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Abbreviations

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

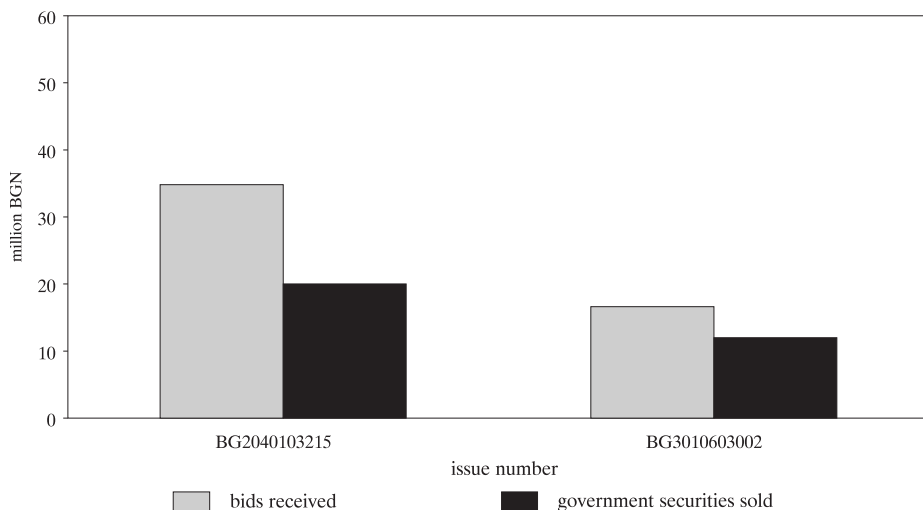
BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In May 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. BG3010603002) and one long-term (seven-year) tap treasury bonds issue (No. BG2040103215). The issued bonds were tap treasury bonds and were opened again in May.

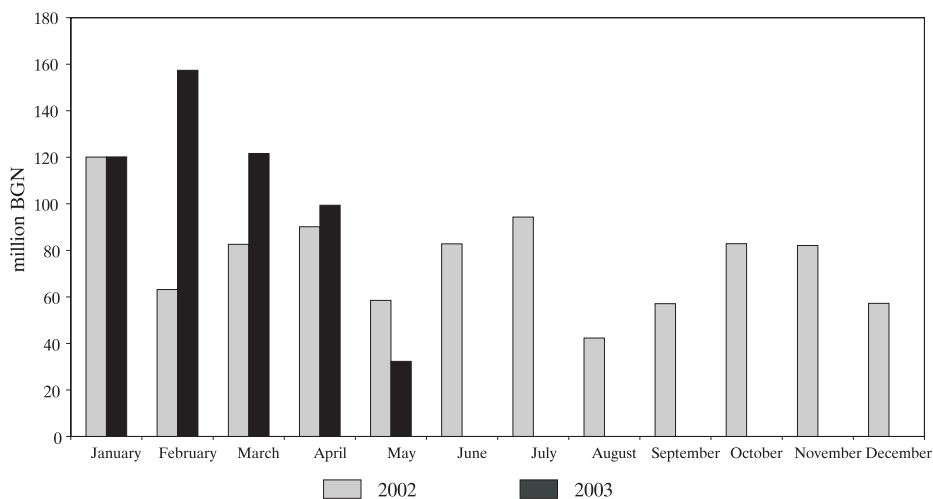
At the auctions primary dealers' bids totaled BGN 51,420 thousand: BGN 16,620 thousand for three-month and BGN 34,800 thousand for seven-year government securities (Chart 1). Approved bids totaled BGN 32,000 thousand nominal value, including three-month of BGN 12,000 thousand and seven-year of BGN 20,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in May accounted for 1.61: 1.39 on three-month and 1.74 on seven-year government securities (Chart 4). Reported excess of demand over supply was a result of stable investment interest in government securities as a whole. Government securities issued in May increased by BGN 26.2 million on a year earlier basis (Chart 2).

Chart 1

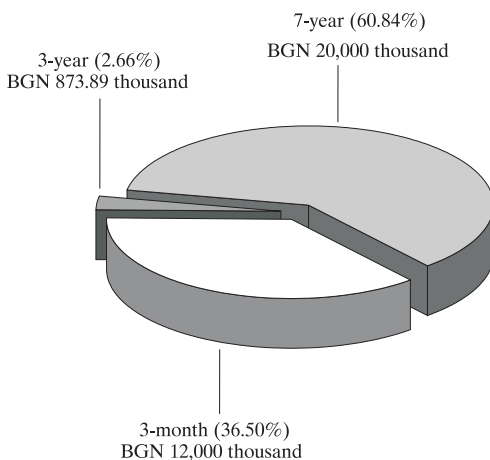
Government Securities Issue in May



Sales of Government Securities Issues

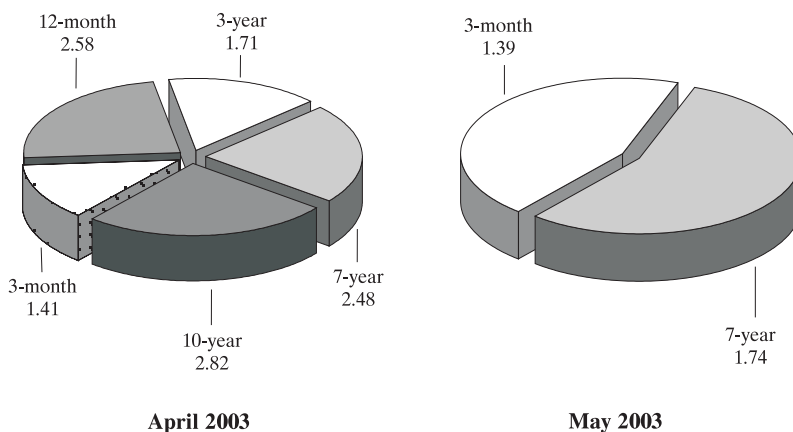


Structure and Volume of Government Securities Issued for Budget Deficit Financing in May



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 demand for government securities as a whole, and preferences for particular kinds of debt instruments. The yield on three-month treasury bills indicated a slight increase of 0.01 percentage points compared with the previous month, reaching 2.96%. The yield on seven-year treasury bonds also slightly increased amounting to 6.22% (Charts 5, 6 and 8).

One 2003 treasury bills issue (BG3010203001) and one 1998 treasury bonds issue (BG2030998111) matured in May.

In the review period two issues of three-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 809 of 14 May 2003 and issue No. 810 of 28 May 2003. Issue No. 809 totaled BGN 472.2 thousand nominal value and issue No. 810 is still in circulation (Chart 11). Two 2001 issues, amounting to BGN 567.6 thousand, matured in May. During the period under review reverse repurchases accounted for BGN 125.7 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

APRIL 2003

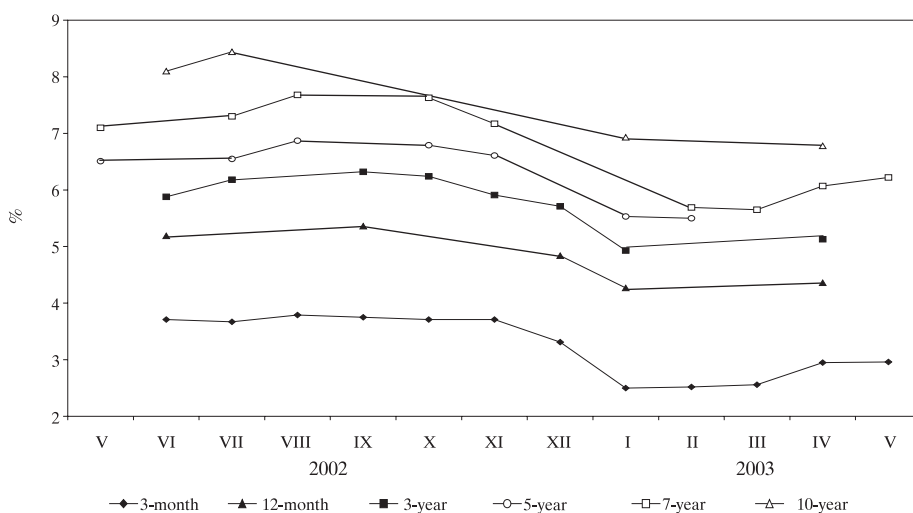
	3-month	12-month	3-year	7-year	10-year
	BG3010503004	BG3010403007	BG2030103118	BG2040103215	BG2040003217
Minimum	99.12	95.68	100.44	98.48	104.76
Average-weighted	99.26	95.76	101.01	98.90	105.18
Maximum	99.32	95.85	101.39	100.09	106.02

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

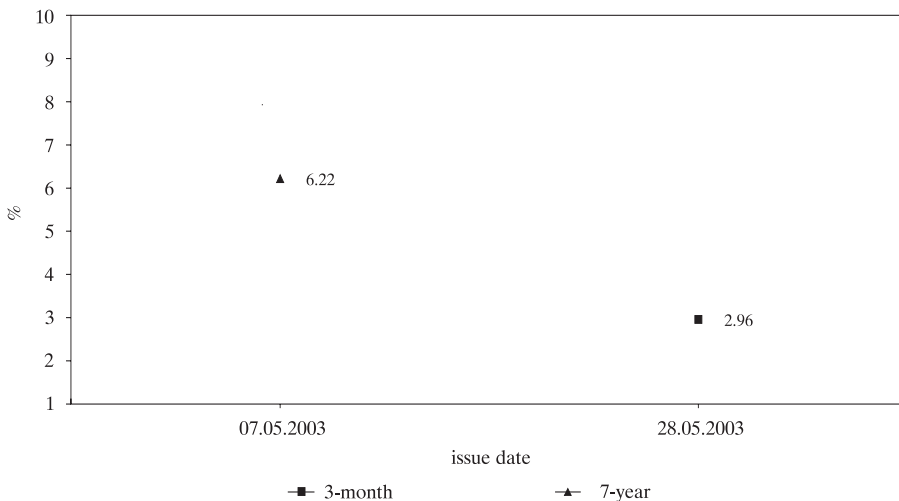
Chart 5

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

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

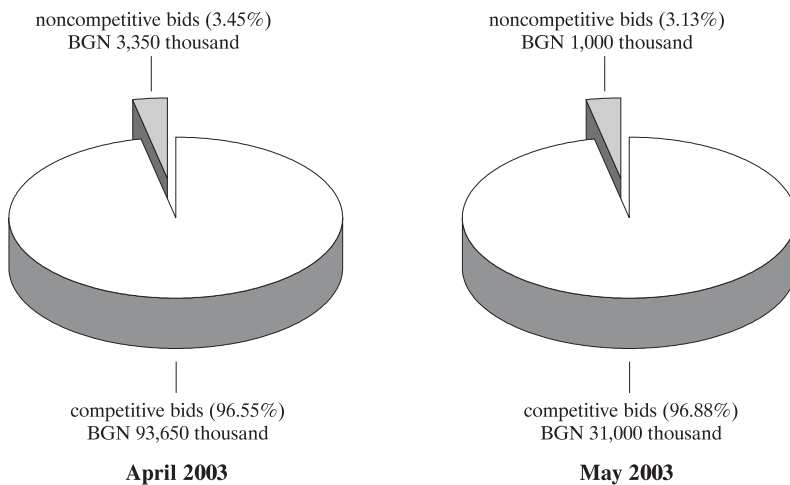
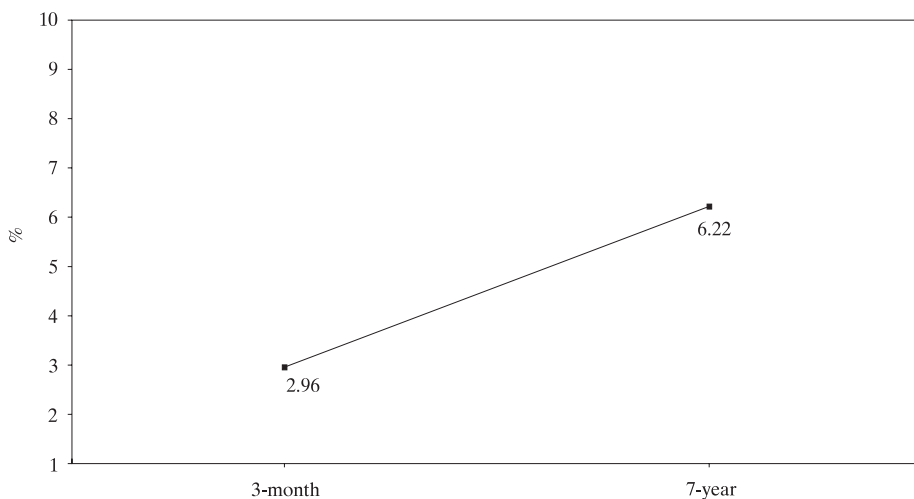


Chart 8

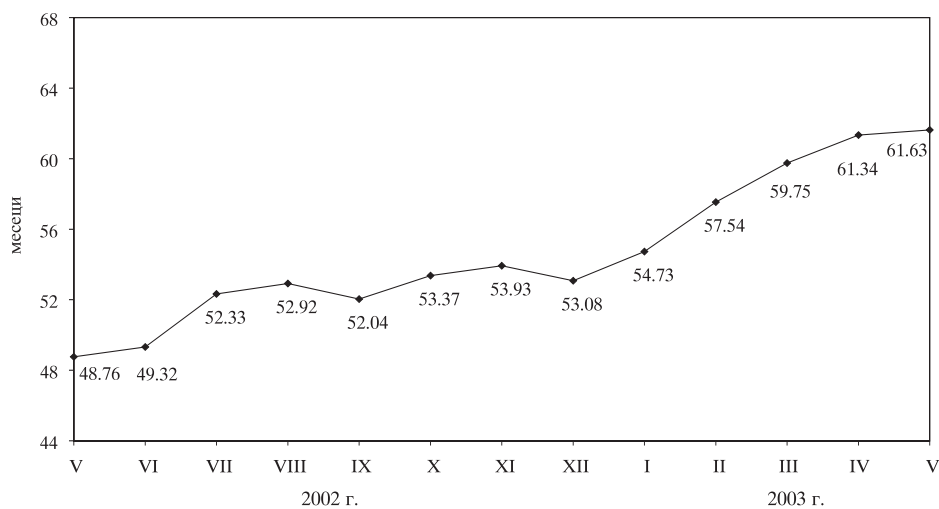
Yield Curve of Primary Market Government Securities in May



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 Issues and Maturities

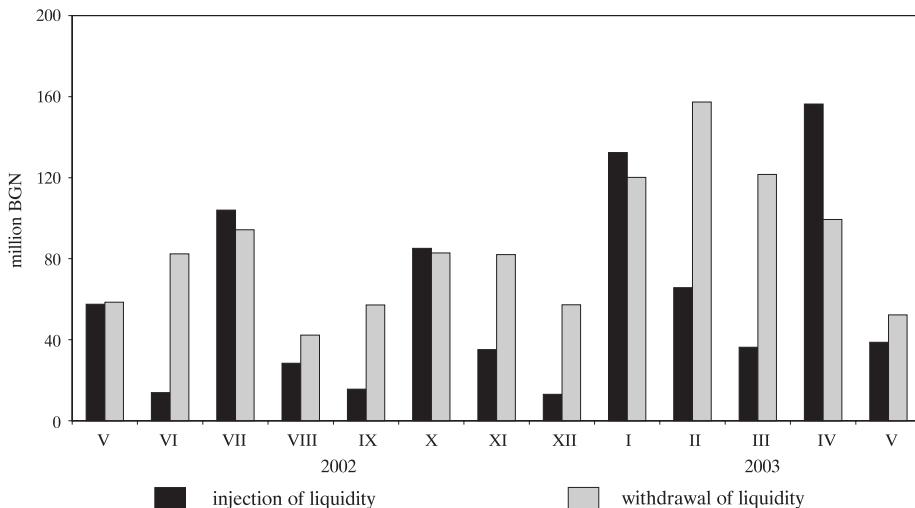
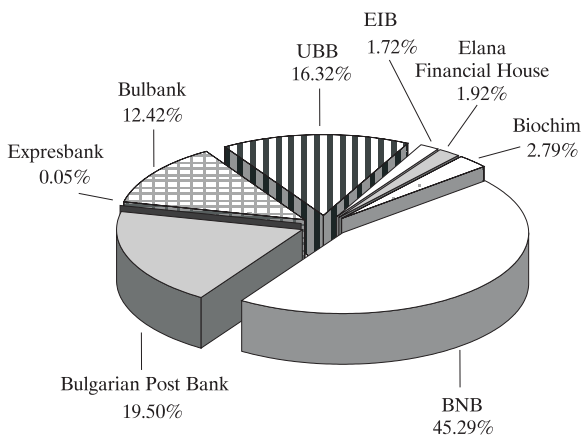
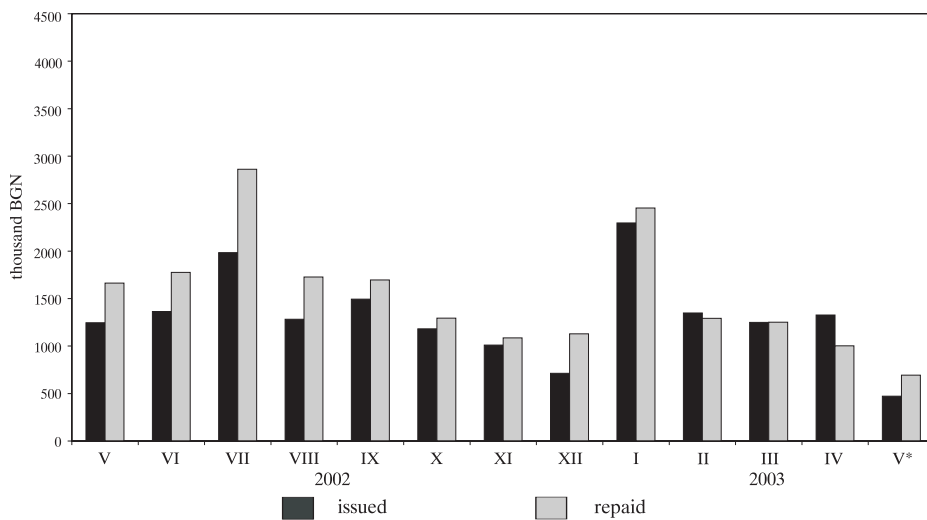


Chart 11

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



Issued and Repaid Government Securities from Target Issues



* Issue No. 810 of 28 May 2003 excluded from the amount of government securities issued in the review period.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3010702002	BG3011102004	BG3011502005	BG3010003005	BG3010303009	BG3010403007	BG3010503004	BG3010603002
Issue date	26.06.2002	25.09.2002	18.12.2002	16.01.2003	24.03.2003	09.04.2003	30.04.2003	28.05.2003
Maturity date	26.06.2003	25.09.2003	18.12.2003	16.01.2004	26.06.2003	09.04.2004	30.07.2003	28.08.2003
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	20 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	21 700.00	40 901.05	52 800.00	77 550.00	19 620.00	51 600.00	16 860.00	16 620.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	12 000.00	20 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	95.00	94.85	95.32	95.85	99.35	95.76	99.26	99.25
Average discount per BGN 100 (%)	5.00	5.15	4.68	4.15	0.65	4.24	0.74	0.75
Average annual yield (%)	5.19	5.36	4.91	4.27	2.56	4.36	2.95	2.96
Effective annual yield (%)	5.19	5.35	4.84	4.27	2.58	4.35	2.98	2.99
Coverage coefficient	1.09	2.05	2.64	3.88	1.64	2.58	1.41	1.39

Treasury Bonds

Issue No.	BG2031198117	BG2030699115	BG2030999119	BG2030700111 ²	Total for the issue
			First opening	Second opening	Third opening
Auction date			17.07.2000	14.08.2000	18.09.2000
Issue date	02.07.1998	31.03.1999	19.07.2000	19.07.2000	19.07.2000
Maturity date	26.06.2003	24.03.2004	16.07.2003	16.07.2003	16.07.2003
Nominal value of the offer (thousand BGN)	2 000.00	2 000.00	10 000.00	10 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	2070.00	2 795.00	37 920.00	52 900.00	131 450.00
Total nominal value of the bids approved (thousand BGN)	2000.00	2 000.00	10 000.00	10 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	76.20	86.35	100.67	101.43	101.43
Interest rate	7.00	9.00	8.00	8.00	8.00
Coverage coefficient	1.04	1.40	3.79	5.29	4.38
Average annual yield (%)	13.75	12.79	7.74	7.46	7.46

(continued)

(continued)

Issue No.	BG2030900117 ²			BG2031000115 ²			Total for the issue
	First opening	Second opening	Third opening	First opening	Second opening	Third opening	
Auction date	09.10.2000	06.11.2000	11.12.2000	16.10.2000	13.11.2000	18.12.2000	
Issue date	11.10.2000	11.10.2000	11.10.2000	18.10.2000	18.10.2000	18.10.2000	18.10.2000
Maturity date	05.10.2005	05.10.2005	05.10.2005	15.10.2003	15.10.2003	15.10.2003	15.10.2003
Nominal value of the offer (thousand BGN)	10 000.00	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	46 780.00	35 511.11	31 074.00	42 068.00	35 393.00	32 922.00	110 383.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	98.78	99.63	99.87	101.44	101.44	101.70	101.53
Interest rate	9.00	9.00	9.00	7.50	7.50	7.50	7.50
Coverage coefficient	4.68	2.37	2.07	4.21	3.54	3.29	3.68
Average annual yield (%)	9.31	9.09	9.03	6.96	6.96	6.86	6.92

(continued)

(continued)

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

(continued)

(continued)

Issue No.	BG2030401116 ³			BG2030501113 ²			BG2030601113 ³			Total for the issue
	First opening	Second opening	Total for the issue	First opening	Second opening	Third opening	First opening	Second opening	Total for the issue	
Auction date	09.07.2001	10.09.2001		23.07.2001	20.08.2001	24.09.2001	08.10.2001	10.12.2001		
Issue date	11.07.2001	11.07.2001	11.07.2001	25.07.2001	25.07.2001	25.07.2001	10.10.2001	10.10.2001	10.10.2001	
Maturity date	11.07.2003	11.07.2003	11.07.2003	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)	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	20 000.00	25 000.00	25 000.00	50 000.00	
Total nominal value of the bids received (thousand BGN)	54 800.00	32 363.00	87 163.00	51 650.00	41 950.00	46 470.00	38 600.00	39 300.00	77 900.00	
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	50 000.00	20 000.00	20 000.00	20 000.00	25 000.00	25 000.00	50 000.00	
Average price of the bids approved per BGN 100 (%)	100.85	100.58	100.72	100.79	100.10	100.40	100.62	100.69	100.66	
Interest rate	6.00	6.00	6.00	7.00	7.00	7.00	6.00	6.00	6.00	
Coverage coefficient	2.19	1.29	1.74	2.58	2.10	2.32	2.33	1.56	1.56	
Average annual yield (%)	5.55	5.69	5.61	6.81	6.98	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			BG20400022193				
	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.	BG2040102217 ²			BG2030102110 ³			
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	18.02.2002	18.03.2002	13.05.2002		11.03.2002	10.06.2002	
Issue date	20.02.2002	20.02.2002	20.02.2002	20.02.2002	13.03.2002	13.03.2002	13.03.2002
Maturity date	20.05.2009	20.05.2009	20.05.2009	20.05.2009	13.03.2005	13.03.2005	13.03.2005
Nominal value of the offer (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	63 350.00	58 812.00	58 300.00	180 462.00	72 750.00	44 151.00	116 901.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	99.05	99.77	99.44	99.40	101.62	101.68	101.65
Interest rate	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Coverage coefficient	2.11	2.35	1.67	2.01	2.91	1.77	2.34
Average annual yield (%)	7.17	7.04	7.10	7.10	5.90	5.88	5.89

(continued)

(continued)

Issue No.	BG204020215 ¹				BG2030202118 ¹				Total for the issue	
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening		Fourth opening
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	17.04.2002	08.07.2002	12.08.2002	07.10.2002	11.11.2002	10.07.2002
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2002	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	Fourth opening	First opening	Second opening			
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	29.07.2002	28.10.2002	25.11.2002		
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002	31.07.2002
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	31.07.2005	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	25 000.00	25 000.00	33 100.00	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	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	16 900.00	25 000.00	33 100.00	33 100.00	75 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	98.83	98.67	99.57	99.10	
Interest rate	7.00	7.00	7.00	7.00	5.75	5.75	5.75	5.75	
Coverage coefficient	1.49	1.62	2.44	5.80	0.97	1.77	2.79	1.93	
Average annual yield (%)	7.30	7.68	7.63	7.17	6.18	6.24	5.91	6.08	

(continued)

(continued)

Issue No.	BG2030402114 ³		BG2040003217 ³		BG2030003110 ³		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	
Issue date	11.09.2002	11.09.2002	08.01.2003	08.01.2003	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
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	55 000.00
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	138 620.00
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	55 000.00
Average price of the bids approved per BGN 100 (%)	99.13	100.80	104.08	105.18	100.42	100.55	100.48
Interest rate	6.00	6.00	7.50	7.50	5.625	5.625	5.625
Coverage coefficient	1.35	2.67	3.14	2.82	2.92	2.04	2.52
Average annual yield (%)	6.32	5.71	6.93	6.78	5.53	5.50	5.51

(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	First opening	Second opening	Total for the issue
Auction date	20.01.2003	21.04.2003		03.02.2003	14.04.2003		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	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	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	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	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	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	98.06	100.99	100.55	100.76
Interest rate	5.50	5.50	5.50	5.875	5.875	5.875	5.75	5.75	5.75
Coverage coefficient	2.51	1.71	2.11	3.89	2.48	1.74	2.80	3.06	2.89
Average annual yield (%)	4.93	5.13	5.03	5.80	6.07	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.

**** BGN 49,171.10 thousand reverse repurchases on this issue in 2003.

Guaranty Government Securities

Issue No.	BG2040296225	BG2040396223	BG2040596228	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	28.05.2003	01.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	857.14	905.53	113.30	8451.94	932.21	3037.25	4139.91
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7	7	7	7

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

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

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

Principals of guaranty government securities are based on actual data as of 31 May 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 31 May 2003.

Pending Payments on Government Securities in July 2003

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3	4
CMD 244 CMD 234 ZUNK USD ZUNK EUR target issues		41.8 153.8 3 008.5 3 871.7			
			26.4	23.7	486.6
	7	8	9	10	11
target issues bonds		38.6 1 859.6	3 124.1	2 731.7	51 487.7
	14	15	16	17	18
target issues bonds			25.3 34 172.1	15.7 2 429.9	442.1
	21	22	23	24	25
target issues bonds		24.0 2 045.5			
	28	29	30	31	
bills target issues bonds			12 000.0 20.6		
				17.3 2 138.5	

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

Schedule of Government Securities Issues for July 2003

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
07.07.2003	09.07.2003	09.07.2004	1-year	20 000 000	20 000 000
14.07.2003*	22.01.2003	22.01.2006	3-year	25 000 000	100 000 000
21.07.2003*	05.02.2003	05.02.2010	7-year	15 000 000	120 000 000
28.07.2003	30.07.2003	30.10.2003	3-month	12 000 000	
TOTAL, incl.:				72 000 000	
bills				32 000 000	
bonds				40 000 000	

* Tap issue.

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

By end-May 2003 domestic debt totaled BGN 2,225,609.2 thousand and domestic government debt accounted for BGN 2,225,063.3 thousand. Share of the debt on government securities issued for budget deficit financing was 74.5% and that on government securities issued for structural reform, 25.5%. Domestic government guaranteed debt comprised 0.02% (Chart 13).

By end-May government securities issued for budget deficit financing accounted for BGN 1,658,479 thousand. Issued government securities totaled BGN 524,364.5 thousand, including BGN 6,692.4 thousand sold directly to physical persons. Securities repaid in May accounted for BGN 328,155.6 thousand, including short-term treasury bills of BGN 78,567.7 thousand. As a result of effected operations the maturity structure of government securities issued for budget deficit financing was changed: the share of two-year and five-year treasury bonds decreased to 7.29% and 27.3% respectively at the expense of slightly increased share of three- and seven-year bonds. The share of all other types of government securities was not changed (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached five years and two months. Government securities issued for structural reform comprised BGN 566,584.3 thousand. In the review period USD ZUNK bonds of USD 36.4 thousand and EUR ZUNK bonds of EUR 268 thousand were used for repayment of obligations to the state under ZUNK.

Debt movements in May caused a slight change in debt forex structure (Chart 15). The share of government securities in levs and euro increased to 66.6% and 20.1% respectively at the expense of government securities denominated in US dollars which fell to 13.3%. Debt maturity structure also changed. Short-term and long-term securities increased to 5.9% and 55.3% respectively at the expense of medium-term securities which decreased to 38.9% (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 63,942.5 thousand. Interest and discounts on government securities for budget deficit financing of BGN 50,254.2 thousand, or 86.4% of the total repaid interest and discounts, were repaid in May (Chart 19). Expenditure on five-year government bonds occupied the largest share, 42.8%, followed by three-year bonds, 19.5%.

In May a government securities reverse repurchase auction was held; at the auction a portion of the nominal values of three low-liquid government securities with old maturity and high interest coupons were withdrawn from circulation. Government securities primary dealers were allowed to participate in the auction with reverse repurchase bids – redemption of the nominal value and interest on government securities of the respective issues.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 31 May 2003
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
1. Government securities issued in 1998	4 090.9		2 566.9	1 524.0
5-year	4 090.9		2 566.9	1 524.0
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		154 780.3	326 072.8
4.1. Medium-term	451 915.5		154 780.3	297 135.1
2-year	211 958.6		106 109.3	105 849.3
5-year	239 956.9		48 671.1	191 285.8
4.2. Long-term	28 937.6		-	28 937.6
7-year	28 937.6		-	28 937.6
5. Government securities issued in 2002	794 946.9		55 302.9	739 644.0
5.1. Short-term	111 748.7		54 716.1	57 032.6
3-month	35 676.8		35 676.8	-
12-month	76 071.8		19 039.3	57 032.6
5.2. Medium-term	363 847.6		586.8	363 260.8
2-year	15 709.9		586.8	15 123.1
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	-	524 364.5	23 851.6	500 512.9
6.1. Short-term	-	97 918.5	23 851.6	74 066.9
3-month	-	59 595.3	23 851.6	35 743.7
12-month	-	38 323.2	-	38 323.2
6.2. Medium-term	-	111 692.4	-	111 692.4
3-year	-	56 692.4	-	56 692.4
5-year	-	55 000.0	-	55 000.0
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	524 364.5	328 155.6	1 658 479.0

II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM

A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 476.6	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)

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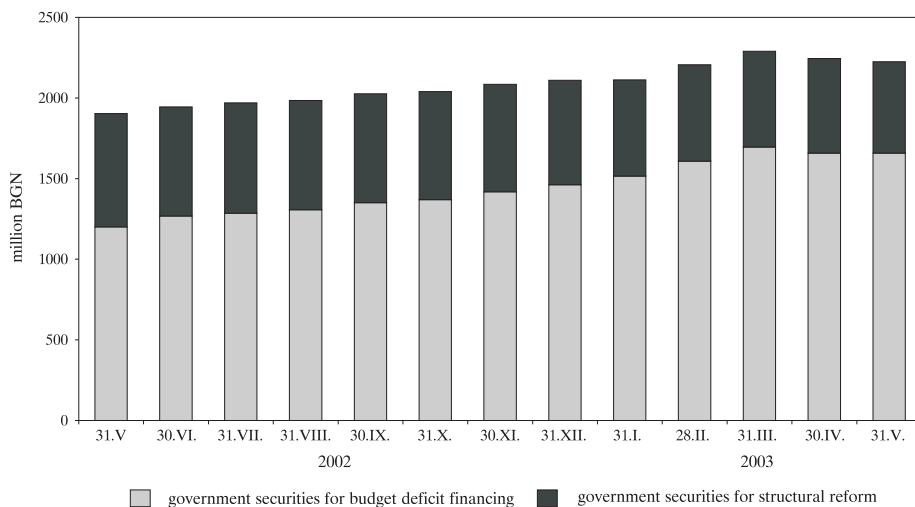
(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2002	Change in 2003		Amount as of 31 May 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		16 787.2	179 049.3
lev equivalent	369 143.9			296 219.1
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			549 004.2
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996				
	18 437.3			17 580.1
Government securities issued in 1996	1 876.0		857.1	1 018.8
Government securities issued in 1997	16 561.3			16 561.3
TOTAL (B)	18 437.3			17 580.1
TOTAL (II)	647 600.8			566 584.3
GOVERNMENT DEBT, TOTAL	2 109 870.8			2 225 063.3
III. DOMESTIC GOVERNMENT GUARANTEES				
	1 881.2			546.0
DOMESTIC DEBT, TOTAL	2 111 752.0			2 225 609.2

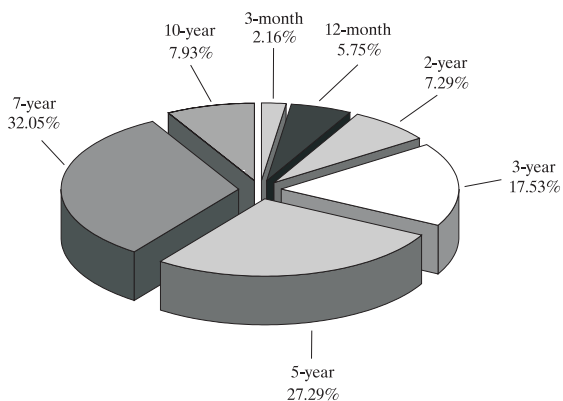
Notes:

- 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 31 May 2003: USD 1/BGN 1.65440, EUR 1/BGN 1.95583.

Changes in Domestic Government Debt

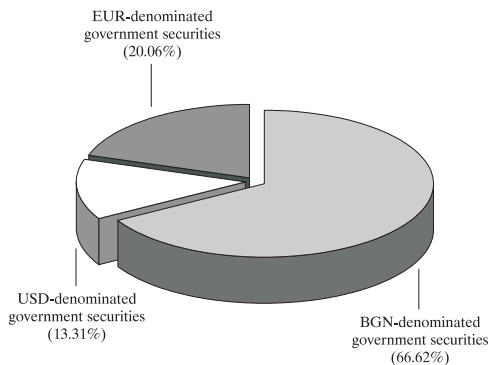


Outstanding Government Securities Issued for Budget Deficit Financing as of 31 May

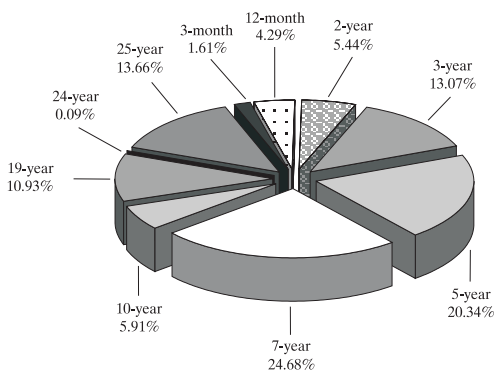


Note: The average-weighted maturity of government securities issued for budget deficit financing is five years and two months.

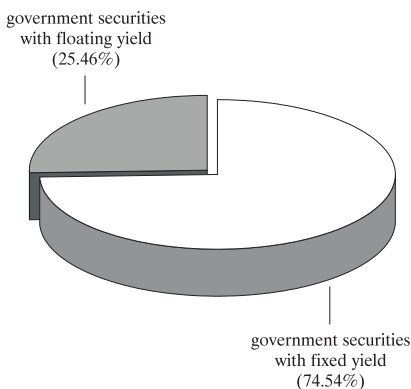
Forex Composition of Outstanding Government Securities as of 31 May



Maturity Structure of Outstanding Government Securities as of 31 May



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



Expenditure on Domestic Debt between 1 January and 31 May 2003

(thousand BGN)

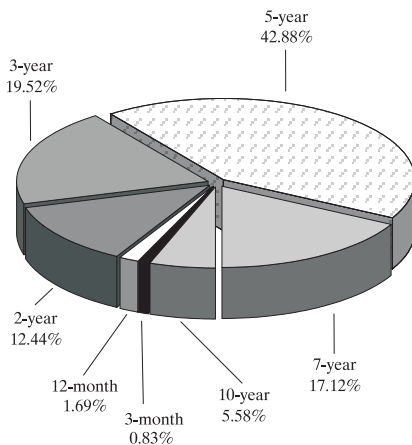
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 1998	552.7
5-year	552.7
2. Government securities issued in 1999	143.2
5-year	143.2
3. Government securities issued in 2000	8 750.1
3.1. Medium-term	8 750.1
3-year	5 829.5
5-year	2 920.6
4. Government securities issued in 2001	22 584.4
4.1. Medium-term*	22 584.4
2-year	6 684.2
5-year	14 784.5
7-year	1 115.8
5. Government securities issued in 2002	24 698.6
5.1. Short-term	1 283.9
3-month	323.2
12-month	960.7
5.2. Medium-term	11 620.0
2-year	393.8
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	-1 474.8
6.1. Short-term	148.4
3-month	148.4
6.2. Medium-term	-342.5
3-year	-342.5
6.3. Long-term	-1 280.7
5-year	-107.5
7-year	-827.2
EUR-denominated (lev equivalent)	-301.2
10-year	-346.0
TOTAL (I)	55 254.2

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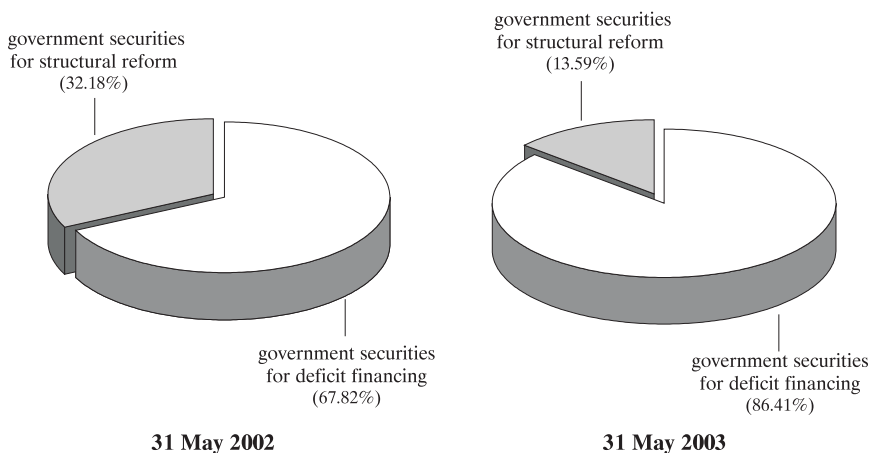
(continued)	(thousand BGN)
Structure	Amount of repaid interest (discount)
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	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	283.6
Total (B)	283.6
TOTAL (II)	8 688.3
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	63 942.5
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	63 942.5

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

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



Structure of Expenditure on Domestic Debt



By end-May foreign debt totaled EUR 7,585.7 million. Government debt accounted for EUR 7,220.3 million and government guaranteed debt amounted to EUR 365.4 million.

In May new foreign financing amounted to BGN 332.7 thousand. Payments on the debt totaled BGN 65,184.5 thousand of which BGN 48,263.9 thousand principal repayments and BGN 16,920.6 thousand interest. Repayments were mainly made to the IMF (BGN 28,881.6 thousand) and on government guaranteed loans (BGN 18,477.5 thousand). Interest was repaid mainly to the IMF (BGN 10,721.2 thousand) and on government guaranteed loans (BGN 5,233.7 thousand).

Since early-2003 received loans have totaled BGN 527,691.7 thousand, of which BGN 295,721.5 thousand receipts from the World Bank, BGN 129,886.9 thousand receipts from the IMF and BGN 70,452.5 thousand receipts from government investment loans. Payments on the debt have amounted to BGN 748,179.4 thousand, including BGN 368,234.1 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 55,194.2 thousand). By end-May net foreign financing totaled BGN 159,457.6 thousand.

Slight changes occurred in foreign debt structure as a result of effected operations. Debt denominated in euro amounted to 34.5% and debt denominated in US dollars and other currencies comprised 50.3% and 15.1% respectively. A slight change was also reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 63.1% to 36.9%. The average-weighted residual term to maturity of the foreign debt was ten years and five months with an increased share of the debt from one to five years and a decreased 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 27.2%. The percentage share of the debt to the IMF slightly decreased and comprised 12.3%. Obligations to the World Bank occupied 12%, to the Paris Club, 3.2%, to the European Union, 5.1%, and on government guaranteed credits, 4.8%.

Foreign Debt

(million EUR)

Structure	as of 31.XII. 2002	2003				
		as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V.
Government debt	7 623.6	7 498.3	7 505.6	7 425.8	7 507.4	7 220.3
I. Bonds	4 646.4	4 453.2	4 464.0	4 428.6	4 357.1	4 164.0
1. Brady bonds	2 398.7	2 254.1	2 261.2	2 237.8	2 190.3	2 062.3
2. Other bonds	2 247.7	2 199.1	2 202.8	2 190.8	2 166.8	2 101.7
II. Credits	2 977.3	3 045.0	3 041.7	2 997.2	3 150.3	3 056.3
1. Paris Club	284.5	282.5	264.8	242.2	241.3	239.6
2. World Bank	836.1	814.4	804.6	798.4	938.0	909.6
2.1. World Bank	716.9	699.6	691.8	687.2	830.0	807.3
2.2. JBIC (JEXIM)	119.2	114.8	112.8	111.2	108.0	102.3
3. G-24	48.9	47.8	48.1	47.9	47.4	46.1
4. European Union	390.0	390.0	390.0	390.0	390.0	390.0
5. IMF	990.9	962.4	984.7	971.0	977.7	930.0
6. Other	129.2	129.2	129.2	129.2	129.2	127.8
7. Government investment loans	236.7	359.6	362.6	361.1	369.9	358.6
7.1. World Bank	69.0	71.6	72.3	72.4	75.1 *	75.1
7.2. European Investment Bank	122.5	189.2	189.5	186.5	193.9	187.4
7.3. EBRD	26.2	40.2	40.2	40.0	39.4	37.3
7.4. Other	19.0	58.7	60.5	62.3	61.6 *	58.8
8. Called government guarantees	61.0	59.0	57.7	57.4	56.8	54.6
8.1. World Bank	48.5	47.2	45.9	45.7	45.4	43.8
8.2. European Investment Bank	2.6	2.3	2.3	2.3	2.2	2.1
8.3. Other	9.9	9.5	9.5	9.4	9.2	8.7
Government guaranteed debt	530.5	396.1	387.8	388.2	386.1	365.4
1. World Bank	137.1	132.7	129.7	128.6	126.5	120.8
2. European Investment Bank	115.8	48.4	50.4	47.5	47.5	47.5
3. EBRD	60.7	40.5	40.6	41.1	39.4 *	38.2
4. Other	216.8	174.5	167.1	170.9 *	172.6 *	158.9
FOREIGN DEBT, TOTAL	8 154.1	7 894.4	7 893.4	7 814.0	7 893.5	7 585.7
FOREIGN DEBT, TOTAL						
(million USD)	8 460.6	8 538.6	8 510.6	8 513.4	8 786.2	8 967.8

Notes:

- Foreign debt based on cash flows.
- Credits in *Government investment loans* and *Government guaranteed debt* groups have been rearranged according to the provisions of the Law on the Government Debt (published in the State Gazette, issue 93 of 1 October 2002).
- The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.
In the 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.
- 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.
- Preliminary data for May 2003.

* Revised data.

New Foreign Financing and Foreign Debt Payments as of 31 May

(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	494 993.7	313 039.9	366 085.9
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	494 993.7	220 885.5	67 761.5
1. Paris Club	-	78 628.3	10 808.3
2. World Bank	295 721.5	24 030.7	8 984.2
2.1. World Bank	295 721.5	16 902.2	7 832.8
2.2. JBIC (JEXIM)	-	7 128.5	1 151.4
3. G-24	-	-	762.4
4. European Union	-	-	7 179.6
5. IMF	129 886.9	83 077.2	23 081.1
6. Other	-	-	-
7. Government investment loans	70 452.5	31 131.5	14 991.4
7.1. World Bank	14 266.4	904.0	822.9
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	10 806.1	-	1 052.0
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	32 698.0	55 194.2	13 859.3
1. World Bank	-	6 339.2	3 212.5
2. European Investment Bank	3 911.7	5 648.7	2 548.2
3. EBRD	3 135.8	2 964.5	822.2
4. Other	25 650.5	40 241.9	7 276.5
TOTAL	527 691.7	368 234.1	379 945.3

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 31 May

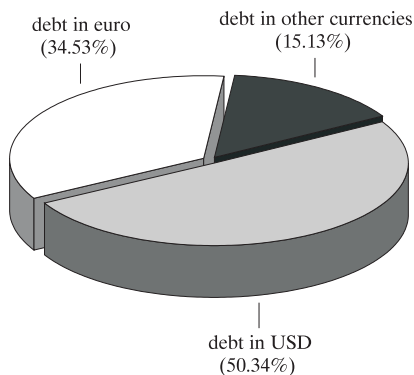


Chart 21

Interest Rate Structure of the Foreign Debt as of 31 May

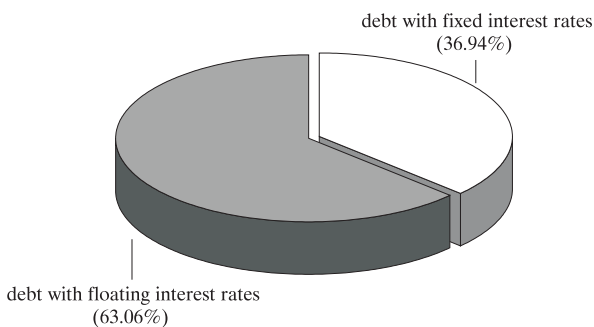
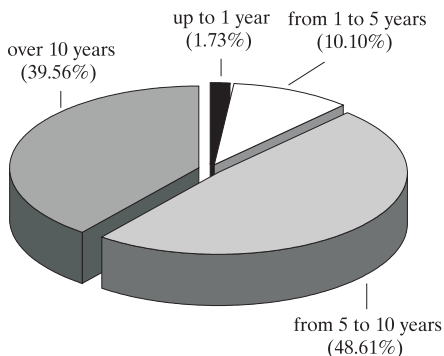


Chart 22

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



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

By end-May government and government guaranteed debt totaled EUR 8,723.7 million, including domestic debt of EUR 1,137.9 million and foreign debt of EUR 7,585.7 million. The decrease in absolute terms was EUR 318.2 million on the previous month mainly due to repayments effected in the review period.

By end-May value of the key macroeconomic indicator identifying the *debt to GDP ratio* was 48.4%, down 1.7% on April 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% respectively.

Domestic debt occupied 13% in debt structure and foreign debt – 87% (Chart 23). The upward trend in the share of domestic debt was sustained reflecting the policy intended to overcome the disequilibrium between domestic and foreign debts of Bulgaria.

Forex debt composition experienced certain changes. By end-May the share of the debt in US dollars stayed relatively high, amounting to 45.5%, but compared with April it decreased by 1.3 percentage points. In the review period debt in euro increased from 31.5% to 32.6%, while debt in levs and other currencies slightly fluctuated (Chart 24).

Debt on other bonds (global bonds used to replace a portion of the Brady debt, and eurobonds) occupied the largest share in debt structure by type of creditor, 24.1 %, followed by the London Club (Brady bonds), 23.6%, domestic debt (government securities), 13%, debt to the IMF, 10.7%, and debt to the World Bank, 10.4% (Chart 25). The share of domestic debt issues continued its upward trend in the period under review.

By end-May debt interest structure reflected a slight decrease in the debt with floating interest, from 58.7% to 58.2%, over the debt with fixed interest which comprised 41.8% (Chart 26). Improvement in this proportion was one of the priorities of pursued debt policy intended to minimize interest risk impact 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 1,176.4 million, including domestic debt payments of BGN 429.5 million and foreign debt payments of BGN 746.8 million (Chart 27). In May payments to the IMF and on government guaranteed loans comprised the most significant shares, while the main repayments related to domestic debt were effected on government securities issued for budget deficit financing.

By end-May payments in levs (BGN 429.5 million) accounted for the biggest share in the forex composition of debt payments, followed by payments in US dollars (BGN 296.2 million) and in euro (BGN 258.7 million, Chart 28).

Government and Government Guaranteed Debt

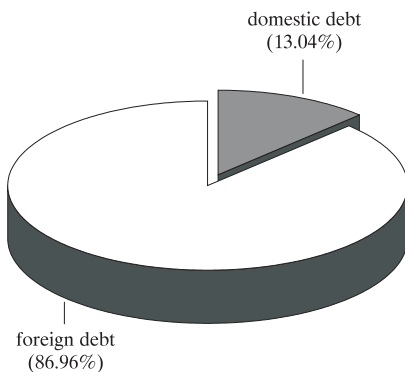
(million EUR)

Structure	as of 31.XII. 2002	2003				
		as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V.
Domestic debt	1 079.7	1 080.6	1 128.6	1 171.2	1 148.4	1 137.9
I. Government debt	1 078.7	1 079.7	1 127.8	1 170.6	1 148.0	1 137.7
1. Government securities issued for budget deficit financing	747.6	774.8	822.4	867.1	848.2	848.0
2. Government securities issued for structural reform	331.1	304.9	305.4	303.4	299.8	289.7
II. Government guaranteed debt	1.0	0.9	0.8	0.6	0.4	0.3
Foreign debt	8 154.1	7 894.4	7 893.4	7 814.0	7 893.5	7 585.7
I. Government debt	7 623.6	7 498.3	7 505.6	7 425.8	7 507.4	7 220.3
1. Bonds	4 646.4	4 453.2	4 464.0	4 428.6	4 357.1	4 164.0
2. Credits	2 977.3	3 045.0	3 041.7	2 997.2	3 150.3	3 056.3
Government investment loans	236.7	359.6	362.6	361.1	369.9	358.6
Called government guarantees	61.0	59.0	57.7	57.4	56.8	54.6
II. Government guaranteed debt	530.5	396.1	387.8	388.2	386.1	365.4
Debt, total	9 233.8	8 975.0	9 022.0	8 985.2	9 041.9	8 723.7
Debt/GDP, total (%)	55.6	49.7	50.0	49.8	50.1	48.4
Domestic debt/GDP (%)	6.5	6.0	6.3	6.5	6.4	6.3
Foreign debt/GDP (%)	49.1	43.8	43.8	43.3	43.8	42.0

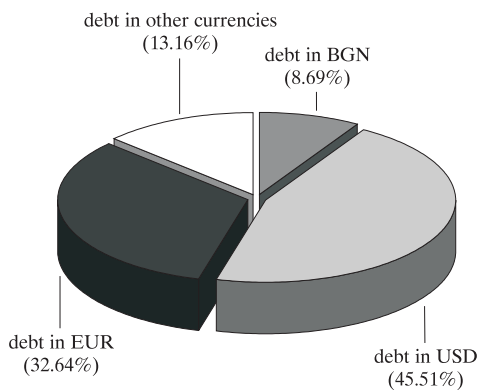
Notes:

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.

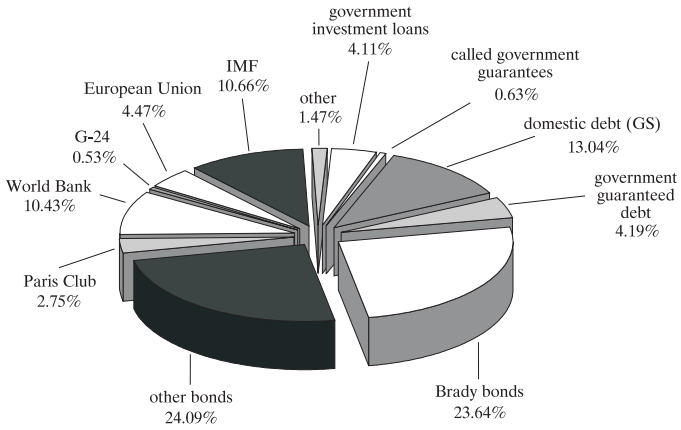
Debt Structure as of 31 May



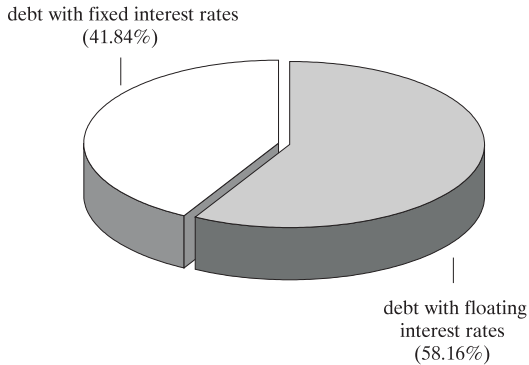
Debt Forex Structure as of 31 May



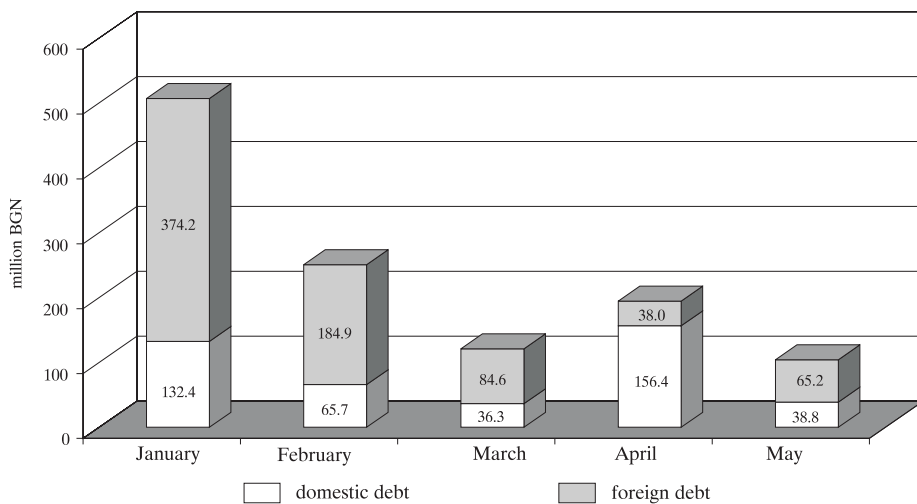
Debt Structure by Creditor as of 31 May



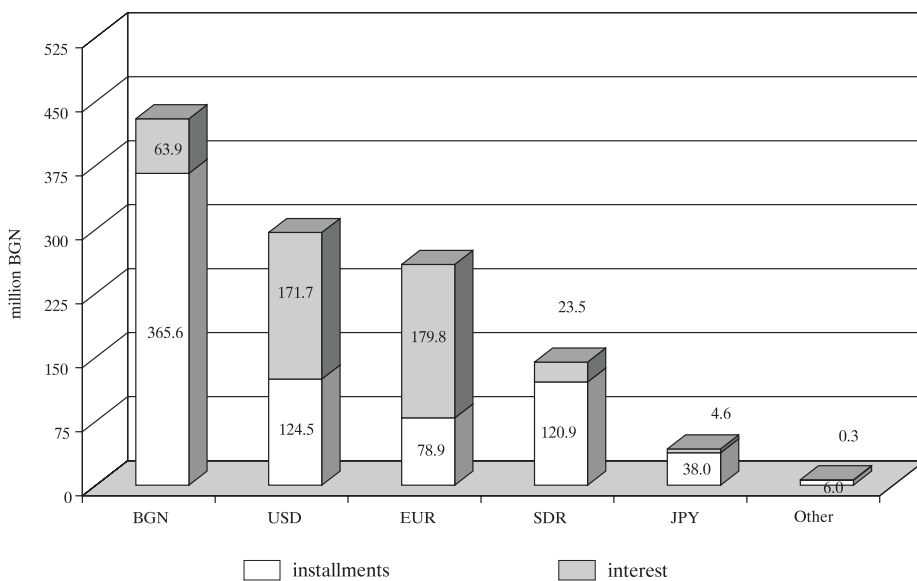
Debt Interest Structure as of 31 May



Government Debt Payments



Currency Structure of Government Debt Payments as of 31 May



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.
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
- in USD	7 368.0	6 652.4	6 673.4	6 604.2	6 464.2
- in EUR	63 958.7	60 196.4	60 196.4	60 196.4	60 196.4
Total	71 326.8	66 848.9	66 870.0	66 800.7	66 660.6

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.
Brady bonds	69.4	71.0	73.9	76.8	73.9
Eurobonds	74.4	72.8	69.4	70.5	70.3
Global bonds	189.2	197.2	199.1	217.2	221.7
- in EUR	136.3	140.7	140.4	151.5	146.9
- in USD	52.9	56.6	58.6	65.7	74.9
Total	332.9	341.0	342.4	364.4	365.9

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

Structure	(thousand BGN)				
	2002 as of 31.XII.	2003 as of 28.II. as of 31.III. as of 30.IV.			
I. Domestic municipal debt and municipal guarantees	44 597.65	34 745.12	33 719.18	32 738.52	34 359.47
<i>I. Municipal debt</i>	<i>42 342.55</i>	<i>32 502.32</i>	<i>32 274.19</i>	<i>31 295.02</i>	<i>32 942.77</i>
1.1. Government securities debt (at nominal value as of corresponding period)	9 164.70	9 164.70	9 164.70	9 164.70	10 484.70
1.2. Loans from banks and other financial institutions	9 122.33	8 806.00	9 016.12	9 664.69	9 339.27
1.3. Loans from the republican budget	11 169.60	3 810.50	3 810.50	2 772.50	3 185.42
1.4. Loans from extrabudgetary accounts and funds	10 048.86	7 910.56	7 451.74	7 038.84	7 430.70
1.5. Loans from other municipalities	-	-	-	-	-
1.6. Called municipal guarantees	-	-	-	-	-
1.7. Other	2 837.06	2 810.57	2 831.13	2 654.29	2 502.68
2. Municipal guarantees	2 255.10	2 242.80	1 444.99	1 443.51	1 416.70
II. Foreign municipal debt and municipal guarantees	4 205.04	4 546.33	4 940.05	5 243.01	6 553.79
<i>1. Municipal debt</i>	<i>4 205.04</i>	<i>4 546.33</i>	<i>4 940.05</i>	<i>5 243.01</i>	<i>6 553.79</i>
1.1. Loans from banks and other financial institutions	4 205.04	4 546.33	4 940.05	5 243.01	6 553.79
2. Municipal guarantees	-	-	-	-	-
III. Municipal debt and municipal guarantees, total	48 802.69	39 291.44	38 659.23	37 981.54	40 913.26

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	2002		2003				
	as of 31.XII.		as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V.
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	Consolidated debt (million EUR)			
	2002		2003	
	as of 31.XII.	as of 31.I.	as of 28.II.	as of 30.IV.
I. Central government debt	9 233.8	8 975.0	9 022.0	8 985.2
incl. government guaranteed debt	531.5	397.0	388.6	388.8
II. Debt of Social Security Funds	0.0	0.0	0.0	0.0
III. Municipal debt	25.0	20.1	19.8	19.4
incl. municipal guarantees	1.2	1.1	0.7	0.7
Consolidated debt, total	9 258.8	8 995.1	9 041.8	9 004.6
Total consolidated debt/GDP (%)	55.78	49.86	50.12	49.91

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