

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

MAY 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 May the Ministry of Finance issued through auctions organized by the BNB two government securities issues under Regulation No. 5, including one tap medium-term (five-year) treasury notes issue (No. BG2030002112) and one tap long-term (seven-year) treasury bonds issue (No. BG2040102217). The five-year and seven-year issues were opened again in May.

At the auctions primary dealers' bids totaled BGN 94,550 thousand: BGN 36,250 thousand for five-year government securities and BGN 58,300 thousand for seven-year government securities (Chart 1). Approved bids totaled BGN 55,000 thousand nominal value, including five-year of BGN 20,000 thousand and seven-year of BGN 35,000 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in May accounted for 1.72: 1.81 on five-year and 1.67 on seven-year (Chart 4). In May the overall coverage coefficient reached 1.72. Government securities issued in May decreased by BGN 4.94 million on a year earlier basis (Chart 2).

Chart 1

### Government Securities Issue in May

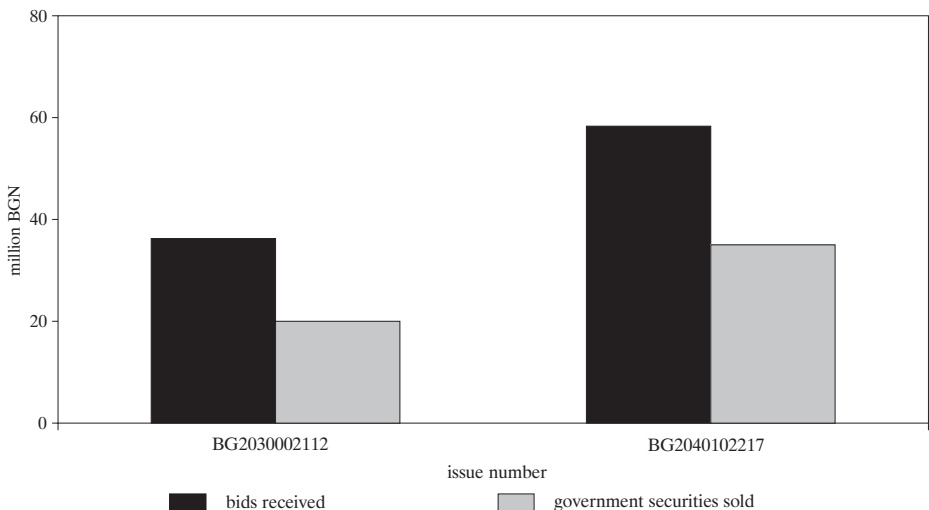


Chart 2

### Sales of Government Securities Issues

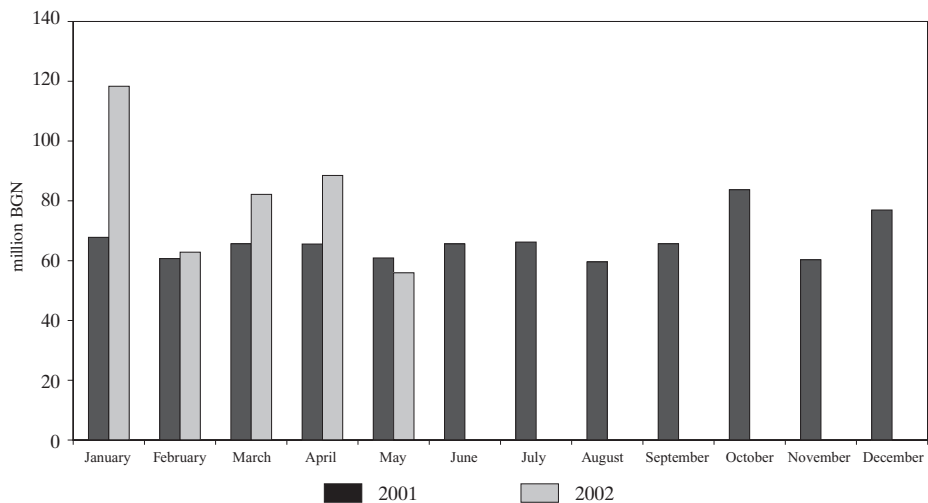
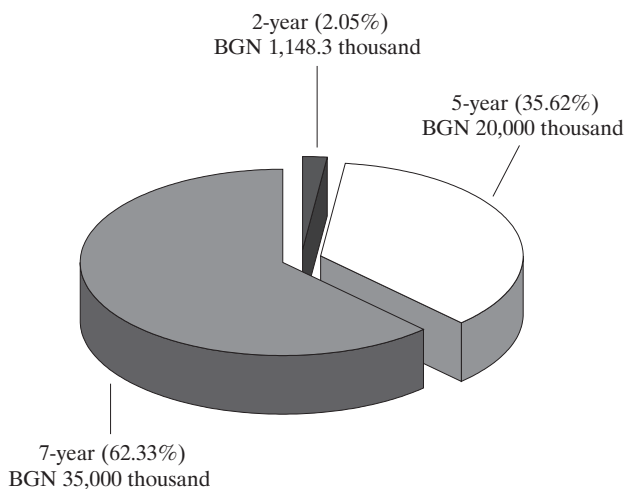


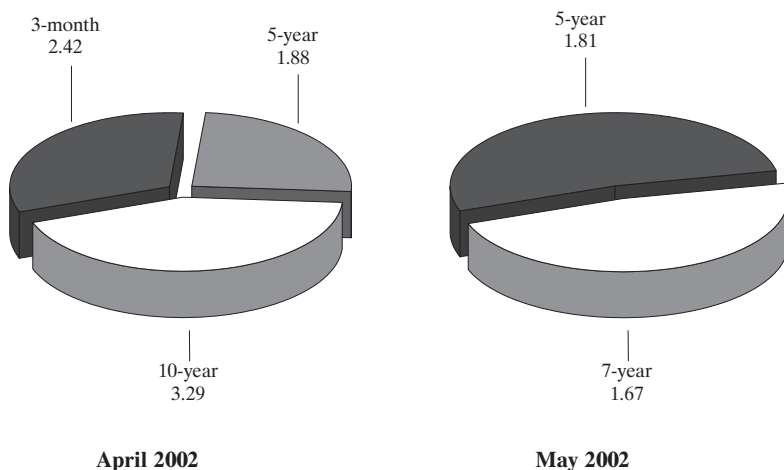
Chart 3

### 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.

Gradual downward trend in the yield of government securities from the beginning of 2002 continued in May. The average annual yield on five-year treasury notes remained at the level of the previous opening in February and reached 6.51%, a slight decrease of two percentage points. The yield on seven-year treasury bonds attained in May accounted for 7.10%, a slight decrease of seven percentage points compared with the first opening of the issue (Charts 5, 6 and 8).

Two treasury bills issues (Nos. BG3011001008, BG3010102005) and one treasury bonds issue (No. BG2034797121) matured in May.

In the review period two issues of two-year treasury notes earmarked for direct sale to individuals were put in circulation: issue No. 709 of 8 May 2002 and issue No. 710 of 22 May 2002. Government securities sold in May totaled BGN 1,148.3 thousand nominal value (Chart 11). Two 2000 issues, amounting to BGN 1,302.9 thousand, matured in May. During the period under review reverse repurchases accounted for BGN 360.8 thousand (Chart 12).

## Prices of Issues Sold per BGN 100 Nominal Value

### APRIL 2002

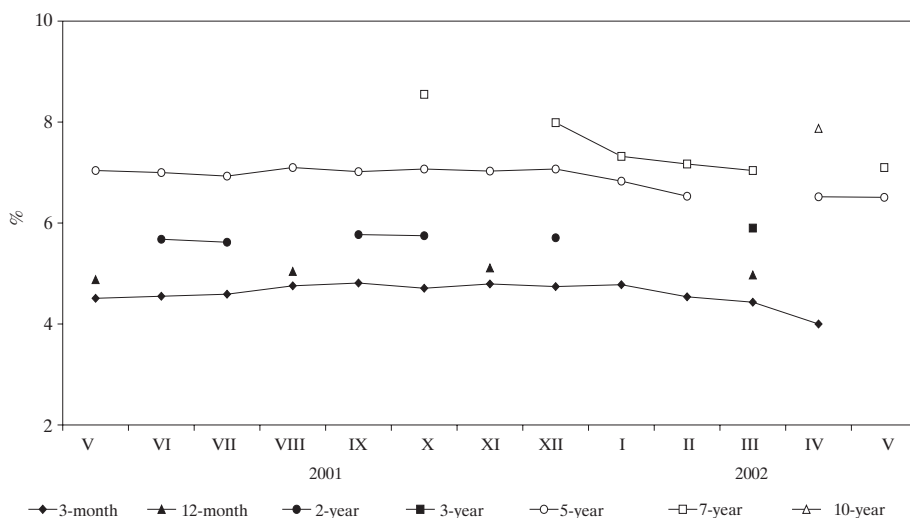
	3-month		5-year	10-year	
	BG3010402009	BG3010502006	BG2030002112	BG2040202215	BG2040202215
Minimum	98.95	98.99	101.72	96.54	95.94
Average-weighted	98.98	99.02	102.01	98.14	96.77
Maximum	99.01	99.07	102.62	101.40	97.91

### MAY 2002

	5-year	7-year
	BG2030002112	BG2040102217
Minimum	101.83	99.15
Average-weighted	102.07	99.44
Maximum	102.58	100.27

Chart 5

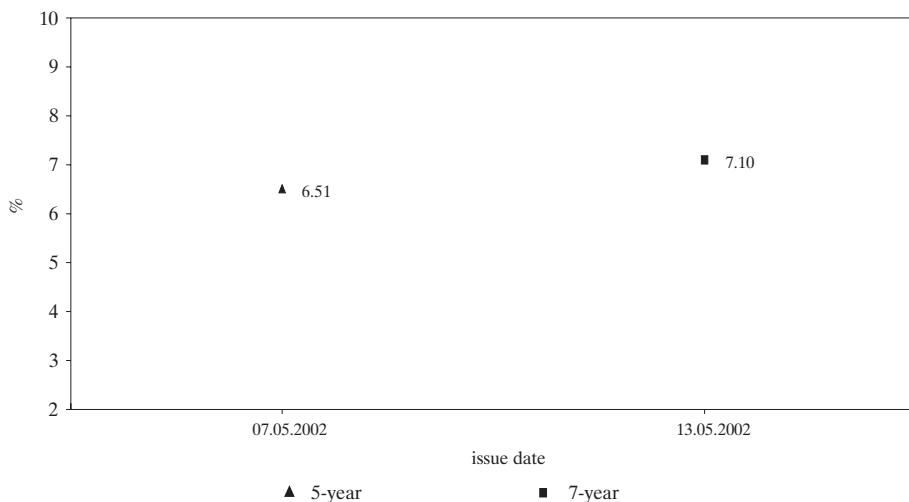
## Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.



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



**Note:** 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

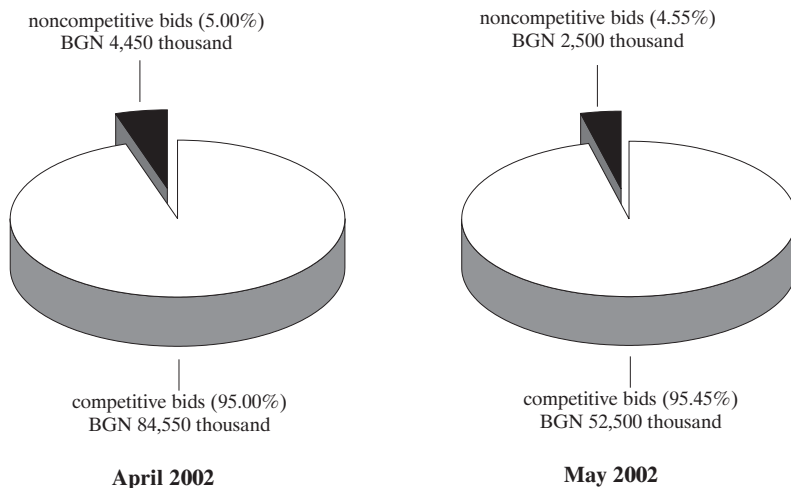
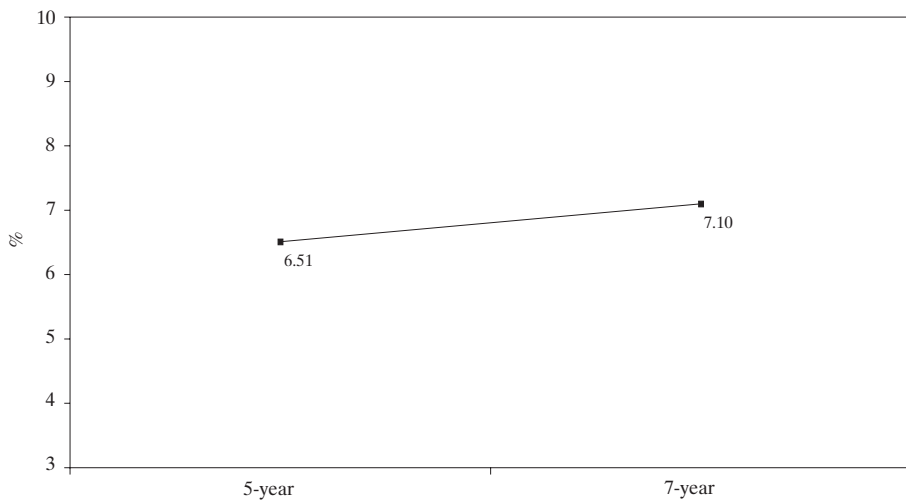


Chart 8

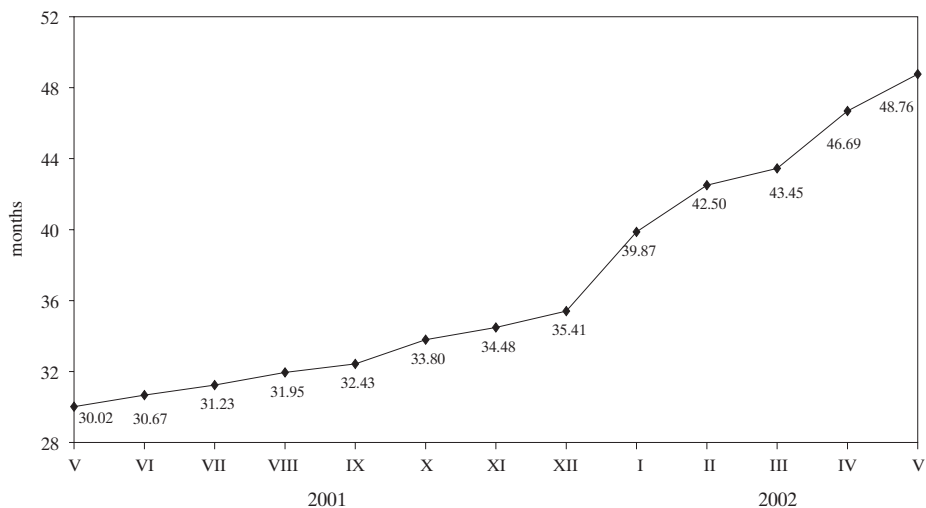
### Yield Curve of Primary Market Government Securities in May



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

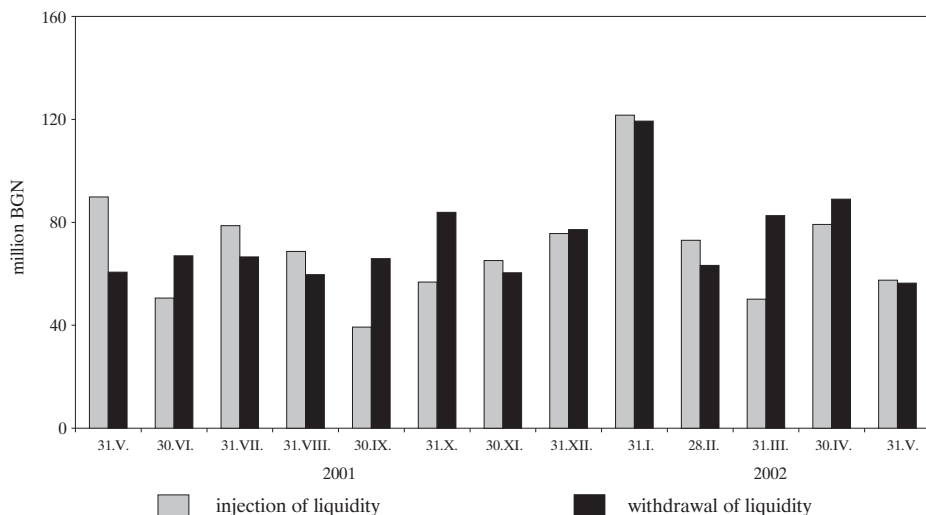
Chart 9

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

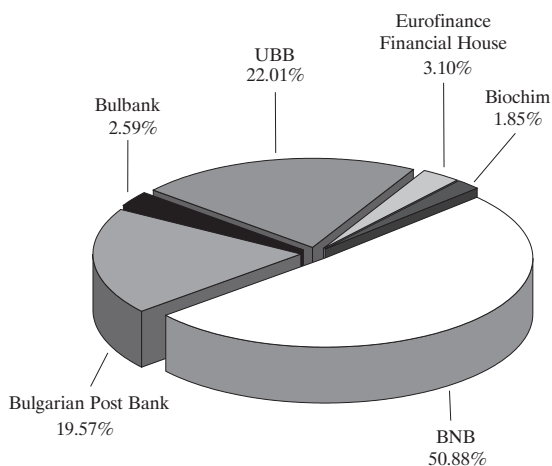


**Note:** The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

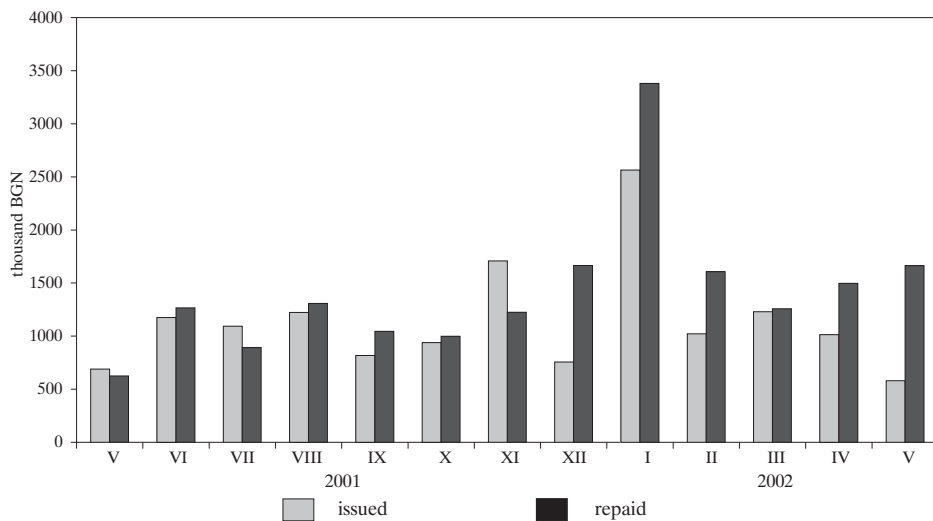
### Monthly Liquidity Regulation through Government Securities Issues and Maturities



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



### Issued and Repaid Government Securities from Target Issues



# Outstanding Government Securities

## Discount Treasury Bills

<b>Issue No.</b>	<b>BG3011701003</b>	<b>BG3012401009</b>	<b>BG3010202003</b>	<b>BG3010302001</b>	<b>BG3010402009</b>	<b>BG3010502006</b>
Issue date	08.08.2001	14.11.2001	06.03.2002	27.03.2002	03.04.2002	30.04.2002
Maturity date	08.08.2002	14.11.2002	06.06.2002	27.03.2003	03.07.2002	30.07.2002
Nominal value of the offer (thousand BGN)	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)	39 000.00	30 300.00	30 601.05	40 420.00	31 830.05	26 340.00
Total nominal value of the bids approved (thousand BGN)	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 (%)	95.14	95.07	98.88	95.20	98.98	99.02
Average discount per BGN 100 (%)	4.86	4.93	1.12	4.80	1.02	0.98
Average annual yield (%)	5.04	5.11	4.43	4.97	4.08	3.92
Effective annual yield (%)	5.04	5.11	4.51	4.97	4.14	3.97
Coverage coefficient	1.95	1.52	2.55	2.02	2.65	2.20

## Treasury Bonds

Issue No.	BG2030798115	BG2030998111	BG2031198117	BG2030699115	BG2030999119	BG2030100114 <sup>1</sup>	BG2030500115 <sup>2</sup>	BG2030600113 <sup>2</sup>
Issue date	30.04.1998	28.05.1998	02.07.1998	31.03.1999	29.04.1999	09.02.2000	19.04.2000	05.07.2000
Maturity date	24.04.2003	22.05.2003	26.06.2003	24.03.2004	22.04.2004	05.02.2003	16.04.2003	03.07.2002
Nominal value of the offer (thousand BGN)	1 000.00	2 000.00	2000.00	2 000.00	3 000.00	50 000.00	30 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	3 605.00	3 440.00	2070.00	2 795.00	1 190.00	192 244.60	120 312.85	135 755.00
Total nominal value of the bids approved (thousand BGN)	1 000.00	2 000.00	2000.00	2 000.00	1 190.00	50 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	87.14	84.78	76.20	86.35	78.37	101.20	100.61	101.16
Average discount per BGN 100 (%)	12.86	15.22	23.80	13.65	21.63			
Interest rate	8.00	8.00	7.00	9.00	9.00	9.00	8.00	7.00
Coverage coefficient	3.61	1.72	1.04	1.40	0.40	3.84	4.01	2.72

(continued)

(continued)

Issue No.	BG2030700111 <sup>2</sup>	BG2030800110 <sup>2</sup>	BG2030900117 <sup>2</sup>	BG20310000115 <sup>2</sup>	BG2030001114 <sup>4</sup>	BG2030101112 <sup>2</sup>	BG2030201110 <sup>0</sup>	BG2030301118 <sup>2</sup>
Issue date	19.07.2000	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001	11.04.2001	25.04.2001
Maturity date	16.07.2003	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006	11.04.2003	25.04.2006
Nominal value of the offer (thousand BGN)	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	131 450.00	126 512.50	113 365.10	110 383.00	121 965.00	253 630.14	95 565.00	165 396.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	102.09	101.88	100.35	102.15	101.61	105.02	102.34	104.91
Average discount per BGN 100 (%)								
Interest rate	8.00	7.00	9.00	7.50	6.50	9.00	6.50	8.00
Coverage coefficient	4.38	2.53	2.83	3.68	2.44	4.23	1.91	2.76

(continued)

(continued)

<b>Issue No.</b>	<b>BG2030401116<sup>3</sup></b>	<b>BG2030501113<sup>2</sup></b>	<b>BG2030601111<sup>3</sup></b>	<b>BG2030701119<sup>2</sup></b>	<b>BG204000121F<sup>3</sup></b>	<b>BG2030002112<sup>1</sup></b>	<b>BG2040002219<sup>3</sup></b>	<b>BG2040102217<sup>1</sup></b>
Issue date	11.07.2001	25.07.2001	10.10.2001	24.10.2001	31.10.2001	09.01.2002	16.01.2002	20.02.2002
Maturity date	11.07.2003	25.07.2006	10.10.2003	24.10.2006	31.10.2008	09.01.2007	16.01.2009	20.05.2009
Nominal value of the offer (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	30 000.00	90 000.00	60 000.00	90 000.00
Total nominal value of the bids received (thousand BGN)	87 163.00	140 070.00	77 900.00	127 550.00	108 287.00	218 650.00	205 626.00	180 462.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	30 000.00	90 000.00	80 000.00*	90 000.00
Average price of the bids approved per BGN 100 (%)	101.24	101.01	101.18	100.89	96.72	102.80	101.17	100.40
Average discount per BGN 100 (%)					3.28			
Interest rate	6.00	7.00	6.00	7.00	7.50	7.00	7.50	7.00
Coverage coefficient	1.74	2.33	1.56	2.13	3.61	2.43	3.43	2.01

(continued)



(continued)

<b>Issue No.</b>	<b>BG2030102110<sup>5</sup></b>	<b>BG2040202215<sup>3,4</sup></b>
Issue date	13.03.2002	17.04.2002
Maturity date	13.03.2005	17.04.2012
Nominal value of the offer (thousand BGN)	25 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	72 750.00	131 669.60
Total nominal value of the bids approved (thousand BGN)	25 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	101.62	97.37
Average discount per BGN 100 (%)		2.63
Interest rate	6.50	7.50
Coverage coefficient	2.91	3.29

<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.

<sup>5</sup> The total volume of the issue is BGN 50,000,000; the MF will sell the remaining portion on an auction principle.

\* According to the resolution approved 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	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	05.11.1997
Maturity date	28.05.2003	04.06.2003	19.06.2003	09.08.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	857.14	1811.06	226.59	12 677.91	1398.31	6209.87
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	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 May 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 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
<b>Issue No.</b>	<b>BG 2000192224</b>	<b>BG 2009993226</b>	<b>BG 2009893228</b>	<b>BG 2009794228</b>	<b>BG 2009693222</b>
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018
Maturity (years)	19	24	25	25	25
Grace period (years)	4	4	5	5	5
Redemption term (years)	15	20	20	20	20
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	2476.56 (BGN)	2034.93 (BGN)	7335.87 (BGN)	218 773.41 (USD)	785.48 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual
Interest	BIR+1	BIR	BIR	LIBOR*	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 May 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 leva.

## EUR-denominated Government Securities

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<b>Issue No.</b>	<b>BG204009223</b>
Issue date	01.07.1999
Maturity date	01.01.2019
Principal (thousand EUR)	105 443.36
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 31 May 2002.

## Pending Payments on Government Securities in July 2002

(thousand BGN)

	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
bills			12 000.0		
target issues		26.8	1 235.6	15.1	
bonds			51 745.2		
CMD No. 244	65.1				
CMD No. 234	170.5				
ZUNK USD	6 348.3				
ZUNK EUR	3 876.1				
	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
bonds		3 124.1	1 611.6	1 487.7	
	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>
target issues		23.5	765.8	14.9	
bonds		2 975.3	1 196.7		
	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>
bonds			2 677.8	2 082.7	
	<b>29</b>	<b>30</b>	<b>31</b>		
bills		12 000.0			
target issues		19.6	765.4		

**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 2002

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
01.07.2002	03.07.2002	03.10.2002	3-month	12 000 000	
08.07.2002*	10.07.2002	10.07.2007	5-year	25 000 000	90 000 000
15.07.2002*	17.07.2002	17.07.2009	7-year	20 000 000	70 000 000
<b>TOTAL, incl.:</b>				<b>57 000 000</b>	
<b>bills</b>				<b>12 000 000</b>	
<b>bonds</b>				<b>45 000 000</b>	

\* Tap issue.

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

By end-May 2002 domestic debt totaled BGN 1,907,888.1 thousand and domestic government debt accounted for BGN 1,903,381.4 thousand. Domestic debt decreased by BGN 18,850.7 thousand compared with the previous month. Share of the debt on government securities issued for structural reform dropped to 36.8% at the expense of increased government securities issued for budget deficit financing, 63%. Government guaranteed debt dropped to 0.2% (Chart 13).

In May government securities issued for budget deficit financing indicated an increase of BGN 3,366.4 thousand, reaching BGN 1,200,957.2 thousand. Issued government securities totaled BGN 55,953 thousand, including BGN 1,148.3 thousand sold directly to physical persons. Newly issued bonds amounted to BGN 55,953 thousand. Securities repaid in May accounted for BGN 51,414.7 thousand, including short-term securities of BGN 30,923 thousand. As a result of operations effected, the share of seven-year government securities in the maturity structure of government securities issued for budget deficit financing increased by 2.86 percentage points to 16.5%. Government securities with other terms decreased, three-month issues decreasing most significantly (by one percentage point to 2.97%) and one-year issues decreasing by 1.61 percentage points to 4.75% (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached four years and one month.

Government securities issued for structural reform decreased by BGN 21,664.9 thousand, reaching BGN 702,424.2 thousand. USD-denominated ZUNK bonds of USD 35.3 thousand were used for repayment of obligations to the government under ZUNK. Repayment on bonds issued under CM Decree No. 89 of 1995 in the amount of BGN 1,553.4 thousand was effected.

Debt movements in May caused slight changes in debt forex structure (Chart 15). The share of government securities in euro stayed at 10.8% and the share of government securities denominated in US dollars dropped by 0.8 percentage points to 23.9% at the expense of lev-denominated government securities, 65.2%. Debt maturity structure also changed. Short-term securities dropped to 4.9%, medium-term securities 45.8% and long-term 49.4% (Chart 16). Government securities with fixed interest coupons comprised 63.1% and government securities with floating interest coupons, 36.9% (Chart 17).

Since early-2002 repaid interest and discounts have totaled BGN 55,299.5 thousand. In May repaid interest and discounts accounted for BGN 2,912.9 thousand. Interest and discounts on government securities for budget deficit financing of BGN 2,699.8 thousand, or 67.8% of the total repaid interest and discounts, were repaid (Chart 19). Expenditures on two-year notes occupied the largest share – 41.1%, followed by five-year securities of 31.7%.

## Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2001	Change in 2002		Amount as of 31 May 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		142 426.2	289 901.8
2-year	252 608.6		142 426.2	110 182.3
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		98 308.0	519 859.9
5.1. Short-term	135 454.2		97 412.7	38 041.5
3-month	59 298.5		59 298.5	-
12-month	76 155.7		38 114.2	38 041.5
5.2. Medium-term	482 713.7		895.3	452 880.8
2-year	213 819.2		895.3	212 923.9
5-year	239 956.9		-	239 956.9
5.3. Long-term	28 937.6		-	28 937.6
7-year	28 937.6		-	28 937.6
6. Government securities issued in 2002		407 705.7	23 260.9	384 444.8
6.1. Short-term		77 925.8	23 260.9	54 664.9
3-month		58 886.5	23 260.9	35 625.6
12-month		19 039.3	-	19 039.3
6.2. Medium-term		121 409.1	-	121 409.1
2-year		6 409.1	-	6 409.1
3-year		25 000.0	-	25 000.0
5-year		90 000.0	-	90 000.0
6.3. Long-term		208 370.8	-	208 370.8
7-year		169 457.9	-	169 457.9
10-year		38 912.9	-	38 912.9
<b>TOTAL (I)</b>	<b>1 077 246.6</b>	<b>407 705.7</b>	<b>283 995.1</b>	<b>1 200 957.2</b>

### I. 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		58 350.4	218 773.4

(continued)



(continued)

lev equivalent	615 009.9			455 825.3
denominated in EUR	60 606.3	48 204.1	3 367.0	105 443.4
lev equivalent	118 535.6			206 229.3
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	785.5		-	785.5
A5. Government bonds issued pursuant to Article 2 of CM Decree No. 89 of 1995	1 553.4		1 553.4	-
<b>TOTAL (A)</b>	<b>748 006.8</b>			<b>674 687.5</b>
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	28 593.9			27 736.8
Government securities issued in 1996	3 751.9		857.1	2 894.8
Government securities issued in 1997	24 842.0			24 842.0
<b>TOTAL (B)</b>	<b>28 593.9</b>			<b>27 736.8</b>
<b>TOTAL (II)</b>	<b>776 600.7</b>			<b>702 424.2</b>
<b>GOVERNMENT DEBT, TOTAL</b>	<b>1 853 847.3</b>			<b>1 903 381.4</b>
<b>III. DOMESTIC GOVERNMENT GUARANTEES</b>	<b>6 653.3</b>			<b>4 506.7</b>
<b>DOMESTIC DEBT, TOTAL</b>	<b>1 860 500.6</b>			<b>1 907 888.1</b>

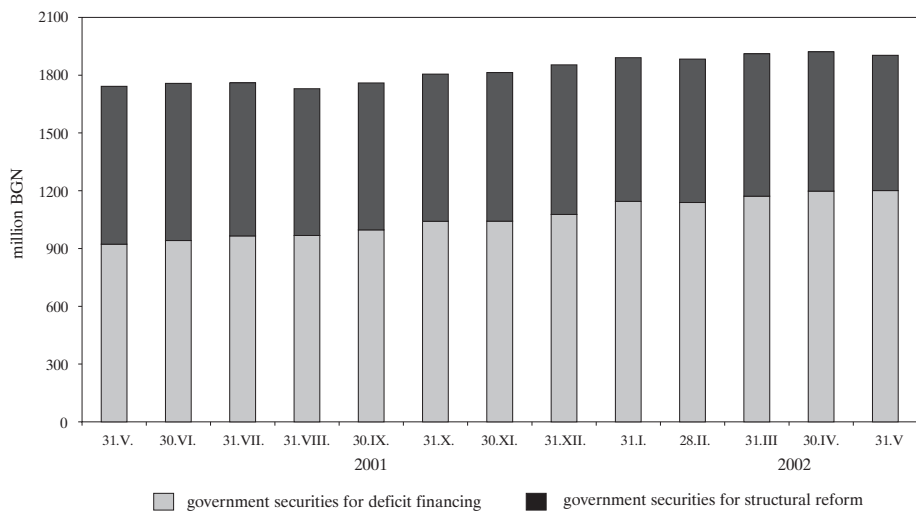
**Notes:**

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

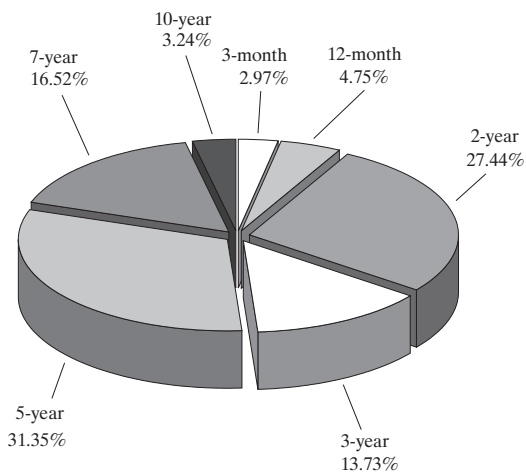
The lev equivalent of the debt denominated in foreign currency is calculated on the basis of the exchange rate of the relevant currency against the lev at the end of month:

on 28 December 2001: USD 1/BGN 2.21926, EUR 1/BGN 1.95583.  
on 31 May 2002: USD 1/BGN 2.08355, EUR 1/BGN 1.95583.

### Changes in Domestic Government Debt

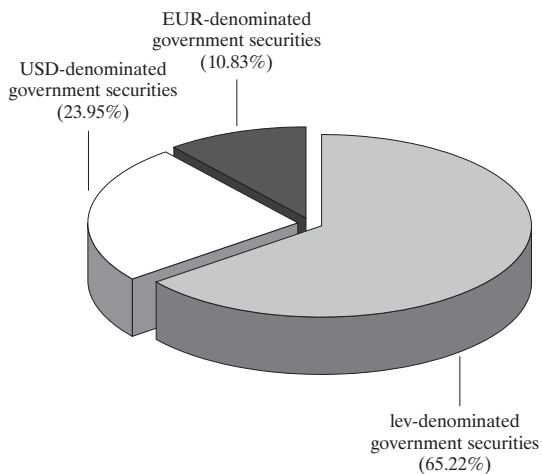


### Outstanding Government Securities Issued for Budget Deficit Financing as of 31 May

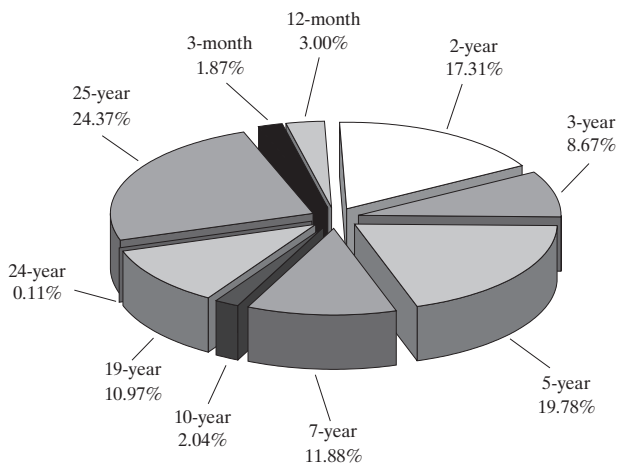


**Note:** The average-weighted maturity of government securities issued for budget deficit financing is four years and one month.

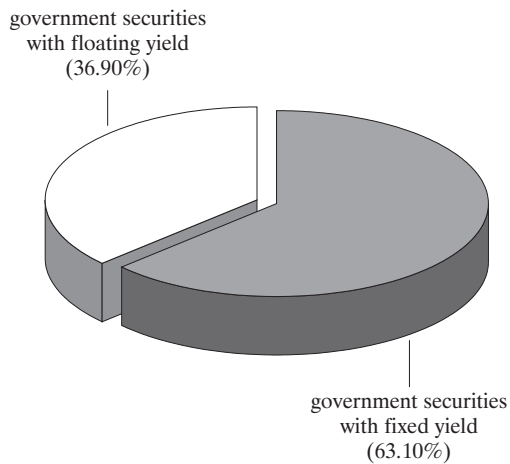
### Forex Composition of Outstanding Government Securities as of 31 May



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



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



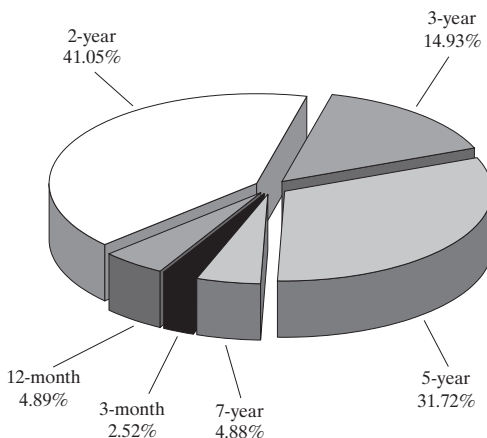
# Expenditure on Domestic Debt between 1 January and 31 May 2002

(thousand BGN)

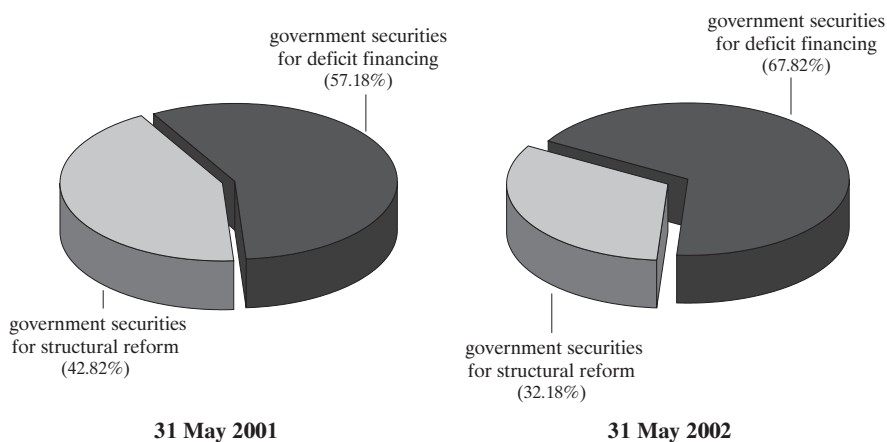
Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
1. Government securities issued in 1998	848.6
5-year	848.6
2. Government securities issued in 1998	119.7
5-year	119.7
3. Government securities issued in 1999	143.2
5-year	143.2
4. Government securities issued in 2000	16 732.7
2-year	9 178.4
3-year	5 759.2
5-year	1 795.1
5. Government securities issued in 2001	19 683.8
5.1. Short-term	2 587.3
3-month	701.5
12-month	1 885.8
5.2. Medium-term*	15 980.8
2-year	6 653.7
5-year	9 327.1
5.3. Long-term	1 115.8
7-year	1 115.8
6. Government securities issued in 2002	-25.7
6.1. Short-term	269.1
3-month	269.1
6.2. Medium-term	-1 027.5
5-year	-1 027.5
6.3. Long-term	732.7
7-year	767.7
10-year	-35.0
<b>TOTAL (I)</b>	<b>37 502.1</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	17 026.1
lev bonds	165.6
USD-denominated (in BGN at the current exchange rate)	14 745.0
EUR-denominated (in BGN at the fixed exchange rate)	2 115.5
4. Bonds issued pursuant to CM Decree No. 89 of 1995	34.6
<b>Total (A)</b>	<b>17 185.7</b>
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	611.6
<b>Total (B)</b>	<b>611.6</b>
<b>TOTAL (II)</b>	<b>17 797.3</b>
<b>EXPENDITURE ON GOVERNMENT DEBT, TOTAL</b>	<b>55 299.5</b>
<b>III. GOVERNMENT GUARANTEED DEBT</b>	<b>0.0</b>
<b>EXPENDITURE, TOTAL</b>	<b>55 299.5</b>

\* 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 the end of May foreign debt totaled USD 8,444.4 million, an increase of USD 99.3 million from the previous month. Government debt accounted for USD 7,936 million and government guaranteed debt amounted to USD 508.4 million.

In May new foreign financing totaled USD 6.6 million, of which USD 4.9 million receipts on government credits and the remaining USD 1.7 million on government guaranteed loans. Payments on the debt totaled USD 39.8 million, of which USD 29.8 million principal repayments and USD 10 million interest. Repayments included mainly payments to the IMF (USD 19.9 million). Repayments on government guaranteed loans amounted to USD 9.9 million. Interest was repaid mainly to the IMF and government guaranteed credits.

Since early-2002 received loans have totaled USD 102 million. Payments on the debt have amounted to USD 439.5 million, including USD 279.8 million principal repayments. The largest amounts were repaid on Brady bonds and Paris Club and IMF loans.

Due to exchange rate movements of the US dollar against the euro, debt denominated in euro increased by 0.9 percentage points and reached 27.8% at the expense of the debt in US dollars which fell to 56.7%. A slight change was reported in the shares of debt with floating and fixed interest. The debt with fixed interest coupons reached 26.8% and the debt with floating interest coupons fell to 73.2%. The average-weighted residual term to maturity of the foreign debt was 11 years and four months.

The share of the debt on Brady bonds decreased on the previous month and reached 40.5%. Debt to the IMF comprised 11.8%. Obligations to the World Bank occupied 10.1%, the Paris Club 3.7%, and the European Union 4.3%. Government guaranteed credits indicated a slight decrease and reached 6%.

## Foreign Debt

(million USD)

Structure	as of 31.XII.	as of 31.I.	as of 28.II.	as of 31.III.	as of 30.IV.	as of 31.V.
	2001	2002				
<b>Government debt</b>	<b>8 016.8</b>	<b>7 925.1</b>	<b>7 920.3</b>	<b>7 920.9</b>	<b>7 840.0</b>	<b>7 936.0</b>
I. Bonds	4 979.3	4 958.8	4 959.2	4 961.0	4 905.8	4 947.0
1. Brady bonds	4 759.0	4 742.9	4 742.9	4 742.9	3 416.6	3 416.6
2. Other bonds	220.3	215.9	216.3	218.1	1 489.3	1 530.4
II. Credits	3 037.5	2 966.3	2 961.2	2 960.0	2 934.2	2 989.0
1. Paris Club	382.0	375.3	358.2	352.2	298.9	310.6
2. World Bank	829.4	823.5	810.8	813.9	838.7	854.0
2.1. World Bank	708.8	704.7	696.8	698.3	719.5	730.5
2.2. JBIC (JEXIM)	120.6	118.8	114.1	115.6	119.2	123.4
3. G – 24	47.5	47.2	47.1	47.3	48.0	48.9
4. European Union	343.7	336.8	337.4	340.2	351.3	366.1
5. IMF	1 042.9	1 006.2	1 026.3	1 021.0	999.7	997.8
6. Other	120.4	118.0	118.2	119.2	123.0	128.2
7. Government investment loans	211.8	199.9	205.1	207.3	214.3	219.7
7.1. World Bank	49.4	49.5	50.4	52.0	53.9	57.1
7.2. European Investment Bank	112.3	108.2	112.5	112.6	117.7	118.5
7.3. EBRD	30.7	28.8	28.8	29.2	29.2	29.2
7.4. Other	19.3	13.4	13.4	13.5	13.6	14.8
8. Called government guarantees	59.8	59.3	58.0	58.9	60.1	63.9
8.1. World Bank	43.9	43.7	42.4	43.3	45.0	48.7
8.2. European Investment Bank	3.2	2.9	2.9	2.9	2.9	2.9
8.3. Other	12.7	12.7	12.6	12.7	12.2	12.2
<b>Government guaranteed debt</b>	<b>507.9</b>	<b>508.5</b>	<b>496.0</b>	<b>502.4</b>	<b>505.0</b>	<b>508.4</b>
1. World Bank	147.8	147.2	144.0	144.2	145.0	146.2
2. European Investment Bank	122.6	118.4	118.5	115.2	115.0	118.9
3. EBRD	68.9	66.4	66.5	66.7	65.9	67.0
4. Other	168.6	176.5	167.0	176.3	179.1	176.4
<b>FOREIGN DEBT, TOTAL</b>	<b>8 524.7</b>	<b>8 433.6</b>	<b>8 416.3</b>	<b>8 423.3</b>	<b>8 345.1</b>	<b>8 444.4</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 May 2002.



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

Structure	Received credits (tranches)		Payments, incl.			
			Installments		Interest	
	million USD	thousand BGN	million USD	thousand BGN	million USD	thousand BGN
<b>Government debt</b>	74.9	166 976.6	236.2	525 303.7	149.6	333 208.6
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. Other bonds	0.0	0.0	0.0	0.0	0.0	0.0
II. Credits	74.9	166 976.6	220.1	489 386.1	38.7	85 822.1
1. Paris Club	0.0	0.0	88.4	198 340.8	8.5	19 076.1
2. World Bank	14.8	32 280.2	10.6	23 787.6	5.3	12 027.4
2.1. World Bank	14.8	32 280.2	7.0	15 720.6	4.6	10 352.0
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	0.4	986.0
4. European Union	0.0	0.0	0.0	0.0	4.0	8 966.6
5. IMF	39.7	89 826.9	112.6	248 463.3	14.4	31 425.1
6. Other	0.0	0.0	0.0	0.0	0.0	0.0
7. Government investment loans	15.5	34 111.4	6.1	13 374.9	4.9	10 848.4
7.1. World Bank	5.0	11 137.7	0.4	915.6	0.5	1 028.7
7.2. European Investment Bank	8.8	19 437.5	3.8	8 311.0	3.6	8 007.9
7.3. EBRD	0.3	751.4	1.9	4 148.2	0.7	1 632.8
7.4. Other	1.3	2 784.9	0.0	0.0	0.1	179.0
8. Called government guarantees	4.9	10 758.0	2.4	5 419.4	1.1	2 492.5
8.1. World Bank	4.9	10 758.0	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	0.5	1 086.4	0.0	55.0
<b>Government guaranteed debt</b>	27.1	59 806.6	43.6	96 003.2	10.1	22 294.4
1. World Bank	0.0	0.0	2.9	6 553.2	1.9	4 264.3
2. European Investment Bank	0.0	0.0	9.6	21 223.4	3.4	7 480.3
3. EBRD	0.0	0.0	3.6	7 899.6	1.5	3 205.7
4. Other	27.1	59 806.6	27.5	60 327.0	3.4	7 344.1
<b>TOTAL</b>	102.0	226 783.2	279.8	621 307.0	159.7	355 503.0

**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 31 May

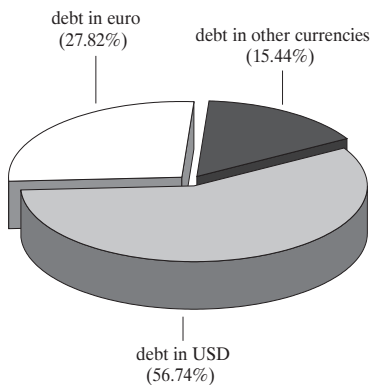


Chart 21

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

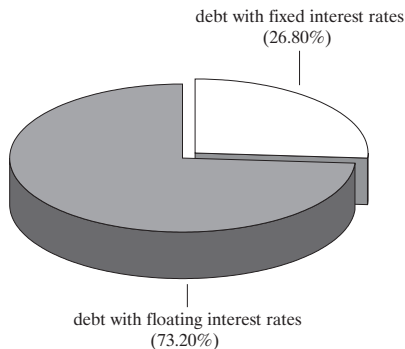
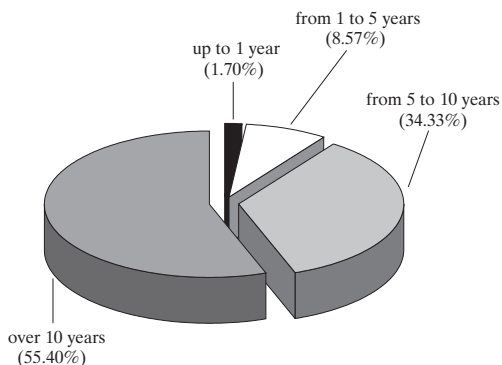


Chart 22

### 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 11 years and four months.

## Government and Government Guaranteed Debt

Structure	Amount as of 31 May 2002 (thousand BGN)	Government debt/GDP (%)
Domestic debt	1 907 888.1	6.2
Foreign debt	17 594 327.1	57.2
<b>DEBT, TOTAL</b>	<b>19 502 215.2</b>	<b>63.4</b>

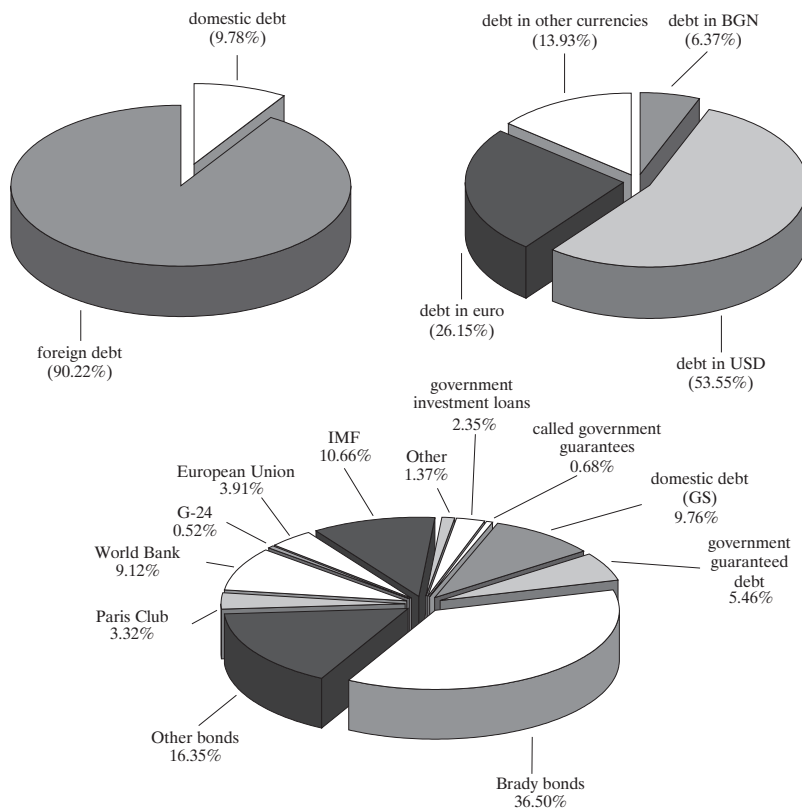
## Notes:

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

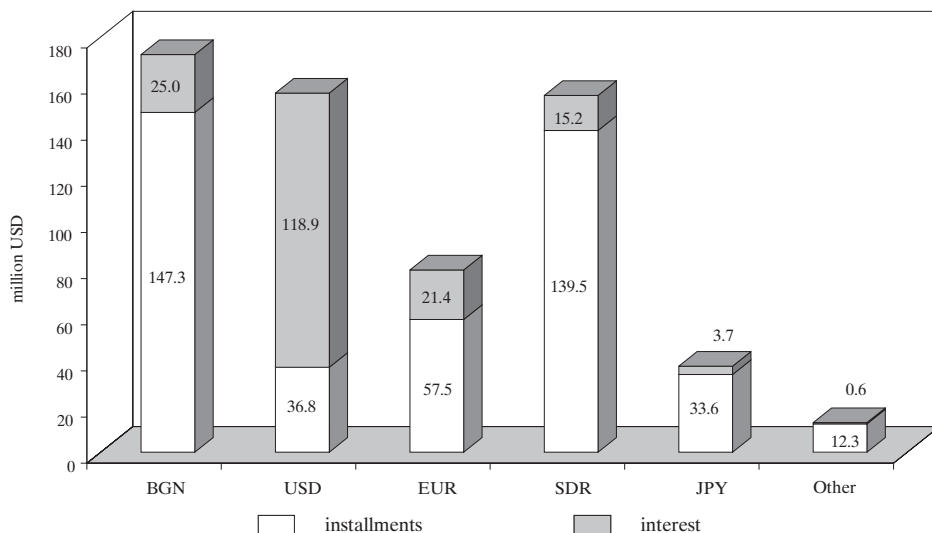
2. The lev equivalent of the foreign debt is calculated on the basis of the BGN/USD central exchange rate quoted by the BNB on 31 May 2002.

Chart 23

## Debt Structure as of 31 May



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



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