



OCTOBER

**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

GS – Government Securities

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

OTC Market – Over-the-counter Market

SBL – State Budget Law

SII – State Insurance Institute

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

GOVERNMENT SECURITIES INTERBANK MARKET

Interbank Market of Government Securities Issued under Regulation No. 5

In October 1999 financial institutions concluded 405 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 458,761.4 thousand nominal value, an increase of BGN 131,655.8 thousand, or 40.3%, compared with the same period of the previous year (Chart 1).

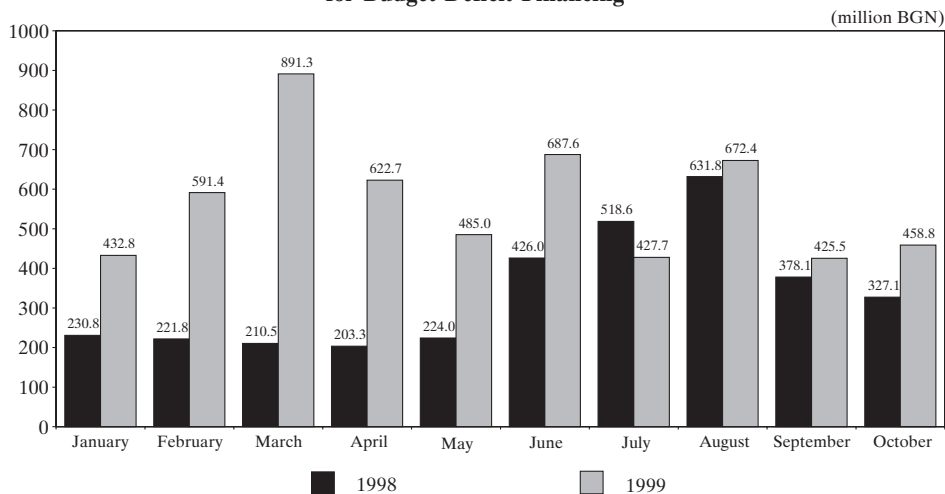
During the review period the volume of secondary market transactions in government securities between primary dealers issued under Regulation No. 5 (reverse repo agreements volume excluded) totaled BGN 260,115.1 thousand,

including three-month treasury bills of BGN 1,657.7 thousand, twelve-month of BGN 99,783.2 thousand, two-year of BGN 113,704.2 thousand and up to five years of BGN 44,970 thousand (Chart 2). In October sales in government securities intensified compared with the previous month, their volume increasing by 11.6%. Structurally, demand for two-year treasury bonds occupied the largest share. Sales volumes of up to five years government securities increased four times from the previous month.

In October 1999 secondary market transactions on behalf of clients (i. e. under Article 20 of Regulation No. 5) decreased on the previous month, accounting for BGN 1,185 thousand. Transac-

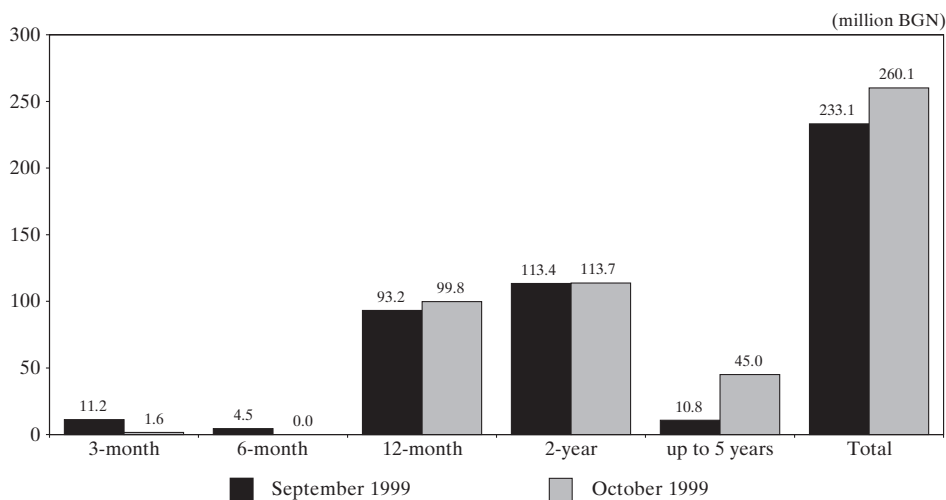
Chart 1

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.

tions between nonprimary dealers and physical or legal persons (i. e. transactions under Article 21 of Regulation No. 5) significantly decreased compared with September, accounting for BGN 2.6 thousand. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) also dropped from September, reaching BGN 59,647.7 thousand, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGN 1,000 thousand.

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

In October financial institutions concluded 74 transactions in USD-denominated government securities issued as a result of structural reform, totaling

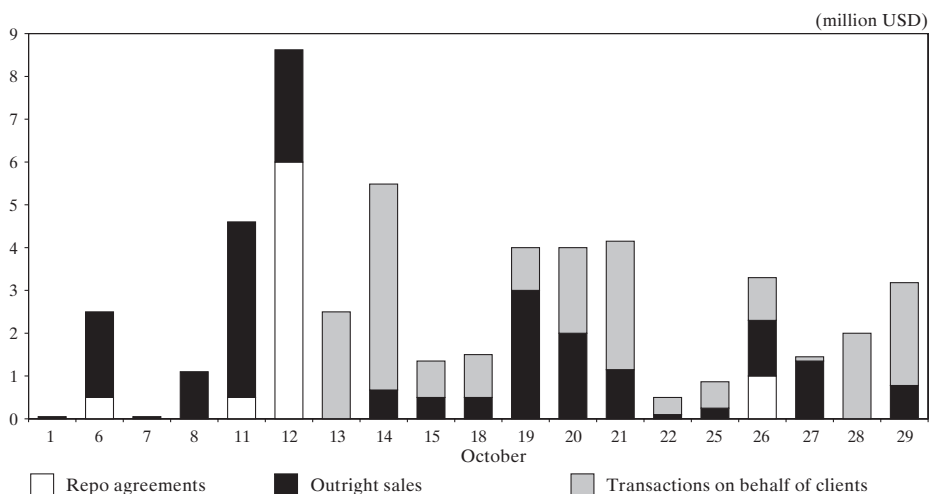
USD 51.2 million nominal value (including the number and volume of reverse repurchase agreements). In October, 44 outright transactions of USD 21.6 million, six repo agreements of USD 8.9 million, and 24 transactions on behalf of clients of USD 20.7 million (under Articles 14, 20 and 21) were concluded.

In October neither government securities transactions in levs issued as a result of structural reform, nor transactions in forex guaranty government securities were concluded. Five EUR-denominated transactions, totaling EUR 4.1 million, were registered.

Twenty-seven transactions of USD 8.8 million and nine transactions of EUR 9.7 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

Sales in forex ZUNK bonds intensified in October. From 12 October 1999

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



Source: BNB.

daily volumes and prices of long-term government bonds on domestic debt started increasing. Transactions on behalf of clients also increased. This could be a result of both the market reaction to reverse repurchase of forex ZUNK bonds of USD 150 million by the Ministry of Finance announced in mid-October and the increase in Brady bond prices which indirectly impacted ZUNK bond market value. ZUNK bonds prices ranged between USD 58 in the beginning of October and USD 65 per USD 100 nominal value at the end of month. Thus forex bonds market values increased by around 12% in October.

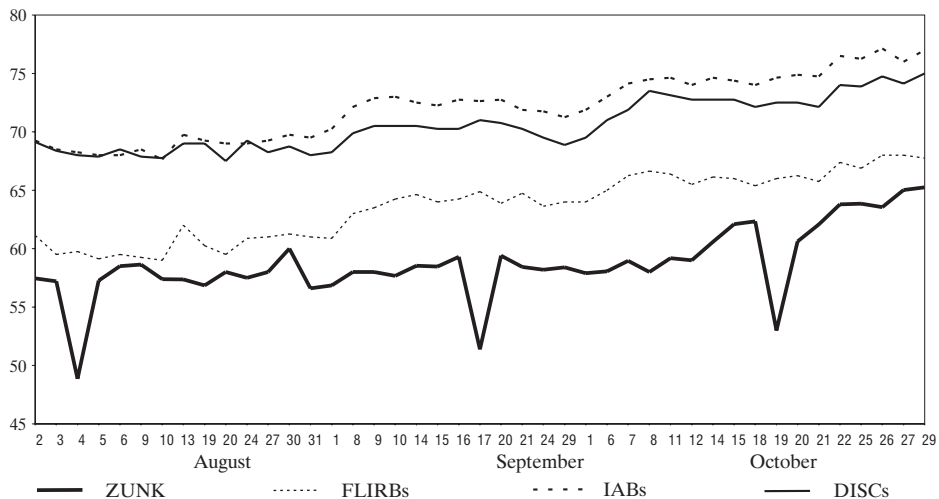
Government Securities Repo Agreements in the Interbank Market

In October the volume of repo agreements traded in the secondary interbank

market was uneven (Chart 5). The greatest volume of transactions was registered in the middle of the review period when a significant increase in the volume of interbank deposits occurred.

In October the yield of repo agreements reflected the insignificant changes in the base interest rate; a decrease in the average term of repo agreements (in terms of days) was reported. The yield of repo agreements in government securities was higher than the yield of interbank deposits of up to one-day and three-day maturities. The yield of transactions of up to seven-day and one-month maturities was lower than that of interbank deposits of the same maturities (Chart 6). October was characterized by enhanced activity in the interbank secondary market compared with the previous month; commercial banks preferred long-term government bonds.

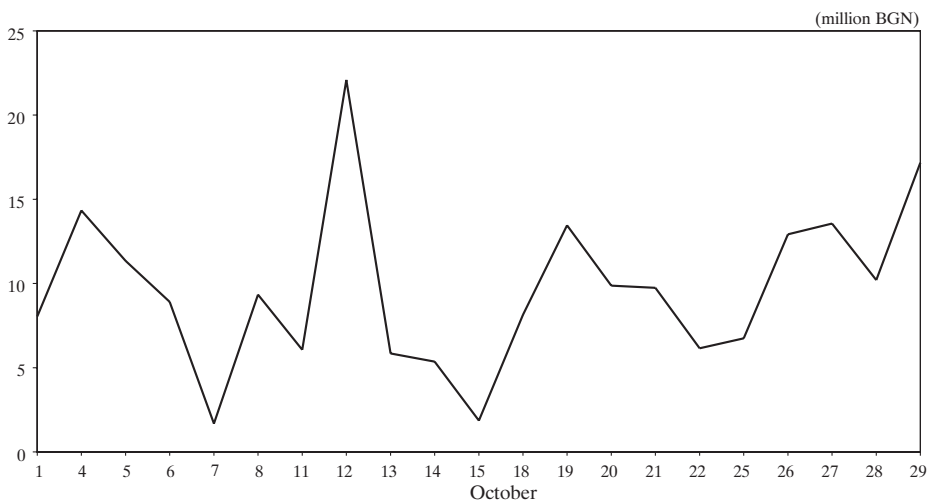
Price Movements of USD-denominated Government Securities (Issued under ZUNK) and Bulgarian Brady Bonds in the Interbank Market*



* 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 October	Price		
	Minimum	Maximum	Average weighted
1	57.90	59.77	58.01
6	57.84	58.38	58.06
7	58.96	60.00	58.98
8	58.00	58.00	58.00
11	59.00	59.92	59.18
12	59.00	59.00	59.00
14	59.00	61.49	60.57
15	62.10	62.10	62.10
18	62.33	62.33	62.33
19	48.50	62.28	53.00
20	59.00	63.05	61.56
21	61.42	62.78	62.07
22	63.10	63.83	63.80
25	63.85	63.85	63.85
26	63.00	64.41	63.55
27	63.00	65.62	65.02
29	65.00	65.40	65.25
Monthly	48.50	65.62	60.84

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

Quotations of Bulgarian Brady Bonds*

(USD)

Date October	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	69.50	68.75	64.00	62.75	71.88	70.88
4	69.88	69.13	63.50	62.75	72.00	71.00
5	70.75	70.00	64.13	63.63	72.50	71.25
6	71.00	69.50	65.00	63.75	73.00	72.25
7	71.88	71.38	66.25	65.75	74.13	73.38
8	73.50	72.50	66.63	65.50	74.50	73.50
11	73.13	72.63	66.38	65.88	74.63	73.38
12	72.75	72.25	65.50	65.00	74.00	73.00
13	72.50	72.00	66.13	65.38	74.50	73.50
14	72.75	72.25	66.13	65.50	74.63	73.38
15	72.75	72.00	66.00	65.13	74.38	73.38
18	72.13	71.63	65.38	64.88	74.00	73.00
19	72.50	72.25	66.00	65.50	74.63	74.13
20	72.50	72.00	66.25	65.75	74.88	73.88
21	72.13	71.63	65.75	65.25	74.75	73.88
22	74.00	73.25	67.38	65.00	76.50	75.50
25	73.88	73.38	66.88	66.25	76.25	75.38
26	74.75	74.00	68.00	67.00	77.13	76.13
27	74.13	73.50	68.00	67.13	76.00	75.00
28	74.50	73.75	68.00	67.00	76.50	75.50
29	75.00	74.13	67.75	67.25	77.00	76.00

* Reuters quotations.

Volume and Structure of Government Securities Secondary Market Transactions in October

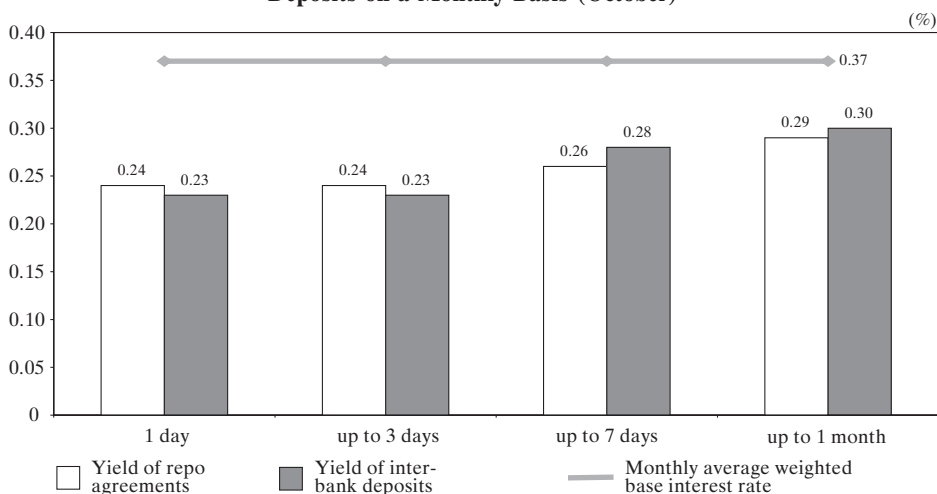
1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	260.12
- repo agreements*	198.50
- outright sales	61.62
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (lev equivalent, million BGN)	53.00
- repo agreements*	9.95
- outright sales	39.43
- privatization transactions	3.62
3. Number of secondary market transactions	305
- repo agreements**	157
- outright sales	144
- privatization transactions	4
4. Average term of secondary market repo agreements (days)	5.67
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.24
from 2 to 3 days	0.24
from 4 to 7 days	0.26
up to 1 month	0.29

* Volume of reverse repo agreements excluded.

** Number of reverse repo agreements excluded.

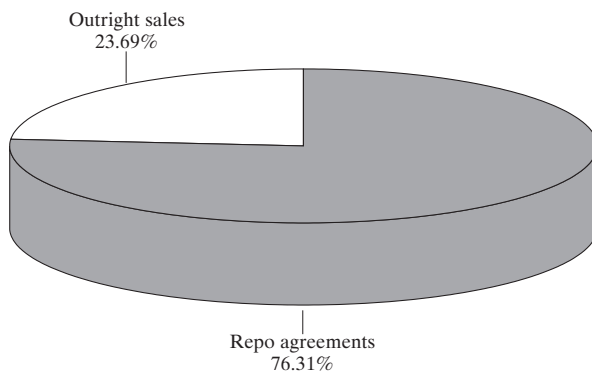
Chart 6

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



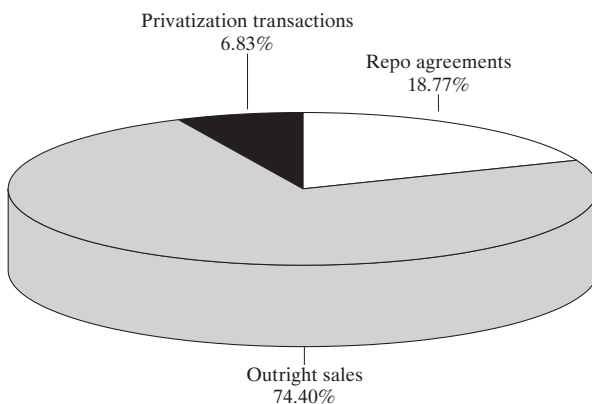
Source: BNB.

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



Source: BNB.

Structure of Secondary Market Transactions in Government Securities Denominated in US Dollars and Euro in October



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
01.10.1999											
Deposits			10263	1.94							10263
Repo agreements			7041	2.04	1000	2.53					8041
04.10.1999											
Deposits	6714	2.17	250	2.10	480	3.20	2270	3.93	6000	4.20	15714
Repo agreements	6900	2.41			7437	2.66					14337
05.10.1999											
Deposits	7163	2.05	3000	2.10	1000	2.50	1739	3.27	1900	3.93	14802
Repo agreements	5334	2.23	3500	2.33	2506	2.70					11340
06.10.1999											
Deposits	9501	1.96	1000	2.10	2164	2.73	4660	3.57	2000	5.17	19325
Repo agreements	3810	2.33			4098	2.77	1000	3.24			8908
07.10.1999											
Deposits	15171	2.32			10300	2.82	1100	3.43	1000	5.00	27571
Repo agreements							1679	3.45			1679
08.10.1999											
Deposits			12750	2.37	1800	2.72	2540	3.54	500	4.00	17590
Repo agreements			4000	2.53	4839	2.63			500	4.36	9339
11.10.1999											
Deposits	16350	2.47	2000	2.50	1000	3.15	1282	3.45			20632
Repo agreements			2040	2.64	2000	2.94	950	3.32	1075	4.31	6065
12.10.1999											
Deposits	21148	2.60	500	3.20	1000	3.50	599	3.45			23247
Repo agreements	1000	3.04	11190	2.66	9900	2.91					22090
13.10.1999											
Deposits	19177	2.72	3000	3.00	3022	3.43	2540	3.50			27739
Repo agreements	1000	3.04	2552	2.80	1292	3.11	1000	3.45			5844
14.10.1999											
Deposits	12661	2.79			6380	3.47	2440	3.54	4700	4.23	26181
Repo agreements	1863	3.14			3500	2.74					5363
15.10.1999											
Deposits			22150	2.86	4900	3.23	1758	3.85			28808
Repo agreements			1863	3.14							1863
18.10.1999											
Deposits	17999	2.93	2000	3.40	2000	3.70	770	3.80			22769
Repo agreements	6938	3.10	1000	3.55	205	3.85					8143
19.10.1999											
Deposits	7958	3.27	500	3.60	1196	3.74			1000	4.39	10654
Repo agreements	7457	3.14	4000	3.50	2000	3.95					13457
20.10.1999											
Deposits	14900	3.39	3400	3.59	2100	4.05	400	3.60			20800
Repo agreements	6547	3.24	3000	3.65	327	4.09					9874
21.10.1999											
Deposits	17900	3.35			1600	3.71	1600	4.10	600	4.00	21700
Repo agreements	1500	3.55			8240	3.36					9740

(continued)

(continued)

	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
22.10.1999											
Deposits			8000	3.15	3500	3.62	306	4.30	1000	4.30	12806
Repo agreements			4155	3.72	2000	3.62					6155
25.10.1999											
Deposits	5300	2.69	1000	3.30	1900	3.82	1190	3.50	1600	4.38	10990
Repo agreements	4547	3.05			1500	3.11	700	3.45			6747
26.10.1999											
Deposits	17700	2.81	2300	3.13	299	3.47	1062	3.80	1400	5.19	22761
Repo agreements	4191	2.84	3900	2.84	4831	3.66					12922
27.10.1999											
Deposits	21432	2.79	4000	3.00	24180	3.62	806	3.48	1000	5.58	51418
Repo agreements	2515	3.02	6257	2.94	1188	3.77	3600	3.63			13560
28.10.1999											
Deposits	20800	2.53	1000	3.00	4396	3.28	90	4.00			26286
Repo agreements	1925	2.88			7236	3.28			1040	4.46	10201
29.10.1999											
Deposits			10835	3.05	2000	3.27	364	3.60	2000	5.64	15199
Repo agreements			11884	3.09	5241	3.24	48	3.16			17173

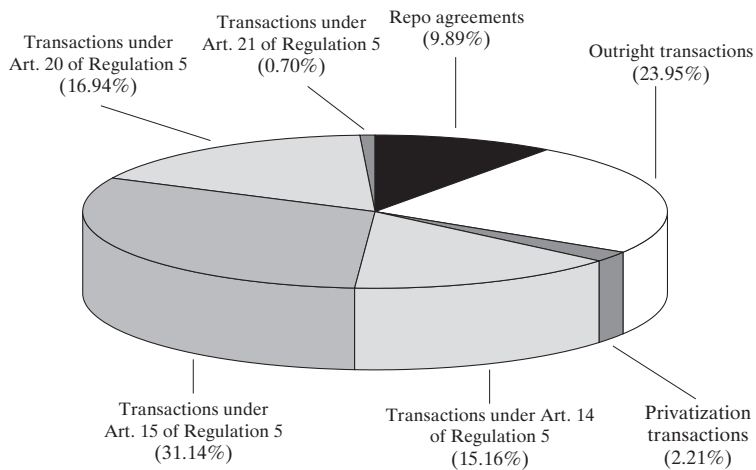
- Notes:**
1. Volumes of transactions and deposits in thousand BGN.
 2. Volumes of repo agreements include agreements concluded during the current day.
 3. Yield is calculated on an annual basis.
 4. Lev equivalent of the transactions in USD-denominated government securities based on the USD exchange 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 October	Repo agreements	Outright sales	Regulation No. 5				Privatization transactions	Transactions in GS, total	Transactions in securities in the Bulgarian Stock Exchange		
			Art. 14	Art. 15	Art. 20	Art. 21			Stock exchange	OTC market	Total
1	25 724 100.00	2 445 361.76	2 013 486.40	803 832.38	1 165 015.00	-	5 685.03	32 157 480.57	17 000.00	105 000.00	122 000.00
4	24 852 900.00	1 850 000.00	3 173 773.20	138 437.70	-	-	-	30 015 110.90	2 000.00	49 000.00	51 000.00
5	18 240 000.00	1 700 000.00	3 646 172.46	135 832.91	94 881.28	-	-	23 816 886.65	9 000.00	75 000.00	84 000.00
6	15 292 135.00	4 863 467.00	2 000 000.00	3 751 269.11	-	-	-	25 906 871.11	45 000.00	1 565 000.00	1 610 000.00
7	10 688 630.00	2 491 079.00	4 280 416.20	1 004 245.14	-	-	1 639.42	18 466 009.76	2 000.00	78 000.00	80 000.00
8	14 712 703.00	5 267 370.00	2 839 276.20	2 269 508.00	20 000.00	-	-	25 108 857.20	3 000.00	398 000.00	401 000.00
11	18 894 925.00	9 262 527.85	6 517 829.00	3 965 712.18	-	-	-	38 640 994.03	500.00	166 000.00	166 500.00
12	40 859 440.00	8 035 497.80	9 227 737.00	2 597 876.96	-	-	-	60 720 551.76	400.00	56 000.00	56 400.00
13	12 371 565.00	4 453 814.00	3 400 000.00	13 564 261.00	4 583 400.00	95 334.72	-	38 468 374.72	2 000.00	30 000.00	32 000.00
14	11 752 500.00	3 724 888.75	10 218 867.00	1 291 722.28	5 099 166.50	99 261.36	-	32 186 405.89	423 000.00	223 000.00	646 000.00
15	13 215 703.00	8 091 168.00	8 845 317.00	10 949 331.29	-	-	-	41 101 519.29	8 000.00	35 000.00	43 000.00
18	15 705 500.00	4 699 730.00	7 453 788.74	3 573 986.48	-	2 392 808.37	-	33 825 813.59	4 000.00	185 000.00	189 000.00
19	30 295 200.00	9 885 532.44	2 002 602.00	4 063 632.00	1 799 620.00	-	-	48 046 586.44	3 000.00	154 000.00	157 000.00
20	20 623 145.00	5 633 959.40	2 903 970.00	13 278 367.50	3 615 880.00	-	3 579 721.20	49 635 043.10	6 000.00	236 000.00	242 000.00
21	21 565 260.00	4 187 043.00	8 562 966.80	15 692 047.30	5 444 460.00	-	-	55 451 777.10	7 000.00	80 000.00	87 000.00
22	11 655 000.00	8 437 443.30	7 681 294.80	4 928 803.97	-	-	-	32 702 542.07	6 000.00	344 000.00	350 000.00
25	20 796 630.00	2 454 505.00	1 369 398.52	3 625 740.70	909 010.00	-	-	29 155 284.22	4 000.00	54 000.00	58 000.00
26	19 468 790.00	5 816 360.90	5 623 869.96	1 918 886.00	1 830 790.00	-	17 209.43	34 675 906.29	5 000.00	27 000.00	32 000.00
27	19 078 540.00	5 768 189.00	1 867 880.00	7 178 476.30	-	-	-	33 893 085.30	10 000.00	24 000.00	34 000.00
28	16 615 970.80	2 012 770.00	11 879 613.91	4 755 992.66	-	-	-	35 264 347.37	4 000.00	223 000.00	227 000.00
29	27 355 463.00	2 926 125.40	2 520 000.00	2 945 568.46	4 456 032.00	51 987.04	-	40 255 175.90	50 000.00	97 000.00	147 000.00
TOTAL	409 764 099.80	104 006 832.60	108 028 259.20	102 433 530.32	29 018 254.78	2 639 391.49	3 604 255.08	759 494 623.26	610 900.00	4 204 000.00	4 814 900.00

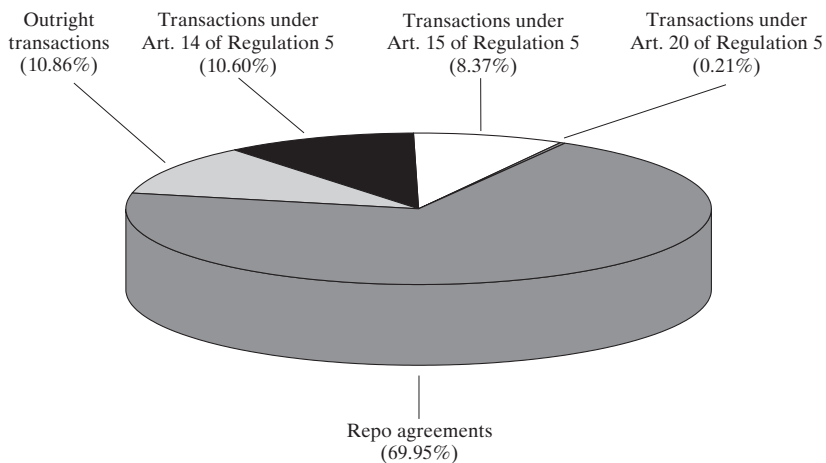
- Notes:**
1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGN 1,000,000 is included.
 2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 6,339,939 is included.
 3. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.
 4. Transfer transactions of government securities to the MF account used as legal tender in privatization are considered to be privatization transactions.
 5. Transactions in USD-denominated government securities are in leva at the US dollar exchange rate quoted by the BNB on the day of transaction.
 6. 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 October



Source: BNB.

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



Source: BNB.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3019298002	BG3019698003	BG3020098003	BG3020498005	BG3010199001	BG3010499005	BG3010799008	BG3011099002
Issue date	11.11.1998	25.11.1998	09.12.1998	23.12.1998	06.01.1999	20.01.1999	03.02.1999	17.02.1999
Maturity date	10.11.1999	24.11.1999	08.12.1999	22.12.1999	05.01.2000	19.01.2000	02.02.2000	16.02.2000
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	25 000.00	25 000.00	20 000.00	15 000.00
Total nominal value of the bids received (thousand BGN)	23 395.50	28 175.00	33 914.00	19 850.00	32 577.60	36 670.00	37 350.00	34 036.70
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	25 000.00	25 000.00	20 000.00	15 000.00
Average price of the bids approved per BGN 100 (%)	93.45	93.62	93.93	94.04	93.75	93.68	93.76	93.91
Average discount per BGN 100 (%)	6.55	6.38	6.07	5.96	6.25	6.32	6.24	6.09
Average annual yield (%)	7.03	6.83	6.48	6.36	6.68	6.76	6.66	6.50
Effective annual yield (%)	7.03	6.83	6.48	6.36	6.69	6.77	6.67	6.50
Coverage coefficient	2.34	2.82	3.39	1.99	1.30	1.47	1.87	2.27

(continued)

(continued)

Issue No.	BG3011399006	BG3011699009	BG3012199009	BG3012499003	BG3012799006	BG3013099000	BG3013399004	BG3013699007
Issue date	04.03.1999	17.03.1999	07.04.1999	21.04.1999	05.05.1999	19.05.1999	02.06.1999	16.06.1999
Maturity date	02.03.2000	15.03.2000	05.04.2000	19.04.2000	03.05.2000	17.05.2000	31.05.2000	14.06.2000
Nominal value of the offer (thousand BGN)	15 000.00	15 000.00	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	43 240.00	31 790.00	42 960.00	42 660.50	28 000.00	17 250.00	11 125.00	14 120.00
Total nominal value of the bids approved (thousand BGN)	15 000.00	15 000.00	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	94.03	94.09	94.32	94.54	94.82	94.94	94.85	94.69
Average discount per BGN 100 (%)	5.97	5.91	5.68	5.46	5.18	5.06	5.15	5.31
Average annual yield (%)	6.37	6.30	6.04	5.79	5.48	5.34	5.44	5.62
Effective annual yield (%)	6.37	6.30	6.04	5.79	5.48	5.34	5.44	5.62
Coverage coefficient	2.88	2.12	2.86	2.84	2.80	1.73	1.11	1.41

(continued)

(continued)

Issue No.	BG3014099009	BG301429005	BG3014599008	BG3014799004	BG3014899002	BG3014999000	BG3015099008	BG3015199006
Issue date	30.06.1999	07.07.1999	21.07.1999	04.08.1999	04.08.1999	11.08.1999	18.08.1999	18.08.1999
Maturity date	29.12.1999	05.07.2000	19.07.2000	03.11.1999	02.08.2000	10.11.1999	17.11.1999	16.08.2000
Nominal value of the offer (thousand BGN)	10 000.00	7 500.00	7 500.00	5 000.00	9 000.00	5 000.00	5 000.00	9 000.00
Total nominal value of the bids received (thousand BGN)	8 070.00	14 376.00	11 800.00	6 431.00	12 333.69	8 625.00	8 200.00	9 012.00
Total nominal value of the bids approved (thousand BGN)	8 070.00	7 500.00	7 500.00	5 000.00	9 000.00	5 000.00	5 000.00	9 000.00
Average price of the bids approved per BGN 100 (%)	97.28	94.31	94.33	98.82	94.18	98.83	98.83	93.89
Average discount per BGN 100 (%)	2.72	5.69	5.67	1.18	5.82	1.17	1.17	6.11
Average annual yield (%)	5.61	6.05	6.03	4.79	6.20	4.75	4.75	6.53
Effective annual yield (%)	5.69	6.05	6.03	4.88	6.20	4.83	4.83	6.53
Coverage coefficient	0.81	1.92	1.57	1.29	1.37	1.73	1.64	1.00

(continued)

(continued)

Issue No.	BG3015299004	BG3015399002	BG3015499000	BG3015599007	BG3015699005	BG3015799003	BG3015899001	BG3015999009
Issue date	25.08.1999	01.09.1999	01.09.1999	08.09.1999	15.09.1999	15.09.1999	24.09.1999	29.09.1999
Maturity date	24.11.1999	01.12.1999	30.08.2000	08.12.1999	15.12.1999	13.09.2000	24.12.1999	29.12.1999
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	8 000.00	5 000.00	5 000.00	8 000.00	5 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	7 586.98	7 288.00	11 420.00	9 950.00	11 030.00	21 661.30	13 827.50	14 950.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	8 000.00	5 000.00	5 000.00	8 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	98.82	98.83	92.84	98.83	98.84	93.32	98.86	98.89
Average discount per BGN 100 (%)	1.18	1.17	7.16	1.17	1.16	6.68	1.14	1.11
Average annual yield (%)	4.79	4.75	7.73	4.75	4.71	7.18	4.63	4.50
Effective annual yield (%)	4.88	4.83	7.73	4.83	4.79	7.18	4.71	4.58
Coverage coefficient	1.52	1.46	1.43	1.99	2.21	2.71	2.77	2.99

(continued)

Issue No.	BG3016099007	BG3016199005	BG3016299003	BG3016399001	BG3016499009	BG3016599006	BG3016699004
Issue date	29.09.1999	06.10.1999	06.10.1999	13.10.1999	20.10.1999	20.10.1999	27.10.1999
Maturity date	29.03.2000	05.01.2000	04.10.2000	12.01.2000	19.01.2000	18.10.2000	26.01.2000
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	8 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	9 900.00	7 650.00	21 455.00	7 865.00	6 160.00	11 850.00	7 610.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	8 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	97.53	98.90	94.14	98.91	98.91	94.38	98.91
Average discount per BGN 100 (%)	2.47	1.10	5.86	1.09	1.09	5.62	1.09
Average annual yield (%)	5.08	4.46	6.24	4.42	4.42	5.97	4.42
Effective annual yield (%)	5.14	4.54	6.24	4.49	4.49	5.97	4.49
Coverage coefficient	1.98	1.53	2.15	1.57	1.23	1.48	1.52

Source: MF.

Outstanding Government Securities

Treasury Bonds

Issue No./Date	11/30.01.95	23.02.03.95	49/04.05.95	200/31.05.95	72/20.07.95	85/14.09.95	106/30.11.95	113/28.12.95
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	BG2045397127	BG2045997124	BG2046497124
Issue date	29.02.1996	30.05.1996	09.05.1997	16.05.1997	17.07.1997	20.11.1997	04.12.1997	18.12.1997
Maturity date	22.02.2001	23.05.2001	05.05.2000	10.05.2002	13.07.2000	18.11.1999	02.12.1999	16.12.1999
Nominal value of the offer (thousand BGN)	1 000.00	800.00	35 000.00	20 000.00	35 000.00	5 000.00	2 500.00	2 000.00
Total nominal value of the bids received (thousand BGN)	200.00	800.00	30 910.00	20 000.00	54 150.00	3 950.00	2 480.00	6 880.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	30 000.00	20 000.00	35 000.00	1 350.00	2 480.00	2 000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	100.00	97.75	96.66	94.58	94.16
Average discount per BGN 100 (%)	8.50	-	0.00	0.00	2.25	3.34	5.42	5.84
Interest rate	BIR	BIR+7	BIR+4	BIR+4	BIR	(x+1).182/365 ¹	(x+1).182/365 ¹	(x+1).182/365 ¹
Coverage coefficient	0.20	1.00	0.88	1.00	1.55	0.79	0.99	3.44

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

(continued)

(continued)

Issue No.	BG2030098128	BG2030198110	BG2030298116	BG2030398114	BG2030498112	BG2030598119	BG2030698117	BG2030798115
Issue date	15.01.1998	29.01.1998	12.02.1998	05.03.1998	19.03.1998	02.04.1998	16.04.1998	30.04.1998
Maturity date	13.01.2000	27.01.2000	10.02.2000	02.03.2000	16.03.2000	30.03.2000	13.04.2000	24.04.2003
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	1 000.00
Total nominal value of the bids received (thousand BGN)	17 425.00	16 360.00	13 320.00	10 620.00	7 970.00	8 540.00	14 565.00	3 605.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	1 000.00
Average price of the bids approved per BGN 100 (%)	94.88	95.86	96.11	95.54	95.46	94.97	94.43	87.14
Average discount per BGN 100 (%)	5.12	4.14	3.89	4.46	4.54	5.03	5.57	12.86
Interest rate	(x+1).182365 ¹	8.00	8.00	7.50	7.50	7.50	7.00	8.00
Coverage coefficient	3.49	3.27	2.66	2.12	1.59	1.71	2.91	3.61

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

(continued)

(continued)

	BG2030898113	BG2030998111	BG2031098119	BG2031198117	BG2031298115	BG2031398113	BG2031498111	BG2031598118
Issue No.	14.05.1998	28.05.1998	18.06.1998	02.07.1998	16.07.1998	30.07.1998	20.08.1998	03.09.1998
Issue date	11.05.2000	22.05.2003	15.06.2000	26.06.2003	13.07.2000	26.07.2001	17.08.2000	30.08.2001
Maturity date	5 000.00	2 000.00	5000.00	2000.00	5 000.00	1 000.00	5 000.00	1 000.00
Nominal value of the offer (thousand BGN)	14 041.00	3 440.00	7825.00	2070.00	6 450.00	2 750.00	11 450.00	1 400.00
Total nominal value of the bids received (thousand BGN)	5 000.00	2 000.00	5000.00	2000.00	5 000.00	1 000.00	5 000.00	1 000.00
Total nominal value of the bids approved (thousand BGN)	95.47	84.78	93.53	76.20	92.70	89.60	92.97	87.85
Average price of the bids approved per BGN 100 (%)	4.53	15.22	6.47	23.80	7.30	10.40	7.03	12.15
Average discount per BGN 100 (%)	7.00	8.00	6.00	7.00	6.00	7.00	6.00	6.50
Interest rate	2.81	1.72	1.57	1.04	1.29	2.75	2.29	1.40
Coverage coefficient	(continued)							

(continued)

Issue No.	BG2031698116	BG2031798114	BG2031898112	BG2031998110	BG2032098118	BG2032198116	BG2032298114	BG2030099118
Issue date	17.09.1998	01.10.1998	15.10.1998	29.10.1998	19.11.1998	03.12.1998	17.12.1998	13.01.1999
Maturity date	14.09.2000	27.09.2001	12.10.2000	25.10.2001	16.11.2000	29.11.2001	14.12.2000	10.01.2001
Nominal value of the offer (thousand BGN)	5 000.00	1 500.00	5 000.00	1 500.00	1 000.00	500.00	1 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	6 640.00	1 155.00	7 900.00	700.00	3 700.00	1 250.00	2 647.02	13 053.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	1 055.00	5 000.00	250.00	1 000.00	500.00	1 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	92.45	86.89	91.71	83.48	93.32	95.55	99.82	99.60
Average discount per BGN 100 (%)	7.55	13.11	8.29	16.52	6.68	4.45	0.18	0.40
Interest rate	6.00	6.50	6.00	6.50	6.50	9.00	9.00	9.00
Coverage coefficient	1.33	0.77	1.58	0.47	3.70	2.50	2.65	2.61

(continued)

(continued)

Issue No.	BG2030199116	BG2030299114	BG2030399112	BG2030499110	BG2030599117	BG2030699115	BG2030799113	BG2030899111
Issue date	27.01.1999	10.02.1999	24.02.1999	10.03.1999	24.03.1999	31.03.1999	14.04.1999	28.04.1999
Maturity date	24.01.2001	07.02.2001	21.02.2001	07.03.2001	21.03.2001	24.03.2004	11.04.2001	25.04.2001
Nominal value of the offer (thousand BGN)	8 000,00	10 000,00	15 000,00	15 000,00	15 000,00	2 000,00	15 000,00	20 000,00
Total nominal value of the bids received (thousand BGN)	20 849,60	24 021,03	30 397,50	48 340,00	39 280,00	2 795,00	47 594,30	42 870,00
Total nominal value of the bids approved (thousand BGN)	8 000,00	10 000,00	15 000,00	15 000,00	15 000,00	2 000,00	15 000,00	20 000,00
Average price of the bids approved per BGN 100 (%)	99,38	99,66	99,74	99,91	100,05	86,35	100,84	99,88
Average discount per BGN 100 (%)	0,62	0,34	0,26	0,09	-0,05	13,65	-0,84	0,12
Interest rate	9,00	9,00	9,00	9,00	9,00	9,00	9,00	8,00
Coverage coefficient	2,61	2,40	2,03	3,22	2,62	1,40	3,17	2,14

(continued)

(continued)

Issue No.	BG2030999119	BG2031099117	BG2031299113	BG2031399111	BG2031699114	BG2031799112	BG2031899110	BG2031999118
Issue date	29.04.1999	12.05.1999	26.05.1999	09.06.1999	23.06.1999	14.07.1999	28.07.1999	11.08.1999
Maturity date	22.04.2004	09.05.2001	23.05.2001	06.06.2001	20.06.2001	11.07.2001	25.07.2001	08.08.2001
Nominal value of the offer (thousand BGN)	1 190,00	20 000,00	20 000,00	20 000,00	15 000,00	12 000,00	10 000,00	10 000,00
Total nominal value of the bids received (thousand BGN)	1 190,00	25 720,00	25 827,40	15 965,00	11 220,00	16 170,00	13 105,50	11 325,00
Total nominal value of the bids approved (thousand BGN)	1 190,00	20 000,00	20 000,00	15 965,00	11 220,00	12 000,00	10 000,00	10 000,00
Average price of the bids approved per BGN 100 (%)	78,39	99,98	98,98	97,18	93,55	93,54	93,26	92,59
Average discount per BGN 100 (%)	21,61	0,02	1,02	2,82	6,45	6,46	6,74	7,41
Interest rate	9,00	8,00	8,00	8,00	8,00	8,00	8,00	8,00
Coverage coefficient	1,00	1,29	1,29	0,80	0,75	1,35	1,31	1,13

(continued)

(continued)

Issue No.	BG2032099116	BG2032199114	BG2032299112	BG2032399110	BG2032499118
Issue date	25.08.1999	08.09.1999	24.09.1999	13.10.1999	27.10.1999
Maturity date	22.08.2001	05.09.2001	21.09.2001	10.10.2001	24.10.2001
Nominal value of the offer (thousand BGN)	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	9 080.63	16 600.00	34 781.00	39 093.50	28 485.05
Total nominal value of the bids approved (thousand BGN)	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	91.92	91.05	94.71	98.02	98.53
Average discount per BGN 100 (%)	8.08	8.95	5.29	1.98	1.47
Interest rate	8.00	8.00	9.00	9.00	9.00
Coverage coefficient	1.14	2.08	4.35	4.89	2.85

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	21129.85	2330.52	7593.12	6732.26	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	36.51	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:

- (a) in leva – 7-year redemption term; interest – BIR for the respective period, payable semiannually; redemption schedule – equal annual installments.
 (b) 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 49 of 29 April of 1998) repeals the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings. The repealed law is applicable to deposits and accounts with banks which had been declared insolvent before the enforcement of the Law on Bank Deposit Guaranty, as well as to the special fund for state protection of deposits and accounts and guaranty government securities service.
 Principals of lev guaranty government securities are based on actual data as of 31 October 1999.

Source: MF.

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

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	CMD 89/95
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	200/1995
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	31.05.1995
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	21.05.2002
Maturity (years)	19	24	25	25	25	7
Grace period (years)	4	4	5	5	5	4
Redemption term (years)	15	20	20	20	20	3
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	6 equal semiannual installments
Principal (thousand)	3302.08 (BGN)	2301.90 (BGN)	8346.69 (BGN)	497 360 (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 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 October 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.

EUR-denominated Government Securities

Issue No.	BG2040099223	BG3013799021	BG2031499127	BG2031599124
Issue date	01.07.1999	16.06.1999	16.06.1999	16.06.1999
Maturity date	01.01.2019	15.03.2000	13.09.2000	11.04.2001
Principal (million EUR)	25.73	6.00	10.80	7.00
Interest rate	EURIBOR ¹	EURO LIBOR ² + 3	EURO LIBOR ³ + 3	EURO LIBOR ³ + 3
Interest payments date	semiannual	15.03.2000	14.06.2000; 13.09.2000	14.06.2000; 11.04.2001
Repayments	20 equal annual	one-off at maturity	one-off at maturity	one-off at maturity

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.

¹ 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.

² 6-month EURO LIBOR quoted on 15 June 1999 at 11.00 am London time.

³ 6-month EURO LIBOR quoted on 15 June 1999 and respectively on 13 June 2000 at 11.00 am London time.

EUR-denominated issue BG 2040099223 has the same status as 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 October 1999.

Source: MF.

INVESTMENTS OF NONBANK FINANCIAL INSTITUTIONS, COMPANIES AND INDIVIDUALS IN GOVERNMENT SECURITIES

Investments in Government Securities Issued under Regulation No. 5 and Target Issues

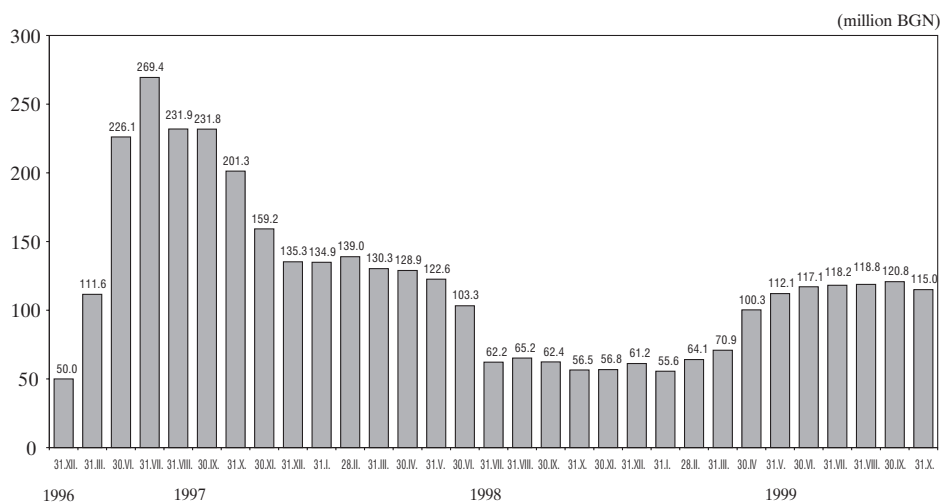
The volume of government securities sales for budget deficit financing decreased in October. As of 31 October 1999 government securities (issued under Regulation No. 5) held by individuals, companies and nonbank financial institutions totaled BGN 114,974 thousand (Chart 11), a decrease of BGN 6,275 thousand, or 5.18%, on the previous month. Investments in target government

securities earmarked for sale to physical persons accounted for BGN 19,088 thousand (Chart 12), an increase of BGN 483 thousand, or 2.6%, on September.

In October sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 4,125.4 thousand, six-month of BGN 250,000 thousand, one-year of BGN 670 thousand, and two-year treasury bonds of BGN 2,959.3 thousand. Three-month treasury bills occupied the largest share in total government securities sales in October, 53.2%.

Chart 11

Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities Issued under Regulation No. 5

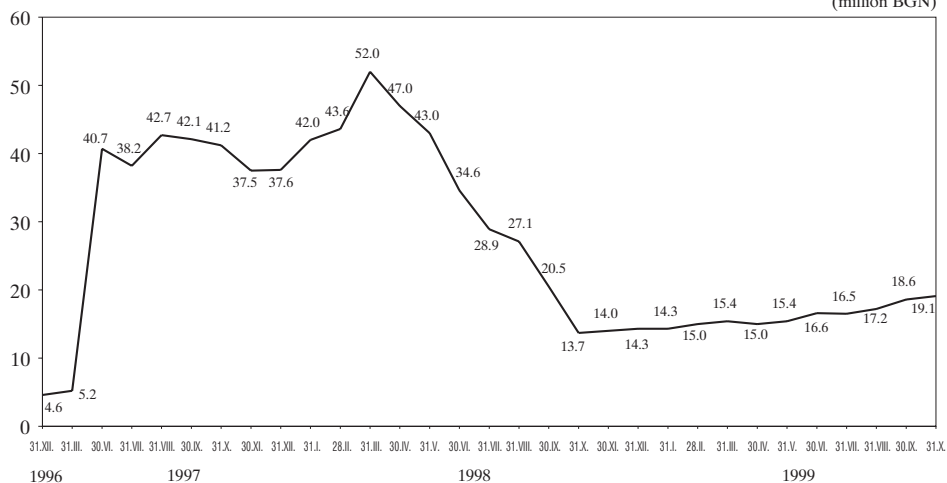


Note: Preliminary data for October 1999.

Source: BNB.

Individuals' Investments in Government Securities from Target Issues

(million BGN)



- Notes: 1. Preliminary data for October 1999.
2. Target issues dated 13 October 1999 excluded.

Source: BNB.

Target Issues of Government Securities Earmarked for Physical Persons

Between 29 September and 26 October 1999¹ the MF offered for sale six issues of government securities earmarked for physical persons under the following conditions:

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

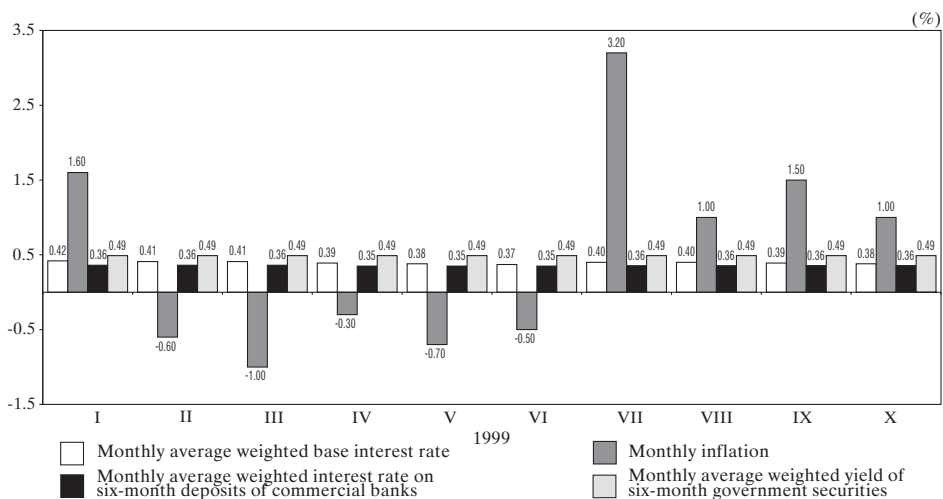
maturity of these government securities.

- Two issues of twelve-month target discount 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.

- Two issues of two-year savings 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. The annual interest rate of the first interest coupon is 9%, the sec-

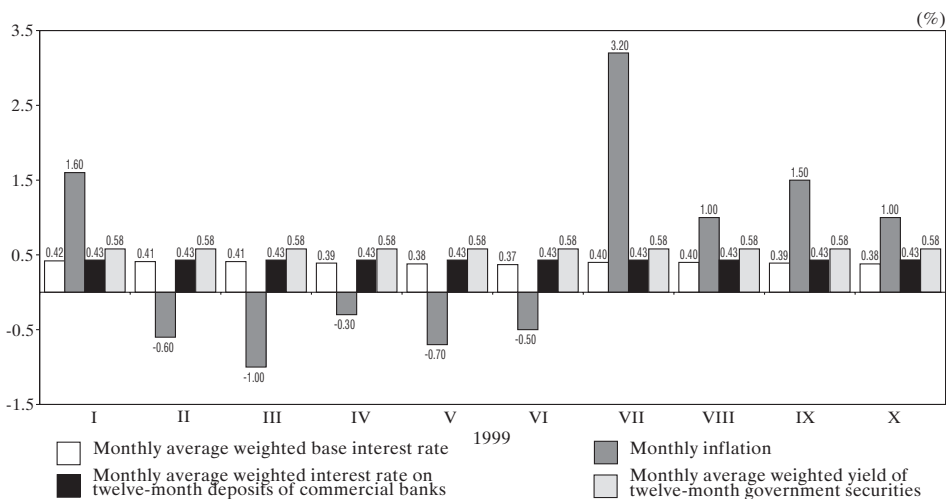
¹ The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes two issue periods or four weeks.

Yield of Six-month Government Securities from Target Issues



Source: BNB.

Yield of Twelve-month Government Securities from Target Issues



Source: BNB.

ond 10%, the third 11%, and fourth 12%. 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 841.6 thousand nominal value: six-month treasury bills of BGN 19.6 thousand (2.32%), twelve-month treasury bills of BGN 72.6 thousand (8.63%) and two-year savings treasury bonds of BGN 749.4 thousand (89.05%). Data shows that during the reporting period investors opted for two-

year savings treasury bonds (Chart 15) generating higher yield.

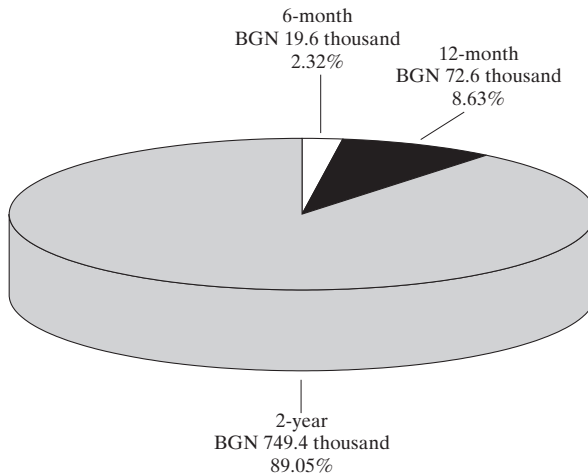
Investments in Government Securities Issued for Structural Reform

The slight upward trend in the volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform continued in October. As of 31 October total sales of government securities accounted for BGN 327,120.1 thousand (including sales to foreign investors), an increase of BGN 20,828 thousand from September (Chart 17).

The bulk of government securities issued for structural reform was sold by commercial banks (77.4%) and other fi-

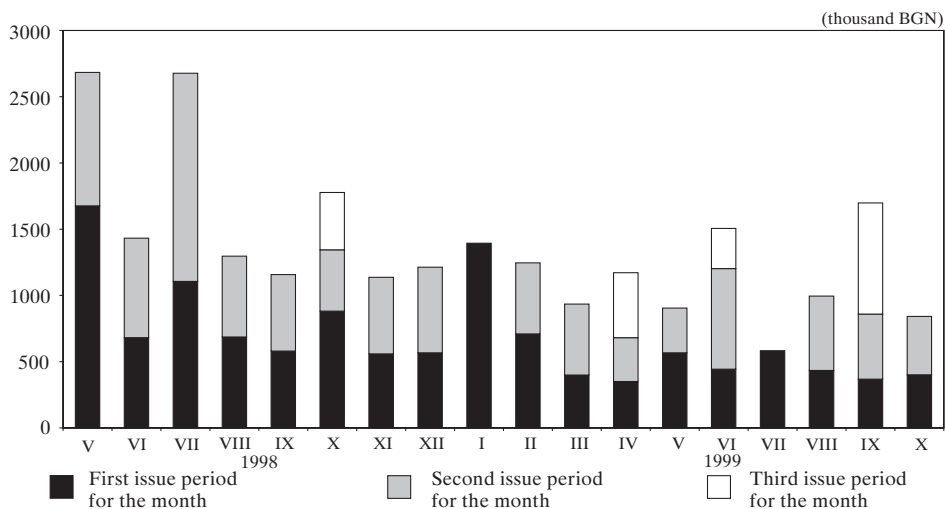
Chart 15

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



Source: BNB.

Volume of Target Government Securities Sales to Physical Persons



Source: BNB.

financial institutions (22.6%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 8,631.1 thousand (2.71% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGN 318,489.1 thousand.

Foreign Investments in Government Securities

The volume of government securities held by foreign investors increased in October. As of 31 October 1999 government securities acquired by foreign investors totaled BGN 162,226 thousand (Chart 18), an increase of BGN 19,475.3 thousand (13.6%) on September.

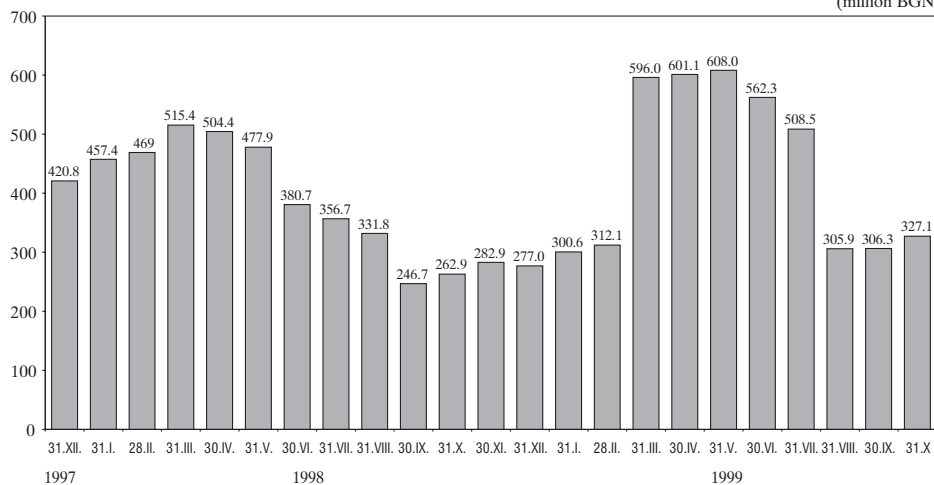
Government securities issued under Regulation No. 5 and acquired by for-

foreign investors accounted for BGN 484.5 thousand. By end-October the volume of target government securities (earmarked for direct sale to physical persons) held by nonresidents remained unchanged: BGN 7.5 thousand.

As of 31 October USD-denominated long-term government bonds held by foreign investors increased by USD 9 million, reaching USD 78.4 million, equivalent to BGN 146.6 million, an increase of BGN 19.4 million, or 15.3%, on the previous month. The relative share of these government securities on domestic debt totaled 90.38% in foreign investors' portfolios. The volume of sold EUR-denominated government securities remained unchanged: EUR 7.7 million (9.31%).

Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities Issued for Structural Reform

(million BGN)

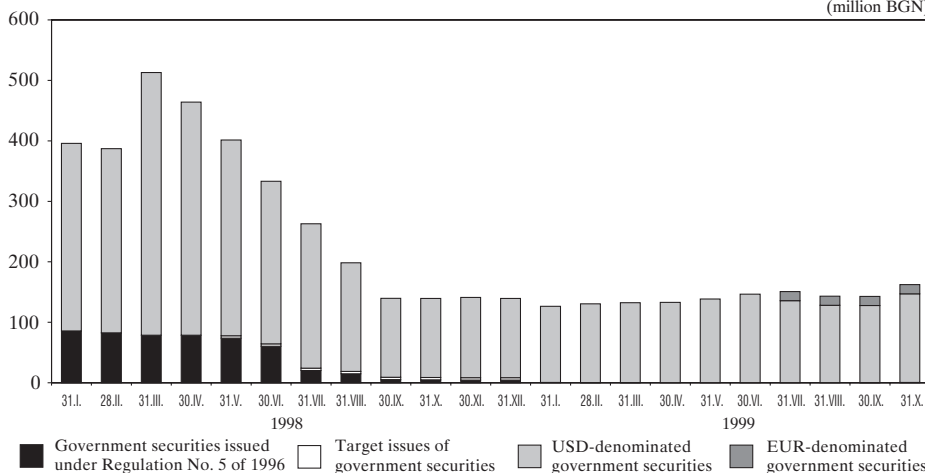


Note: Data on USD-denominated government securities shows the lev equivalent based on the USD exchange rate at the end of month. Preliminary data for October 1999.

Source: BNB.

Government Securities in Foreign Investors' Portfolios

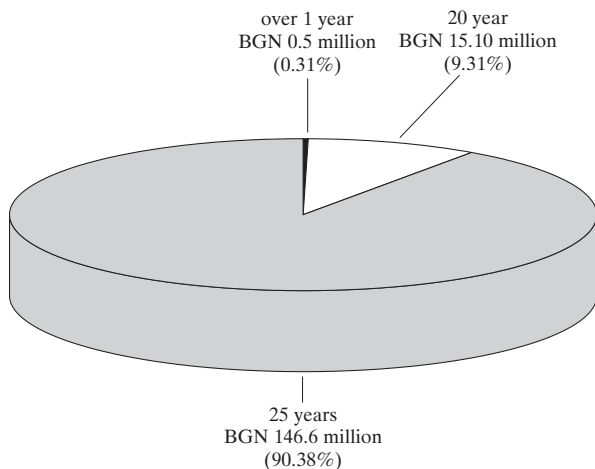
(million BGN)



Note: Preliminary data for October 1999.

Source: BNB.

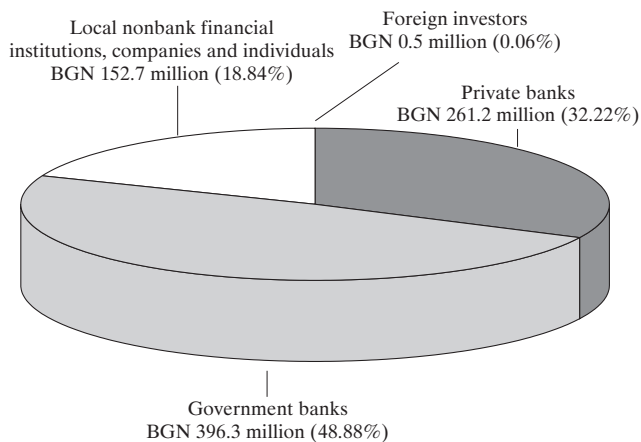
Volume and Maturity Structure of Government Securities held by Foreign Investors by 31 October



Note: Preliminary data.

Source: BNB.

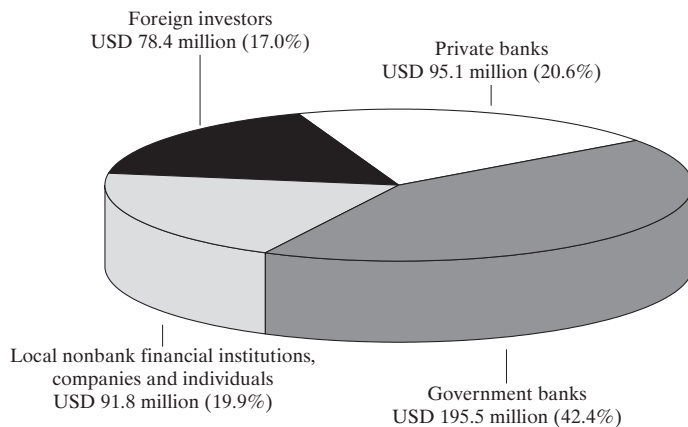
Holders of Government Securities Issued under Regulation No. 5 and of Target Issues by 31 October



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

Source: BNB.

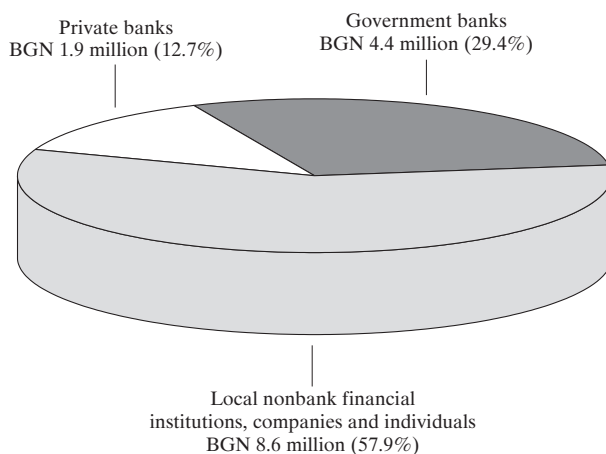
Holders of USD-denominated Government Securities Issued under ZUNK by 31 October



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

Source: BNB.

Holders of Lev-denominated Government Securities Issued for Structural Reform by 31 October



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

Source: BNB.

SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

In October long-term government bonds issued under Article 5 of ZUNK, totaling USD 2 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, these government securities were transferred to the MF account for participation in 4 privatization transactions as legal tender; they were canceled at the end of October.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 62.50 per USD 100 nominal value (Chart 23).

In October no transfer transactions in government securities from issue No. 98 of 1993 (to be used as legal tender in privatization transactions) were registered.

In October pursuant to Article 1 of the Regulation on the procedure for utilization of long-term government bonds

Chart 23

**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.

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), ma-

turing long-term government bonds of USD 0.64 million (issued under Article 5 of ZUNK) were used.

Volume of Long-term Government Bonds Used as Legal Tender 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	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					0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1996	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
	1997	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
	1998	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
1999	9.50	1.61	5.34	0.67	0.61	0.21	0.66	0.03	0.04	2.00			20.67	
II. Government securities in EUR (thousand EUR)	1999								2.79	0.00	0.00			2.79

- 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.
 3. Government securities in EUR include long-term government bonds denominated in euro and issued pursuant to § 10 of Transitional and Final Provisions of 1999 SBL (issue No. 400 of 1999).

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
EVROBANK	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	EUFI 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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