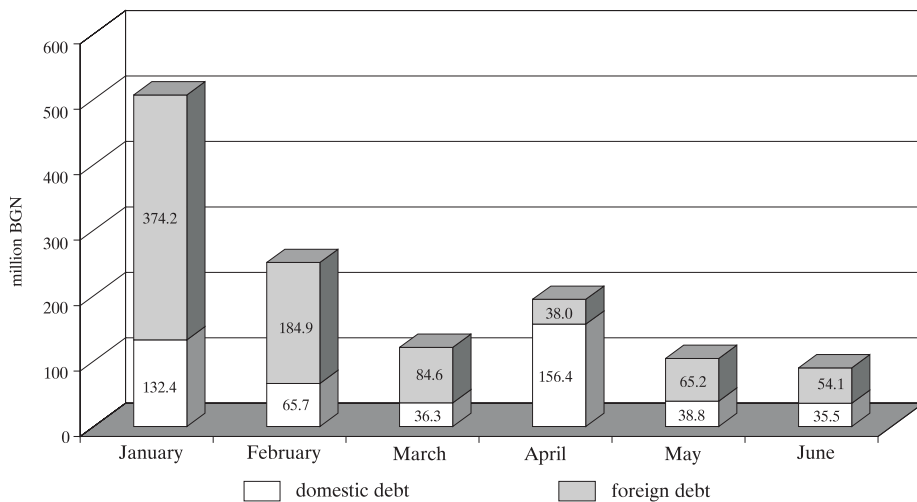
Debt Structure by Creditor as of 30 June



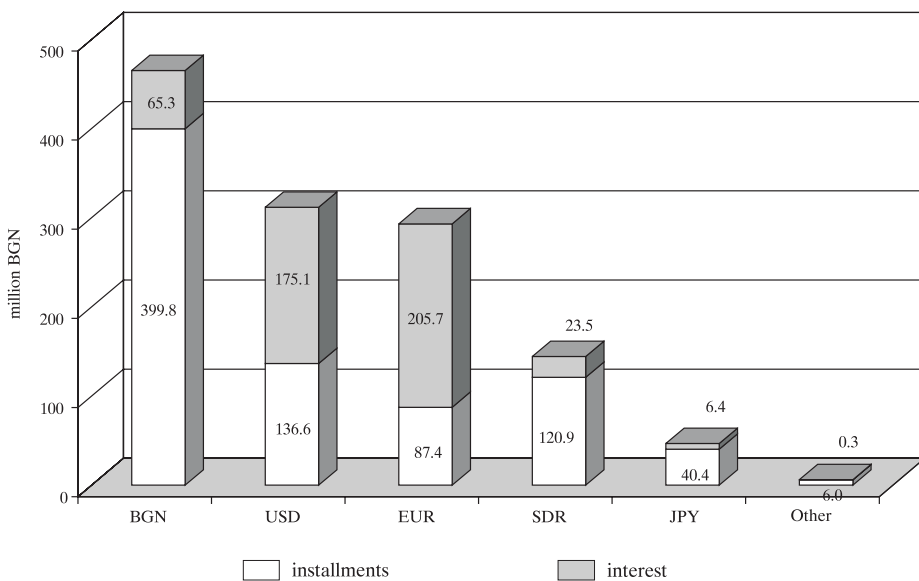
Debt Interest Structure as of 30 June



Government Debt Payments



Currency Structure of Government Debt Payments as of 30 June



Government Securities Issued in Domestic Market and Acquired by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2002	2003				
		31.I.	28.II.	31.III.	30.IV.	31.V.
Government securities issued for budget deficit financing	0.1	0.1	0.1	0.1	-	-
Government securities issued for structural reform	71 326.7	66 848.8	66 869.9	66 800.6	66 660.6	70 339.2
- in USD	7 368.0	6 652.4	6 673.4	6 604.2	6 464.2	6 086.3
- in EUR	63 958.7	60 196.4	60 196.4	60 196.4	60 196.4	64 252.8
Total	71 326.8	66 848.9	66 870.0	66 800.7	66 660.6	70 339.2

Government Securities Issued in International Market and Acquired by Residents

(thousand USD)

Government securities type	31.XII. 2002	2003				
		31.I.	28.II.	31.III.	30.IV.	31.V.
Brady bonds	69.4	71.0	73.9	76.8	73.9	73.9
Eurobonds	74.4	72.8	69.4	70.5	70.3	69.0
Global bonds	189.2	197.2	199.1	217.2	221.7	213.9
- in EUR	136.3	140.7	140.4	151.5	146.9	152.6
- in USD	52.9	56.6	58.6	65.7	74.9	61.3
Total	332.9	341.0	342.4	364.4	365.9	356.8

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

Structure	2003 (thousand BGN)			
	2002 as of 31.XII.	as of 31.I.	as of 28.II.	as of 31.III.
I. Domestic municipal debt and municipal guarantees	44 597.65	34 745.12	33 719.18	32 738.52
I.1. Government securities issues (at nominal value as of corresponding period)	42 342.55	32 502.32	32 274.19	31 295.02
1.1. Government securities issues (at nominal value as of corresponding period)	9 164.70	9 164.70	9 164.70	9 164.70
1.2. Loans from banks and other financial institutions	9 122.33	8 806.00	9 016.12	9 664.69
1.3. Loans from the republican budget	11 169.60	3 810.50	3 810.50	2 772.50
1.4. Loans from extrabudgetary accounts and funds	9 611.36	7 473.06	7 014.24	6 632.59
1.5. Loans from other municipalities	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-
1.7. Other	3 274.56	3 248.07	3 268.63	3 060.54
2. Municipal guarantees	2 255.10	2 242.80	1 444.99	1 443.51
II. Foreign municipal debt and municipal guarantees	4 205.04	4 546.33	4 940.05	5 243.01
I. Municipal debt	4 205.04	4 546.33	4 940.05	5 243.01
1.1. Loans from banks and other financial institutions	4 205.04	4 546.33	4 940.05	5 243.01
2. Municipal guarantees	-	-	-	-
III. Municipal debt and municipal guarantees, total	48 802.69	39 291.44	38 659.23	37 981.54
as of 30.IV.	as of 31.V.	as of 30.IV.	as of 31.V.	as of 31.V.
		34 417.38	33 000.67	36 240.35
				34 826.87
				10 484.70
				9 339.27
				3 185.42
				7 044.45
				2 946.84
				1 416.70
				6 553.79
				6 226.44
				6 226.44
				40 971.16
				42 466.79

Note: The lev equivalent of the debt denominated in foreign currency is calculated on the basis of the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last working day of the period.

Social Security Funds Debt

(thousand BGN)

Structure	2003					
	2002 as of 31.XII.	as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V. as of 30.VI.
Domestic debt	37 482.3	37 397.1	37 403.5	37 382.6	37 340.3	37 226.3
I. National Insurance Institute	37 482.3	37 397.1	37 403.5	37 382.6	37 340.3	37 226.3
1. Other*	37 482.3	37 397.1	37 403.5	37 382.6	37 340.3	37 226.3
2. National Health Insurance Fund	-	-	-	-	-	-
3. Teachers' Pension Fund	-	-	-	-	-	-
Foreign debt	-	-	-	-	-	-

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

CONSOLIDATED DEBT

Structure	(million EUR)				
	2002 as of 31.XII.	2003			
	as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V.
I. Central government debt	9 233.8	9 022.0	8 985.2	9 042.0	8 727.0
incl. government guaranteed debt	531.5	388.6	388.8	386.5	367.2
II. Social security funds debt	0.0	0.0	0.0	0.0	0.0
III. Municipal debt	25.0	19.8	19.4	20.9	21.7
incl. municipal guarantees	1.2	1.1	0.7	0.7	0.7
Consolidated debt, total	9 258.8	9 041.8	9 004.6	9 062.9	8 748.8
Total consolidated debt/GDP (%)	55.78	50.12	49.91	50.23	48.49

Note: Revised GDP projection for 2003; BGN 35,285.5 million. GDP for 2002; BGN 32,466 million.