

MINISTRY OF FINANCE

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**GOVERNMENT DEBT  
MANAGEMENT**

JULY 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>

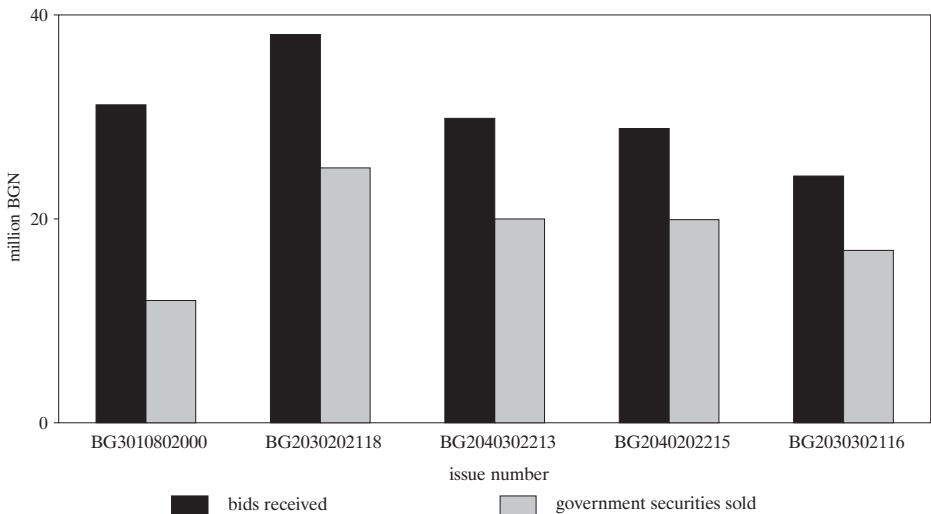
## BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In July the Ministry of Finance issued through auctions organized by the BNB five government securities issues under Regulation No. 5, including one discount treasury bills issue (No. BG3010802000) and four tap treasury bonds issues (Nos. BG2030202118, BG2040302213, BG2040202215 and BG2030302116). The ten-year treasury bonds issue was opened again in July, while the three-year, five-year and seven-year issues were opened for the first time.

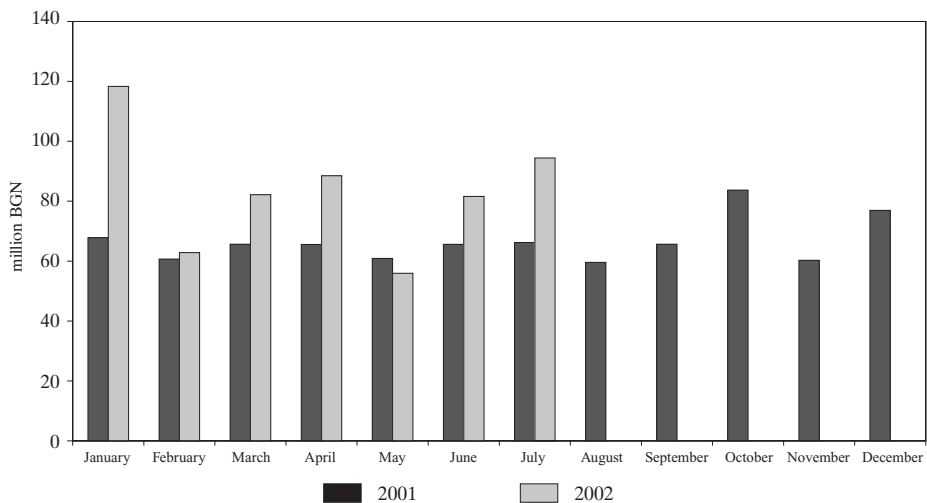
At the auctions primary dealers' bids totaled BGN 152,192.8 thousand: BGN 31,190 thousand for three-month government securities, BGN 24,200 thousand for three-year, BGN 38,080 thousand for five-year, BGN 29,863.5 thousand for seven-year and BGN 28,859.3 thousand for ten-year government securities (Chart 1). Approved bids totaled BGN 93,820 thousand nominal value, including three-month of BGN 12,000 thousand, three-year of BGN 16,900 thousand, five-year of BGN 25,000 thousand, seven-year of BGN 20,000 thousand and ten-year of BGN 19,920 thousand (Charts 2 and 3). Coverage coefficient of the issues approved for sale in July accounted for 1.62: 2.60 on three-month, 1.43 on three-year, 1.52 on five-year, 1.49 on seven-year and 1.45 on ten-year government securities (Chart 4). Government securities issued in July increased by BGN 28.21 million on a year earlier basis (Chart 2).

Chart 1

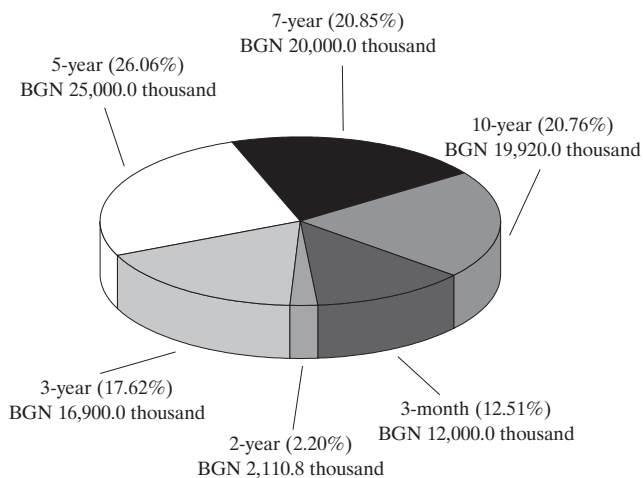
### Government Securities Issue in July



### Sales of Government Securities Issues

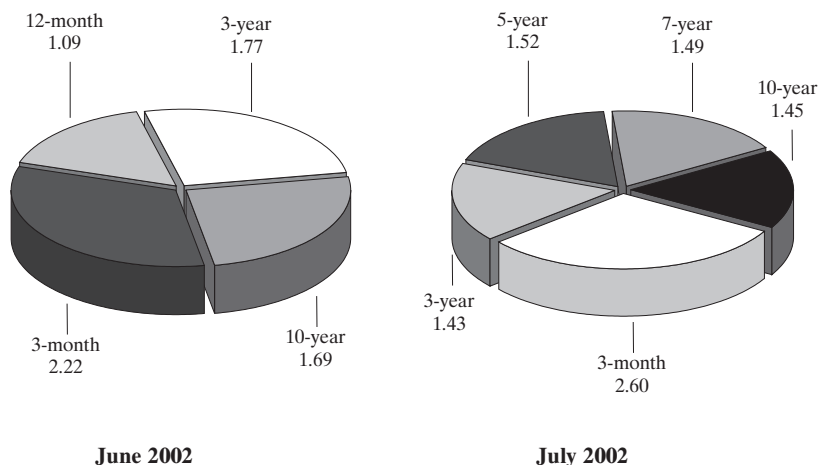


### Structure and Volume of Government Securities Issued for Budget Deficit Financing in July



Note: Including target issues of government securities.

### Coverage Coefficients of Issues Sold\*



\* Proportion between bids received and government securities sold.

The yield on three-month government securities attained at the primary market decreased in July. The yield on government securities with other terms increased at the expense of three-month securities yield. The yield on three-year government securities rose from 5.88% to 6.18%, or by 0.3 percentage points. The yield on five-year government securities attained in July accounted for 6.55%, an increase of 0.04 percentage points compared with the previous opening of the issue in May. The yield on seven-year treasury bonds reached 7.30% in July, and that on ten-year securities, 8.44%, an increase of 0.34 percentage points compared with the previous opening of the issue in June (Charts 5, 6 and 8).

Two 2002 treasury bills issues (Nos. BG3010402009, BG3010502006) and one 2000 treasury bonds issue (BG2030600113) matured in July.

In the review period three issues of two-year treasury bonds earmarked for direct sale to individuals were put in circulation: issue No. 713 of 3 July 2002, issue No. 714 of 17 July 2002 and issue No. 715 of 31 July 2002. Issue No. 713 totaled BGN 831.7 thousand nominal value, issue No. 714 accounted for BGN 550.4 thousand and issue No. 715 is still in circulation (Chart 11). Three 2000 issues, amounting to BGN 2,516 thousand, matured in July. During the period under review reverse repurchases accounted for BGN 345.8 thousand (Chart 12).

## Prices of Issues Sold per BGN 100 Nominal Value

### JUNE 2002

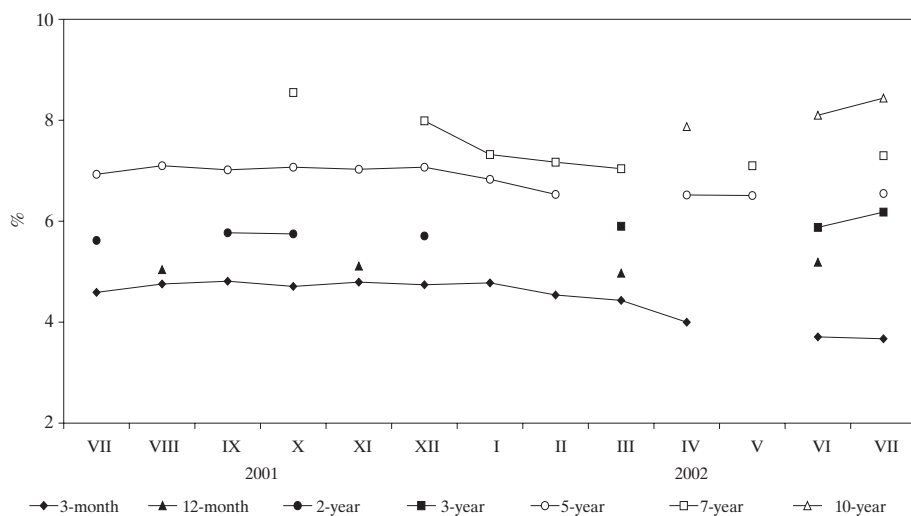
	3-month	12-month	3-year	10-year
	BG3010602004	BG3010702002	BG2030102110	BG2040202215
Minimum	99.02	94.45	101.30	95.33
Average-weighted	99.06	95.00	101.68	95.92
Maximum	99.12	95.20	102.57	97.29

### JULY 2002

	3-month	3-year	5-year	7-year	10-year
	BG3010802000	BG2030302116	BG2030202118	BG2040302213	BG2040202215
Minimum	99.07	98.25	98.92	97.31	92.81
Average-weighted	99.07	98.83	99.81	98.39	93.76
Maximum	99.20	101.35	103.09	99.46	98.16

Chart 5

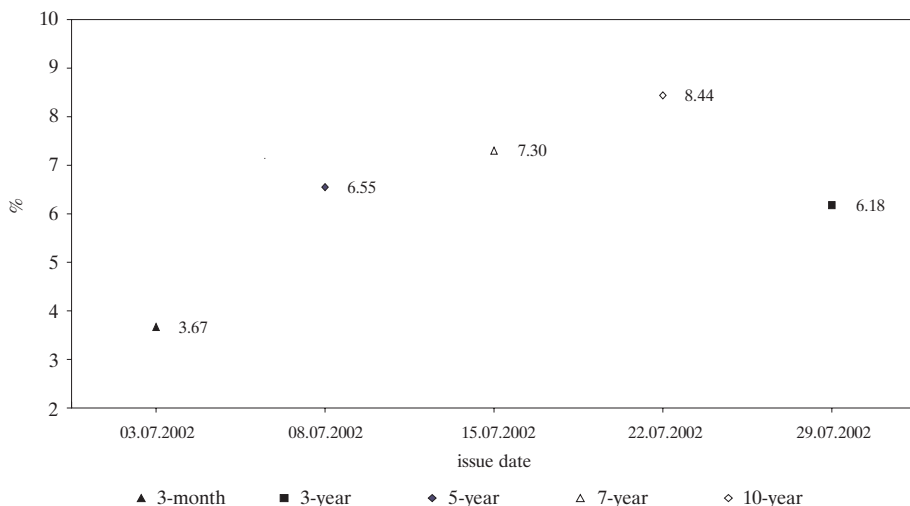
## Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.



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



**Note:** Three-year, five-year, seven-year and ten-year tap government securities issues; the above dates indicate the auction dates.

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

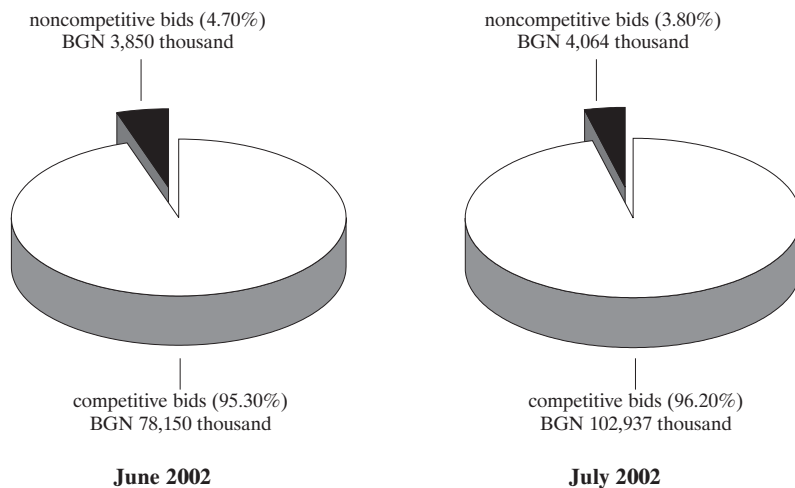
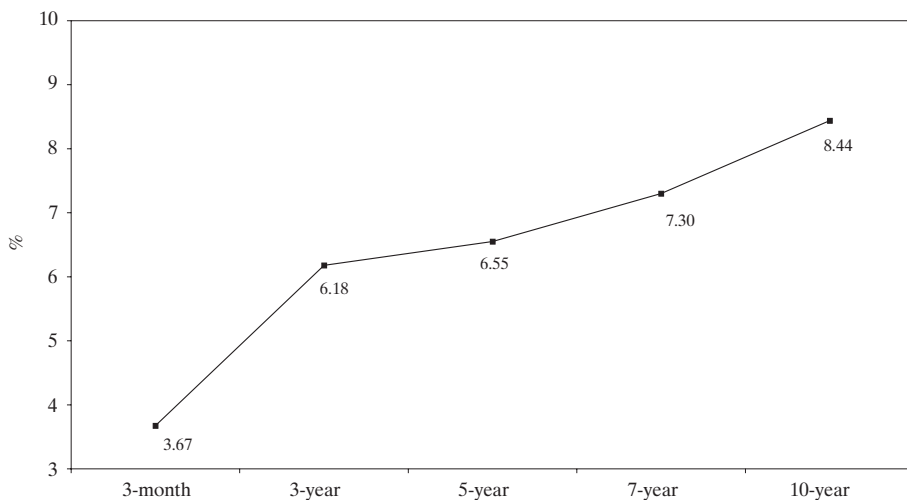


Chart 8

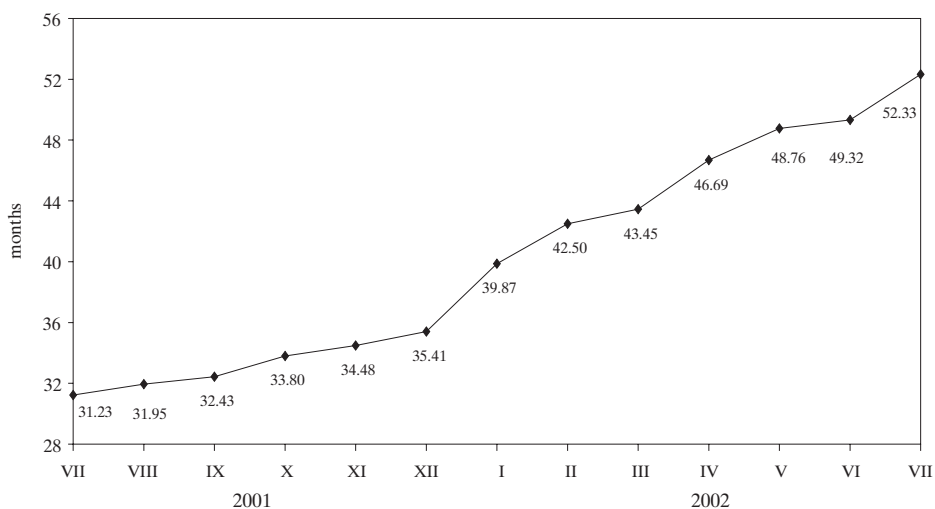
### Yield Curve of Primary Market Government Securities in July



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

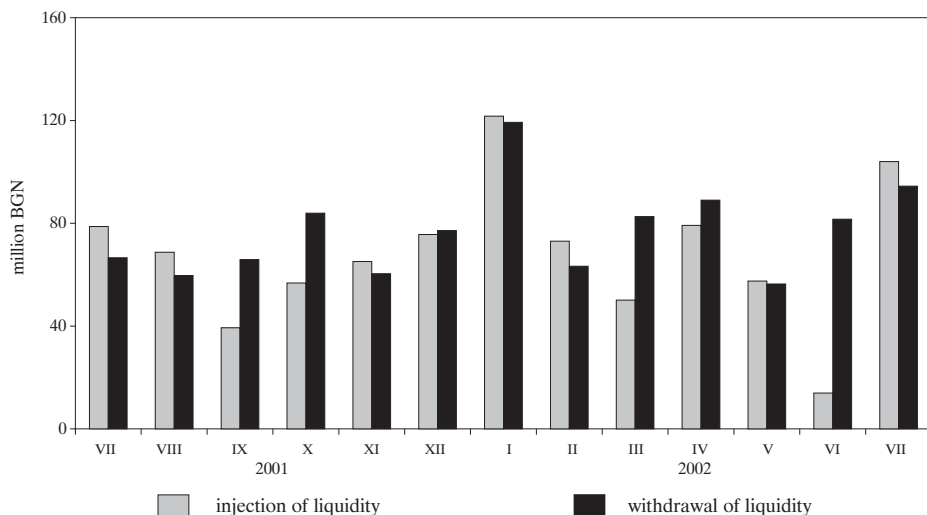
Chart 9

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

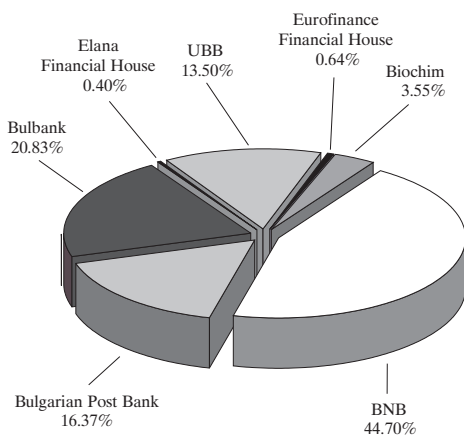


**Note:** The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

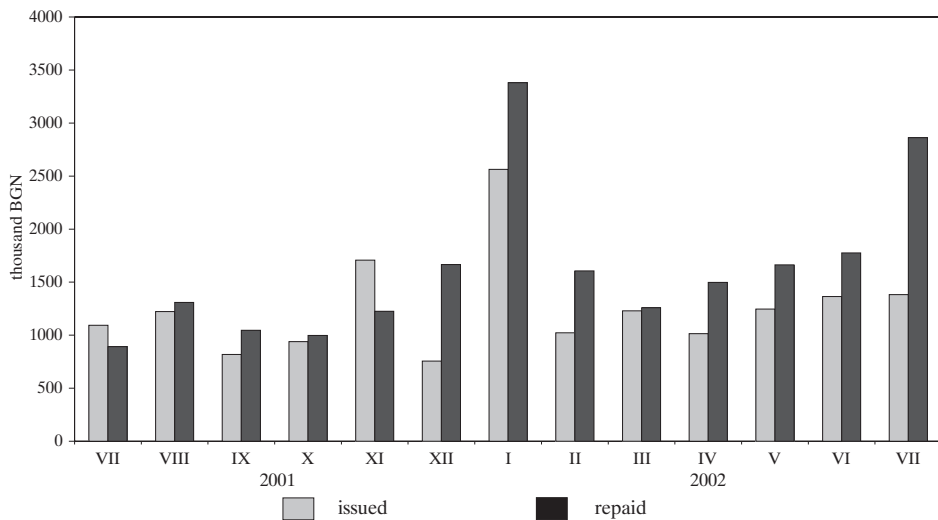
### Monthly Liquidity Regulation through Government Securities Issues and Maturities



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



### 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>BG3010302001</b>	<b>BG3010602004</b>	<b>BG3010702002</b>	<b>BG3010802000</b>
Issue date	08.08.2001	14.11.2001	27.03.2002	05.06.2002	26.06.2002	03.07.2002
Maturity date	08.08.2002	14.11.2002	27.03.2003	05.09.2002	26.06.2003	03.10.2002
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	12 000.00	20 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	39 000.00	30 300.00	40 420.00	26 677.00	21 700.00	31 190.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	12 000.00	20 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	95.14	95.07	95.20	99.06	95.00	99.07
Average discount per BGN 100 (%)	4.86	4.93	4.80	0.94	5.00	0.93
Average annual yield (%)	5.04	5.11	4.97	3.71	5.19	3.67
Effective annual yield (%)	5.04	5.11	4.97	3.76	5.19	3.72
Coverage coefficient	1.95	1.52	2.02	2.22	1.09	2.60

## 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>1</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</b>	<b>BG2040202215<sup>1,4</sup></b>	<b>BG2030202118<sup>4</sup></b>	<b>BG2040302213<sup>3</sup></b>	<b>BG2030302116</b>
Issue date	13.03.2002	17.04.2002	10.07.2002	17.07.2002	31.07.2002
Maturity date	13.03.2005	17.04.2012	10.07.2007	17.07.2009	31.07.2005
Nominal value of the offer (thousand BGN)	50 000.00	90 000.00	25 000.00	20 000.00	25 000.00
Total nominal value of the bids received (thousand BGN)	116 901.00	202 867.40	38 080.00	29 863.50	24 200.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	84 920.00	25 000.00	20 000.00	16 900.00
Average price of the bids approved per BGN 100 (%)	102.46	96.95	99.81	98.39	100.43
Average discount per BGN 100 (%)					
Interest rate	6.50	7.50	6.50	7.00	5.75
Coverage coefficient	2.34	2.25	1.52	1.49	0.97

<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 70,000,000; 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	905.53	113.30	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 July 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 31 July 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)	1907.75 (BGN)	7335.87 (BGN)	198 465.37 (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 July 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>BG2040099223</b>
Issue date	01.07.1999
Maturity date	01.01.2019
Principal (thousand EUR)	126 536.96
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 July 2002.

## Pending Payments on Government Securities in September 2002

(thousand BGN)

	Monday	Tuesday	Wednesday	Thursday	Friday
	2	3	4	5	6
bills				12 000.0	
	9	10	11	12	13
bonds target issues			1021.1	13.4	1638.36 23.35
	16	17	18	19	20
target issues	23.0				
	23	24	25	26	27
bonds target issues			89.8 629.9	6.9	10.7
	30				
target issues	20.5				

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

## Schedule of Government Securities Issues for September 2002

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total volume (BGN)
02.09.2002	04.09.2002	04.12.2002	3-month	12 000 000	
09.09.2002*	11.09.2002	11.09.2005	3-year	25 000 000	50 000 000
23.09.2002	25.09.2002	25.09.2003	12-month	20 000 000	
<b>TOTAL, incl.:</b>				<b>57 000 000</b>	
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-July 2002 domestic debt totaled BGN 1,972,980 thousand and domestic government debt accounted for BGN 1,969,315.4 thousand. Domestic debt increased by BGN 23,771.9 thousand compared with the previous month. Share of the debt on government securities issued for structural reform dropped to 34.6% at the expense of increased government securities issued for budget deficit financing, 65.2%. Government guaranteed debt comprised 0.2% (Chart 13).

In July government securities issued for budget deficit financing indicated an increase of BGN 17,348.4 thousand, reaching BGN 1,285,833.1 thousand. Issued government securities totaled BGN 94,410.9 thousand, including BGN 1,382.1 thousand sold directly to physical persons. Newly issued bonds amounted to BGN 79,970.4 thousand. Securities repaid in July accounted for BGN 76,621.7 thousand, including short-term securities of BGN 23,759.9 thousand. As a result of operations effected, the share of three-month and two-year government securities in the maturity structure of government securities issued for budget deficit financing decreased by 0.9 percentage points to 1.85% and by 4.3 percentage points to 21.64% respectively. The share of five-year government securities rose most significantly: from 29.68% to 31.22%, or by 1.5 percentage points on the previous month. Government securities with other terms also increased (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached four years and three months.

Government securities issued for structural reform increased by BGN 6,680.4 thousand, reaching BGN 683,482.3 thousand. This change was due primarily to the appreciation of the US dollar against the euro and use of the bonds amounting to USD 423 thousand for repayment of obligations to the state under ZUNK. In July repayment on government bonds issued under CM Decree No. 186 of 1993 in the amount of BGN 127.2 thousand was reported.

Debt movements in July caused changes in debt forex structure (Chart 15). The share of government securities in euro decreased to 12.6% at the expense of government securities denominated in US dollars which rose by 0.1 percentage points to 20.2%. Lev-denominated government securities reached 67.3%. Debt maturity structure also changed. Short-term and medium-term securities decreased to 5.1% and 45% respectively and long-term securities rose by 1.7 percentage points to 49.9% (Chart 16). Government securities with fixed interest coupons comprised 65.3% and government securities with floating interest coupons reached 34.7% (Chart 17).

Since early-2002 repaid interest and discounts have totaled BGN 82,078.1 thousand. Interest and discounts on government securities for budget deficit financing of BGN 54,202.1 thousand, or 66.4% of the total repaid interest and discounts, were repaid in July (Chart 19). Expenditures on two-year bonds occupied the largest share, 38.2%, followed by five-year bonds, 34.6%.

## Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2001	Change in 2002		Amount as of 31 July 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		196 545.9	235 782.1
2-year	252 608.6		196 545.9	56 062.7
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		98 729.7	519 438.3
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		1 316.9	452 459.1
2-year	213 819.2		1 316.9	212 502.3
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		582 844.2	58 982.1	523 862.1
6.1. Short-term		120 701.0	58 886.5	61 814.5
3-month		82 662.5	58 886.5	23 776.0
12-month		38 038.5	-	38 038.5
6.2. Medium-term		191 436.8	95.6	191 341.2
2-year		9 821.9	95.6	9 726.3
3-year		66 695.4	-	66 695.4
5-year		114 919.5	-	114 919.5
6.3. Long-term		270 706.4	-	270 706.4
7-year		189 136.1	-	189 136.1
10-year		81 570.3	-	81 570.3
<b>TOTAL (I)</b>	<b>1 077 246.6</b>	<b>582 844.2</b>	<b>374 257.6</b>	<b>1 285 833.1</b>
<b>II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM</b>				
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		127.2	1 907.7
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		78 658.5	198 465.4

(continued)

(continued)

lev equivalent	615 009.9			396 773.9
denominated in EUR	60 606.3	69 297.7	3 367.0	126 537.0
lev equivalent	118 535.6			247 484.8
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>656 764.4</b>
B1. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	28 593.9			26 717.9
Government securities issued in 1996	3 751.9		1 876.0	1 876.0
Government securities issued in 1997	24 842.0			24 842.0
<b>TOTAL (B)</b>	<b>28 593.9</b>			<b>26 717.9</b>
<b>TOTAL (II)</b>	<b>776 600.7</b>			<b>683 482.3</b>
<b>GOVERNMENT DEBT, TOTAL</b>	<b>1 853 847.3</b>			<b>1 969 315.4</b>
III. DOMESTIC GOVERNMENT GUARANTEES	6 653.3			3 664.6
<b>DOMESTIC DEBT, TOTAL</b>	<b>1 860 500.6</b>			<b>1 972 980.0</b>

**Notes:**

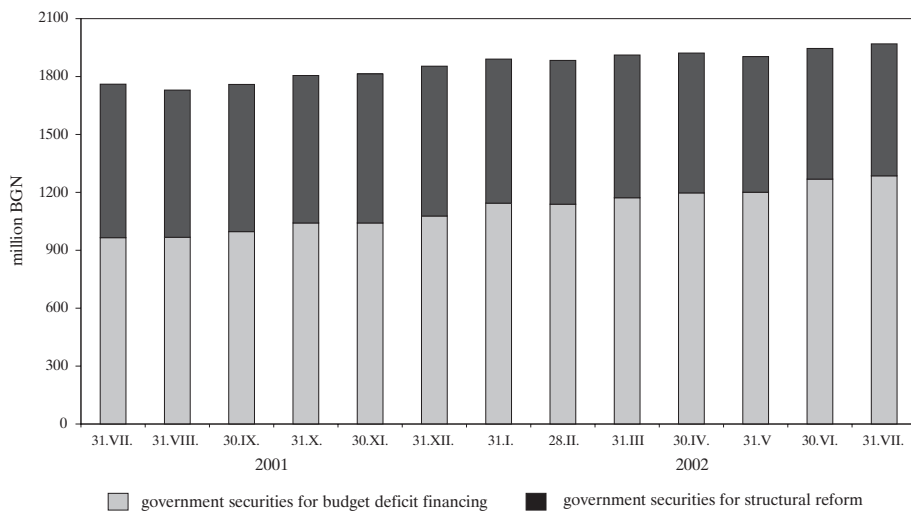
Actual amount of the debt on government securities issued for budget deficit financing.

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:

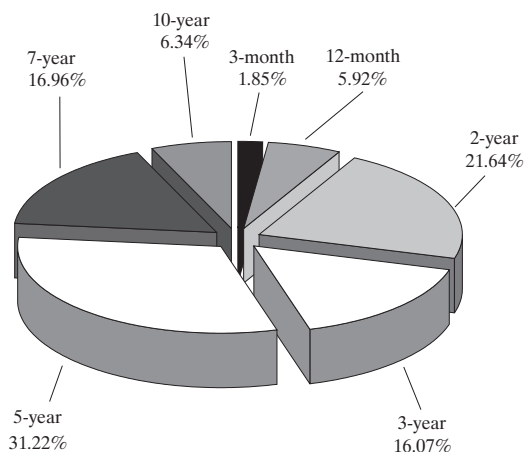
on 28 December 2001: USD 1/BGN 2.21926, EUR 1/BGN 1.95583.  
on 31 July 2002: USD 1/BGN 1.999210, EUR 1/BGN 1.95583.



### Changes in Domestic Government Debt

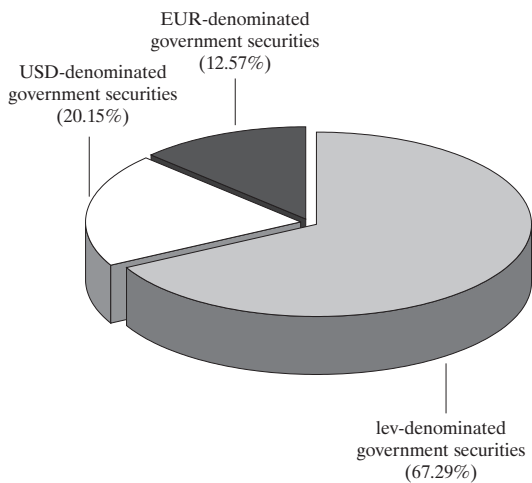


### Outstanding Government Securities Issued for Budget Deficit Financing as of 31 July

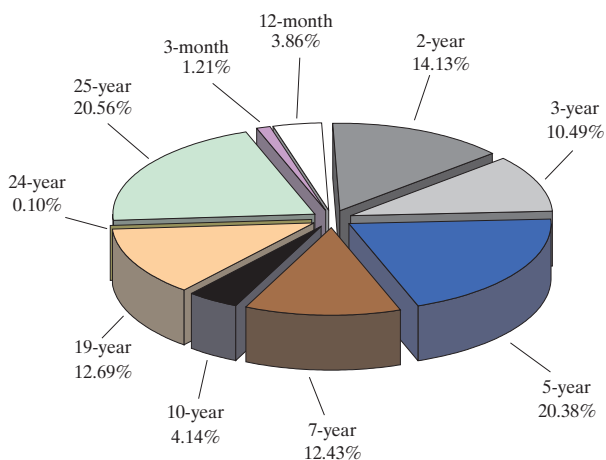


**Note:** The average-weighted maturity of government securities issued for budget deficit financing is four years and three months.

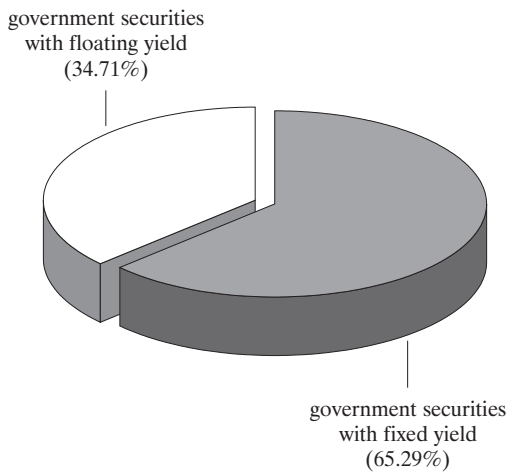
### Forex Composition of Outstanding Government Securities as of 31 July



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



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



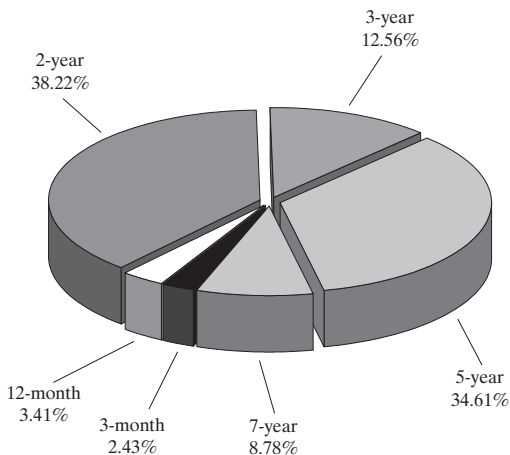
# Expenditure on Domestic Debt between 1 January and 31 July 2002

(thousand BGN)

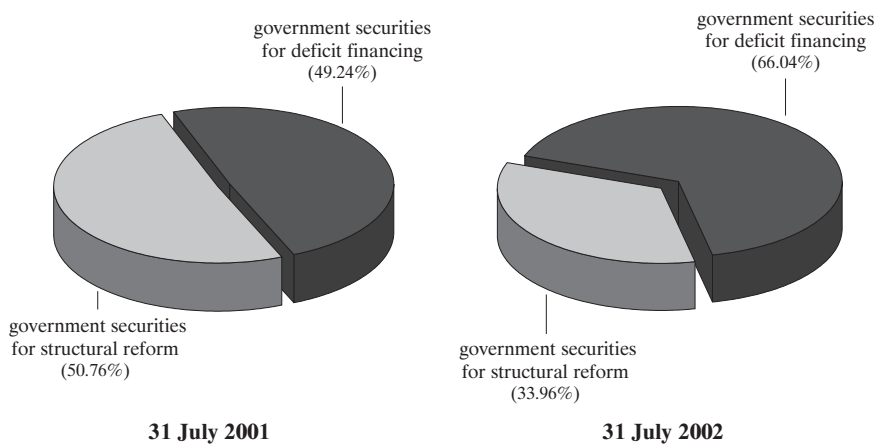
Structure	Amount of repaid interest (discount)
<b>I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING</b>	
1. Government securities issued in 1997	848.6
5-year	848.6
2. Government securities issued in 1998	189.5
5-year	189.5
3. Government securities issued in 1999	143.2
5-year	143.2
4. Government securities issued in 2000	19 916.5
2-year	11 165.5
3-year	6 955.9
5-year	1 795.1
5. Government securities issued in 2001	27 714.2
5.1. Short-term	2 587.3
3-month	701.5
12-month	1 885.8
5.2. Medium-term*	24 011.2
2-year	9 923.5
5-year	14 087.7
5.3. Long-term	1 115.8
7-year	1 115.8
6. Government securities issued in 2002	5 390.2
6.1. Short-term	643.5
3-month	643.5
6.2. Medium-term	1 761.6
2-year	70.0
3-year	-405.0
5-year	2 096.6
6.3. Long-term	2 985.1
7-year	3 743.0
10-year	-757.9
<b>TOTAL (I)</b>	<b>54 202.1</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	142.9
2. Bonds issued pursuant to CM Decree No. 186 of 1992	90.6
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	26 951.9
lev bonds	165.6
USD-denominated (in BGN at the current exchange rate)	20 738.8
EUR-denominated (in BGN at the fixed exchange rate)	6 047.6
4. Bonds issued pursuant to CM Decree No. 89 of 1995	34.6
<b>Total (A)</b>	<b>27 220.0</b>
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	656.0
<b>Total (B)</b>	<b>656.0</b>
<b>TOTAL (II)</b>	<b>27 876.0</b>
<b>EXPENDITURE ON GOVERNMENT DEBT, TOTAL</b>	<b>82 078.1</b>
<b>III. GOVERNMENT GUARANTEED DEBT</b>	<b>0.0</b>
<b>EXPENDITURE, TOTAL</b>	<b>82 078.1</b>

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

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



### Structure of Expenditure on Domestic Debt



By the end of July foreign debt totaled EUR 8,701.9 million, an increase of EUR 59 million from the previous month. Government debt accounted for EUR 8,167.4 million and government guaranteed debt amounted to EUR 534.5 million.

In July new foreign financing totaled USD 43.9 million, of which USD 38.1 million receipts on government credits and the remaining USD 5.9 million on government guaranteed loans. Payments on the debt totaled USD 159.2 million, of which USD 93.5 million principal repayments and USD 65.7 million interest. Repayments included mainly payments to the IMF (USD 16.6 million) and on government investment loans (USD 3.8 million). Repayment on Brady bonds in the amount of USD 68 million was effected in July. Repayments on government guaranteed loans amounted to USD 4.4 million. Interest was repaid mainly on Brady bonds (USD 48.8 million) and on other bonds (USD 11.1 million).

Since early-2002 received loans have totaled USD 151.5 million, of which USD 37.4 million receipts from tranches on government guaranteed loans. Payments on the debt have amounted to USD 634.8 million, including USD 392.3 million principal payments. The largest amounts were repaid on IMF loans (USD 139.2 million), Paris Club loans (USD 88.4 million), Brady bonds (USD 84.1 million) and government guaranteed loans (USD 51.4 million). By end-July net foreign financing was negative: USD -240.8 million.

No significant changes occurred in foreign debt structure as a result of effected operations. Movements in USD/EUR exchange rate impacted foreign currency composition. Debt denominated in other currencies increased by 0.3 percentage points and reached 15.9% at the expense of the debt denominated in euro and US dollars which decreased to 28.7% and 55.4% respectively. A slight change was reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 72.6% against 27.4%. The average-weighted residual term to maturity of the foreign debt was 11 years and two months with an increased share of the debt from five to ten years and a decreased share of the debt over ten years.

Share of the debt on Brady bonds decreased on the previous month and reached 39.3%. Debt to the IMF slightly rose and reached 12.1%. Obligations to the World Bank occupied 10.2%, the Paris Club, 3.8%, and the European Union, 4.5%. Government guaranteed credits comprised 6.1%.

## Foreign Debt

(million USD/million EUR)

Structure	as of 31.XII. 2001	2002				
		as of 31.III.	as of 30.IV.	as of 31.V.	as of 30.VI.	as of 31.VII.
<b>Government debt</b>	<b>8 016.8</b>	<b>7 920.9</b>	<b>7 840.0</b>	<b>7 935.9</b>	<b>8 094.3</b>	<b>7 990.2</b>
I. Bonds	4 979.3	4 961.0	4 905.8	4 947.0	5 010.8	4 921.9
1. Brady bonds	4 759.0	4 742.9	3 416.6	3 416.6	3 416.6	3 348.5
2. Other bonds	220.3	218.1	1 489.3	1 530.4	1 594.3	1 573.4
II. Credits	3 037.5	2 960.0	2 934.2	2 989.0	3 083.5	3 068.3
1. Paris Club	382.0	352.2	298.9	310.6	328.2	322.6
2. World Bank	829.4	813.9	838.7	854.0	873.3	867.3
2.1. World Bank	708.8	698.3	719.5	730.5	744.2	739.7
2.2. JBIC (JEXIM)	120.6	115.6	119.2	123.4	129.2	127.5
3. G-24	47.5	47.3	48.0	48.9	50.2	49.5
4. European Union	343.7	340.2	351.3	366.1	389.0	381.5
5. IMF	1 042.9	1 021.0	999.7	997.8	1 018.2	1 029.9
6. Other	120.4	119.2	123.0	128.2	136.3	133.6
7. Government investment loans	211.8	207.3	214.3	219.6	222.7	218.5
7.1. World Bank	49.4	52.0	53.9	57.1	60.7	59.9
7.2. European Investment Bank	112.3	112.6	117.7	118.5	119.9	115.7
7.3. EBRD	30.7	29.2	29.2	29.2	27.0	27.0
7.4. Other	19.3	13.5	13.6	14.8	15.0	15.9
8. Called government guarantees	59.8	58.9	60.1	63.9	65.7	65.3
8.1. World Bank	43.9	43.3	45.0	48.7	50.4	50.3
8.2. European Investment Bank	3.2	2.9	2.9	2.9	2.9	2.7
8.3. Other	12.7	12.7	12.2	12.2	12.3	12.3
<b>Government guaranteed debt</b>	<b>507.9</b>	<b>503.2</b>	<b>504.7</b>	<b>511.3</b>	<b>527.0</b>	<b>522.9</b>
1. World Bank	147.8	144.2	145.0	146.2	146.0	146.0
2. European Investment Bank	122.6	115.2	115.0	118.9	124.8	120.6
3. EBRD	68.9	66.7	65.9	67.0	67.0	64.3
4. Other	168.6	177.1	178.8	179.2	189.2	191.9
<b>FOREIGN DEBT, TOTAL (million USD)</b>	<b>8 524.7</b>	<b>8 424.1</b>	<b>8 344.7</b>	<b>8 447.2</b>	<b>8 621.3</b>	<b>8 513.1</b>
<b>FOREIGN DEBT, TOTAL (million EUR)</b>	<b>9 672.9</b>	<b>9 656.3</b>	<b>9 263.7</b>	<b>8 998.9</b>	<b>8 642.9</b>	<b>8 701.9</b>

### Notes:

1. Debt recalculation in US dollars and euro 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 July 2002.

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

Structure	Received credits (tranches)		Payments, incl.			
			Installments		Interest	
	million USD	thousand BGN	million USD	thousand BGN	million USD	thousand BGN
<b>Government debt</b>	114.1	243 614.5	340.9	732 122.0	228.0	488 293.4
I. Bonds	0.0	0.0	84.1	168 757.3	170.8	364 685.8
1. Brady bonds	0.0	0.0	84.1	168 757.3	159.7	342 626.8
2. Other bonds	0.0	0.0	0.0	0.0	11.1	22 058.9
II. Credits	114.1	243 614.5	256.8	563 364.6	57.2	123 607.7
1. Paris Club	0.0	0.0	88.4	198 340.8	8.8	19 709.5
2. World Bank	15.9	34 575.7	13.3	29 353.5	16.3	34 568.4
2.1. World Bank	15.9	34 575.7	9.7	21 286.4	14.5	30 786.4
2.2. JBIC (JEXIM)	0.0	0.0	3.6	8 067.1	1.8	3 782.0
3. G-24	0.0	0.0	0.0	0.0	0.8	1 796.2
4. European Union	0.0	0.0	0.0	0.0	6.5	14 055.6
5. IMF	74.5	157 756.6	139.2	302 265.6	14.0	30 646.9
6. Other	0.0	0.0	0.0	0.0	1.2	2 328.4
7. Government investment loans	17.8	38 728.5	12.7	26 539.6	8.3	17 599.9
7.1. World Bank	6.1	13 264.4	0.8	1 778.9	1.1	2 279.8
7.2. European Investment Bank	8.8	19 437.5	7.6	15 799.6	5.9	12 481.2
7.3. EBRD	0.6	1 325.7	4.3	8 961.0	1.2	2 524.2
7.4. Other	2.3	4 700.9	0.0	0.0	0.1	314.7
8. Called government guarantees	5.9	12 553.8	3.2	6 865.1	1.3	2 902.8
8.1. World Bank	5.9	12 553.8	2.2	4 835.0	1.1	2 399.0
8.2. European Investment Bank	0.0	0.0	0.5	943.7	0.2	448.8
8.3. Other	0.0	0.0	0.5	1 086.4	0.0	55.0
<b>Government guaranteed debt</b>	37.4	80 640.0	51.4	111 657.3	14.4	30 996.8
1. World Bank	0.6	1 238.3	4.6	10 068.0	3.8	8 132.3
2. European Investment Bank	0.0	0.0	11.9	25 684.1	4.1	8 935.1
3. EBRD	0.0	0.0	7.4	15 578.2	2.6	5 418.8
4. Other	36.7	79 401.7	27.5	60 327.0	4.0	8 510.6
<b>TOTAL</b>	151.5	324 254.5	392.3	843 779.3	242.5	519 290.3

### 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 July

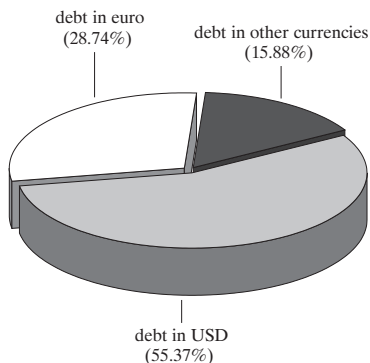


Chart 21

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

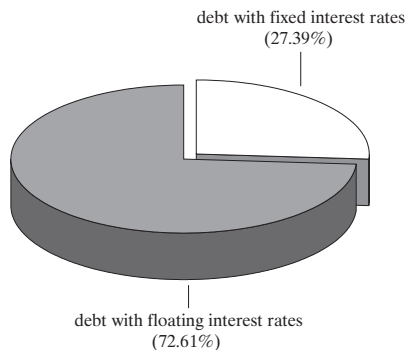
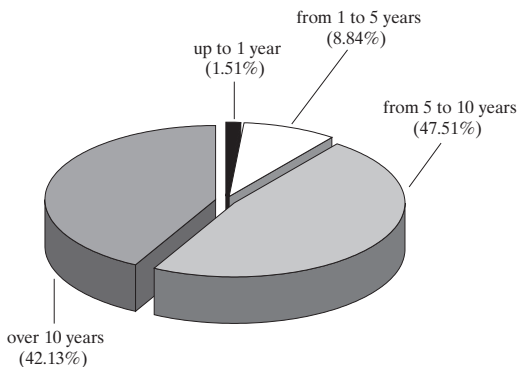


Chart 22

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



**Note:** The average-weighted residual term to maturity of the foreign debt is 11 years and two months.

## Government and Government Guaranteed Debt

Structure	Amount as of 31 July 2002 (thousand BGN)	Government debt/GDP (%)
Domestic debt	1 972 980.0	6.4
Foreign debt	17 019 522.9	55.3
<b>DEBT, TOTAL</b>	<b>18 992 502.9</b>	<b>61.7</b>

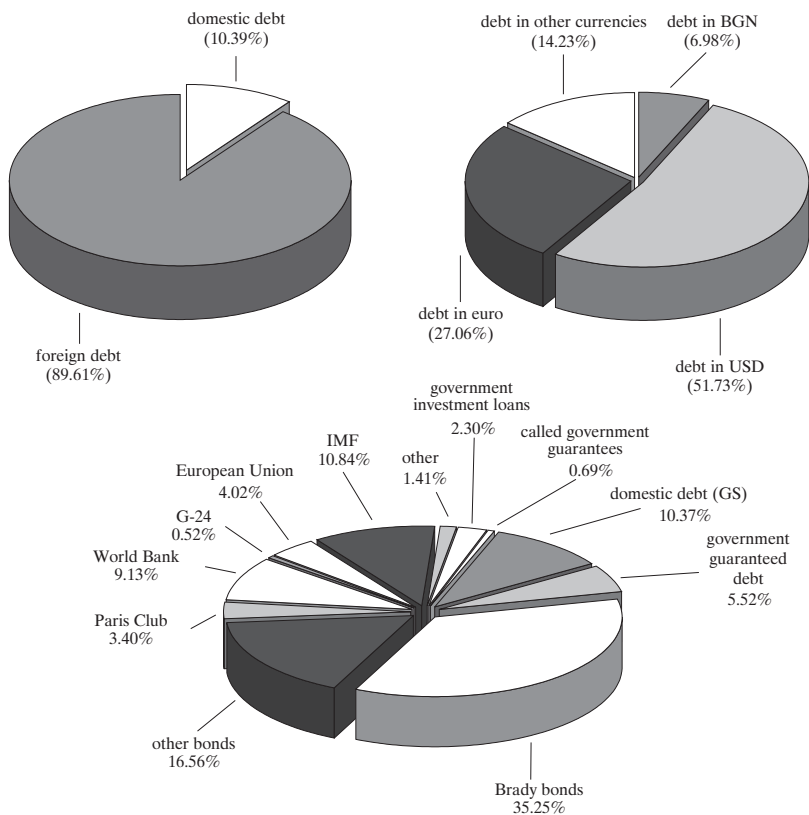
## Notes:

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 July 2002.

Chart 23

## Debt Structure as of 31 July



## Government Securities Issued in Domestic Market and Acquired by Nonresidents

(thousand BGN)

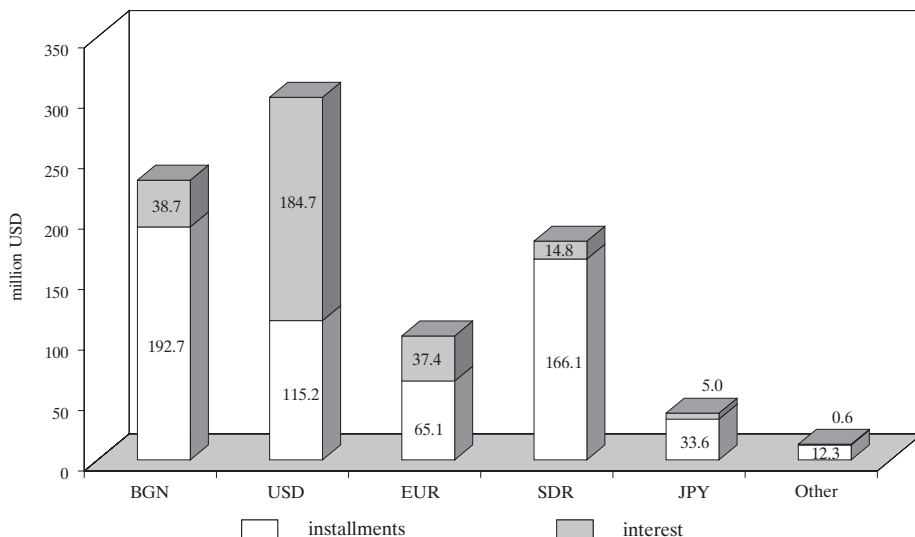
Government securities type	31.XII. 2001	2002					
		31.I.	28.II.	31.III.	30.IV.	31.V.	30.VI.
Government securities issued for budget deficit financing	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Government securities issued for structural reform	97 100.3	93 473.4	93 329.9	87 262.9	86 618.9	85 820.3	84 818.9
- in USD	91 850.9	88 515.6	88 372.2	20 424.8	19 780.8	18 982.2	15 902.5
- in EUR	5 249.4	4 957.8	4 957.8	66 838.1	66 838.1	66 838.1	68 916.5
<b>Total</b>	<b>97 100.4</b>	<b>93 473.5</b>	<b>93 330.0</b>	<b>87 263.0</b>	<b>86 619.0</b>	<b>85 820.4</b>	<b>84 819.04</b>

## Government Securities Issued in International Markets and Acquired by Residents

(million USD)

Government securities type	31.XII. 2001	2002					
		31.I.	28.II.	31.III.	30.IV.	31.V.	30.VI.
Brady bonds	14.3	15.4	18.1	22.4	14.0	19.4	26.9
Eurobonds	41.2	37.9	50.8	63.3	60.1	72.0	74.2
Global bonds	-	-	-	-	135.6	156.0	188.7
- in EUR	-	-	-	-	117.9	136.0	156.3
- in USD	-	-	-	-	17.7	20.0	32.3
<b>Total</b>	<b>55.5</b>	<b>53.3</b>	<b>68.9</b>	<b>85.7</b>	<b>209.6</b>	<b>247.5</b>	<b>289.7</b>

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



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