

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

FEBRUARY 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

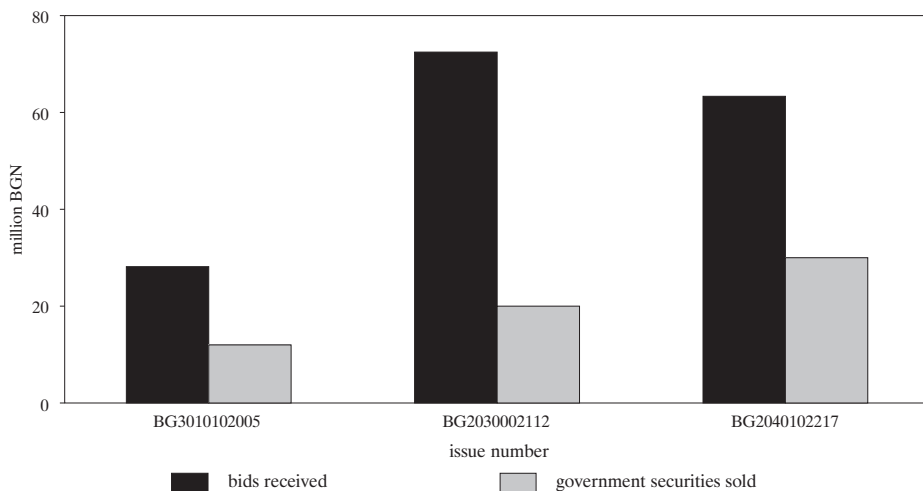
In February the Ministry of Finance issued through auctions organized by the BNB three government securities issues under Regulation No. 5, including one discount short-term treasury bills issue (No. BG3010102005), one tap medium-term (five-year) treasury bonds issue (No. BG2030002112) and one tap long-term (seven-year) treasury bonds issue (No. BG2040102217). The five-year issue was opened for the second time after its issuance in January 2002.

At the auctions primary dealers' bids totaled BGN 163,984.50 thousand: BGN 28,164.50 thousand for three-month government securities, BGN 72,470 thousand for five-year, and BGN 63,350 thousand for seven-year government securities (Chart 1). Approved bids totaled BGN 62,000 thousand nominal value, including three-month of BGN 12,000 thousand, five-year of BGN 20,000 thousand, and seven-year of BGN 30,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in February accounted for 2.64: 2.35 on three-month, 3.62 on five-year and 2.11 on seven-year (Chart 4). In February the overall coverage coefficient decreased by 8.65% from the previous month, following decreased interest of primary market participants in seven-year treasury bonds.

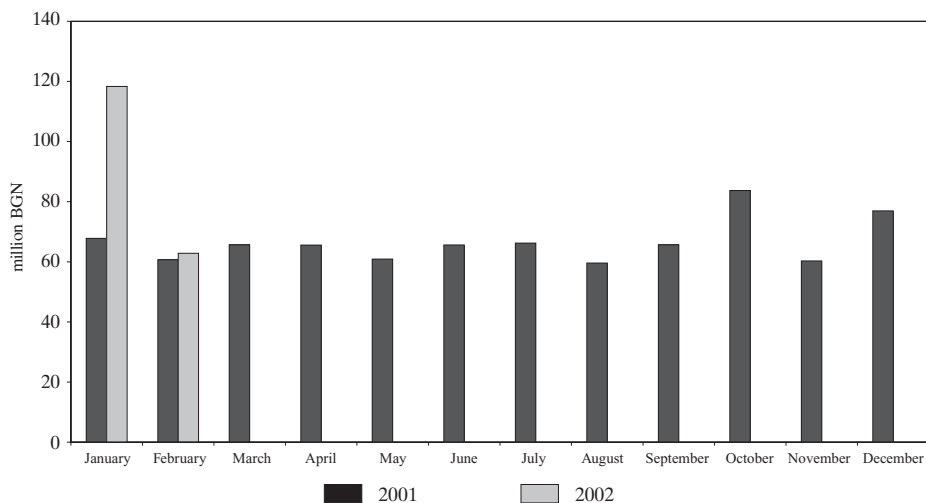
Government securities issued in February increased by BGN 2.18 million on a year earlier basis (Chart 2). This fact was primarily due to restructuring of newly issued government debt instruments in favor of medium-term and long-term trea-

Chart 1

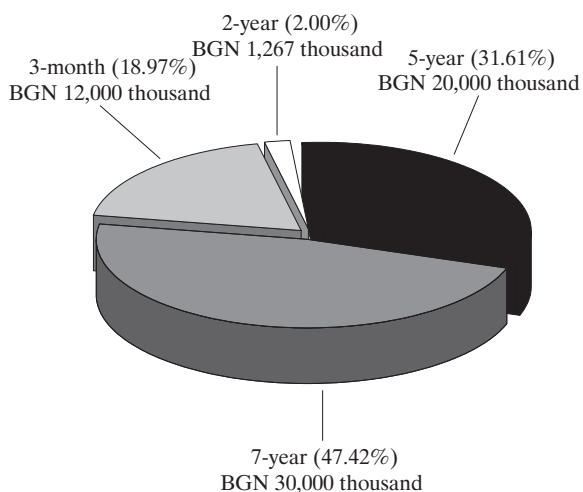
Government Securities Issue in February



Sales of Government Securities Issues

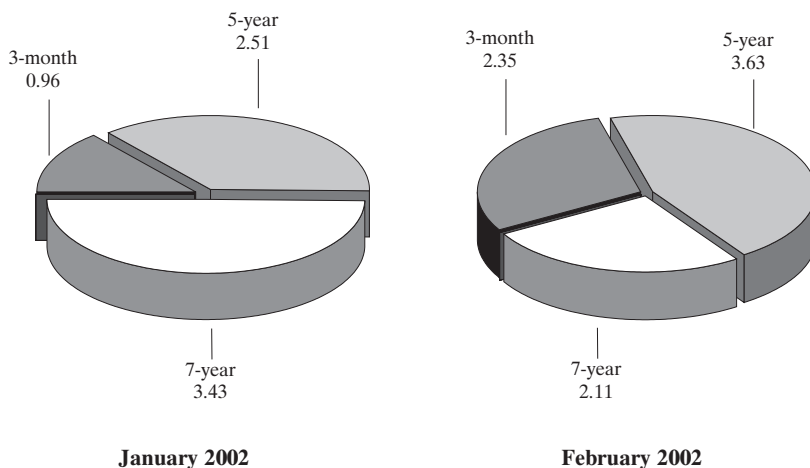


Structure and Volume of Government Securities Issued for Budget Deficit Financing in February



Note: Including target issues of government securities.

Coverage Coefficients of Issues Sold*



* Proportion between bids received and government securities sold.

surety bonds.

The yield attained in the primary market reflected, as a whole, market demand and interest in government securities with a different maturity. The overall trend in the yield of all types of government securities sold in February was negative. The yield on three-month treasury bills reached the lowest level in a seven-month period and indicated a decrease of 24 percentage points on the previous month, accounting for 4.62%. The yield on top five-year and seven-year government securities indicated a similar trend, particularly the yield on seven-year bonds: a decrease of 31 percentage points for five-year bonds, amounting to 6.64%, and a decrease of 47 percentage points to 6.99% for seven-year bonds (Charts 5, 6 and 8).

Three 2001 issues of treasury bills (Nos. BG3010301003, BG3012301001 and BG3012501006) and one 2000 treasury bonds issue (No. BG2030200112) matured in February.

In the review period two issues of two-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 703 of 13 February 2002 and issue No. 704 of 27 February 2002. Government securities sold in February totaled BGN 1,266.85 thousand nominal value (Chart 11). Two 2000 issues, amounting to BGN 1,443.92 thousand, matured in February. During the period under review reverse repurchases accounted for BGN 162.35 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

JANUARY 2002

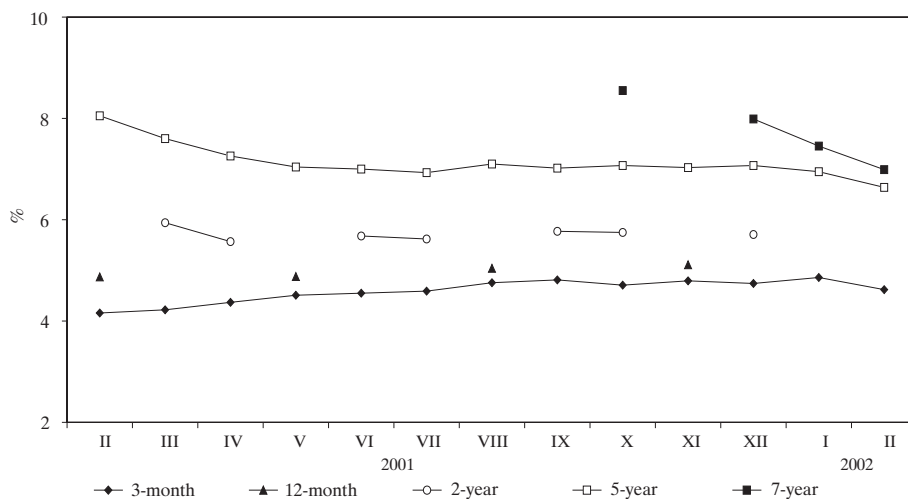
	3-month	2-year	7-year	
	BG3010002007	BG2030002112	BG2040002219	BG2040002219
Minimum	98.70	100.40	100.20	101.27
Average-weighted	98.82	100.71	100.47	101.46
Maximum	98.88	101.89	102.01	102.72

FEBRUARY 2002

	3-month	2-year	7-year
	BG3010102005	BG2030002112	BG2040102217
Minimum	98.87	101.65	98.85
Average-weighted	98.89	101.98	99.05
Maximum	99.03	102.48	101.12

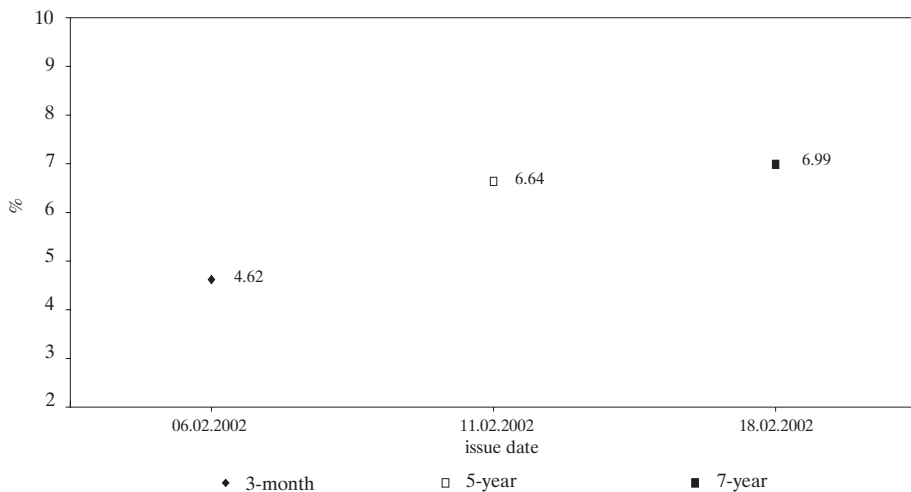
Chart 5

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

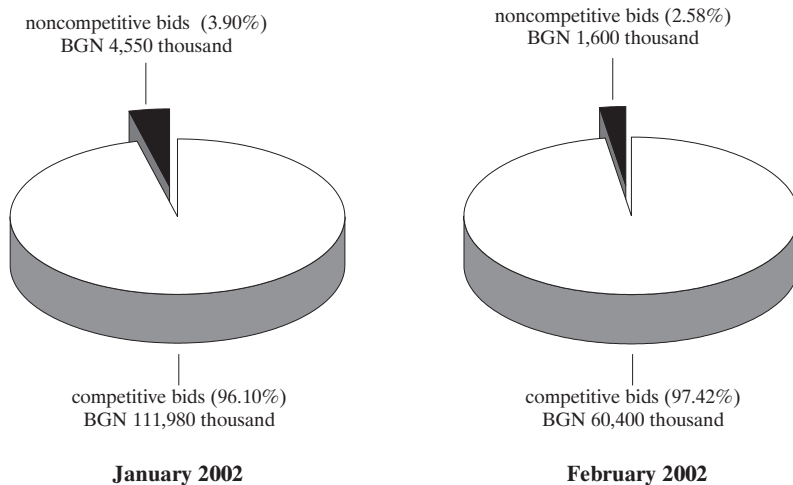
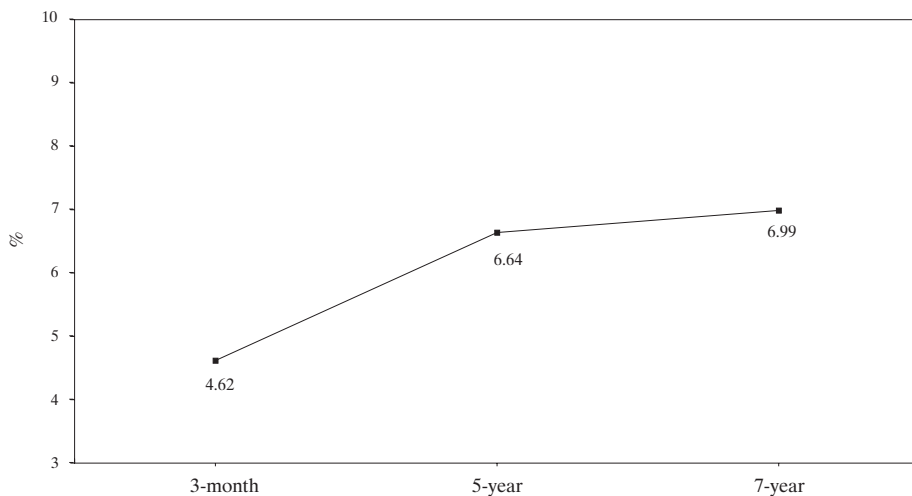


Chart 8

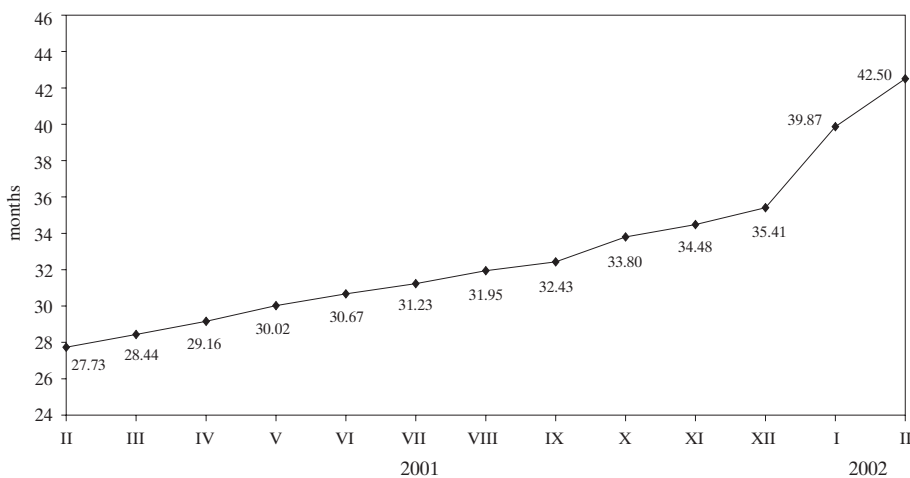
Yield Curve of Primary Market Government Securities in February



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

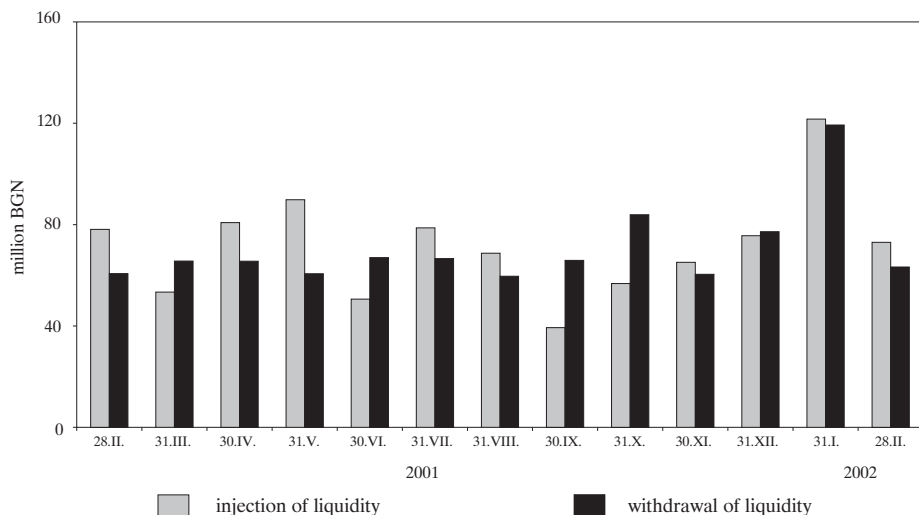
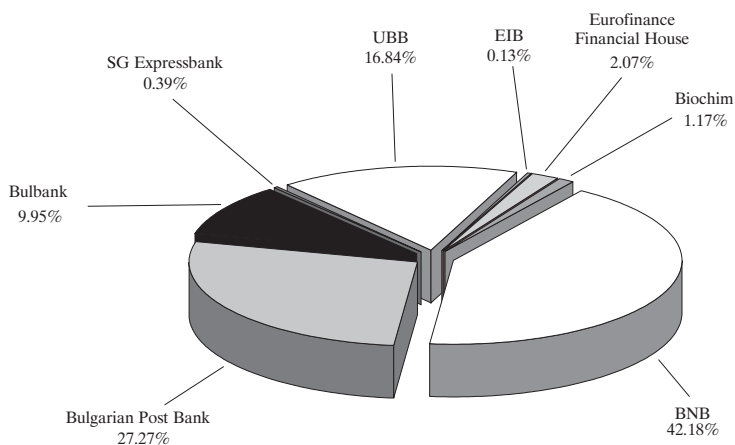
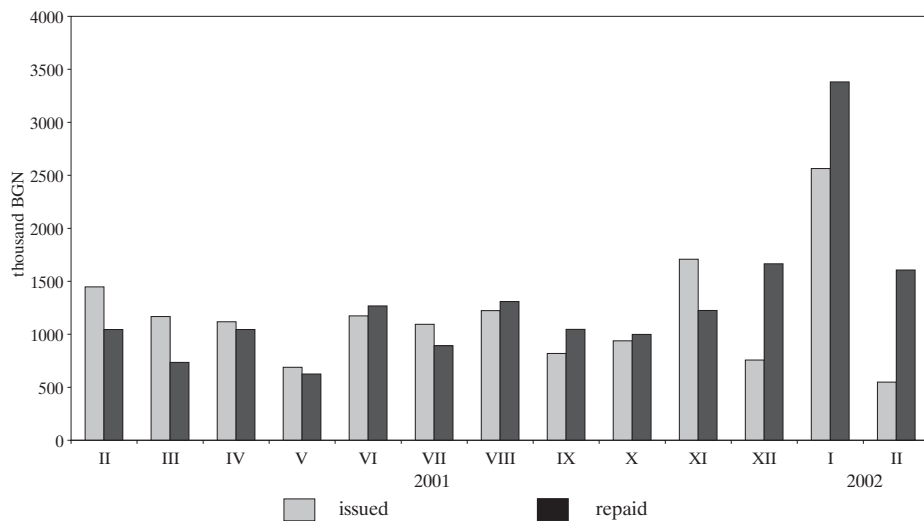


Chart 11

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



Issued and Repaid Government Securities from Target Issues



Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3010301003	BG3011001008	BG3011701003	BG3012301001	BG3012401009
Issue date	14.02.2001	09.05.2001	08.08.2001	07.11.2001	14.11.2001
Maturity date	14.02.2002	09.05.2002	08.08.2002	07.02.2002	14.11.2002
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	61 610.00	52 400.00	39 000.00	15 810.05	30 300.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	95.29	95.28	95.14	98.83	95.07
Average discount per BGN 100 (%)	4.71	4.72	4.86	1.17	4.93
Average annual yield (%)	4.88	4.89	5.04	4.63	5.11
Effective annual yield (%)	4.87	4.88	5.04	4.71	5.11
Coverage coefficient	3.08	2.62	1.95	1.58	1.52

(continued)

(continued)

Issue No.	BG3012501006	BG3012601004	BG3012701002	BG3010002007	BG3010102005
Issue date	21.11.2001	05.12.2001	19.12.2001	02.01.2002	06.02.2002
Maturity date	21.02.2002	05.03.2002	19.03.2002	02.04.2002	06.05.2002
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	10 745.00	17 650.00	16 525.00	11 530.00	28 164.50
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	11 530.00	12 000.00
Average price of the bids approved per BGN 100 (%)	98.79	98.85	98.85	98.82	98.89
Average discount per BGN 100 (%)	1.21	1.15	1.15	1.18	1.11
Average annual yield (%)	4.79	4.65	4.65	4.78	4.54
Effective annual yield (%)	4.88	4.74	4.74	4.86	4.62
Coverage coefficient	1.07	1.77	1.65	0.96	2.35

Treasury Bonds

Issue No.	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2030699115	BG2030999119	BG2030100114 ¹	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)

Issue No.	BG2030300110	BG2030400118²	BG2030500115²	BG2030600113²	BG2030700111²	BG2030800119²	BG2030900117²	BG2031000115²
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)

Issue No.	BG203000114³	BG2030101112²	BG2030201110³	BG2030301118²	BG2030401116⁶	BG2030501113³	BG2030601111⁵	BG2030701119⁹
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)

Issue No.	BG2040001211³	BG2030002112^{3,4}	BG2040002219³	BG2040102217⁴
Issue date	31.10.2001	09.01.2002	16.01.2002	20.02.2002
Maturity date	31.10.2008	09.01.2007	16.01.2009	20.05.2009
Nominal value of the offer (thousand BGN)	30 000.00	45 000.00	60 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	108 287.00	135 320.00	205 626.00	63 350.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	45 000.00	80 000.00*	30 000.00000
Average price of the bids approved per BGN 100 (%)	96.72	101.57	101.17	99.05
Average discount per BGN 100 (%)	3.28			
Interest rate	7.50	7.00	7.50	7.00
Coverage coefficient	3.61	3.01	3.43	2.11

¹ 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.

² 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.

³ 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.

⁴ 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 February 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 guaranty government securities are based on actual data as of 28 February 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
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	200/1995
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 28 February 2002.

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

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

EUR-denominated Government Securities

Issue No.	BG204009223
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 204009223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).

The principal of issue BG 204009223 is based on actual data as of 28 February 2002.

Pending Payments on Government Securities in April 2002

(thousand BGN)

	Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3	4	5
bills bonds ZUNK (BGN)	165.6	11 530.0	53 490.4		
	8	9	10	11	12
bonds target issues			3 291.0 366.8	1 620.5 16.4	
	15	16	17	18	19
bonds GGS			2 318.6 137.7		
	22	23	24	25	26
bonds target issues			2 094.2 1 031.3	2 486.7 13.1	
	29	30			
bonds		1 115.8			

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

Schedule of Government Securities Issues for April 2002

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
01.04.2002	03.04.2002	03.07.2002	3-month	12 000 000	
08.04.2002*	09.01.2002	09.01.2007	5-year	25 000 000	90 000 000
TOTAL, incl.:				37 000 000	
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-February 2002 domestic debt totaled BGN 1,889,937.1 thousand and domestic government debt accounted for BGN 1,883,914.3 thousand. Domestic debt decreased by BGN 7,029.9 thousand compared with the previous month. Share of the debt on government securities issued for budget deficit financing stood at 60.5% and government securities issued for structural reform rose slightly to 39.4%. Government guaranteed debt remained unchanged: 0.3% (Chart 13).

In February government securities issued for budget deficit financing indicated a decrease of BGN 5,576.9 thousand, reaching BGN 1,138,833.6 thousand. Issued government securities totaled BGN 62,849.8 thousand, including BGN 1,266.8 thousand sold directly to physical persons. Newly issued bonds amounted to BGN 50,982.5 thousand and bills BGN 11,867.4 thousand. Securities repaid in February accounted for BGN 68,087.4 thousand, including short-term securities of BGN 38,820.6 thousand. The share of seven-year government securities increased by 2.7 percentage points to 12.2% in the maturity structure of government securities issued for budget deficit financing. Five-year bonds rose by 1.9 percentage points and reached 30.9%. Government securities with other terms decreased, two-year bonds decreasing most significantly: by 2.3 percentage points to 35.9% (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached three years and seven months.

Government securities issued for structural reform decreased by BGN 1,064.9 thousand, reaching BGN 745,080.8 thousand. The decrease was a result of effected repayments on foreign currency ZUNK bonds in the amount of BGN 106.5 thousand and repayment of obligations to the government under ZUNK of USD 47.1 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 reached 31.3% and 5.9% and the share of government securities denominated in levs was 62.7%. Debt maturity structure also changed. Short-term securities occupied 5.3%, medium-term securities 47.8% and long-term 46.9% (Chart 16). The share of government securities with fixed interest coupons reached 59.4% (Chart 17).

Repaid interest and discounts totaled BGN 34,307.8 thousand in February. Interest and discounts on government securities for budget deficit financing of BGN 17,174.8 thousand, or 50.1% of the total repaid interest and discounts, were repaid (Chart 19). Expenditures on two-year bonds occupied the largest share: 44.2%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2001	Change in 2002		Amount as of 28 Feb. 2002
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
1. Government securities issued in 1997	20 000.0	-	-	20 000.0
5-year	20 000.0	-	-	20 000.0
2. Government securities issued in 1998	4 090.9	-	-	4 090.9
5-year	4 090.9	-	-	4 090.9
3. Government securities issued in 1999	2 659.7	-	-	2 659.7
5-year	2 659.7	-	-	2 659.7
4. Government securities issued in 2000	432 328.0	60 613.0	-	371 715.0
2-year	252 608.6	60 613.0	-	191 995.5
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	58 888.8	-	559 279.1
5.1. Short-term	135 454.2	58 586.7	-	76 867.5
3-month	59 298.5	39 528.1	-	19 770.4
12-month	76 155.7	19 058.6	-	57 097.1
5.2. Medium-term	482 713.7	302.1	-	482 411.6
2-year	213 819.2	302.1	-	213 517.1
5-year	239 956.9	-	-	239 956.9
7-year	28 937.6	-	-	28 937.6
6. Government securities issued in 2002		181 088.8	-	181 088.8
6.1. Short-term		23 260.9	-	23 260.9
3-month		23 260.9	-	23 260.9
6.2. Medium-term		157 827.9	-	157 827.9
2-year		3 112.2	-	3 112.2
5-year		45 000.0	-	45 000.0
7-year		109 715.7	-	109 715.7
TOTAL (I)	1 077 246.6	181 088.8	119 501.8	1 138 833.6

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	16 000.4	-	261 123.4
lev equivalent	615 009.9	-	-	590 350.4
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		716 486.9
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		745 080.8
GOVERNMENT DEBT, TOTAL	1 853 847.3		1 883 914.3
III. DOMESTIC GOVERNMENT GUARANTEES	6 653.3		6 022.8
DOMESTIC DEBT, TOTAL	1 860 500.6		1 889 937.1

Notes:

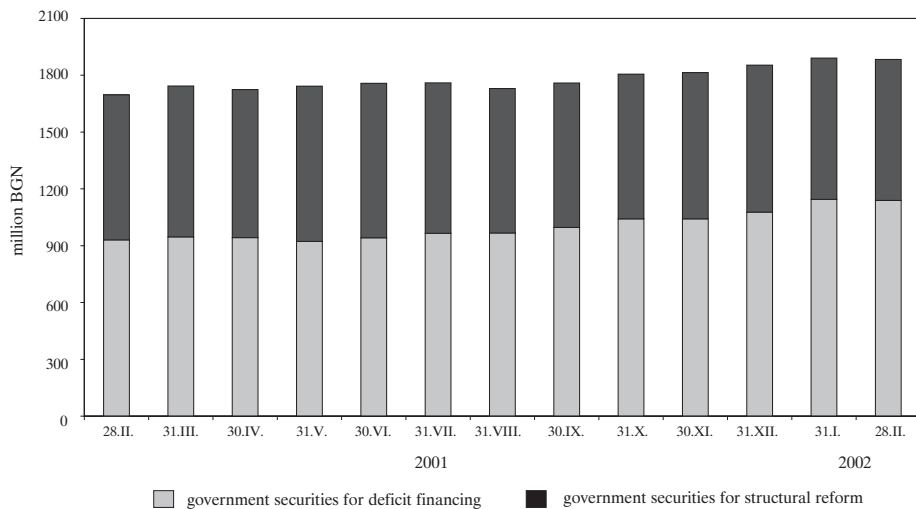
Actual amount of the debt on government securities issued for budget deficit financing.

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:

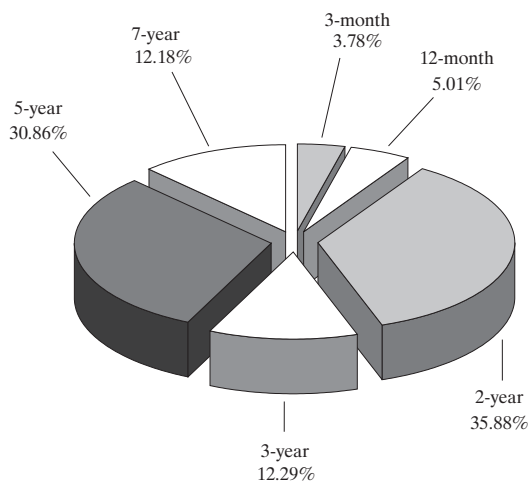
on 28 December 2001: USD 1/BGN 2.21926, EUR 1/BGN 1.95583.

on 28 February 2002: USD 1/BGN 2.26081, EUR 1/BGN 1.95583.

Changes in Domestic Government Debt

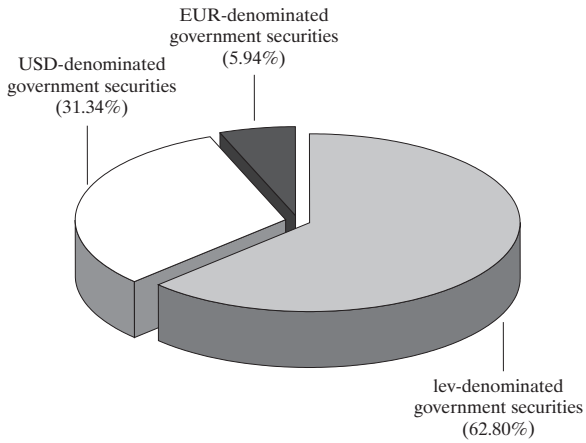


Outstanding Government Securities Issued for Budget Deficit Financing as of 28 February

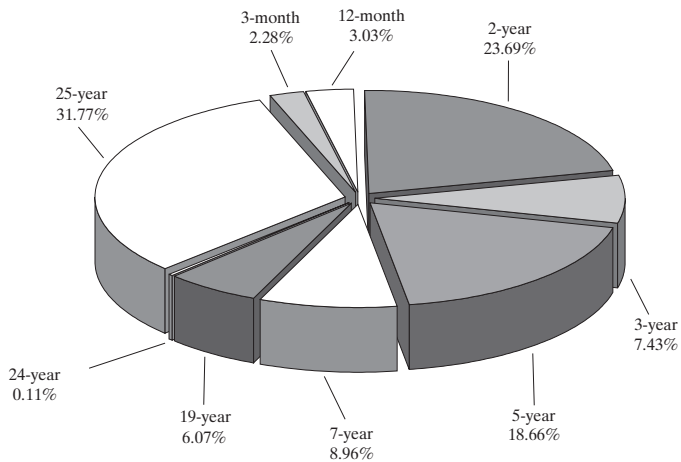


Note: The average-weighted maturity of government securities issued for budget deficit financing is three years and seven months.

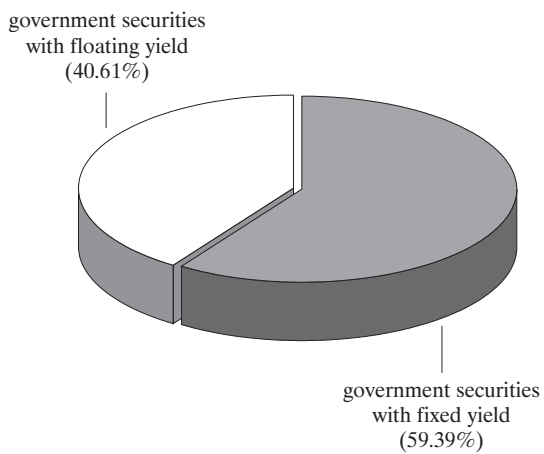
Forex Composition of Outstanding Government Securities as of 28 February



Maturity Structure of Outstanding Government Securities as of 28 February



Shares of Outstanding Government Securities with Fixed and Floating Yield as of 28 February



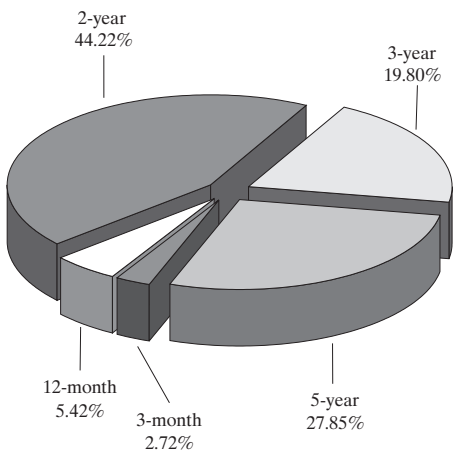
Expenditure on Domestic Debt between 1 January and 28 February 2002

(thousand BGN)

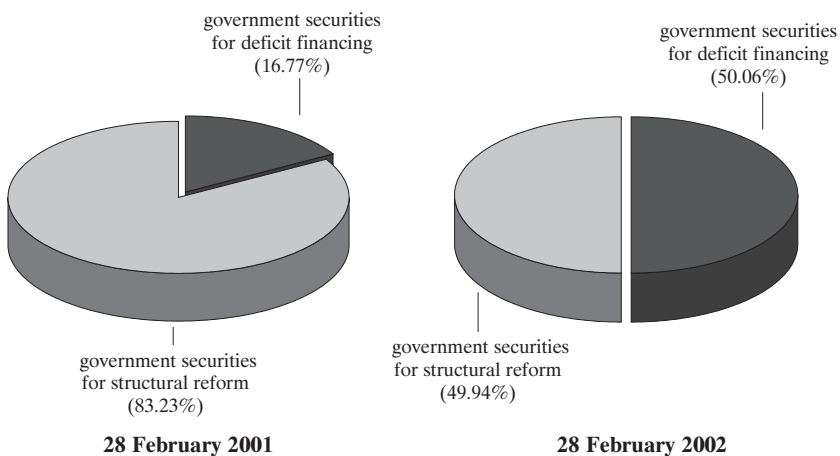
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
5. Government securities issued in 2000	7 786.5
2-year	4 346.0
3-year	3 440.5
6. Government securities issued in 2001	9 592.3
6.1. Short-term	1 413.3
3-month	471.9
12-month	941.4
6.2. Medium-term*	8 179.0
2-year	3 339.6
5-year	4 839.5
7. Government securities issued in 2002	-04.0
5-year	-134.0
7-year	-70.0
TOTAL (I)	17 174.8
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	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
Total (A)	17 133.0
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	0.0
Total (B)	0.0
TOTAL (II)	17 133.0
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	34 307.8
III. GOVERNMENT GUARANTEED DEBT	
EXPENDITURE, TOTAL	34 307.8

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

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



Structure of Expenditure on Domestic Debt



By the end of February foreign debt totaled USD 8,416.2 million, a decrease of USD 17 million from the previous month. Government debt accounted for USD 7,920.7 million and government guaranteed debt amounted to USD 495.5 million.

In February new foreign financing totaled USD 63 million, of which USD 14.4 million receipts from tranches on government guaranteed loans. Payments on the debt totaled USD 252.5 million, of which USD 116.2 million principal repayments and USD 136.3 million interest. Repayments included mainly payments on Brady bonds (USD 16.1 million), the IMF debt (USD 44.9 million), on government investment loans (USD 5.6 million) and government guaranteed credits. Interest was repaid mainly on Brady bonds and IMF loans.

Government debt indicated a decrease in February due both to effected repayments and US dollar exchange rate fluctuations against the European currencies.

Debt in US dollars changed slightly and comprised 66.6%. The share of the debt in euro and other currencies also changed slightly to 17.3% and 16% respectively. Proportion of the debt with fixed and floating interest was 88.9% against 11.1%. The average residual term of the debt remained unchanged: 12 years and one month.

Government securities occupied 58.9% and credits 35.2% in debt total structure. Government guaranteed debt totaled 5.9%. The share of Brady bonds increased on the previous month and reached 56.4%. Other groups slightly changed. Debt to the IMF occupied 12.2%. Obligations to the World Bank were 9.6%, the Paris Club 4.3% 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	As of 28.II.2002
Government debt	8 016.8	7 925.1	7 920.7
I. Bonds	4 979.3	4 958.8	4 959.2
1. Brady bonds	4 759.0	4 742.9	4 742.9
2. Eurobonds	220.3	215.9	216.3
II. Credits	3 037.5	2 966.3	2 961.6
1. Paris Club	382.0	375.3	358.2
2. World Bank	829.4	823.5	810.8
2.1. World Bank	708.8	704.7	696.8
2.2. JBIC (JEXIM)	120.6	118.8	114.1
3. G – 24	47.5	47.2	47.1
4. European Union	343.7	336.8	337.4
5. IMF	1 042.9	1 006.2	1 026.3
6. Other	120.4	118.0	118.2
7. Government investment loans	211.8	199.9	205.5
7.1. World Bank	49.4	49.5	50.7
7.2. European Investment Bank	112.3	108.2	112.5
7.3. EBRD	30.7	28.8	28.8
7.4. Other	19.3	13.4	13.5
8. Called government guarantees	59.8	59.3	58.0
8.1. World Bank	43.9	43.7	42.4
8.2. European Investment Bank	3.2	2.9	2.9
8.3. Other	12.7	12.7	12.6
Government guaranteed debt	507.9	508.1	495.5
1. World Bank	147.8	147.2	144.0
2. European Investment Bank	122.6	118.4	118.5
3. EBRD	68.9	66.4	66.5
4. Other	168.6	176.1	166.5
FOREIGN DEBT, TOTAL	8 524.7	8 433.2	8 416.2

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 February 2002.

New Foreign Financing and Foreign Debt Payments as of 28 February

Structure	Received credits (tranches)		Payments, incl.			
			Installments		Interest	
	million USD	thousand BGN	million USD	thousand BGN	million USD	thousand BGN
Government debt	48.5	109 455.4	95.7	214 567.8	132.2	294 926.8
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	48.5	109 455.4	79.6	178 650.1	21.3	47 540.3
1. Paris Club	0.0	0.0	16.8	37 875.8	1.3	2 814.4
2. World Bank	1.5	3 255.7	10.2	23 047.8	5.2	11 678.9
2.1. World Bank	1.5	3 255.7	6.7	14 980.8	4.4	10 003.5
2.2. JBIC (JEXIM)	0.0	0.0	3.6	8 067.1	0.7	1 675.3
3. G - 24	0.0	0.0	0.0	0.0	0.2	412.6
4. European Union	0.0	0.0	0.0	0.0	3.1	6 896.3
5. IMF	39.7	89 826.9	44.9	100 934.2	7.3	16 261.4
6. Other	0.0	0.0	0.0	0.0	0.0	0.0
7. Government investment loans	6.7	14 851.9	5.6	12 459.3	3.2	7 039.1
7.1. World Bank	2.1	4 716.8	0.0	0.0	0.0	0.0
7.2. European Investment Bank	4.3	9 658.3	3.8	8 311.0	2.6	5 810.3
7.3. EBRD	0.0	0.0	1.9	4 148.2	0.6	1 228.9
7.4. Other	0.2	476.8	0.0	0.0	0.0	0.0
8. Called government guarantees	0.7	1 520.9	1.9	4 333.0	1.1	2 437.6
8.1. World Bank	0.7	1 520.9	1.7	3 837.3	1.0	2 193.6
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
Government guaranteed debt	14.4	31 674.5	20.5	45 745.5	4.1	9 156.8
1. World Bank	0.0	0.0	2.9	6 587.7	1.9	4 285.7
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	14.4	31 674.5	13.3	29 734.5	0.6	1 278.0
TOTAL	63.0	141 129.9	116.2	260 313.2	136.3	304 083.5

Notes:

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

Foreign Currency Composition of the Foreign Debt as of 28 February

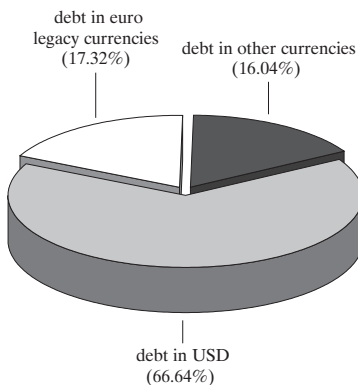


Chart 21

Interest Structure of the Foreign Debt as of 28 February

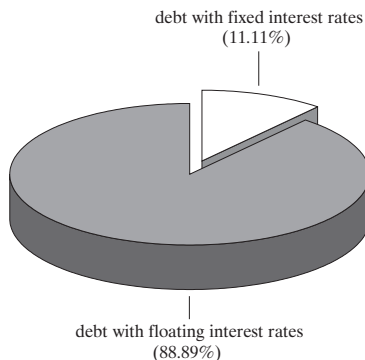
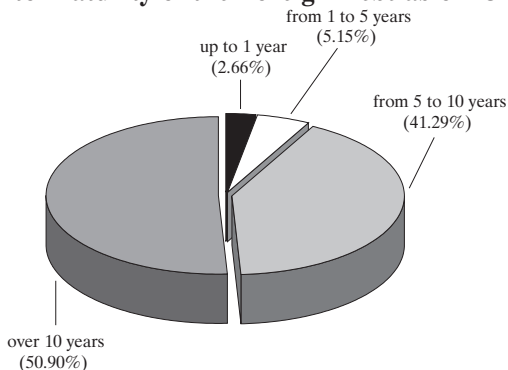


Chart 22

Residual Term to Maturity of the Foreign Debt as of 28 February



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 28 February 2002 (thousand BGN)	Government debt/GDP (%)
Domestic debt	1 889 937.1	6.1
Foreign debt	19 027 363.7	61.8
DEBT, TOTAL	20 917 300.8	68.0

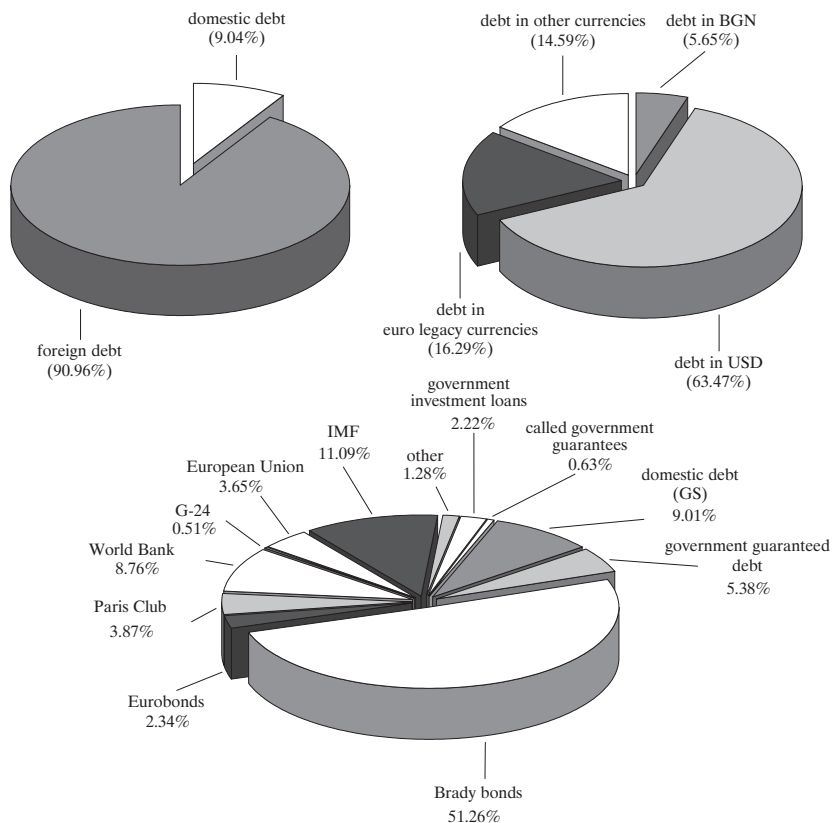
Notes:

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

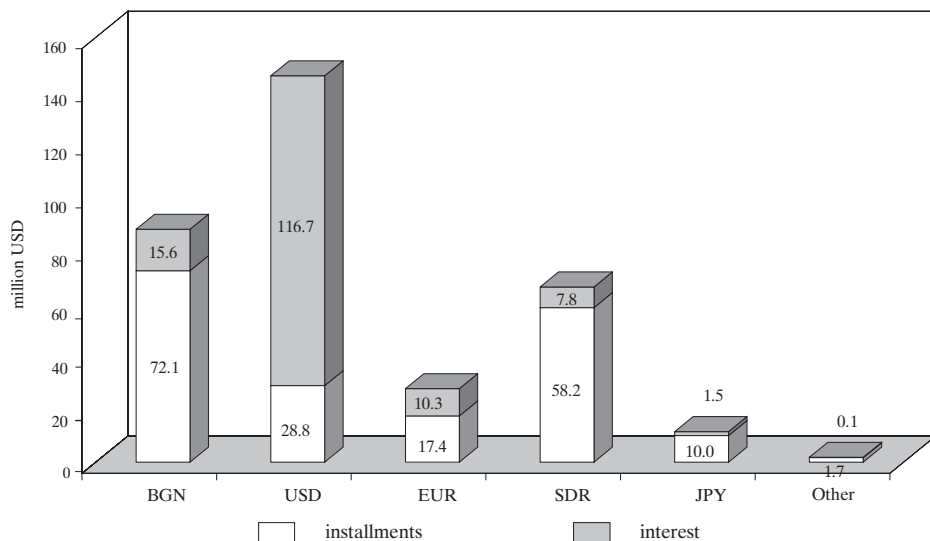
2. The lev equivalent of the foreign debt is calculated on the basis of the BGN/USD central exchange rate quoted by the BNB on 28 February 2002.

Chart 23

Debt Structure as of 28 February



Currency Structure of Government Debt Payments as of 28 February



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