



JULY

**Secondary
Market of
Government
Securities**

1999

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Abbreviations

BGN – The Abbreviation of the Redenominated Bulgarian Lev

BIR – Base Interest Rate

BNB – Bulgarian National Bank

CGB – Central Government Budget

CM – Council of Ministers

CMD – Council of Ministers Decree

DISCs – Discount Bonds

FLIRBs – Front-loaded Interest Reduction Bonds

IABs – Interest Arrears Bonds

LSPDACB – Law on State Protection of Deposits and Accounts with Commercial Banks in respect whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings

MF – Ministry of Finance

SII – State Insurance Institute

ZUNK – Bulgarian Abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)

All figures in redenominated levs (BGN).

GOVERNMENT SECURITIES INTERBANK MARKET

Interbank Market of Government Securities Issued under Regulation No. 5

In July 1999 financial institutions concluded 524 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 427,657.2 thousand nominal value, a decrease of BGN 90,953.2 thousand, or 17.54%, compared with the same period of the previous year (Chart 1).

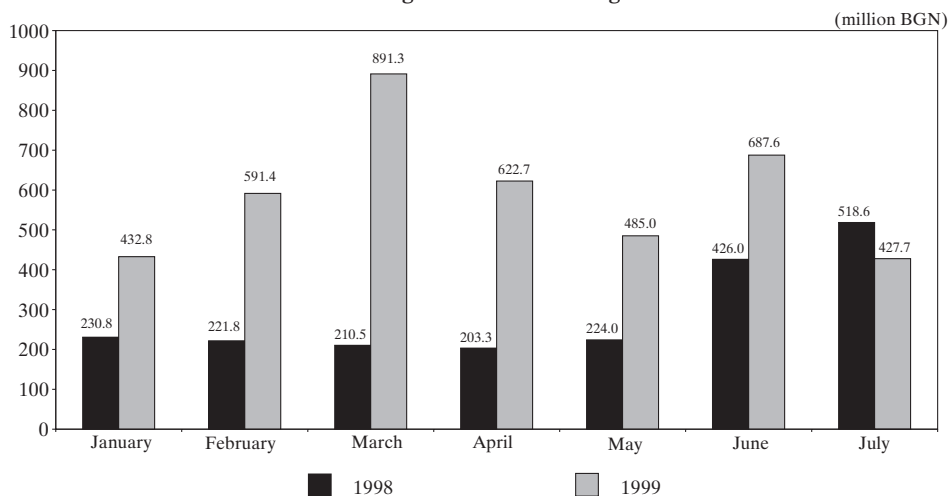
Over the period under review the volume of secondary market transactions in government securities between primary dealers issued under Regulation No. 5 (reverse repo agreements volume ex-

cluded) totaled BGN 247,554.4 thousand, including three-month treasury bills of BGN 6,651.3 thousand, six-month of BGN 500 thousand, twelve-month of BGN 88,596.8 thousand, two-year of BGN 133,547 thousand and up to five years of BGN 18,259.3 thousand (Chart 2). In July sales in government securities dropped compared with the previous month, their volume decreasing by 29.8% – almost the lowest level during the last months; structurally, demand for two-year treasury bonds occupied the largest share.

In July 1999 secondary market transactions on behalf of clients (i. e. under Article 20 of Regulation No. 5) decreased on the previous month, account-

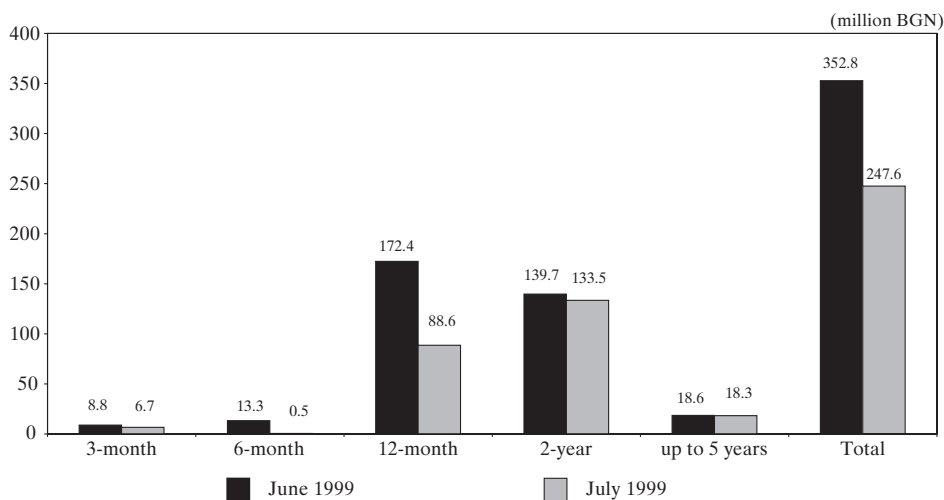
Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Source: BNB.

Structure of Transactions in Government Securities Issued for Budget Deficit Financing



Source: BNB.

ing for BGN 636.5 thousand. Transactions between nonprimary dealers and physical or legal persons (i. e. transactions under Article 21 of Regulation No. 5) increased almost five times compared with June, reaching BGN 2,428 thousand. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) decreased from June, reaching BGN 54,182.6 thousand, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGN 1,006 thousand.

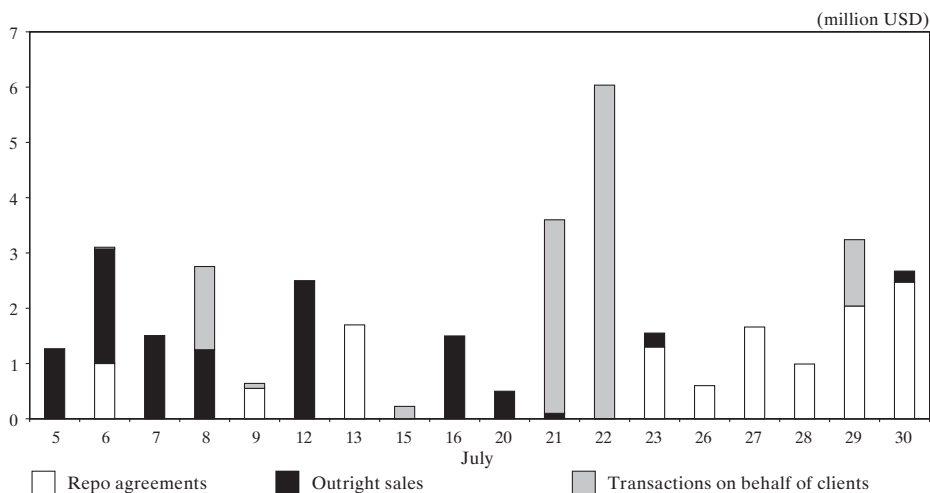
Interbank Market of Government Securities Issued as a Result of Structural Reform

In July financial institutions concluded 55 transactions in USD-denomi-

nated government securities issued as a result of structural reform, totaling USD 36.1 million nominal value (including the number and volume of reverse repurchase agreements). In July, 29 outright transactions of USD 11.2 million, 14 repo agreements of USD 12.3 million, and 12 transactions on behalf of clients of USD 12.6 million (under Articles 14, 20 and 21 of Regulation No. 5) were concluded. Fifteen transaction of USD 5.6 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

A downward trend in forex ZUNK bonds sales was reported in July. Sales volumes decreased by 75% compared with the previous month, outright transactions dropping most significantly. Interbank market prices increased on the previous month, ranging between USD 56.50 and USD 61; in general they did

Volume of Transactions in USD-denominated Government Securities in the Interbank Market



Source: BNB.

not reflect price movements of Bulgarian Brady bonds in the international markets.

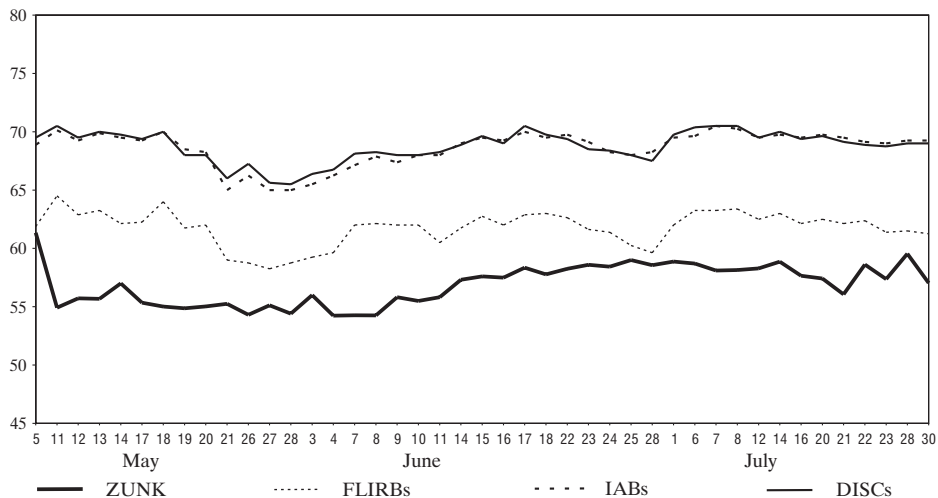
Government Securities Repo Agreements in the Interbank Market

In July the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). The high was registered on 30 July 1999 due to increased demand for funds by commercial banks, consistent with minimum required reserves regulation. On the same date interest rates on interbank deposits significantly rose.

The sustained base interest rate in July resulted in a relatively stable yield of repo agreements. July saw a decrease in the average term (in terms of days) and a significant increase in the volume of out-

right transactions in government securities. The yield of repo agreements in government securities of up to one-day and one-month maturities was higher than the yield of interbank deposits of same maturities, while the yield of repo agreements in government securities of seven-day maturity was lower than the yield of interbank deposits. The yield of repo agreements of up to three-days maturity was equal to the yield of interbank deposits of the same maturity (Chart 6). July was characterized by lower activity in the interbank secondary market compared with the previous month. A few small-volume transactions were concluded immediately before the redenomination of the lev and after mainly two-year treasury bonds issued in 1999 were traded in the interbank market.

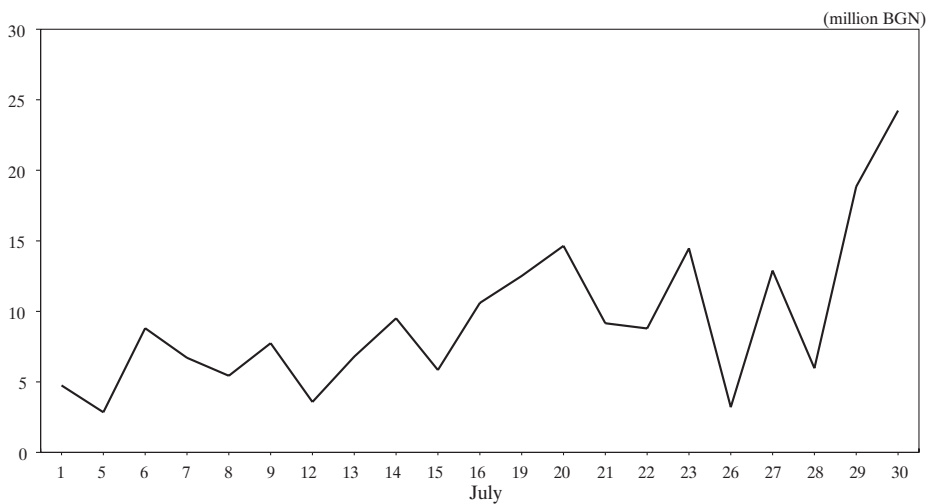
Price Movements of USD-denominated Government Securities (Issued under ZUNK) and Bulgarian Brady Bonds in the Interbank Market*



* Reuters offer quotations for Brady bonds.

Sources: BNB, Reuters.

Volume of Repo Agreements in the Secondary Interbank Market



Source: BNB.

**Prices of Transactions in USD-denominated Government Securities
Issued under Article 5 of ZUNK**

(USD)

Date July	Price		
	Minimum	Maximum	Average weighted
1	58.76	59.00	58.87
5	57.50	59.50	58.23
6	58.00	59.07	58.70
7	58.00	61.00	58.10
8	58.10	59.50	58.15
12	58.25	59.00	58.28
14	56.50	59.00	58.86
16	57.50	57.96	57.65
20	57.38	59.15	57.42
21	55.00	59.95	56.06
22	58.20	59.50	58.61
23	57.36	60.21	57.37
28	58.10	60.00	59.54
30	57.00	61.00	57.03
Monthly	56.50	61.00	58.06

Note: Data is based on privatization and outright transactions registered by the BNB.

Quotations of Bulgarian Brady Bonds*

(USD)

Date July	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	69.75	68.75	62.00	61.50	69.50	68.50
2	69.50	68.63	62.13	61.75	69.25	68.25
6	70.38	69.38	63.25	62.38	69.63	68.63
7	70.50	70.00	63.25	62.75	70.50	69.50
8	70.50	70.00	63.38	62.88	70.25	69.25
9	70.50	70.00	63.50	63.00	70.50	69.50
12	69.50	68.75	62.50	61.00	69.50	68.50
13	69.50	68.88	62.50	61.50	70.00	68.50
14	70.00	68.88	63.00	61.50	69.75	68.75
15	69.75	69.00	63.00	62.00	69.63	68.63
16	69.38	68.88	62.13	61.63	69.50	68.50
19	69.63	69.13	62.63	61.88	69.75	68.50
20	69.63	68.88	62.50	61.75	69.75	68.75
21	69.13	68.75	62.13	61.25	69.50	68.50
22	68.88	68.38	62.38	60.88	69.13	68.25
23	68.75	68.25	61.38	60.00	69.00	68.00
26	68.88	68.13	61.88	60.50	69.00	68.00
27	69.00	68.50	61.50	61.00	69.13	68.13
28	69.00	68.50	61.50	60.50	69.25	68.25
29	68.88	68.50	60.50	60.00	69.13	68.13
30	69.00	68.25	61.25	60.50	69.25	68.25

* Reuters quotations.

Volume and Structure of Government Securities Secondary Market Transactions in July

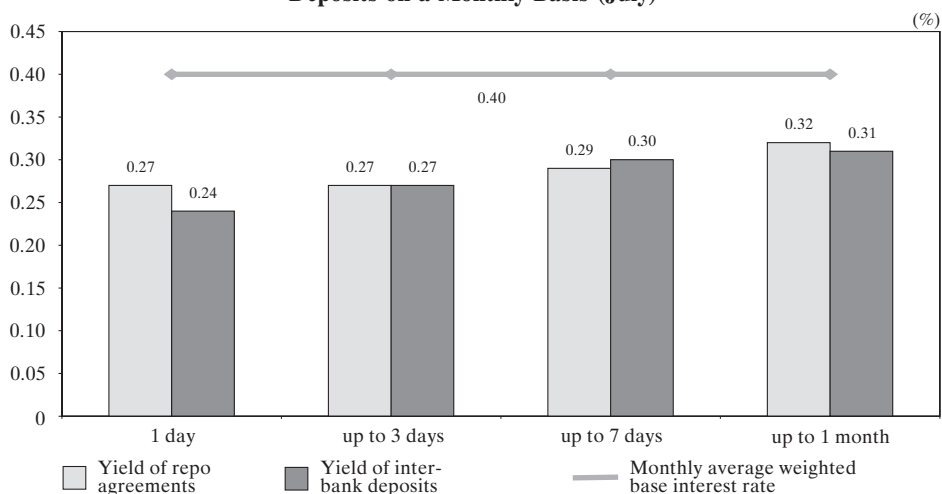
1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	247.55
- repo agreements*	192.83
- outright sales	54.72
- privatization transactions	0.00
2. Volume of transactions in government securities denominated in US dollars and euro (lev equivalent, million BGN)	40.15
- repo agreements*	17.56
- outright sales	21.35
- privatization transactions	1.24
3. Number of secondary market transactions	383
- repo agreements**	209
- outright sales	145
- privatization transactions	29
4. Average term of secondary market repo agreements (days)	6.08
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.27
from 2 to 3 days	0.27
from 4 to 7 days	0.29
up to 1 month	0.32

* Volume of reverse repo agreements excluded.

** Number of reverse repo agreements excluded.

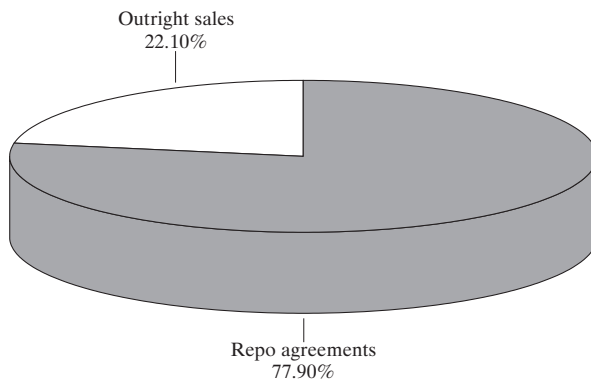
Chart 6

Yield of Repo Agreements in Government Securities and Interest Rate on Interbank Deposits on a Monthly Basis (July)



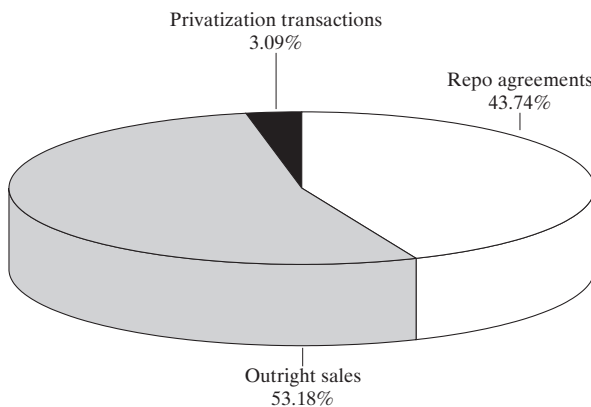
Source: BNB.

Structure of Secondary Market Transactions in Lev-denominated Government Securities in July



Source: BNB.

Structure of Secondary Market Transactions in USD-denominated Government Securities in July



Source: BNB.

Volume and Yield of Deposits in the Interbank Market and Repo Agreements in Government Securities

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
1.07.1999											
Deposits	14154	4.79			13850	5.16					28004
Repo agreements	1124	4.97			3978	5.62					5102
5.07.1999											
Deposits	14200	3.74	11155	3.94	2500	3.78					27855
Repo agreements	1012	4.06	1096	3.85	850	3.88					2958
6.07.1999											
Deposits	11900	2.89	9000	3.71	10000	3.54	1800	4.24			32700
Repo agreements	700	3.35	1199	3.24	4285	4.07	3600	3.92			9784
7.07.1999											
Deposits	15200	2.87	8500	3.34	5501	3.45	2684	3.89	200	4.00	32085
Repo agreements			1052	3.24	1096	3.55	4751	3.93			6899
8.07.1999											
Deposits	12950	2.77			10500	3.09	3000	3.87	1500	4.00	27950
Repo agreements					2467	3.30	3000	3.75			5467
9.07.1999											
Deposits			16085	2.52	3800	2.90	2000	3.40	2060	3.39	23945
Repo agreements			2247	2.90			6056	3.47			8303
12.07.1999											
Deposits	24682	2.39	4500	2.93	2000	2.90	1090	3.36	1000	3.70	33272
Repo agreements	1052	2.74	2611	2.89							3663
13.07.1999											
Deposits	21536	2.31	3000	2.83	2230	3.17	5500	3.23	500	3.80	32766
Repo agreements	1815	2.76			4323	2.95	1352	3.46			7490
14.07.1999											
Deposits	19009	2.53	3000	2.60	5691	2.97	4220	3.36	1000	4.87	32920
Repo agreements			3052	2.84	5530	2.88	1100	3.95			9682
15.07.1999											
Deposits	13807	2.47			4981	3.14	4060	3.56			22848
Repo agreements					4524	3.00	1350	3.50			5874
16.07.1999											
Deposits			11150	2.71	3600	3.08	374	3.60	1000	3.90	16124
Repo agreements			8311	3.35	2027	3.09	410	3.65			10748
19.07.1999											
Deposits	11300	2.98	6800	2.93	1588	3.25	2282	3.96			21970
Repo agreements	6574	3.16	4705	3.32	500	3.75	1000	3.75			12779
20.07.1999											
Deposits	14800	3.17	4000	4.70	2530	3.60	687	4.19	2000	4.75	24017
Repo agreements	2072	3.75	9143	3.79	500	3.85	3300	3.91			15015
21.07.1999											
Deposits	13200	3.39	3500	3.60	2091	3.79	6600	4.34			25391
Repo agreements	1028	3.35	2056	3.80	620	3.55	5612	4.03			9316
22.07.1999											
Deposits	13329	3.00	400	3.10	3094	3.38	1500	3.60			18323
Repo agreements	1042	3.03			4803	3.39	3110	3.82			8955

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	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
23.07.1999											
Deposits			17873	2.80	2650	3.23	1290	3.62			21813
Repo agreements			8678	3.04	1500	3.31	5000	3.81			15178
26.07.1999											
Deposits	10727	2.60	4500	2.92	2760	3.12	1778	3.53	400	6.00	20165
Repo agreements	1313	2.87	1556	3.04			410	3.85			3279
27.07.1999											
Deposits	16468	2.53	3100	2.69	3812	3.31					23380
Repo agreements	1058	2.94	10175	2.93	1000	3.35	1707	3.78			13940
28.07.1999											
Deposits	11367	2.34	3000	2.43	5591	3.10	1400	3.60			21358
Repo agreements	458	3.04	1948	3.04	2430	3.13	2022	3.85			6858
29.07.1999											
Deposits	18049	2.31			4834	3.14			500	5.70	23383
Repo agreements	3398	2.91			11302	3.09	5377	3.67	1000	4.56	21077
30.07.1999											
Deposits			8600	3.13	5260	3.22	910	3.80	850	4.94	15620
Repo agreements			13450	3.08	10617	3.27	2148	3.73			26215

Notes: 1. Volumes of transactions and deposits in thousand BGN.

2. The volume of repo agreements includes the agreements concluded during the current day.

3. Yield is calculated on an annual basis.

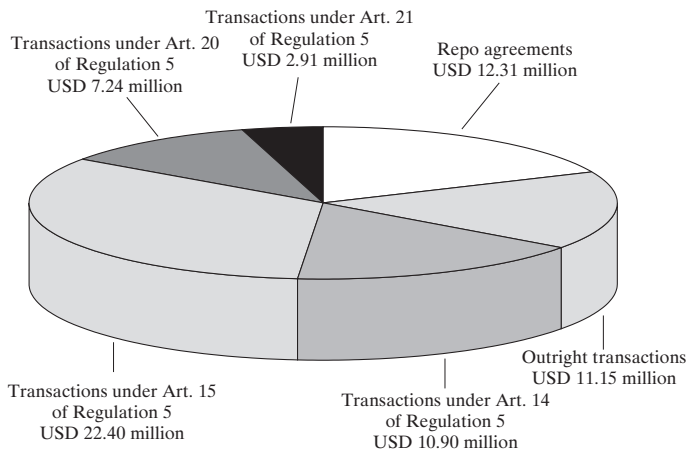
4. Lev equivalent of the transactions in USD-denominated government securities based on the USD exchange rate on the day of transaction.

Volume of Government Securities Transactions in the Secondary Market and Securities Transactions in the Bulgarian Stock Exchange (BGN)

Date July	Repo agreements	Outright transactions	Regulation No. 5 of 1998				Transactions in government securities, total	Transactions in securities in the Bulgarian Stock Exchange		
			Art. 14	Art. 15	Art. 20	Art. 21		Stock exchange market	OTC market	Total
1	10 510 576	2 921 651	1 581 080	3 645 577	-	6 350	18 665 234	6 000	30 000	36 000
2	1 624 000	-	-	-	-	-	1 624 000	18 000	337 000	355 000
3	-	-	-	-	-	-	-	-	794 000	794 000
4	-	-	-	-	-	-	-	4 000	97 000	101 000
5	5 046 700	3 754 390	1 664 414	14 276 267	-	2 314 240	27 056 012	-	12 000	12 000
6	20 716 784	5 134 498	3 100 000	2 774 231	57 536	-	31 783 049	2 074 000	91 000	2 165 000
7	12 015 900	9 975 370	9 674 285	4 860 141	517 500	316 077	37 359 274	1 696 000	89 000	1 785 000
8	10 123 991	3 358 988	10 047 741	171 089	2 879 592	378 461	26 959 861	110 000	379 000	489 000
9	15 447 601	3 937 429	5 300 448	2 281 417	28 000	270 651	27 265 546	36 000	310 000	346 000
12	9 921 000	7 002 295	720 000	7 282 440	-	333 894	25 259 629	4 000	129 000	133 000
13	12 533 379	1 438 073	1 694 335	1 855 731	-	1 052 096	18 573 614	34 000	942 000	976 000
14	13 497 000	5 404 290	2 015 500	4 373 500	-	432 729	25 723 019	47 000	1 575 000	1 622 000
15	7 902 300	6 883 021	2 024 188	2 629 782	-	16 500	19 455 791	4 000	135 000	139 000
16	14 210 251	3 375 935	1 440 977	11 248 829	-	852 427	31 128 419	106 000	445 000	551 000
19	27 024 001	2 725 367	300 000	3 142 070	3 259	862 695	34 057 392	30 000	82 000	112 000
20	30 413 750	6 890 096	4 326 783	1 743 008	-	1 098 783	44 472 421	16 000	81 000	97 000
21	21 293 922	1 954 880	7 578 792	4 973 209	6 575 800	-	42 376 603	11 000	260 000	271 000
22	20 540 800	940 282	18 220 725	549 510	1 960 460	-	42 211 777	6 000	320 000	326 000
23	31 196 861	3 995 718	2 978 460	10 621 419	-	70 000	48 862 458	14 000	110 000	124 000
24	-	-	-	-	-	-	-	-	5 000	5 000
26	13 298 376	1 240 000	720 000	10 081 377	-	-	25 339 753	13 000	28 000	41 000
27	20 071 845	1 393 450	500 000	13 409 401	-	-	35 374 697	2 000	325 000	327 000
28	10 092 226	1 915 585	28 500	5 041 574	-	-	17 077 884	182 000	290 000	472 000
29	35 590 224	1 962 446	-	808 187	2 213 520	7 294	40 581 671	9 806 000	92 000	9 898 000
30	35 068 142	2 866 260	864 329	2 688 031	-	12 300	41 499 062	4 000	211 000	215 000
TOTAL	378 139 629	79 070 023	74 780 557	108 456 791	14 235 666	8 024 498	662 707 165	14 223 000	7 169 000	21 392 000

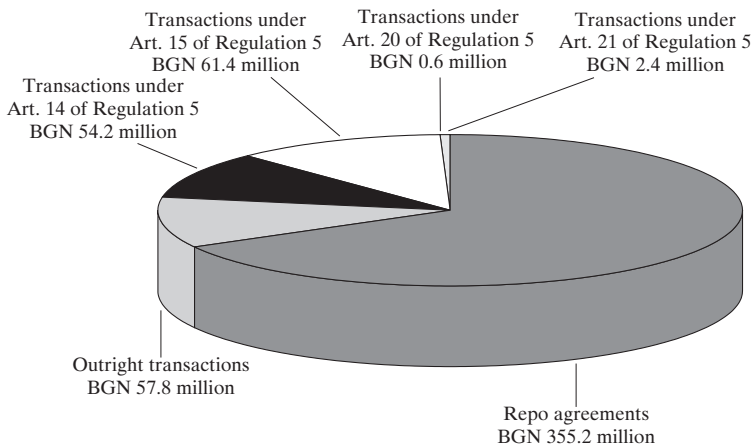
- Notes:**
1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGN 1,006,000 is included.
 2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 2,550,500 is included.
 3. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.
 4. Transactions in USD-denominated government securities are in levs at the US dollar exchange rate quoted by the BNB on the day of transaction.
 5. Banking Department data on the volume of transactions in the Bulgarian Stock Exchange.

Volume of Secondary Market Transactions in Government Securities Issued for Structural Reform in July



Source: BNB.

Volume of Secondary Market Transactions in Government Securities Issued for Budget Deficit Financing in July



Source: BNB.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3016698006	BG3017098008	BG3017498000	BG3017898001	BG3018498009	BG3018898000	BG3019298002	BG3019698003
Issue date	12.08.1998	26.08.1998	09.09.1998	23.09.1998	14.10.1998	28.10.1998	11.11.1998	25.11.1998
Maturity date	11.08.1999	25.08.1999	08.09.1999	22.09.1999	13.10.1999	27.10.1999	10.11.1999	24.11.1999
Nominal value of the offer (thousand BGN)	15 000.00	15 000.00	15 000.00	15 000.00	17 000.00	15 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	40 419.50	25 250.00	18 365.00	16 055.00	11 865.00	10 250.00	23 395.50	28 175.00
Total nominal value of the bids approved (thousand BGN)	15 000.00	15 000.00	15 000.00	15 000.00	11 865.00	10 250.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	93.66	93.67	93.67	93.66	93.65	93.21	93.45	93.62
Average discount per BGN 100 (%)	6.34	6.33	6.33	6.34	6.35	6.79	6.55	6.38
Average annual yield (%)	6.79	6.78	6.78	6.79	6.80	7.30	7.03	6.83
Effective annual yield (%)	6.79	6.78	6.78	6.79	6.80	7.31	7.03	6.83
Coverage coefficient	2.69	1.68	1.22	1.07	0.70	0.68	2.34	2.82

(continued)

(continued)

Issue No.	BG3020098003	BG3020498005	BG3010199001	BG3010499005	BG3010799008	BG3011099002	BG3011399006	BG3011699009
Issue date	09.12.1998	23.12.1998	06.01.1999	20.01.1999	03.02.1999	17.02.1999	04.03.1999	17.03.1999
Maturity date	08.12.1999	22.12.1999	05.01.2000	19.01.2000	02.02.2000	16.02.2000	02.03.2000	15.03.2000
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	25 000.00	25 000.00	20 000.00	15 000.00	15 000.00	15 000.00
Total nominal value of the bids received (thousand BGN)	33 914.00	19 850.00	32 577.60	36 670.00	37 350.00	34 036.70	43 240.00	31 790.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	25 000.00	25 000.00	20 000.00	15 000.00	15 000.00	15 000.00
Average price of the bids approved per BGN 100 (%)	93.93	94.04	93.75	93.68	93.76	93.91	94.03	94.09
Average discount per BGN 100 (%)	6.07	5.96	6.25	6.32	6.24	6.09	5.97	5.91
Average annual yield (%)	6.48	6.36	6.68	6.76	6.66	6.50	6.37	6.30
Effective annual yield (%)	6.48	6.36	6.69	6.77	6.67	6.50	6.37	6.30
Coverage coefficient	3.39	1.99	1.30	1.47	1.87	2.27	2.88	2.12

(continued)

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Issue No.	BG3011999003	BG3012090001	BG3012199009	BG3012290007	BG3012399005	BG3012499003	BG3012599000	BG3012699008
Issue date	31.03.1999	07.04.1999	07.04.1999	14.04.1999	21.04.1999	21.04.1999	28.04.1999	05.05.1999
Maturity date	29.09.1999	07.07.1999	05.04.2000	14.07.1999	21.07.1999	19.04.2000	28.07.1999	04.08.1999
Nominal value of the offer (thousand BGN)	10 000.00	5 000.00	15 000.00	5 000.00	5 000.00	15 000.00	5 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	27 830.00	12 839.00	42 960.00	12 703.00	11 577.50	42 660.50	11 500.00	8 737.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	5 000.00	15 000.00	5 000.00	5 000.00	15 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	97.54	98.83	94.32	98.84	98.85	94.54	98.86	98.88
Average discount per BGN 100 (%)	2.46	1.17	5.68	1.16	1.15	5.46	1.14	1.12
Average annual yield (%)	5.06	4.75	6.04	4.71	4.67	5.79	4.63	4.54
Effective annual yield (%)	5.12	4.83	6.04	4.79	4.75	5.79	4.71	4.62
Coverage coefficient	2.78	2.57	2.86	2.54	2.32	2.84	2.30	1.75

(continued)

(continued)

Issue No.	BG3012799006	BG301289004	BG3012999002	BG3013099000	BG3013199008	BG3013299006	BG3013399004	BG3013499002
Issue date	05.05.1999	12.05.1999	19.05.1999	19.05.1999	26.05.1999	02.06.1999	02.06.1999	09.06.1999
Maturity date	03.05.2000	11.08.1999	18.08.1999	17.05.2000	25.08.1999	01.09.1999	31.05.2000	08.09.1999
Nominal value of the offer (thousand BGN)	10 000.00	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	10 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	28 000.00	8 746.30	7 850.00	17 250.00	8 614.20	8 943.30	11 125.00	8 791.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	10 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	94.82	98.89	98.90	94.94	98.91	98.91	94.85	98.91
Average discount per BGN 100 (%)	5.18	1.11	1.10	5.06	1.09	1.09	5.15	1.09
Average annual yield (%)	5.48	4.50	4.46	5.34	4.42	4.42	5.44	4.42
Effective annual yield (%)	5.48	4.58	4.54	5.34	4.49	4.49	5.44	4.49
Coverage coefficient	2.80	1.75	1.57	1.73	1.72	1.79	1.11	1.76

(continued)

Issue No.	BG3013599009	BG3013699007	BG3013899003	BG3013999001	BG3014099009	BG3014199007	BG3014299005	BG3014399003
Issue date	16.06.1999	16.06.1999	23.06.1999	30.06.1999	30.06.1999	07.07.1999	07.07.1999	14.07.1999
Maturity date	15.09.1999	14.06.2000	22.09.1999	29.09.1999	29.12.1999	06.10.1999	05.07.2000	13.10.1999
Nominal value of the offer (thousand BGN)	5 000.00	10 000.00	5 000.00	4 000.00	10 000.00	3 500.00	7 500.00	5 000.00
Total nominal value of the bids received (thousand BGN)	6 750.00	14 120.00	4 050.00	3 365.00	8 070.00	5 137.75	14 376.00	8 141.01
Total nominal value of the bids approved (thousand BGN)	5 000.00	10 000.00	4 050.00	3 250.00	8 070.00	3 500.00	7 500.00	5 000.00
Average price of the bids approved per BGN 100 (%)	98.91	94.69	98.89	98.83	97.28	98.82	94.31	98.82
Average discount per BGN 100 (%)	1.09	5.31	1.11	1.17	2.72	1.18	5.69	1.18
Average annual yield (%)	4.42	5.62	4.50	4.75	5.61	4.79	6.05	4.79
Effective annual yield (%)	4.49	5.62	4.58	4.83	5.69	4.88	6.05	4.88
Coverage coefficient	1.35	1.41	0.81	0.84	0.81	1.47	1.92	1.63

(continued)

(continued)

Issue No.	BG3014499001	BG3014599008	BG3014699006
Issue date	21.07.1999	21.07.1999	28.07.1999
Maturity date	20.10.1999	19.07.2000	27.10.1999
Nominal value of the offer (thousand BGN)	5 000.00	7 500.00	5 000.00
Total nominal value of the bids received (thousand BGN)	6 850.36	11 800.00	8 300.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	7 500.00	5 000.00
Average price of the bids approved per BGN 100 (%)	98.82	94.33	98.92
Average discount per BGN 100 (%)	1.18	5.67	1.08
Average annual yield (%)	4.79	6.03	4.79
Effective annual yield (%)	4.88	6.03	4.88
Coverage coefficient	1.37	1.57	1.66

Source: MF.

Outstanding Government Securities

Treasury Bonds

Issue No./Date	11/30.01.1995	23/02.03.1995	49/04.05.1995	200/31.05.1995	72/20.07.1995	85/14.09.1995	106/30.11.1995	113/28.12.1995
Maturity date	30.01.2004	02.03.2000	27.04.2000	21.05.2002	13.07.2000	07.09.2000	23.11.2000	21.12.2000
Nominal value of the offer (thousand BGN)	25.00	500.00	1 000.00	9 320.25	2 982.00	2 000.00	800.00	1 016.80
Total nominal value of the bids received (thousand BGN)	25.00	400.00	1 000.00	9 320.25	2 982.00	960.00	220.00	1 016.80
Total nominal value of the bids approved (thousand BGN)	25.00	400.00	1 000.00	9 320.25	2 982.00	960.00	220.00	1 016.80
Average price of the bids approved per BGN 100 (%)	100.00	100.00	98.00	100.00	96.43	93.81	92.86	92.34
Average discount per BGN 100 (%)	-	-	2.00	-	3.57	6.19	7.14	7.66
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Coverage coefficient	1.00	0.80	1.00	1.00	1.00	0.48	0.28	1.00

(continued)

(continued)

Issue No.	BG2030396126	BG2031096121	BG2033297123	BG2034797121	BG2041097028	BG2042397112	BG2043397111	BG2044097116
Issue date	29.02.1996	30.05.1996	09.05.1997	16.05.1997	17.07.1997	28.08.1997	25.09.1997	16.10.1997
Maturity date	28.02.2001	23.05.2001	05.05.2000	10.05.2002	13.07.2000	26.08.1999	23.09.1999	14.10.1999
Nominal value of the offer (thousand BGN)	1 000.00	800.00	35 000.00	20 000.00	35 000.00	5 000.00	3 000.00	3 000.00
Total nominal value of the bids received (thousand BGN)	200.00	800.00	30 910.00	20 000.00	54 150.00	12 325.00	5 150.00	7 975.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	30 000.00	20 000.00	35 000.00	3 250.00	3 000.00	3 000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	100.00	97.75	97.03	97.10	97.70
Average discount per BGN 100 (%)	8.50	-	0.00	0.00	2.25	2.97	2.90	2.30
Interest rate	BIR	BIR+7	BIR+4	BIR+4	BIR	7.50	7.50	6.50
Coverage coefficient	0.20	1.00	0.88	1.00	1.55	2.47	1.72	2.66

(continued)

(continued)

Issue No.	BG2044697113	BG2045397127	BG2045997124	BG2046497124	BG20300098128	BG2030198110	BG2030298116	BG2030398114
Issue date	30.10.1997	20.11.1997	04.12.1997	18.12.1997	15.01.1998	29.01.1998	12.02.1998	05.03.1998
Maturity date	28.10.1999	18.11.1999	02.12.1999	16.12.1999	13.01.2000	27.01.2000	10.02.2000	02.03.2000
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	2 500.00	2 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	3 050.00	3 950.00	2 480.00	6 880.00	17 425.00	16 360.00	13 320.00	10 620.00
Total nominal value of the bids approved (thousand BGN)	3 050.00	1 350.00	2 480.00	2 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	96.05	96.66	94.58	94.16	94.88	95.86	96.11	95.54
Average discount per BGN 100 (%)	3.95	3.34	5.42	5.84	5.12	4.14	3.89	4.46
Interest rate	6.50	$(x+1).182/365^{-1}$	$(x+1).182/365^{-1}$	$(x+1).182/365^{-1}$	$(x+1).182/365^{-1}$	8.00	8.00	7.50
Coverage coefficient	0.61	0.79	0.99	3.44	3.49	3.27	2.66	2.12

(continued)

¹ x – annual yield of 6-month government securities at the auction preceding the interest period.

(continued)

Issue No.	BG2030498112	BG2030598119	BG2030698117	BG2030798115	BG2030898113	BG2030998111	BG2031098119	BG2031198117
Issue date	19.03.1998	02.04.1998	16.04.1998	30.04.1998	14.05.1998	28.05.1998	18.06.1998	02.07.1998
Maturity date	16.03.2000	30.03.2000	13.04.2000	24.04.2003	11.05.2000	22.05.2003	15.06.2000	26.06.2003
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	5 000.00	1 000.00	5 000.00	2 000.00	5 000.00	2 000.00
Total nominal value of the bids received (thousand BGN)	7 970.00	8 540.00	14 565.00	3 605.00	14 041.00	3 440.00	7 825.00	2 070.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	5 000.00	1 000.00	5 000.00	2 000.00	5 000.00	2 000.00
Average price of the bids approved per BGN 100 (%)	95.46	94.97	94.43	87.14	95.47	84.78	93.53	76.20
Average discount per BGN 100 (%)	4.54	5.03	5.57	12.86	4.53	15.22	6.47	23.80
Interest rate	7.50	7.50	7.00	8.00	7.00	8.00	6.00	7.00
Coverage coefficient	1.59	1.71	2.91	3.61	2.81	1.72	1.57	1.04

(continued)

(continued)

	BG2031298115	BG2031398113	BG2031498111	BG2031598118	BG2031698116	BG2031798114	BG2031898112	BG2031998110
Issue No.	16.07.1998	30.07.1998	20.08.1998	03.09.1998	17.09.1998	01.10.1998	15.10.1998	29.10.1998
Issue date	13.07.2000	26.07.2001	17.08.2000	30.08.2000	14.09.2000	27.09.2001	12.10.2000	25.10.2001
Maturity date	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 500.00	5 000.00	1 500.00
Nominal value of the offer (thousand BGN)	6 450.00	2 750.00	11 450.00	1 400.00	6 640.00	1 155.00	7 900.00	700.00
Total nominal value of the bids received (thousand BGN)	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 055.00	5 000.00	250.00
Total nominal value of the bids approved (thousand BGN)	92.70	89.60	92.97	87.85	92.45	86.89	91.71	83.48
Average price of the bids approved per BGN 100 (%)	7.30	10.40	7.03	12.15	7.55	13.11	8.29	16.52
Average discount per BGN 100 (%)	6.00	7.00	6.00	6.50	6.00	6.50	6.00	6.50
Interest rate	1.29	2.75	2.29	1.40	1.33	0.77	1.58	0.47
Coverage coefficient								

(continued)

(continued)

Issue No.	BG2032098118	BG2032198116	BG2032298114	BG2030099118	BG2030199116	BG2030299114	BG2030399112	BG2030499110
Issue date	19.11.1998	03.12.1998	17.12.1998	13.01.1999	27.01.1999	10.02.1999	24.02.1999	10.03.1999
Maturity date	16.11.2000	29.11.2001	14.12.2000	10.01.2001	24.01.2001	07.02.2001	21.02.2001	07.03.2001
Nominal value of the offer (thousand BGN)	1 000.00	500.00	1 000.00	5 000.00	8 000.00	10 000.00	15 000.00	15 000.00
Total nominal value of the bids received (thousand BGN)	3 700.00	1 250.00	2 647.02	13 053.00	20 849.60	24 021.03	30 397.50	48 340.00
Total nominal value of the bids approved (thousand BGN)	1 000.00	500.00	1 000.00	5 000.00	8 000.00	10 000.00	15 000.00	15 000.00
Average price of the bids approved per BGN 100 (%)	93.32	95.55	99.82	99.60	99.38	99.66	99.74	99.91
Average discount per BGN 100 (%)	6.68	4.45	0.18	0.40	0.62	0.34	0.26	0.09
Interest rate	6.50	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	3.70	2.50	2.65	2.61	2.61	2.40	2.03	3.22

(continued)

(continued)

	BG2030599117	BG2030699115	BG2030799113	BG2030899111	BG2030999119	BG2031099117	BG2031299113	BG2031399111
Issue No.								
Issue date	24.03.1999	31.03.1999	14.04.1999	28.04.1999	29.04.1999	12.05.1999	26.05.1999	09.06.1999
Maturity date	21.03.2001	24.03.2004	11.04.2001	25.04.2001	22.04.2004	09.05.2001	23.05.2001	06.06.2001
Nominal value of the offer (thousand BGN)	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	39 280.00	2 795.00	47 594.30	42 870.00	1 190.00	25 720.00	25 827.40	15 965.00
Total nominal value of the bids approved (thousand BGN)	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00	15 965.00
Average price of the bids approved per BGN 100 (%)	100.05	86.35	100.84	99.88	78.39	99.98	98.98	97.18
Average discount per BGN 100 (%)	-0.05	13.65	-0.84	0.12	21.61	0.02	1.02	2.82
Interest rate	9.00	9.00	9.00	8.00	9.00	8.00	8.00	8.00
Coverage coefficient	2.62	1.40	3.17	2.14	1.00	1.29	1.29	0.80

(continued)

(continued)

Issue No.	BG2031699114	BG2031799112	BG2031899110
Issue date	23.06.1999	14.07.1999	28.07.1999
Maturity date	20.06.2001	11.07.2001	25.07.2001
Nominal value of the offer (thousand BGN)	15 000.00	12 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	11 220.00	16 170.00	13 105.50
Total nominal value of the bids approved (thousand BGN)	11 220.00	12 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	93.55	93.54	93.26
Average discount per BGN 100 (%)	6.45	6.46	6.74
Interest rate	8.00	8.00	8.00
Coverage coefficient	0.75	1.35	1.31

Source: MF.

Government Securities Issued for Structural Reform

Guaranty Government Securities

Lev Guaranty Government Securities

Issue No.	BG2040296225	BG2040396223	BG2040596228	BG2044397227	BG2047397224	BG2047597229	BG2047497222	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	22.10.1997	27.10.1997	05.11.1997
Maturity date	28.05.2003	04.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	18.10.2004	27.10.2004
Principal (thousand BGN)	3428.57	3622.12	453.18	25355.82	2796.63	9111.74	8078.71	12419.73
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7	7	7	7	7

Issue No.	BG2040098225	BG2040298221	BG2040398229
Issue date	29.01.1998	12.02.1998	10.03.1998
Maturity date	20.01.2005	03.02.2005	01.03.2005
Principal (thousand BGN)	2936.32	2741.11	116.06
Interest rate	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7

(continued)

(continued)

Foreign Currency Guaranty Government Securities

Issue No.	BG2040097110	BG2040198116	BG2040297116	BG2040397114	BG2045697112	BG2047297119	BG2047797118	BG2047897116
Issue date	02.05.1997	29.01.1998	21.10.1997	21.10.1997	15.08.1997	18.08.1997	24.10.1997	05.11.1997
Maturity date	28.04.2000	25.01.2001	17.10.2000	17.10.2000	11.08.2000	14.08.2000	20.10.2000	01.11.2000
Principal (million USD)	8.86	0.51	1.44	0.66	2.04	48.86	23.33	5.34
Interest rate	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	one-off at maturity	one-off at maturity	one-off at maturity	one-off at maturity	one-off at maturity	one-off at maturity	one-off at maturity	one-off at maturity
Maturity (in years)	3	3	3	3	3	3	3	3

Issue No.	BG2040498110	BG2040598117	BG2040698115
Issue date	13.02.1998	13.03.1998	11.05.1998
Maturity date	09.02.2001	06.03.2001	07.05.2001
Principal (million USD)	3.13	0.05	1.01
Interest rate	LIBOR+2	LIBOR+2	LIBOR+2
Interest payments	semiannual	semiannual	semiannual
Repayments	one-off at maturity	one-off at maturity	one-off at maturity
Maturity (in years)	3	3	3

LIBOR – average six-month LIBOR (London Interbank Offered Rate) quoted by the Reuters for the preceding interest period.
STRIPS – Separate Trading of Registered Interest and Principal of Securities.

In compliance with Article 8 and Article 9, para. 1, items 1 and 2 of the LSPDACB, the Ministry of Finance issues lev and foreign currency guaranty government securities. These are issued under the following conditions:

- in leva – 7-year redemption term; interest – BIR for the respective period, payable semiannually; redemption schedule – equal annual installments.
 - in US dollars – 3-year redemption term; interest – six-month LIBOR plus 2 percent, payable semiannually; redemption schedule – one-off at end-period; transferable only between commercial banks based in this country. Interest coupons are separated from the principal and are freely transferable, provided that the MF and the BNB approve a STRIPS program for the banks applying to trade in interest coupon derivative financial instruments, to be registered in BNB Government Securities Depository.
- The Law on Bank Deposit Guaranty (published in the State Gazette, issue 29 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.

Source: MF.

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

	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	CMD 89/95
Issue No./Date	95/01.01.1992	99/01.07.1993	98/01.10.1993	97/01.01.1994	96/01.12.1993	200/31.05.1995
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)	3302.08 (BGN)	2301.90 (BGN)	8785.99 (BGN)	605340 (USD)	931.34 (BGN)	9320.28 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
1999 interest	BIR+1	2/3 BIR	2/3 BIR	LIBOR*	2/3 BIR	BIR

* Six-month LIBOR for the US dollar in the respective period.

Principals are based on actual data as of 31 July 1999.

Long-term government bonds transferred on the MF account with the BNB are included in the debt amount under ZUNK.

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, CM Decrees No. 244 of 1991, No. 186 of 1993, No. 3 of 1994 may be used 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.

Source: MF.

SALES OF GOVERNMENT SECURITIES TO NONBANK FINANCIAL INSTITUTIONS, COMPANIES AND INDIVIDUALS

Sales of Government Securities Issued under Regulation No. 5 and Target Issues

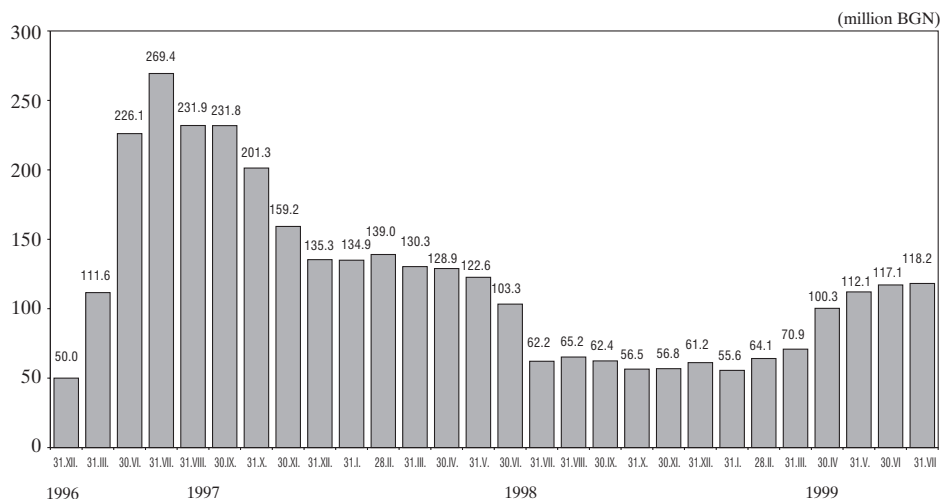
The volume of government securities sales for budget deficit financing increased in July. As of 31 July 1999 government securities (issued under Regulation No. 5) held by individuals, companies and nonbank financial institutions totaled BGN 118,168 thousand (Chart 11), an increase of BGN 1,049 thousand, or 0.90%, on the previous month. Target government securities

earmarked for sale to physical persons accounted for BGN 16,464 thousand (Chart 12), a decrease of BGN 103 thousand, or 0.62%, on June.

In July sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 4,450.9 thousand, one-year of BGN 20 thousand, and two-year treasury bonds of BGN 869.3 thousand. Three-month treasury bills occupied the largest share in total government securities sales in July, 83.35%.

Chart 11

Net Sales of Government Securities Issued under Regulation No. 5 to Nonbank Financial Institutions, Companies and Individuals

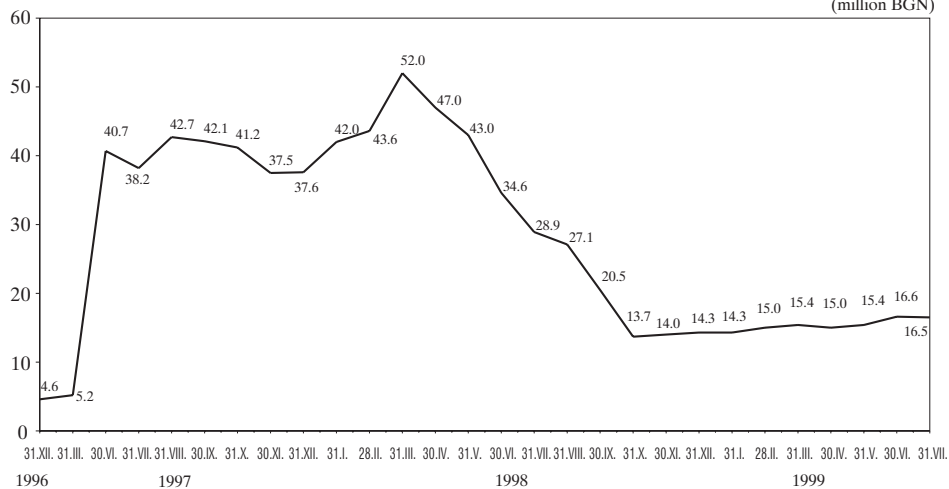


Note: Preliminary data for July 1999.

Source: BNB.

Net Sales of Government Securities from Target Issues to Nonbank Financial Institutions, Companies and Individuals

(million BGN)



- Notes:** 1. Preliminary data for July 1999.
2. Target issues dated 21 July 1999 excluded.

Source: BNB.

Target Issues of Government Securities Earmarked for Physical Persons

Between 7 and 20 July 1999¹ the MF offered for sale three issues of government securities earmarked for physical persons under the following conditions:

- One issue of six-month target discount government treasury bills yielding 5.9% annually. Their average weighted monthly yield is 0.49% (Chart 13). No repurchases are effected by the clients

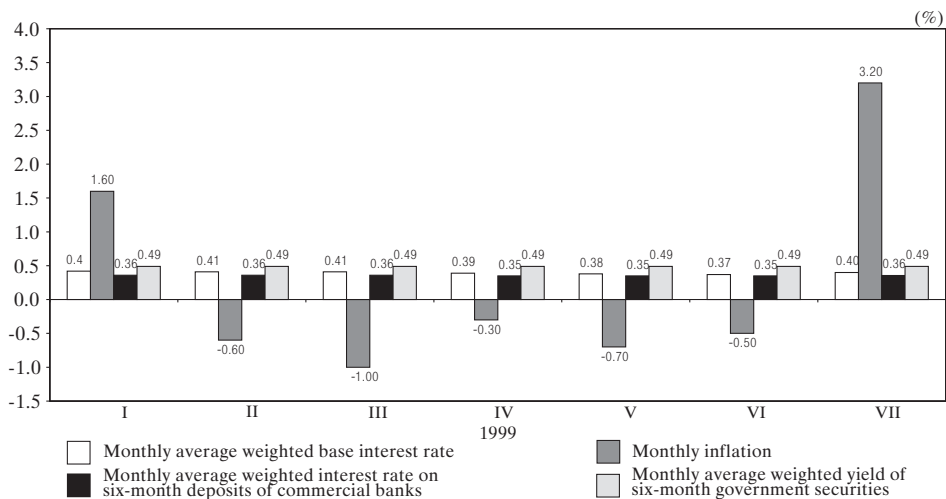
¹ The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes one issue period or two weeks.

prior to maturity of these government securities.

- One issue of twelve-month target discount government treasury bills ensuring 6.99% annual yield. Their average weighted monthly yield is 0.58% (Chart 14). Reverse repurchase of these government securities starts six months after their issue at prices set by the issuer, with their effective annual yield increasing proportionally from beginning to end of the reverse repurchase period.

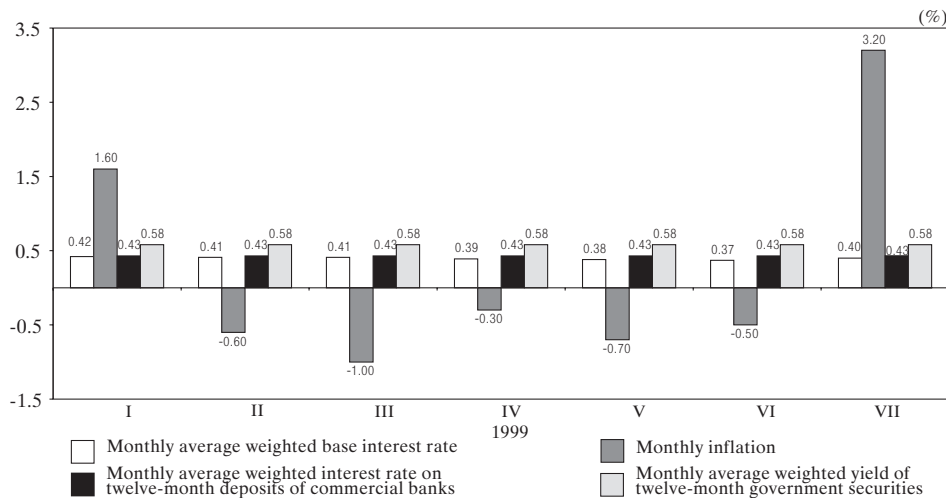
- One issue of two-year savings government treasury bonds with fixed annual yield in the form of semiannual interest payment, effective as of the issue date. The last interest payment is effected at maturity together with the nominal value of government securities.

Yield of Six-month Government Securities from Target Issues



Source: BNB.

Yield of Twelve-month Government Securities from Target Issues



Source: BNB.

The annual interest rate of the first interest coupon is 8%, the second 9%, the third 10%, and fourth 11%. Reverse repurchases of these bonds start six months after their issue at prices set by the issuer. Reverse repurchase price of two-year savings government securities issues is set by accruing the previous coupon annual rate of interest to the nominal value for the period since the latest interest payment until the reverse repurchase date.

Sales of these government securities totaled BGN 582.4 thousand nominal value: six-month treasury bills of BGN 68.2 thousand (11.71%), twelve-month treasury bills of BGN 58.7 thousand (10.08%) and two-year savings treasury bonds of BGN 455.5 thousand (78.21%). Data shows that during the re-

porting period investors opted for two-year savings treasury bonds (Chart 15) generating higher yield.

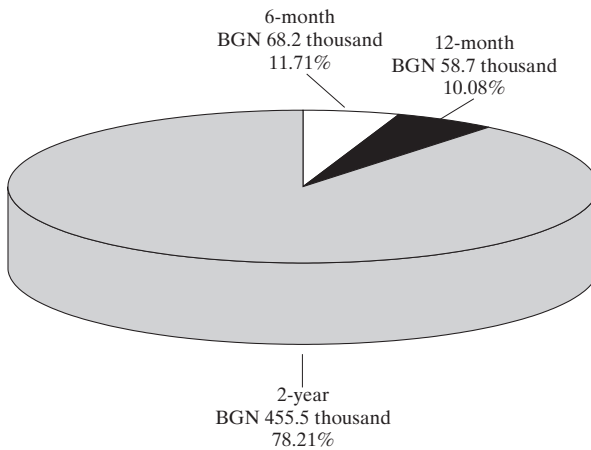
Sales of Government Securities Issued for Structural Reform

The volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform decreased in July. As of 31 July total sales of government securities accounted for BGN 508,500 thousand (including sales to foreign investors), a decrease of BGN 53,751.3 thousand (9.6%) from June (Chart 17).

The bulk of government securities issued for structural reform was sold by commercial banks (85.4%) and other financial institutions (14.6%).

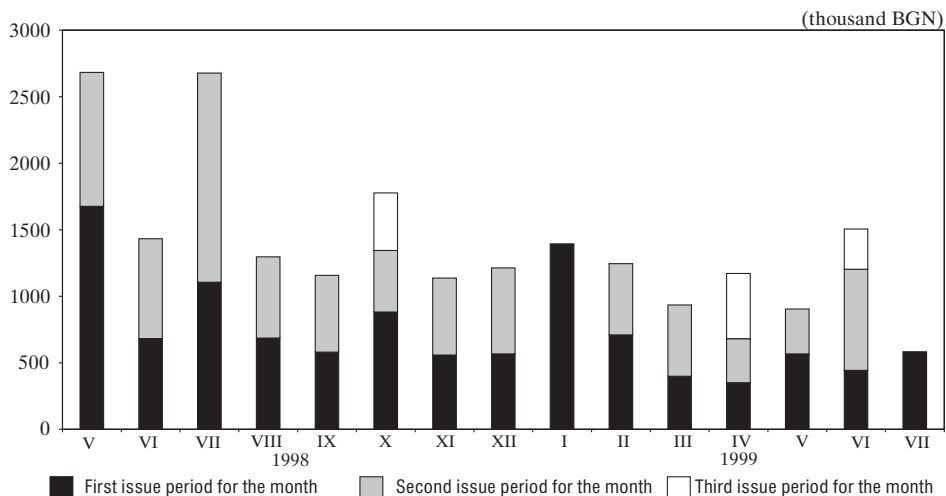
Chart 15

Maturity Structure of Target Government Securities Sold through the BNB and Primary Dealers in July



Source: BNB.

Volume of Target Government Securities Sales to Physical Persons



Source: BNB.

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 8,110.5 thousand (1.6% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGN 500,429.5 thousand.

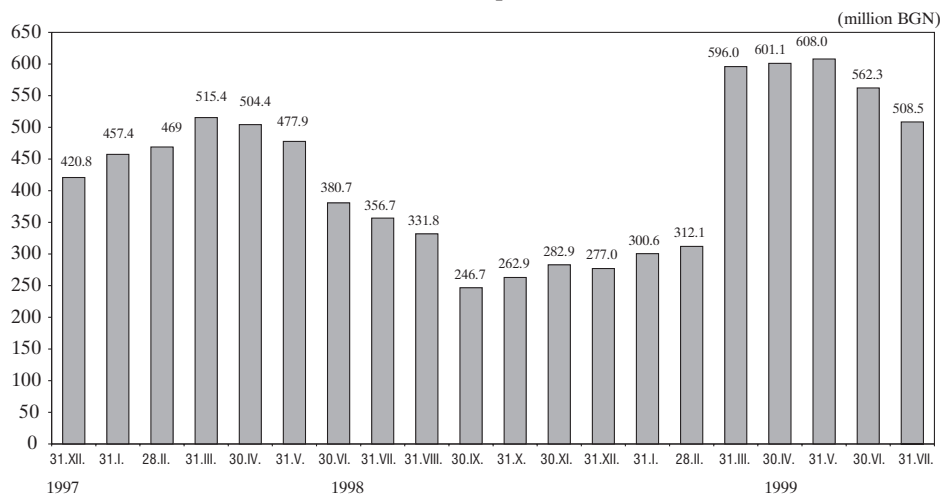
Sales of Government Securities to Foreign Investors

The slight upward trend from the previous months in the volume of government securities held by foreign investors continued in July. As of 31 July 1999 government securities acquired by foreign investors totaled BGN 150,843.1 thousand (Chart 18), an increase of BGN 4,301 thousand (2.9%) on June.

No sales of government securities issued under Regulation No. 5 were registered in July. Target government securities (earmarked for direct sale to physical persons) sold to nonresidents totaled BGN 6.7 thousand.

As of 31 July the volume of USD-denominated long-term government bonds held by foreign investors decreased by USD 3.2 million, totaling USD 74.2 million (equivalent to BGN 135,739.3 thousand), a decrease of BGN 10,796.1 thousand (7.4%) on the previous month. The share of these domestic debt government securities decreased, accounting for 89.9% in foreign investors' portfolios at the expense of EUR-denominated government securities of EUR 7.7 million (10.1%) sold in July.

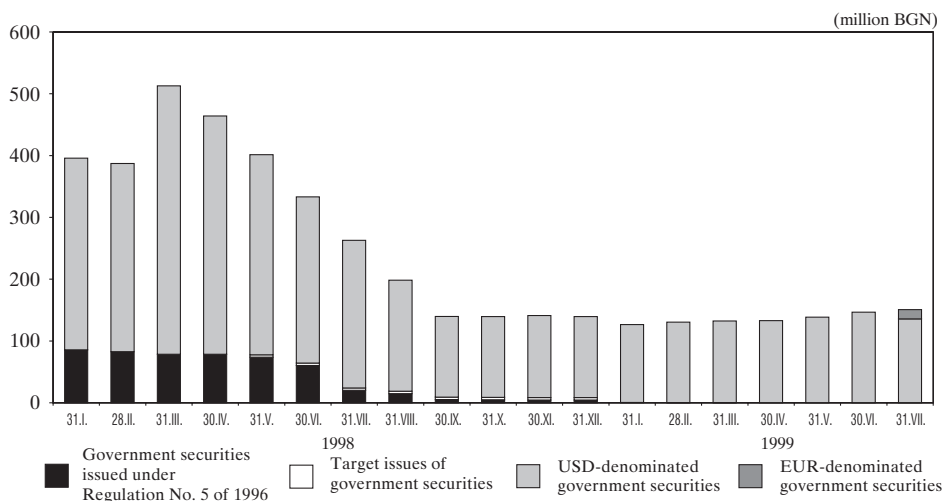
Net Sales of Government Securities Issued for Structural Reform to Nonbank Financial Institutions, Companies and Individuals



Note: Data on USD-denominated government securities shows the lev equivalent based on the USD exchange rate at the end of month. Preliminary data for July.

Source: BNB.

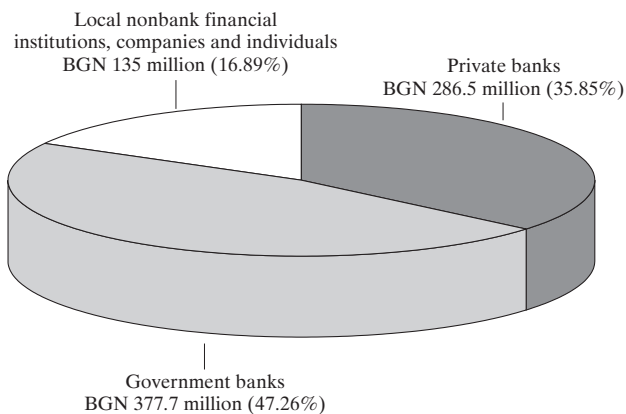
Government Securities in Foreign Investors' Portfolios



Note: Preliminary data for July 1999.

Source: BNB.

Holders of Government Securities Issued under Regulation No. 5 and of Target Issues by 31 July

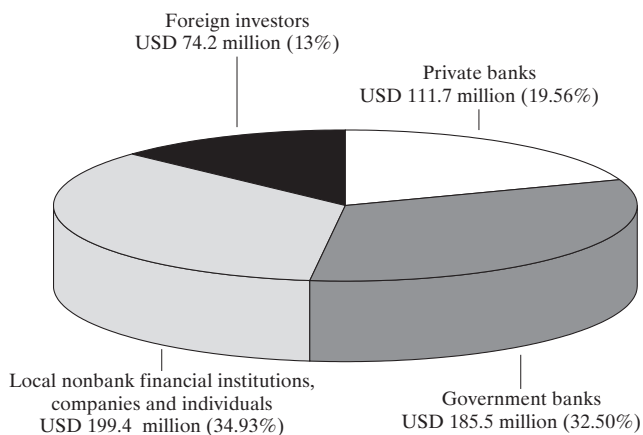


- Notes:**
1. Including frozen government securities by financial institutions.
 2. Excluding guaranty government securities issued under the LSPDACB.
 3. Preliminary data.

Source: BNB.

Chart 20

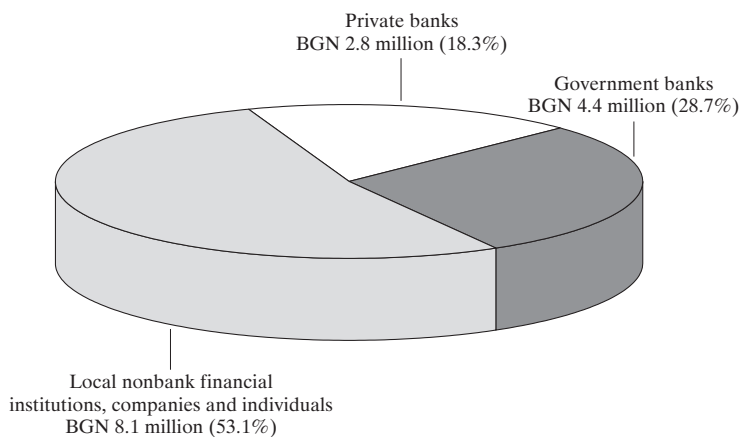
Holders of USD-denominated Government Securities Issued under ZUNK by 31 July



- Notes:**
1. Including frozen government securities by financial institutions.
 2. Preliminary data.

Source: BNB.

Holders of Lev-denominated Government Securities Issued for Structural Reform (as of 31 July)



Notes: 1. Including frozen government securities by financial institutions.
2. Preliminary data.

Source: BNB.

SALES OF GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

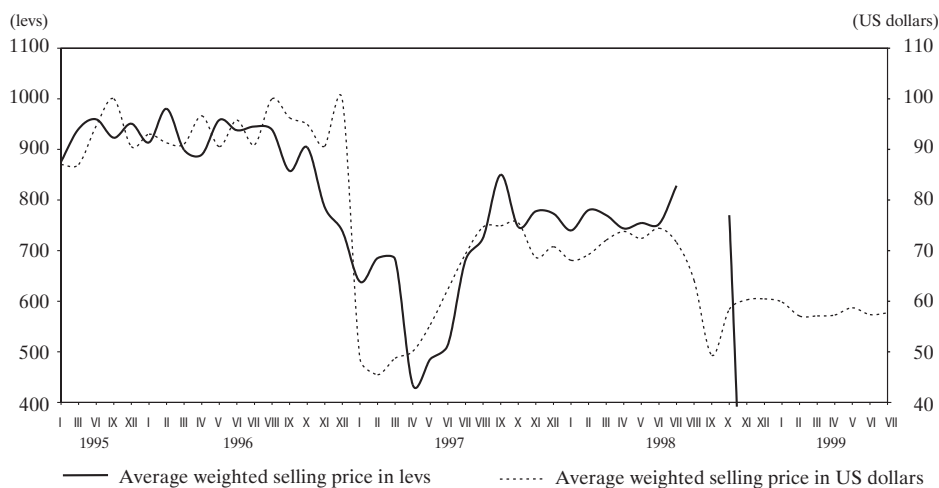
In July long-term government bonds issued under Article 5 of ZUNK, totaling USD 0.66 million, were sold for participation in privatization. Pursuant to Article 5 of the Regulation on participation in privatization of holders of long-term government bonds issued under the terms of ZUNK, CM Decrees Nos. 244 of 1991, 186 of 1993 and 3 of 1994 (government securities for structural reform),

these government securities were transferred to the MF account for participation in 29 privatization transactions as legal tender.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 57.69 per USD 100 nominal value (Chart 22). In July no transfer transactions in government securities

Chart 22

**Price Dynamics of Government Securities Issued under Articles 4 and 5
of ZUNK and Sold to Companies and Individuals
for Participation in Privatization**



Source: BNB.

from issue No. 98 of 1993 (to be used as legal tender in privatization transactions) were registered.

In July pursuant to Article 1 of the Regulation on the procedure for utilization of long-term government bonds issued under ZUNK for repayment of

debts to the government arising under the same law (published in the State Gazette, issue 12 of 3 February 1995), maturing long-term government bonds of USD 2 million (issued under Article 5 of ZUNK) were used.

Sales of Long-term Government Bonds Issued for Structural Reform for Participation in Privatization Transactions

	Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
I. Government securities in BGN (thousand BGN)	1994					19.20	0.10	501.40	110.70	177.00	76.70	609.80	28.30	1523.20
	1995	88.20	257.20	65.00	35.50	143.60	132.40	262.90	148.90	59.80	54.90	242.50	354.90	1845.80
	1996	5.70	53.90	16.50	113.90	16.60	147.80	19.90	46.00	121.30	309.60	541.20	1151.20	2543.60
	1997	210.70	1374.90	114.90	1259.35	4354.90	744.30	500.80	175.00	209.10	184.50	135.60	144.70	9408.75
	1998	3916.30	17.18	238.60	13.70	60.00	90.72	27.30	3.96	0.00	11.47	0.00	0.00	4379.23
	1999	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
II. Government securities in USD (million USD)	1994						0.80	0.10	0.10	0.90	1.70		3.90	7.50
	1995	0.18	0.23	0.32	2.22	0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1996	4.96	0.68	4.10	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1997	31.50	4.79	11.00	13.00	13.15	10.59	5.18	13.78	4.77	3.60	4.55	2.81	118.72
	1998	9.50	1.61	5.34	0.67	0.61	0.21	0.66						18.60

- Notes:** 1. Government securities in BGN include long-term government bonds issued under Article 4 of ZUNK, CM Decrees No. 186 of 1993, and No. 3 of 1994.
 2. Government securities in USD include long-term government bonds issued under Article 5 of ZUNK and denominated in US dollars.

GOVERNMENT SECURITIES PRIMARY DEALERS AND REUTERS PAGES FOR GOVERNMENT SECURITIES QUOTATIONS

Pursuant to Article 4, para. 1 of Regulation No. 5 of 1998, by resolution of BNB Managing Board and letter of the Minister of Finance, the following are approved as government securities primary dealers:

FOR THE PERIOD 1 JULY – 31 DECEMBER 1999

BIOCHIM	CBBB 01-03
BNP – DRESDNERBANK	BSBD 01-03
BULBANK	BGTB 01-03
BULGARIAN POST BANK	BPBB 01-03
BULGARIA-INVEST	BGIN 01-03
BRIBANK	RIBB 01-03
DSK BANK	SSBG 01-03
SII INVEST LTD.	SIIB 01
EUROBANK	EBSF 01-03
EXPRESSBANK	EBVB 01
NEFTINVESTBANK	OBGB 01-03
ING BANK	INBS 01-03
UNITED BULGARIAN BANK	UBBB 01-03
MUNICIPAL BANK	SMBK 01-03
FIRST INVESTMENT BANK	BFIB 01-03
RAIFFEISENBANK	RBBS 01-03
ROSSEXIMBANK	REBS 01
SOCIETE GENERALE	SGBG 01
HEBROS	AGBG 01-03
UNIONBANK	UNBS 01-03
EUROFINANCE FINANCIAL HOUSE	EUF1 01-03
ELANA FINANCIAL BROKERAGE HOUSE	ELAN 01-03

SUMMARIZED QUOTATION PAGES

BGTSY=
BGZUNK=

BNB pages containing information on the government securities interbank market

BGBNB 5
BGBNB 7
BGBNB 9

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