

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

JANUARY 2002



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## Abbreviations

BGN	–	<i>The Abbreviation of the Redenominated Bulgarian Lev</i>
BIR	–	<i>Base Interest Rate</i>
BNB	–	<i>Bulgarian National Bank</i>
CB	–	<i>Commercial Banks</i>
CGB	–	<i>Central Government Budget</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EAPA	–	<i>Economic Analyses and Projections Agency</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
GDP	–	<i>Gross Domestic Product</i>
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>

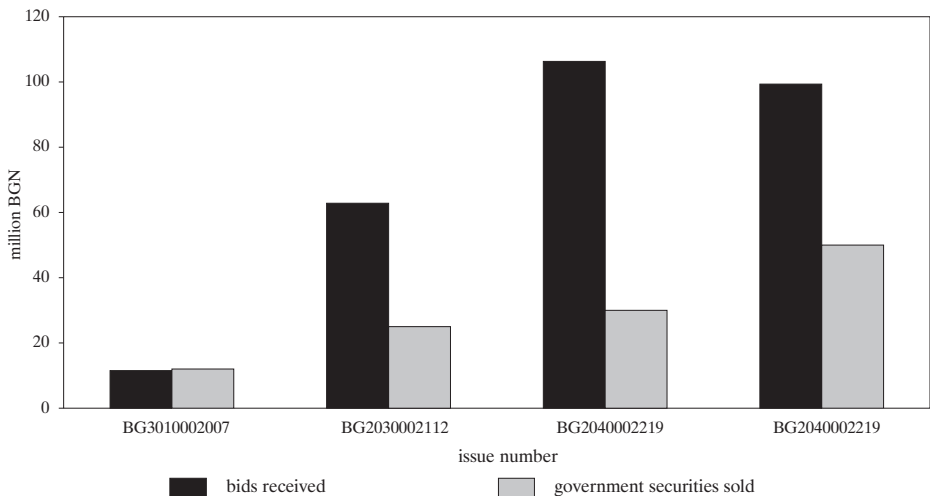
## BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In January the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one discount short-term treasury bills issue (No. BG3010002007), one tap medium-term (five-year) treasury bonds issue (No. BG2030002112) and one tap long-term (seven-year) treasury bonds issue (No. BG2040002219). The seven-year issue was opened twice during the period under review; the second opening was extraordinary, a result of increased market demand for such debt instruments.

At the auctions primary dealers' bids totaled BGN 280,006 thousand: BGN 11,530 thousand for three-month government securities, BGN 62,850 thousand for five-year, BGN 205,626 thousand for seven-year government securities (Chart 1). Approved bids totaled BGN 117,000 thousand nominal value, including three-month of BGN 11,530 thousand, five-year of BGN 25,000 thousand, and seven-year of BGN 80,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in January accounted for 2.89: 0.96 on three-month, 2.51 on five-year and 3.43 on seven-year (Chart 4). The overall coverage coefficient increased significantly (by 40.3%) from the previous month, following the interest of primary market participants in government treasury bonds.

Chart 1

### Government Securities Issue in January



Government securities issued in January increased by BGN 50.53 million on a year earlier basis (Chart 2). This fact was primarily due to the new seven-year treasury bonds issued in a significant volume, following their increased demand.

Chart 2

### Sales of Government Securities Issues

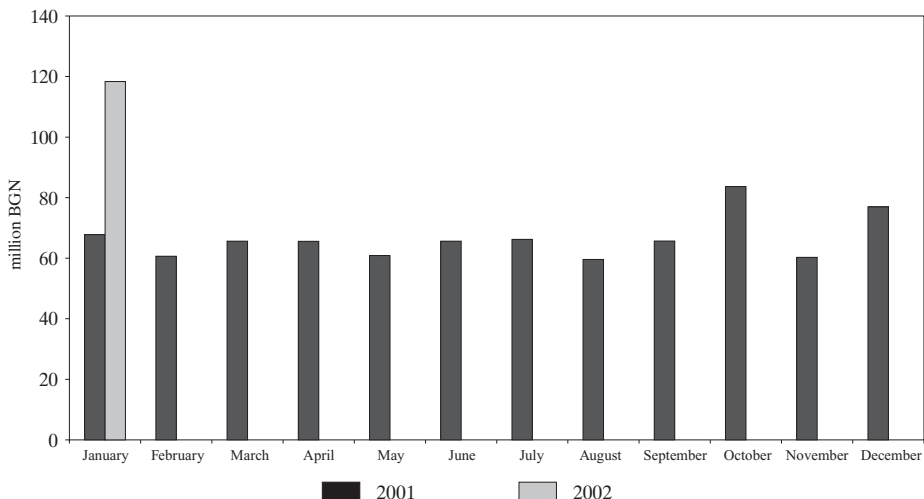
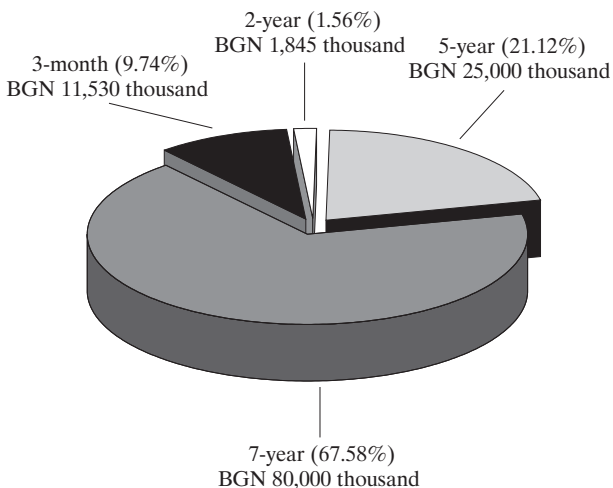


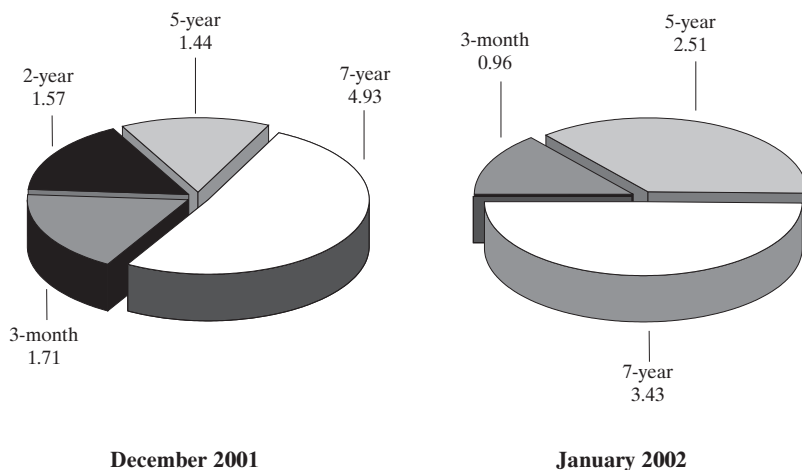
Chart 3

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



**Note:** Including target issues of government securities.

### Coverage Coefficients of Issues Sold\*



\* Proportion between bids received and government securities sold.

The yield attained in the primary market reflected as a whole market demand and interest in government securities with a different maturity. The yield on three-month treasury bills indicated an increase of 12 percentage points on December, a result of the lowest demand in one-year period, reaching 4.86%. The yield on top five-year and seven-year government securities indicated just the opposite trend, particularly the yield on seven-year bonds: a decrease of 12 percentage points for five-year bonds, amounting to 6.95%, and a decrease of 53 percentage points to 7.46% for seven-year bonds (Charts 5, 6 and 8).

Two 2001 issues of treasury bills (Nos. BG3012101005 and BG3012201003) and one 2000 treasury bonds issue (No. BG2030000116) matured in January.

In the review period three issues of two-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 700 of 2 January 2002, issue No. 701 of 16 January 2002 and issue No. 702 of 30 January 2002. Government securities sold in January totaled BGN 1,845.36 thousand nominal value (Chart 11). Three 2000 issues, amounting to BGN 3,115.68 thousand, matured in January. During the period under review reverse repurchases accounted for BGN 265.27 thousand (Chart 12).

## Prices of Issues Sold per BGN 100 Nominal Value

### DECEMBER 2001

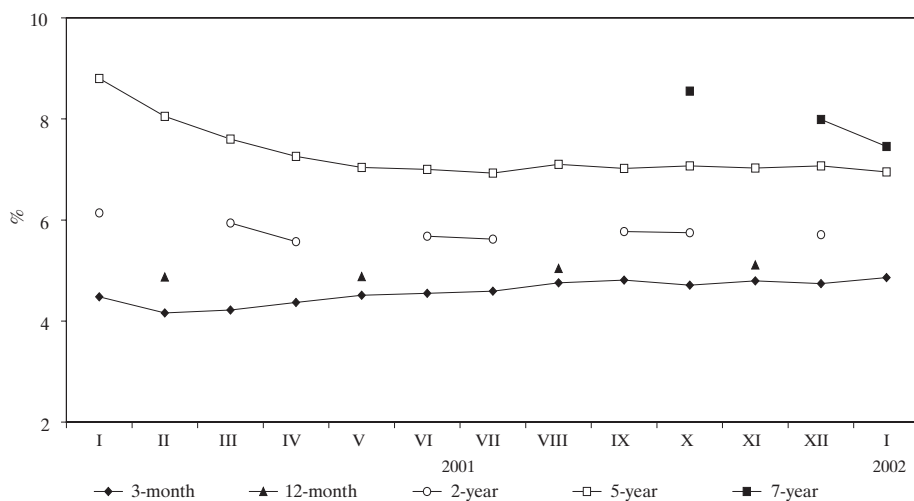
	3-month		2-year	5-year	7-year
	BG3012601004	BG3012701002	BG2030601111	BG2030701119	BG2040001211
Minimum	98.83	98.78	100.42	99.40	97.80
Average-weighted	98.85	98.85	100.69	100.20	98.19
Maximum	98.96	98.88	101.09	101.62	99.51

### JANUARY 2002

	3-month	2-year	7-year	
	BG3010002007	BG2030002112	BG2040002219	BG2040002219
Minimum	98.70	100.40	100.20	101.27
Average-weighted	98.82	100.71	100.47	101.46
Maximum	98.88	101.89	102.01	102.72

Chart 5

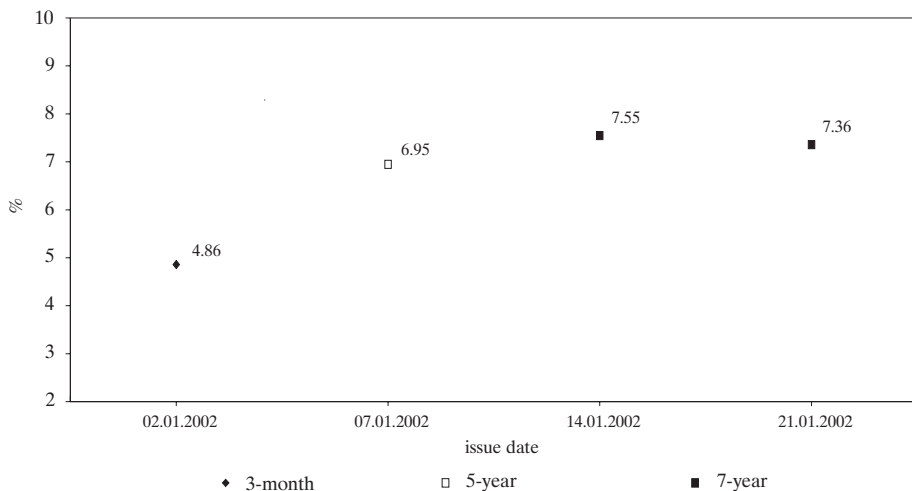
## Yield of Primary Market Government Securities



Note: The yield is on an annual effective basis.



### Dynamics of the Effective Annual Yield of Primary Market Government Securities



**Note:** Five-year and seven-year tap government securities issues; the above dates indicate the auction dates.

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

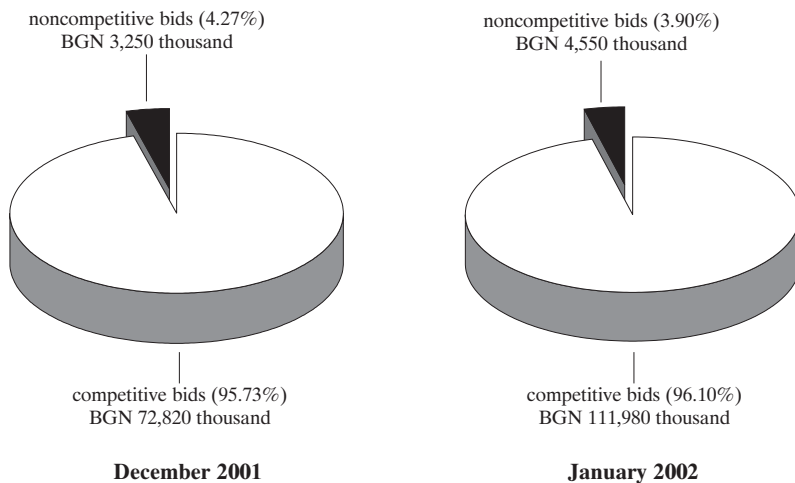
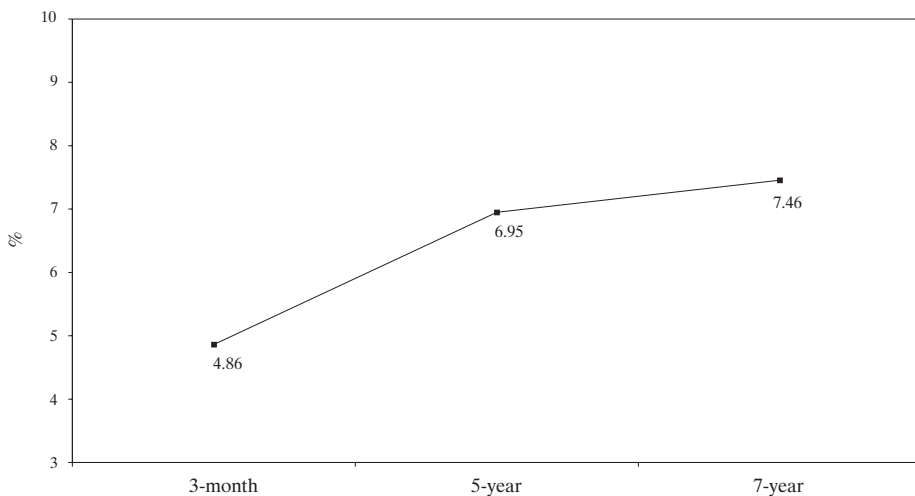


Chart 8

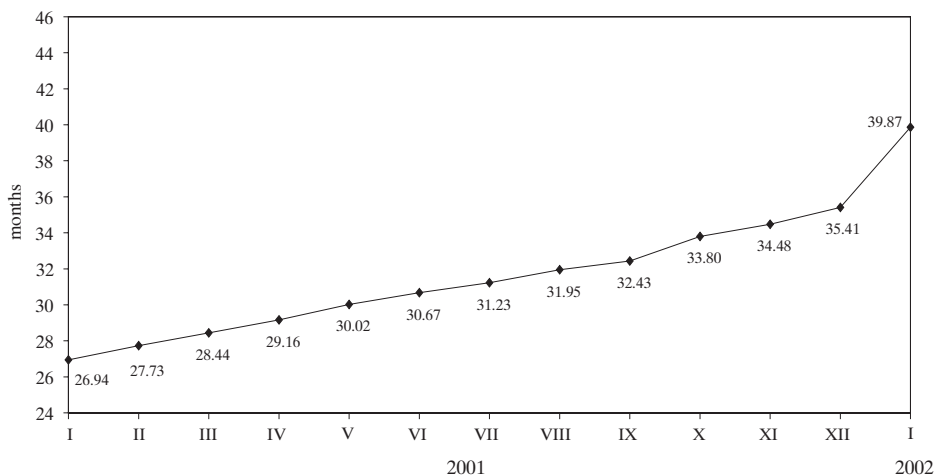
### Yield Curve of Primary Market Government Securities in January



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

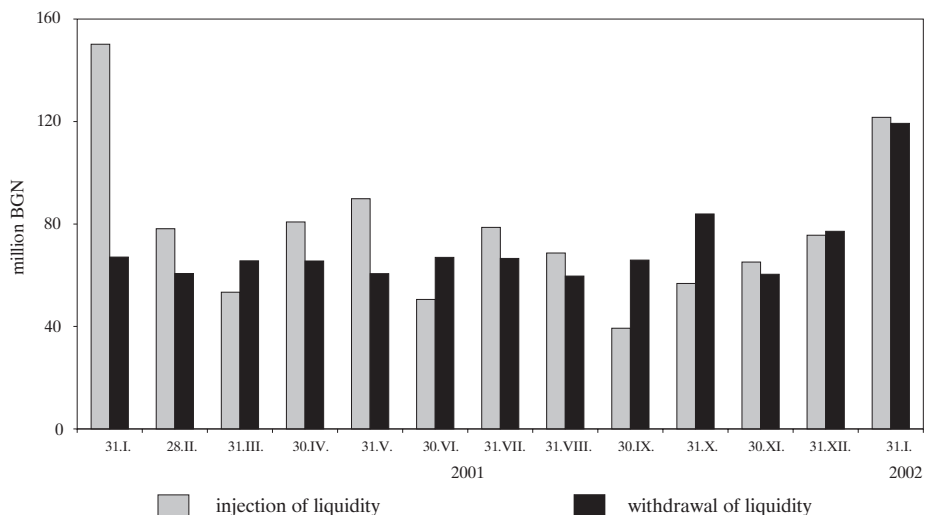
Chart 9

### Average Term of Outstanding Government Securities Issues by Month

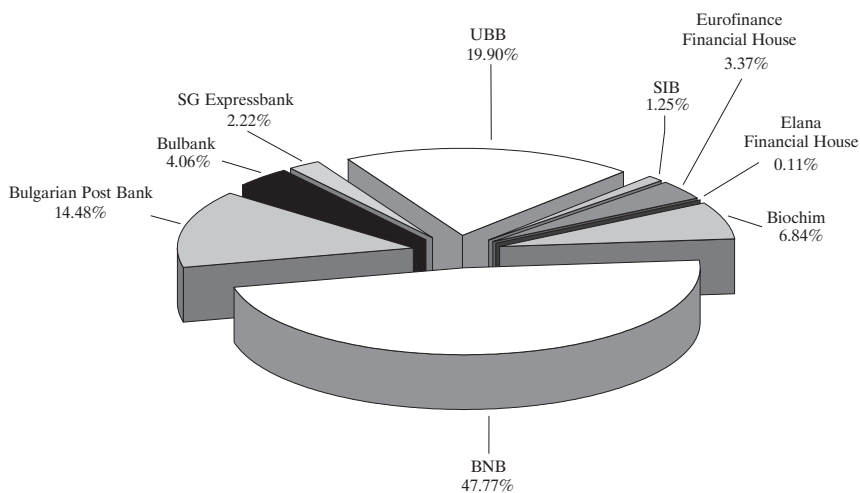


**Note:** The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

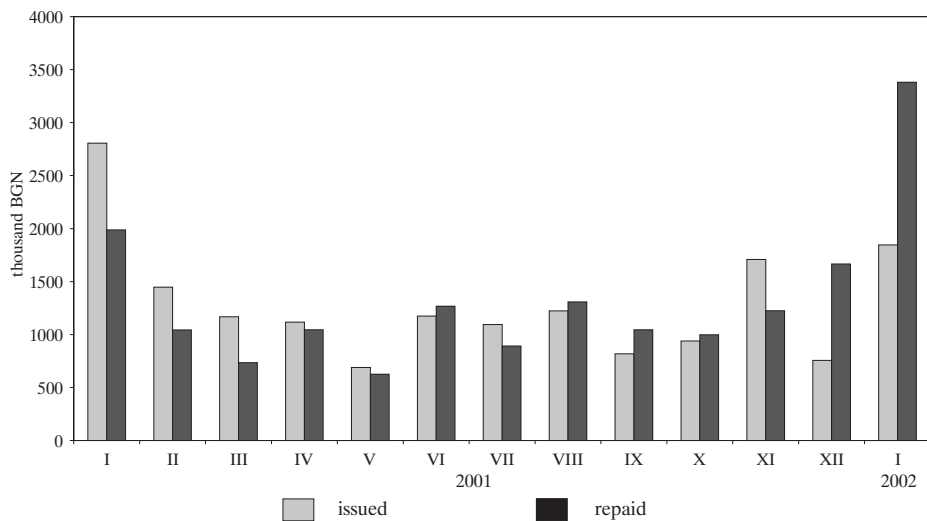
### Monthly Liquidity Regulation through Government Securities Issues and Maturities



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



### Issued and Repaid Government Securities from Target Issues



# Outstanding Government Securities

## Discount Treasury Bills

<b>Issue No.</b>	<b>BG3010301003</b>	<b>BG3011001008</b>	<b>BG3011701003</b>	<b>BG3012301001</b>
Issue date	14.02.2001	09.05.2001	08.08.2001	07.11.2001
Maturity date	14.02.2002	09.05.2002	08.08.2002	07.02.2002
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	61 610.00	52 400.00	39 000.00	15 810.05
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	95.29	95.28	95.14	98.83
Average discount per BGN 100 (%)	4.71	4.72	4.86	1.17
Average annual yield (%)	4.88	4.89	5.04	4.63
Effective annual yield (%)	4.87	4.88	5.04	4.71
Coverage coefficient	3.08	2.62	1.95	1.58

(continued)

(continued)

<b>Issue No.</b>	BG3012401009	BG3012501006	BG3012601004	BG3012701002	BG3010002007
Issue date	14.11.2001	21.11.2001	05.12.2001	19.12.2001	02.01.2002
Maturity date	14.11.2002	21.02.2002	05.03.2002	19.03.2002	02.04.2002
Nominal value of the offer (thousand BGN)	20 000.00	10 000.00	10 000.00	10 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	30 300.00	10 745.00	17 650.00	16 525.00	11 530.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	10 000.00	10 000.00	10 000.00	11 530.00
Average price of the bids approved per BGN 100 (%)	95.07	98.79	98.85	98.85	98.82
Average discount per BGN 100 (%)	4.93	1.21	1.15	1.15	1.18
Average annual yield (%)	5.11	4.79	4.65	4.65	4.78
Effective annual yield (%)	5.11	4.88	4.74	4.74	4.86
Coverage coefficient	1.52	1.07	1.77	1.65	0.96

## Treasury Bonds

Issue No.	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2030699115	BG2030999119	BG2030100114 <sup>1</sup>	BG2030200112
Issue date	16.05.1997	30.04.1998	28.05.1998	02.07.1998	31.03.1999	29.04.1999	09.02.2000	16.02.2000
Maturity date	10.05.2002	24.04.2003	22.05.2003	26.06.2003	24.03.2004	22.04.2004	05.02.2003	13.02.2002
Nominal value of the offer (thousand BGN)	20 000.00	1 000.00	2 000.00	2000.00	2 000.00	3 000.00	50 000.00	28 000.00
Total nominal value of the bids received (thousand BGN)	20 000.00	3 605.00	3 440.00	2070.00	2 795.00	1 190.00	192 244.60	84 094.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	1 000.00	2 000.00	2000.00	2 000.00	1 190.00	50 000.00	28 000.00
Average price of the bids approved per BGN 100 (%)	100.00	87.14	84.78	76.20	86.35	78.37	101.20	100.34
Average discount per BGN 100 (%)		12.86	15.22	23.80	13.65	21.63		
Interest rate	BIR+4	8.00	8.00	7.00	9.00	9.00	9.00	7.00
Coverage coefficient	1.00	3.61	1.72	1.04	1.40	0.40	3.84	3.00

(continued)

(continued)

<b>Issue No.</b>	<b>BG2030300110</b>	<b>BG2030400118<sup>2</sup></b>	<b>BG2030500115<sup>2</sup></b>	<b>BG2030600113<sup>2</sup></b>	<b>BG2030700111<sup>2</sup></b>	<b>BG2030800119<sup>2</sup></b>	<b>BG2030900117<sup>2</sup></b>	<b>BG2031000115<sup>2</sup></b>
Issue date	15.03.2000	05.04.2000	19.04.2000	05.07.2000	19.07.2000	04.10.2000	11.10.2000	18.10.2000
Maturity date	13.03.2002	03.04.2002	16.04.2003	03.07.2002	16.07.2003	02.10.2002	05.10.2005	15.10.2003
Nominal value of the offer (thousand BGN)	28 000.00	50 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	61 368.00	151 083.50	120 312.85	135 755.00	131 450.00	126 512.50	113 365.10	110 383.00
Total nominal value of the bids approved (thousand BGN)	28 000.00	50 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	100.10	100.83	100.61	101.16	102.09	101.88	100.35	102.15
Average discount per BGN 100 (%)								
Interest rate	7.00	7.00	8.00	7.00	8.00	7.00	9.00	7.50
Coverage coefficient	2.19	3.02	4.01	2.72	4.38	2.53	2.83	3.68

(continued)



(continued)

<b>Issue No.</b>	<b>BG203000114<sup>3</sup></b>	<b>BG203010112<sup>2</sup></b>	<b>BG203020110<sup>3</sup></b>	<b>BG203030118<sup>2</sup></b>	<b>BG203040116<sup>6</sup></b>	<b>BG203050113<sup>3</sup></b>	<b>BG203060111<sup>5</sup></b>	<b>BG203070111<sup>9</sup></b>
Issue date	10.01.2001	24.01.2001	11.04.2001	25.04.2001	11.07.2001	25.07.2001	10.10.2001	24.10.2001
Maturity date	10.01.2003	24.01.2006	11.04.2003	25.04.2006	11.07.2003	25.07.2006	10.10.2003	24.10.2006
Nominal value of the offer (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	121 965.00	253 630.14	95 565.00	165 396.00	87 163.00	140 070.00	77 900.00	127 550.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	101.61	105.02	102.34	104.91	101.24	101.01	101.18	100.89
Average discount per BGN 100 (%)	6.50	9.00	6.50	8.00	6.00	7.00	6.00	7.00
Coverage coefficient	2.44	4.23	1.91	2.76	1.74	2.33	1.56	2.13

(continued)

(continued)

<b>Issue No.</b>	<b>BG2040001211<sup>3</sup></b>	<b>BG2030002112<sup>4</sup></b>	<b>BG2040002219<sup>3</sup></b>
Issue date	31.10.2001	09.01.2002	16.01.2002
Maturity date	31.10.2008	09.01.2007	16.01.2009
Nominal value of the offer (thousand BGN)	30 000.00	25 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	108 287.00	62 850.00	205 626.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	25 000.00	80 000.00*
Average price of the bids approved per BGN 100 (%)	96.72	100.71	101.17
Average discount per BGN 100 (%)	3.28		
Interest rate	7.50	7.00	7.50
Coverage coefficient	3.61	2.51	3.43

<sup>1</sup> The above price is a result of the four auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

<sup>2</sup> The above price is a result of the three auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

<sup>3</sup> The above price is a result of the two auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

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

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

## 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	04.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	1714.29	1811.06	226.59	12 677.91	1398.31	4555.87	6209.87
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7	7	7	7

In compliance with Article 8 and Article 9, para. 1, item 1 of the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), the Ministry of Finance issues lev 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 lev guaranty government securities are based on actual data as of 31 January 2002.

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

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	CMD 89/95
<b>Issue No.</b>	<b>BG 2000192224</b>	<b>BG 2009993226</b>	<b>BG 2009893228</b>	<b>BG 2009794228</b>	<b>BG 2009693222</b>	<b>200/1995</b>
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	31.05.1995
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	21.05.2002
Maturity (years)	19	24	25	25	25	7
Grace period (years)	4	4	5	5	5	4
Redemption term (years)	15	20	20	20	20	3
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	6 equal semiannual installments
Principal (thousand)	2476.56 (BGN)	2034.93 (BGN)	7335.87 (BGN)	261 170.50 (USD)	785.48 (BGN)	1553.38 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR	BIR

\* Six-month LIBOR of the US dollar for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period. Principals are based on actual data as of 31 January 2002.

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

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

## EUR-denominated Government Securities

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<b>Issue No.</b>	<b>BG2040099223</b>
Issue date	01.07.1999
Maturity date	01.01.2019
Principal (thousand EUR)	57 239.26
Interest rate	EURIBOR*
Interest payments dates	semiannual
Repayments	20 equal annual installments

EUR-denominated government securities are issued pursuant to § 10 of the Transitional and Final Provisions of 1999 State Budget Law of the Republic of Bulgaria.  
\* 6-month EURIBOR for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

EUR-denominated issue BG 2040099223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).  
The principal of issue BG 2040099223 is based on actual data as of 31 January 2002.

## Pending Payments on Government Securities in March 2002

(thousand BGN)

	Monday	Tuesday	Wednesday	Thursday	Friday
					<b>1</b>
target issues					
	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
bills		10 000.0			
	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
bonds target issues		14.1	28 977.3 769.8	21.0	
	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>
bills		10 000.0			
	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>
bonds target issues		8.3	89.8 350.1	18.2	

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

## Schedule of Government Securities Issues for March 2002

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
04.03.2002	06.03.2002	06.06.2002	3-month	12 000 000	
11.03.2002*	13.03.2002	13.03.2005	3-year	25 000 000	50 000 000
25.03.2002	27.03.2002	27.03.2003	12-month	20 000 000	
TOTAL, incl.:				57 000 000	
bills				32 000 000	
bonds				25 000 000	

\* Tap issue.

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

By end-January 2002 domestic debt totaled BGN 1,896,967 thousand and domestic government debt accounted for BGN 1,890,556.3 thousand. Domestic debt increased by BGN 36,466.4 thousand compared with the previous month. Share of the debt on government securities issued for budget deficit financing rose to 60.3% and government securities issued for structural reform fell to 39.3%. Government guaranteed debt comprised 0.3% (Chart 13).

In January government securities issued for budget deficit financing indicated an increase of BGN 67,163.9 thousand, reaching BGN 1,144,410.5 thousand. Issued government securities totaled BGN 118,238.9 thousand, including BGN 1,845.4 thousand sold directly to physical persons. Newly issued bonds amounted to BGN 86,845.4 thousand and bills BGN 11,393.6 thousand. Securities repaid in January accounted for BGN 47,694 thousand, including short-term securities of BGN 19,766.1 thousand. The share of seven-year government securities increased by 6.8 percentage points to 9.5% in the maturity structure of government securities issued for budget deficit financing. Government securities with other terms decreased, two-year bonds decreasing most significantly: by 5.1 percentage points to 38.2% (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached three years and four months.

Government securities issued for structural reform decreased by BGN 30,455 thousand, reaching BGN 746,145.7 thousand. The decrease was a result of effected repayments on bonds issued under CM Decree No. 244 of 1991 in the amount of BGN 275.2 thousand, repayments on USD-denominated ZUNK bonds of BGN 34,714.5 thousand and euro-denominated ZUNK bonds of BGN 6,585.3 thousand nominal value. The decrease was a result of payments in privatization transactions and repayment of obligations to the government under ZUNK which included USD-denominated ZUNK bonds of USD 15,953.3 thousand nominal value and euro-denominated ZUNK bonds of EUR 3,367 thousand nominal value.

Foreign currency denomination of domestic debt changed following debt structure change (Chart 15). The share of government securities in US dollars and euro decreased to 33.1% and 5.9% and the share of government securities denominated in leva increased by 2.4 percentage points, reaching 62.8%. Debt maturity structure also changed. Short-term securities occupied 6.7%, medium-term securities 48% and long-term 45.3% (Chart 16). The share of government securities with fixed interest coupons increased and reached 59.5% (Chart 17).

Repaid interest and discounts totaled BGN 29,834.4 thousand in January. Interest and discounts on government securities for budget deficit financing of BGN 12,701.4 thousand, or 42.57% of the total repaid interest and discounts, were repaid (Chart 19). Expenditures on two-year bonds occupied the largest share: 50.63%.

## Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2001	Change in 2002		Amount as of 31 Jan. 2002
		increase	decrease	
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>				
1. Government securities issued in 1997	20 000.0	-	-	20 000.0
5-year	20 000.0	-	-	20 000.0
2. Government securities issued in 1998	4 090.9	-	-	4 090.9
5-year	4 090.9	-	-	4 090.9
3. Government securities issued in 1999	2 659.7	-	-	2 659.7
5-year	2 659.7	-	-	2 659.7
4. Government securities issued in 2000	432 328.0	31 119.3	-	401 208.7
2-year	252 608.6	31 119.3	-	221 489.2
3-year	139 929.7	-	-	139 929.7
5-year	39 789.7	-	-	39 789.7
5. Government securities issued in 2001	618 167.9	19 955.6	-	598 212.3
5.1. Short-term	135 454.2	19 766.1	-	115 688.1
3-month	59 298.5	19 766.1	-	39 532.4
12-month	76 155.7	-	-	76 155.7
5.2. Medium-term	482 713.7	189.5	-	482 524.2
2-year	213 819.2	189.5	-	213 629.7
5-year	239 956.9	-	-	239 956.9
7-year	28 937.6	-	-	28 937.6
6. Government securities issued in 2002		118 238.9	-	118 238.9
6.1. Short-term		11 393.6	-	11 393.6
3-month		11 393.6	-	11 393.6
6.2. Medium-term		106 845.4	-	106 845.4
2-year		1 845.4	-	1 845.4
5-year		25 000.0	-	25 000.0
7-year		80 000.0	-	80 000.0
<b>TOTAL (I)</b>	<b>1 077 246.6</b>	<b>118 238.9</b>	<b>51 075.0</b>	<b>1 144 410.5</b>

### II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM

A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 751.7	275.2	-	2 476.6
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	2 034.9	-	-	2 034.9
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	7 335.9	-	-	7 335.9
denominated in USD	277 123.8	15 953.3	-	261 170.5
lev equivalent	615 009.9	-	-	591 415.4
denominated in EUR	60 606.3	3 367.0	-	57 239.3
lev equivalent	118 535.6	-	-	111 950.3
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	785.5	-	-	785.5

(continued)



(continued)

A5. Government bonds issued pursuant to Article 2 of CM Decree No. 89 of 1995	1 553.4	-	1 553.4
TOTAL (A)	748 006.8		717 551.8
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	28 593.9		28 593.9
Government securities issued in 1996	3 751.9		3 751.9
Government securities issued in 1997	24 842.0		24 842.0
TOTAL (B)	28 593.9		28 593.9
TOTAL (II)	776 600.7		746 145.7
GOVERNMENT DEBT, TOTAL	1 853 847.3		1 890 556.3
III. DOMESTIC GOVERNMENT GUARANTEES	6 653.3		6 410.7
DOMESTIC DEBT, TOTAL	1 860 500.6		1 896 967.0

**Notes:**

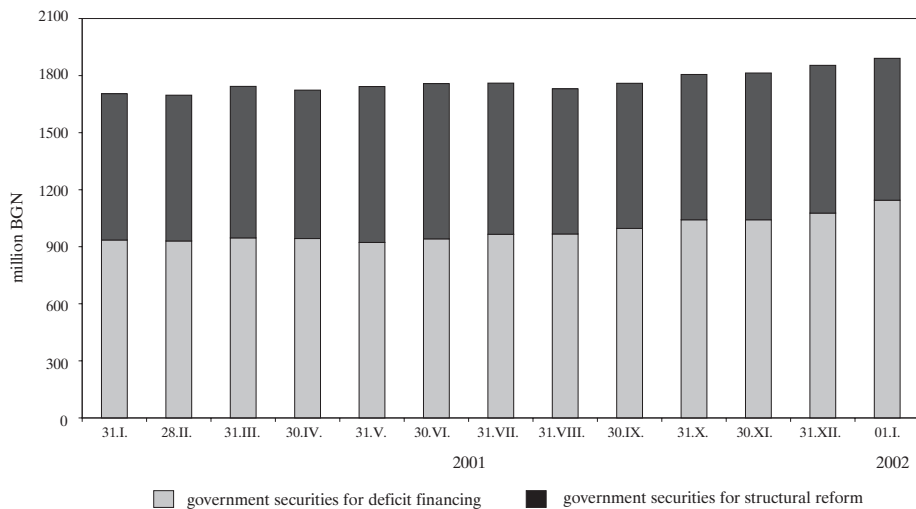
Actual amount of the debt on government securities issued for budget deficit financing.

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

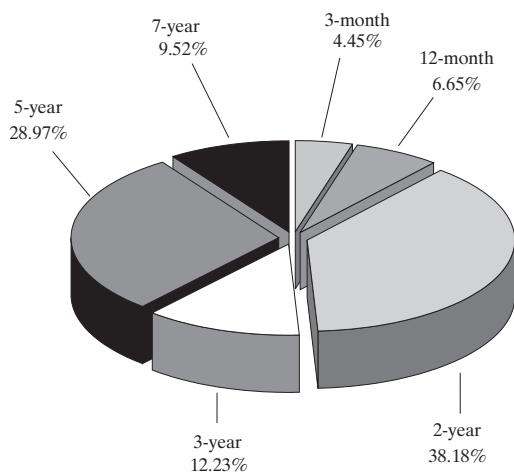
on 28 December 2001: USD 1/BGN 2.21926, EUR 1/BGN 1.95583.

on 31 January 2002: USD 1/BGN 2.26448, EUR 1/BGN 1.95583.

### Changes in Domestic Government Debt

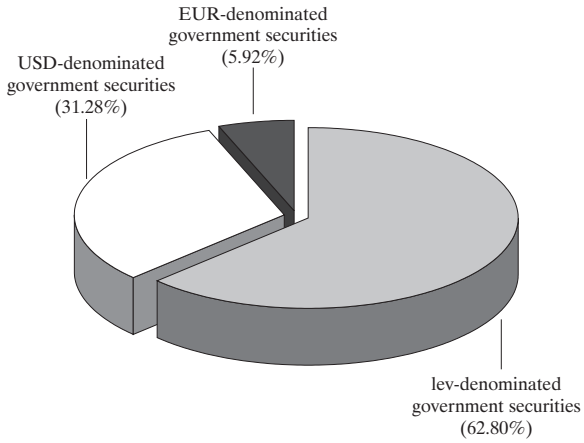


### Outstanding Government Securities Issued for Budget Deficit Financing as of 31 January

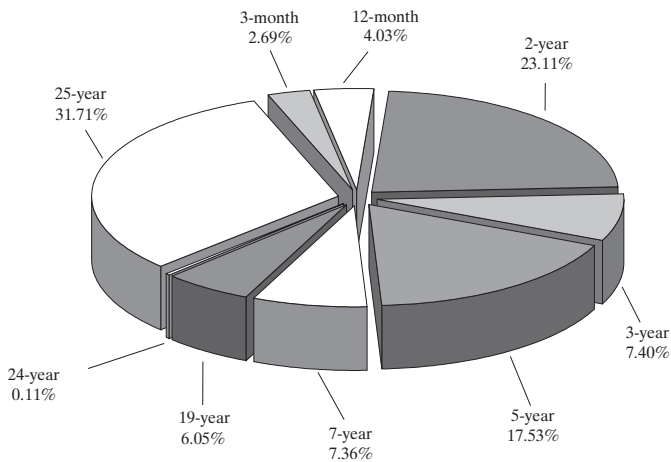


**Note:** The average-weighted maturity of government securities issued for budget deficit financing is three years and four months.

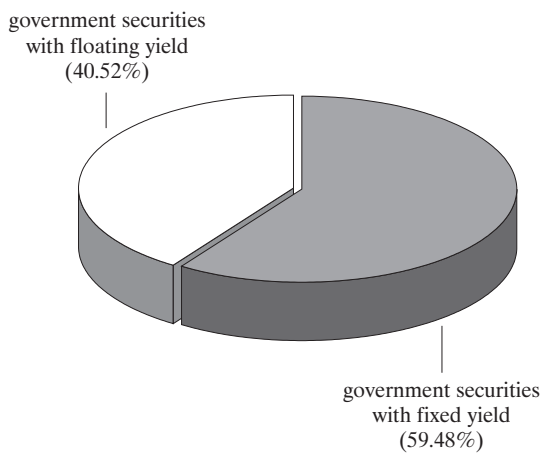
### Forex Composition of Outstanding Government Securities as of 31 January



### Maturity Structure of Outstanding Government Securities as of 31 January



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



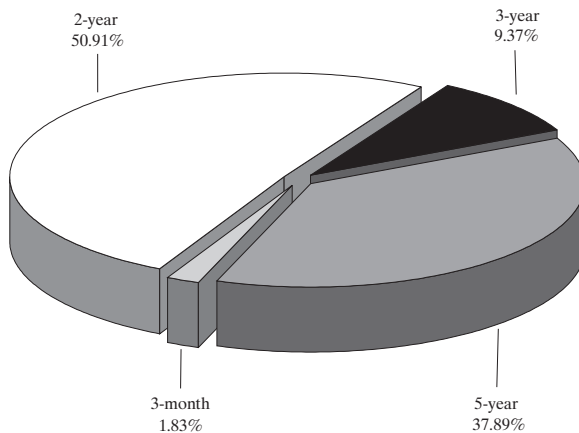
## Expenditure on Domestic Debt between 1 January and 31 January 2002

(thousand BGN)

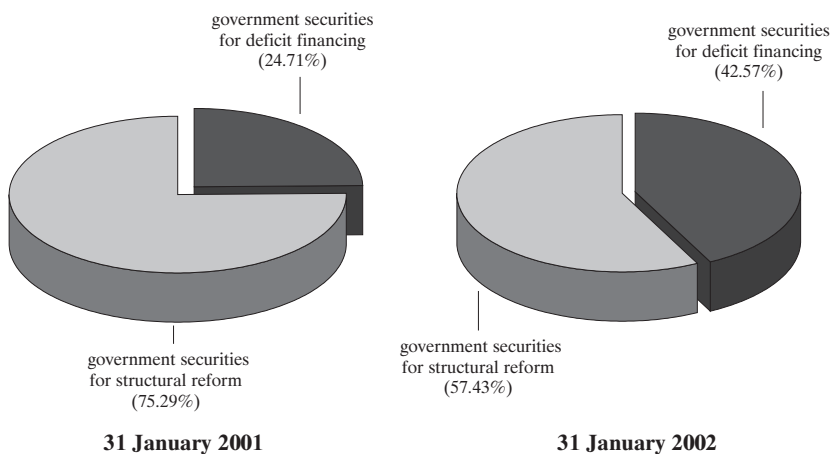
Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
5. Government securities issued in 2000	4 427.1
2-year	3 230.3
3-year	1 196.7
6. Government securities issued in 2001	8 344.4
6.1. Short-term	233.9
3-month	233.9
6.2. Medium-term*	8 110.5
2-year	3 271.1
5-year	4 839.5
7. Government securities issued in 2002	-70.0
7-year	-70.0
<b>TOTAL (I)</b>	<b>12 701.4</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM</b>	
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	77.7
2. Bonds issued pursuant to CM Decree No. 186 of 1992	47.3
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	17 008.0
lev bonds	0.0
USD-denominated (in BGN at the current exchange rate)	14 301.8
EUR-denominated (in BGN at the fixed exchange rate)	2 706.2
<b>Total (A)</b>	<b>17 133.0</b>
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	
<b>Total (B)</b>	<b>0.0</b>
<b>TOTAL (II)</b>	<b>17 133.0</b>
<b>EXPENDITURE ON GOVERNMENT DEBT, TOTAL</b>	<b>29 834.4</b>
<b>III. GOVERNMENT GUARANTEED DEBT</b>	
<b>EXPENDITURE, TOTAL</b>	<b>29 834.4</b>

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

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



### Structure of Expenditure on Domestic Debt



By the end of January foreign debt totaled USD 8,432.8 million, a decrease of USD 85.8 million from the previous month. Government debt accounted for USD 7,925.1 million and government guaranteed debt amounted to USD 507.8 million.

In January new foreign financing totaled USD 16.2 million, of which USD 13.6 million receipts from tranches on government guaranteed loans. Payments on the debt totaled USD 171.9 million, of which USD 56 million principal repayments and USD 115.9 million interest. Repayments included mainly payments on Brady bonds (USD 16.1 million), the IMF debt (USD 25.6 million), on government investment loans (USD 5.6 million) and government guaranteed credits. Interest was repaid mainly on Brady bonds and government investment loans.

Government debt decreased by USD 74.43 million due to repayments effected, as well as US dollar exchange rate fluctuations against the European currencies.

Debt in US dollars increased by 0.4% to 66.6%. The share of the debt in euro and other currencies decreased and reached 17.3% and 16% respectively. The proportion of the debt with fixed and floating interest was 88.8% against 11.2%. The significant increase in the share of floating interest coupons on the previous month was due to transfer from fixed to floating interest on Front-loaded Interest Reduction Bonds. The average residual term of the debt remained unchanged: 12 years and one month.

Government securities occupied 58.8% and credits 35.2% in debt total structure. Government guaranteed debt totaled 6%. Following the US dollar appreciation, the share of the Brady bonds increased on the previous month and reached 56.2%. Other groups slightly changed. Debt to the IMF occupied 11.9%. Obligations to the World Bank were 9.8%, the Paris Club 4.5% and the European Union 4%. Government investment credits occupied 2.4%.

## Foreign Debt

(million USD)

Structure	as of 31.XII.2001	as of 31.I.2002
<b>Government debt</b>	<b>8 010.8</b>	<b>7 925.1</b>
I. Bonds	4 979.3	4 958.8
1. Brady bonds	4 759.0	4 742.9
2. Eurobonds	220.3	215.9
II. Credits	3 031.5	2 966.3
1. Paris Club	382.0	375.3
2. World Bank	829.4	823.5
2.1. World Bank	708.8	704.7
2.2. JBIC (JEXIM)	120.6	118.8
3. G - 24	47.5	47.2
4. European Union	343.7	336.8
5. IMF	1 042.9	1 006.2
6. Other	120.4	118.0
7. Government investment loans	205.7	199.9
7.1. World Bank	49.4	49.5
7.2. European Investment Bank	112.3	108.2
7.3. EBRD	30.7	28.8
7.4. Other	13.3	13.4
8. Called government guarantees	59.8	59.3
8.1. World Bank	43.9	43.7
8.2. European Investment Bank	3.2	2.9
8.3. Other	12.7	12.7
<b>Government guaranteed debt</b>	<b>507.9</b>	<b>507.8</b>
1. World Bank	147.8	147.2
2. European Investment Bank	122.6	118.4
3. EBRD	68.9	66.4
4. Other	168.6	175.7
<b>FOREIGN DEBT, TOTAL</b>	<b>8 518.6</b>	<b>8 432.8</b>

**Notes:**

1. Debt recalculation in US dollars is based on BNB central exchange rate of the relevant currencies against the Bulgarian lev valid for the last working day of the period.

2. Preliminary data for January 2002.



## New Foreign Financing and Foreign Debt Payments as of 31 January

Structure	Received credits (tranches)		Payments, incl.			
			Installments		Interest	
	million USD	thousand BGN	million USD	thousand BGN	million USD	thousand BGN
<b>Government debt</b>	2.6	5 658.2	48.0	107 343.7	114.2	254 716.6
I. Bonds	0.0	0.0	16.1	35 917.7	110.9	247 386.5
1. Brady bonds	0.0	0.0	16.1	35 917.7	110.9	247 386.5
2. Eurobonds	0.0	0.0	0.0	0.0	0.0	0.0
II. Credits	2.6	5 658.2	31.9	71 426.0	3.3	7 330.1
1. Paris Club	0.0	0.0	0.0	0.0	0.0	0.0
2. World Bank	0.7	1 648.2	0.0	0.0	0.0	0.0
2.1. World Bank	0.7	1 648.2	0.0	0.0	0.0	0.0
2.2. JBIC (JEXIM)	0.0	0.0	0.0	0.0	0.0	0.0
3. G - 24	0.0	0.0	0.0	0.0	0.1	156.0
4. European Union	0.0	0.0	0.0	0.0	0.0	0.0
5. IMF	0.0	0.0	25.6	57 387.4	0.0	0.0
6. Other	0.0	0.0	0.0	0.0	0.0	0.0
7. Government investment loans	1.1	2 489.0	5.6	12 459.3	2.9	6 466.5
7.1. World Bank	0.9	2 037.9	0.0	0.0	0.0	0.0
7.2. European Investment Bank	0.0	0.0	3.8	8 311.0	2.4	5 237.6
7.3. EBRD	0.0	0.0	1.9	4 148.2	0.6	1 228.9
7.4. Other	0.2	451.1	0.0	0.0	0.0	0.0
8. Called government guarantees	0.7	1 520.9	0.7	1 579.2	0.3	707.6
8.1. World Bank	0.7	1 520.9	0.5	1 083.6	0.2	463.6
8.2. European Investment Bank	0.0	0.0	0.2	495.6	0.1	244.0
8.3. Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Government guaranteed debt</b>	13.6	29 770.9	7.9	17 430.0	1.6	3 617.1
1. World Bank	0.0	0.0	0.0	0.0	0.0	0.0
2. European Investment Bank	0.0	0.0	2.3	5 087.4	0.8	1 713.2
3. EBRD	0.0	0.0	2.0	4 335.9	0.9	1 879.9
4. Other	13.6	29 770.9	3.7	8 006.7	0.0	24.0
<b>TOTAL</b>	16.2	35 429.1	56.0	124 773.6	115.9	258 333.7

### Notes:

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

### Foreign Currency Composition of the Foreign Debt as of 31 January

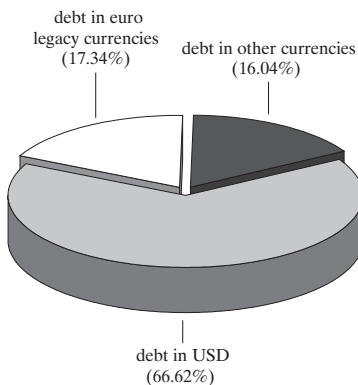


Chart 21

### Interest Structure of the Foreign Debt as of 31 January

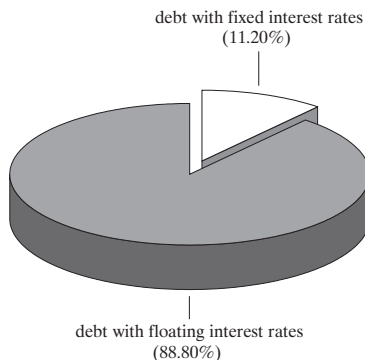
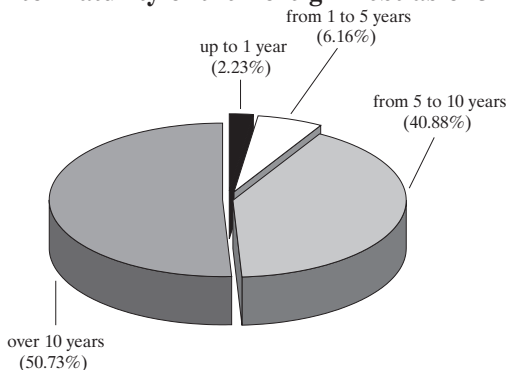


Chart 22

### Residual Term to Maturity of the Foreign Debt as of 31 January



**Note:** The average-weighted residual term to maturity of the foreign debt is 12 years and one month.

## Government and Government Guaranteed Debt

Structure	Amount as of 31 January 2002 (thousand BGN)	Government debt/GDP (%)
Domestic debt	1 896 967.0	6.2
Foreign debt	19 096 008.2	62.0
<b>DEBT, TOTAL</b>	<b>20 992 975.2</b>	<b>68.2</b>

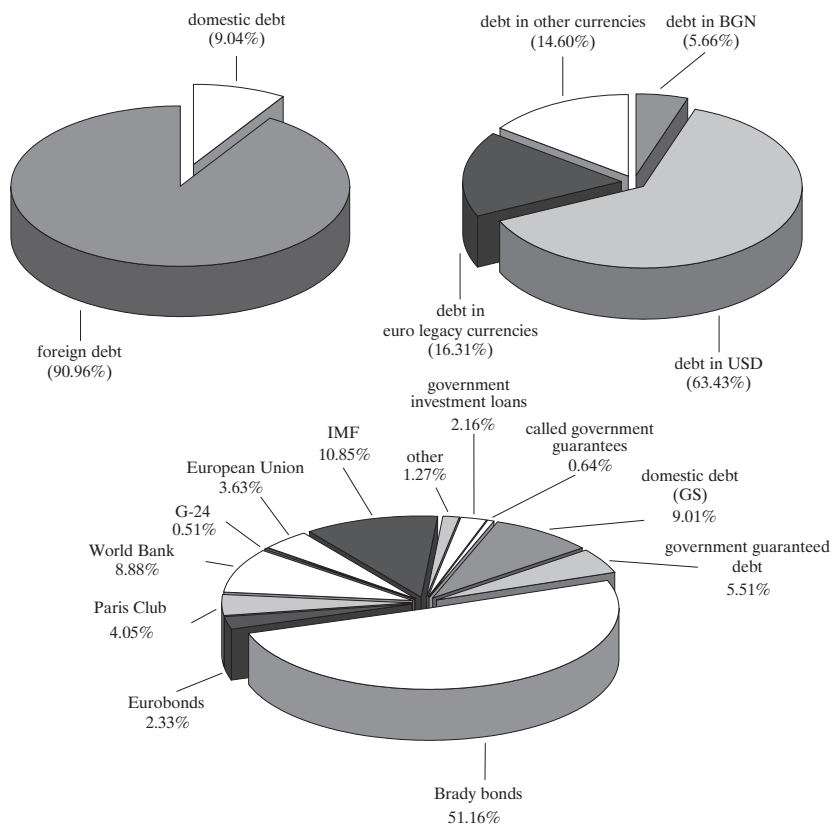
## Notes:

1. Revised GDP projection for 2002: BGN 30,783 million.

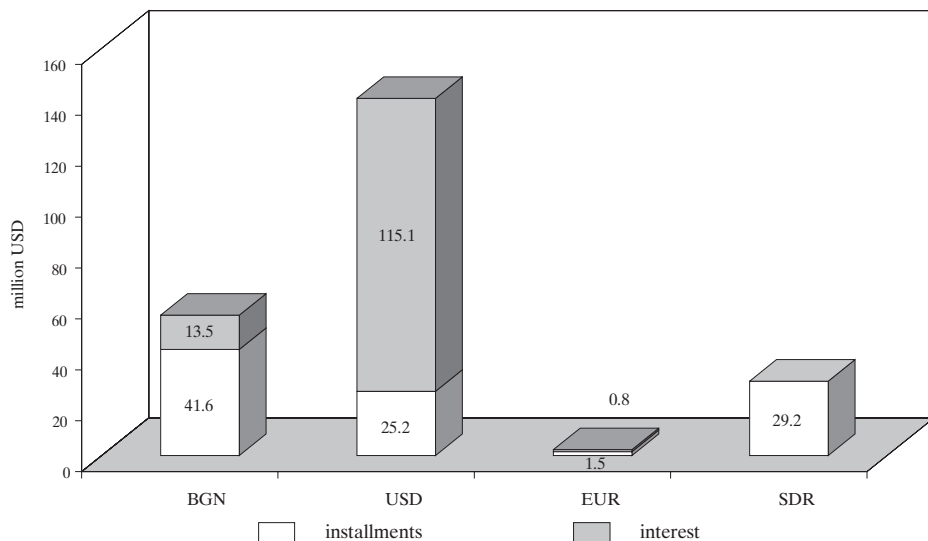
2. The lev equivalent of the foreign debt is calculated on the basis of the BGN/USD central exchange rate quoted by the BNB on 31 January 2002.

Chart 23

## Debt Structure as of 31 January



## Currency Structure of Government Debt Payments as of 31 January



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