



**NOVEMBER**

**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 November 1999 financial institutions concluded 380 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 369,419.6 thousand nominal value, a two-fold increase compared with the same period of the previous year (BGN 167,535.2 thousand, Chart 1).

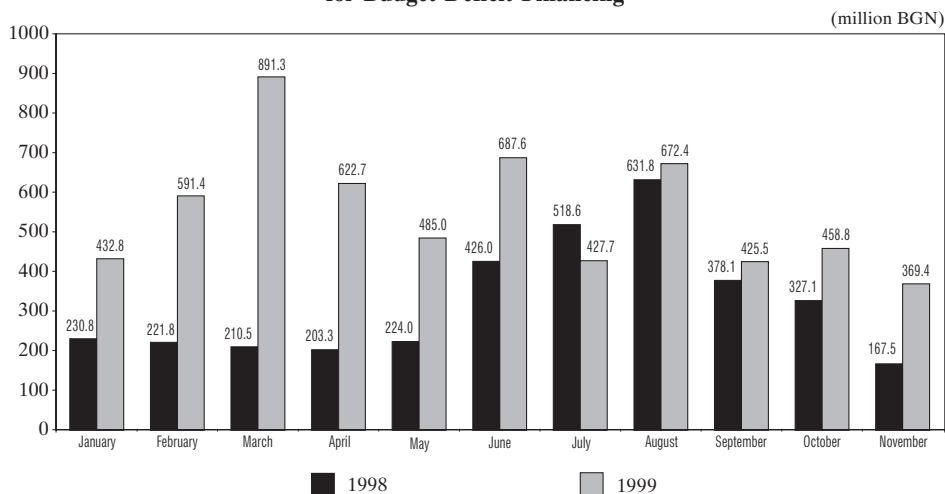
Over the review period the volume of secondary market transactions in government securities between primary dealers issued under Regulation No. 5 (reverse repo agreements volume excluded) to-

taled BGN 213,826.1 thousand, including three-month treasury bills of BGN 8,478.5 thousand, twelve-month of BGN 91,640.5 thousand, two-year of BGN 92,812.1 thousand and up to five years of BGN 20,895 thousand (Chart 2). In November sales in government securities dropped compared with the previous month, their volume decreasing by 17.8%. Structurally, two-year treasury bonds occupied the largest share. Sales of three-month government securities significantly increased in November: their volume rose five times from the previous month.

In November 1999 secondary market transactions on behalf of clients (i.e. under Article 20 of Regulation No. 5) in-

Chart 1

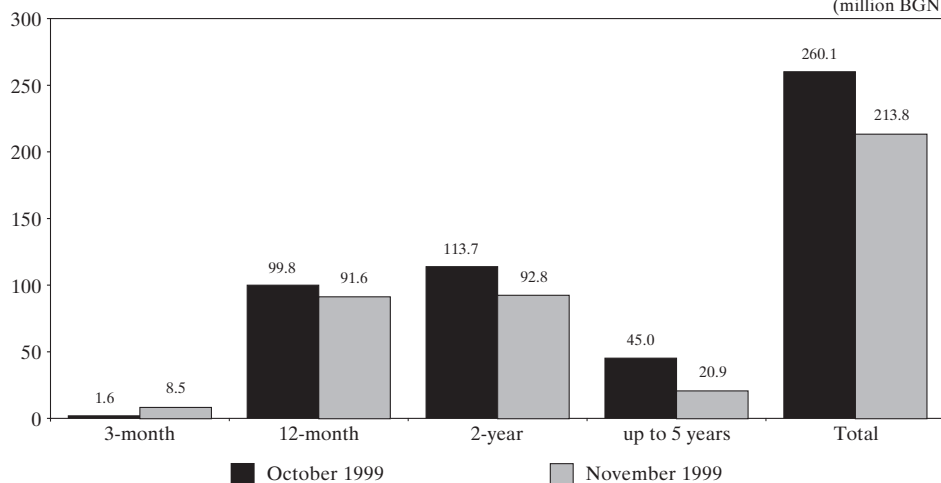
**Volume of Transactions in Government Securities Issued for Budget Deficit Financing**



Source: BNB.

### Structure of Transactions in Government Securities Issued for Budget Deficit Financing

(million BGN)



Source: BNB.

creased almost two times on the previous month, accounting for BGN 2,588.5 thousand. Transactions between nonprimary dealers and physical or legal persons (i.e. transactions under Article 21 of Regulation No. 5) significantly increased compared with October, reaching BGN 473.3 thousand. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) decreased from October, reaching BGN 52,790.4 thousand, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGN 1,655 thousand.

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

In November financial institutions concluded 68 transactions in USD-de-

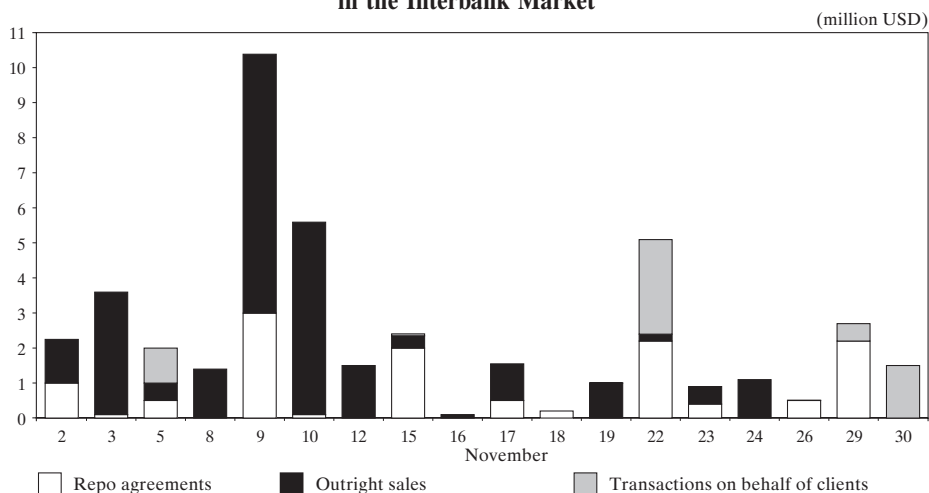
nominated government securities issued as a result of structural reform, totaling USD 49.9 million nominal value (including the number and volume of reverse repurchase agreements). In November, 33 outright transactions of USD 25 million, 23 repo agreements of USD 14.7 million, and 12 transactions on behalf of clients of USD 10.3 million (under Articles 14, 20 and 21) were concluded.

In November one lev-denominated transaction on behalf of clients in government securities issued as a result of structural reform of BGN 547 thousand and ten transactions in EUR-denominated government securities, totaling EUR 6.2 million, were concluded.

One transaction of BGN 827.5 thousand, 19 transactions of USD 6.9 million, and nine transactions of EUR 5.7 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

In November forex ZUNK bonds

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



Source: BNB.

market was characterized by a calm trade and lower daily turnover compared with the previous month. The average daily volume of transactions registered in November was USD 2.6 million. The structure of concluded transactions changed: repo agreements increased and transactions concluded on behalf of clients decreased.

Prices on forex long-term bonds on domestic debt rose by USD 2 – 3 and ranged between USD 67 and USD 68.5 per USD 100 nominal value by the end of month.

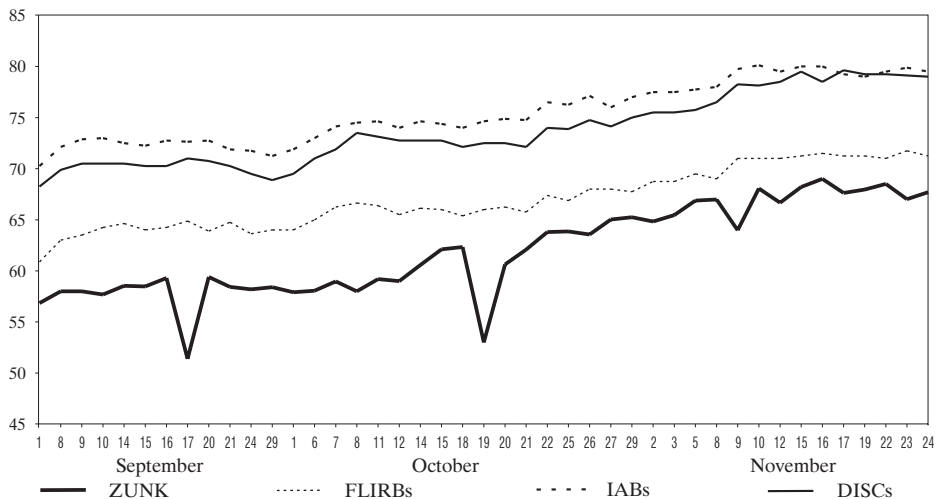
#### Government Securities Repo Agreements in the Interbank Market

In November the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). Transactions volume increased in the beginning and at the end of the review pe-

riod, reaching a high on 30 November, primarily due to the increased demand for funds by commercial banks, consistent with minimum reserve requirements regulation with the BNB. During the period under review a considerable increase in the interest rates of interbank deposits occurred. Trade marked the low on 25 November due to injection of liquidity into banks from government securities interest and maturities.

The unchangeable base interest rate in November brought about a relatively stable yield of repo agreements. The average term of repo agreements (in terms of days) increased. 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 up to one-month maturity was lower than that of interbank deposits of the same maturity (Chart 6).

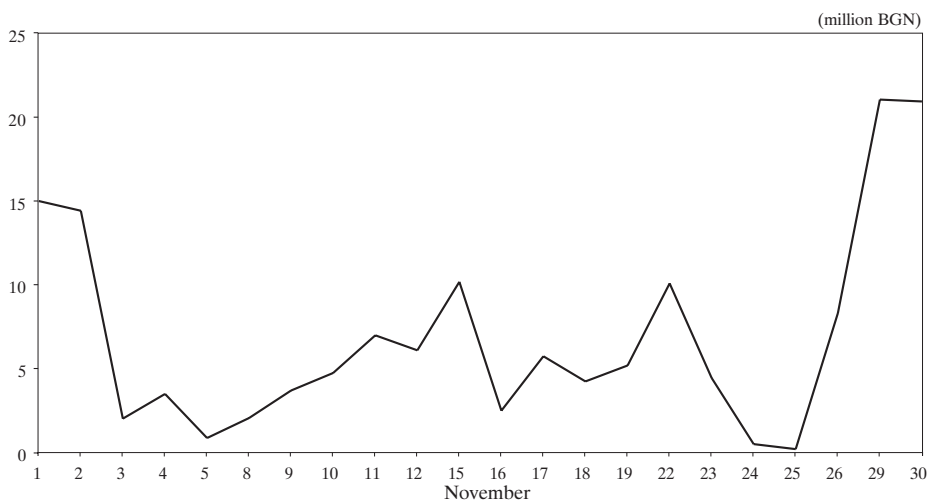
**Price Movements of USD-denominated Government Securities (Issued under ZUNK) and Bulgarian Brady Bonds in the Interbank Market\***



\* 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 November	Price		
	Minimum	Maximum	Average weighted
1	64.30	64.30	64.30
2	64.60	65.72	64.82
3	65.00	66.36	65.46
4	50.13	50.13	50.13
5	66.87	66.87	66.87
8	66.79	67.00	66.98
9	59.72	67.32	63.98
10	65.00	68.25	66.09
11	68.60	68.60	68.60
12	66.00	69.00	66.67
15	67.90	68.95	68.20
16	69.00	69.40	69.01
17	67.00	69.16	67.62
19	67.96	67.96	67.96
22	68.50	68.50	68.50
23	66.99	67.02	67.01
24	67.28	68.88	67.71
<b>Monthly</b>	<b>50.13</b>	<b>69.40</b>	<b>65.88</b>

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

**Quotations of Bulgarian Brady Bonds\***

(USD)

Date November	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	74.50	74.00	67.50	67.00	76.75	75.50
2	75.50	74.50	68.75	68.38	77.50	76.50
3	75.50	74.75	68.75	68.00	77.50	76.50
4	75.50	75.00	66.88	66.38	76.88	76.00
5	75.75	75.25	69.50	68.50	77.75	76.50
8	76.50	75.63	69.00	68.50	78.00	77.00
9	78.25	77.50	71.00	70.50	79.75	78.50
10	78.13	77.75	71.00	70.00	80.13	79.13
11	78.25	77.63	70.75	70.00	79.25	78.25
12	78.50	77.88	71.00	70.25	79.50	78.50
15	79.50	79.00	71.25	71.00	80.00	79.00
16	78.50	78.00	71.50	70.50	80.00	79.00
17	79.63	78.00	71.25	70.63	79.25	78.50
18	79.25	78.75	71.13	70.50	79.25	78.63
19	79.25	78.50	71.25	70.63	79.00	78.00
22	79.25	78.75	71.00	70.50	79.50	78.50
23	79.13	79.00	71.75	71.50	79.88	78.88
24	79.00	78.50	71.25	70.75	79.50	78.50
26	78.75	78.38	71.00	70.25	78.75	77.75
29	79.00	78.38	70.88	69.00	79.00	78.00
30	78.75	78.00	70.50	70.00	78.13	77.25

\* Reuters quotations.

## Volume and Structure of Government Securities Secondary Interbank Market Transactions in November

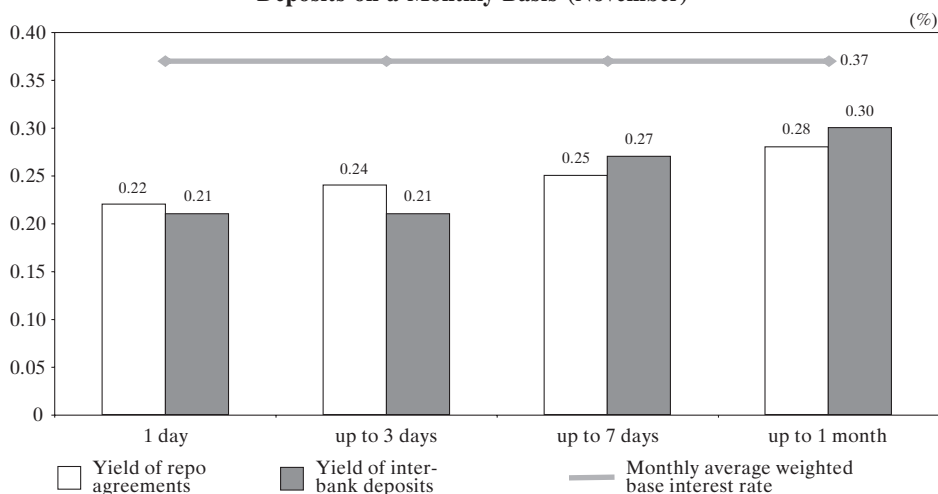
1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	213.83
- repo agreements*	142.65
- outright sales	71.18
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	64.78
- repo agreements*	17.83
- outright sales	46.90
- privatization transactions	0.05
3. Number of secondary market transactions	277
- repo agreements**	145
- outright sales	125
- privatization transactions	7
4. Average term of secondary interbank market repo agreements (days)	6.15
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.22
from 2 to 3 days	0.24
from 4 to 7 days	0.25
up to 1 month	0.28

\* Volume of reverse repo agreements excluded.

\*\* Number of reverse repo agreements excluded.

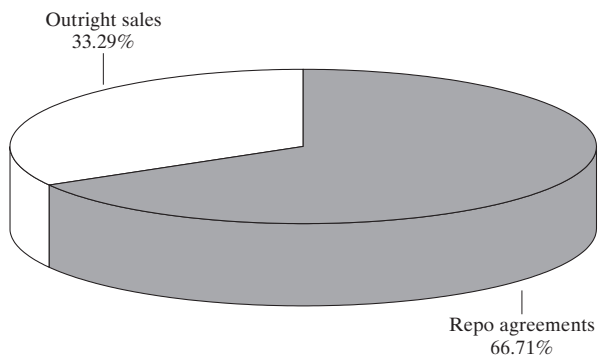
Chart 6

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



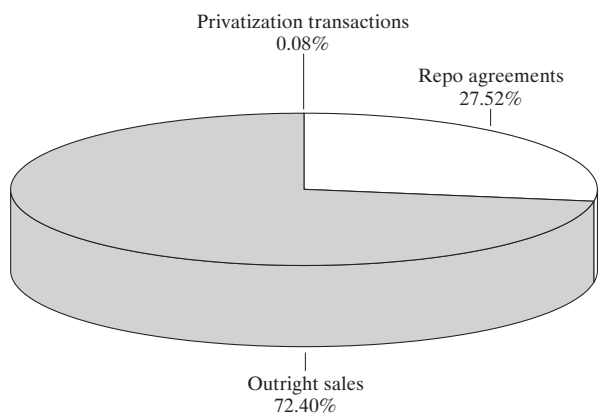
Source: BNB.

**Structure of Secondary Market Transactions in Lev-denominated Government Securities in November**



Source: BNB.

**Structure of Secondary Interbank Market Transactions in Government Securities Denominated in US Dollars and Euro in November**



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
<b>1.11.1999</b>											
Deposits	6518.00	2.90	1600.00	3.20	850.00	3.35	770.00	3.80	1000.00	5.00	10 738.00
Repo agreements	8210.00	2.97	6839.00	3.11							15 049.00
<b>2.11.1999</b>											
Deposits	14 984.00	3.34	700.00	2.54	1200.00	3.56	1500.00	4.55			18 384.00
Repo agreements	6405.00	3.10	8068.00	3.33							14 473.00
<b>3.11.1999</b>											
Deposits	3000.00	3.18	500.00	3.20	6027.00	3.29	6206.00	3.83	1500.00	4.40	17 233.00
Repo agreements					2023.00	3.52					2023.00
<b>4.11.1999</b>											
Deposits	4500.00	2.87			2049.00	3.30	6127.00	3.33	8500.00	4.52	21 176.00
Repo agreements	1500.00	2.53					2000.00	3.55			3500.00
<b>5.11.1999</b>											
Deposits			11 200.00	2.20	1606.00	3.30			3500.00	5.49	16 306.00
Repo agreements			860.00	2.50							860.00
<b>8.11.1999</b>											
Deposits	5135.00	2.45	1000.00	2.40	3500.00	3.01	3700.00	3.68	1500.00	6.33	14 835.00
Repo agreements					1000.00	2.94	1060.00	3.21			2060.00
<b>9.11.1999</b>											
Deposits	10 468.00	2.50			1540.00	3.30	376.00	3.35	1000.00	5.80	13 384.00
Repo agreements			2204.00	2.54	1500.00	2.94					3704.00
<b>10.11.1999</b>											
Deposits	11 600.00	2.62	5000.00	2.57	7928.00	3.21	3842.00	3.31	500.00	5.75	28 870.00
Repo agreements	1510.00	2.84	1000.00	2.64	1046.00	2.93	200.00	3.35	1000.00	6.59	4756.00
<b>11.11.1999</b>											
Deposits	11 224.00	2.96			4153.00	3.01	1146.00	3.40			16 523.00
Repo agreements	1910.00	2.79			3900.00	3.10	600.00	3.75	600.00	4.31	7010.00
<b>12.11.1999</b>											
Deposits			12 934.00	2.53	3106.00	3.38	397.00	3.69			16 437.00
Repo agreements			1510.00	2.74	3601.00	2.77	1000.00	3.24			6111.00
<b>15.11.1999</b>											
Deposits	12 000.00	2.29	5522.00	2.79	4470.00	3.54	770.00	3.40	4500.00	5.60	27 262.00
Repo agreements	1130.00	2.84	1900.00	2.64	6177.00	3.25	1000.00	3.35			10 207.00
<b>16.11.1999</b>											
Deposits	8945.00	2.49	5000.00	2.86	1600.00	3.40	940.00	3.40	500.00	6.25	16 985.00
Repo agreements					1500.00	2.94	1000.00	3.45			2500.00
<b>17.11.1999</b>											
Deposits	10 700.00	2.46	350.00	3.00	4705.00	3.48	5057.00	3.82			20 812.00
Repo agreements			4700.00	2.84	1057.00	3.02					5757.00
<b>18.11.1999</b>											
Deposits	9171.00	2.52			3296.00	3.48	6468.00	1.78			18 935.00
Repo agreements	360.00	2.53			2888.00	2.93	1000.00	3.35			4248.00
<b>19.11.1999</b>											
Deposits			14 330.00	2.64	1000.00	3.60	1606.00	3.62			16 936.00
Repo agreements			4700.00	2.64			500.00	3.55			5200.00

(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
<b>22.11.1999</b>											
Deposits	15 600.00	2.47	2000.00	2.80			4561.00	3.73	4000.00	5.58	26 161.00
Repo agreements			4700.00	2.64	3142.00	2.91	2280.00	3.35			10 122.00
<b>23.11.1999</b>											
Deposits	10 000.00	2.45	1000.00	2.70			9458.00	3.82	2000.00	6.40	22 458.00
Repo agreements					3000.00	2.97	1459.00	3.14			4459.00
<b>24.11.1999</b>											
Deposits	5300.00	2.37			4829.00	3.19	1000.00	3.90	1900.00	6.33	13 029.00
Repo agreements					500.00	3.35					500.00
<b>25.11.1999</b>											
Deposits	14 000.00	2.05			799.00	2.62	950.00	3.30			15 749.00
Repo agreements					200.00	3.04					200.00
<b>26.11.1999</b>											
Deposits			12 653.00	2.16	1300.00	2.71	397.00	3.41			14 350.00
Repo agreements			6340.00	2.53	2000.00	2.94					8340.00
<b>29.11.1999</b>											
Deposits	19 884.00	2.31	4500.00	2.25			1606.00	3.32			25 990.00
Repo agreements	14 060.00	2.50			7066.00	3.00					21 126.00
<b>30.11.1999</b>											
Deposits	20 930.00	2.33	2500.00	2.54	5700.00	2.99	2270.00	3.45	1600.00	6.00	33 000.00
Repo agreements	10 809.00	2.47	6200.00	2.63	3000.00	2.94	1000.00	3.24			21 009.00

- 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.

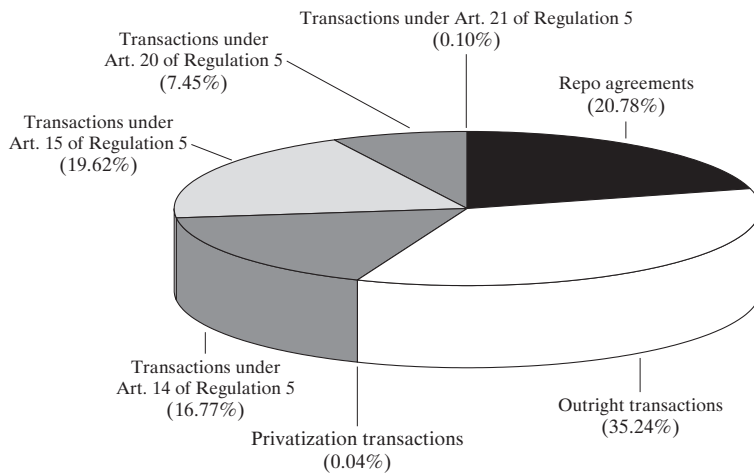
## Volume of Government Securities Transactions in the Secondary Market and Securities Transactions in the Bulgarian Stock Exchange

(BGN)

Date November	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	33 645 029.05	235 553.50	1 084 381.90	1 294 794.80	93 553.50	26 300.00	-	36 379 612.75	55 000.00	25 000.00	80 000.00
2	33 721 255.00	6 312 512.50	15 360 975.30	633 233.05	-	-	-	56 027 975.85	456 000.00	7 000.00	463 000.00
3	17 671 305.00	9 632 461.00	1 335 725.00	7 807 250.85	-	-	11 727.14	36 458 468.99	392 000.00	11 000.00	403 000.00
4	15 568 000.00	8 708 392.00	13 080 167.24	3 807 972.89	-	-	2 982.86	41 167 514.99	56 000.00	3 000.00	59 000.00
5	4 290 995.00	930 995.00	3 248 257.70	4 663 760.06	1 861 990.00	-	-	14 995 997.76	281 000.00	8 000.00	289 000.00
8	3 923 000.00	2 679 287.00	6 178 968.88	9 083 222.68	-	22 656.00	-	21 887 134.56	66 000.00	51 000.00	117 000.00
9	10 146 100.00	14 409 780.00	1 561 955.00	332 526.00	-	-	-	26 450 361.00	89 000.00	8 000.00	97 000.00
10	7 780 295.00	11 888 438.00	10 951 235.00	4 587 660.24	-	-	-	35 207 628.24	243 000.00	14 000.00	257 000.00
11	11 809 264.00	87 168 905.55	7 614 207.75	10 600 097.16	-	-	11 281.44	117 203 755.90	77 000.00	1 000.00	78 000.00
12	9 694.00	4 383 944.00	1 564 664.00	2 368 505.60	-	-	8 457.84	8 335 265.44	169 000.00	328 000.00	497 000.00
15	16 034 780.00	4 823 573.45	1 420 000.00	8 451 883.80	104 356.45	-	-	30 834 593.70	78 000.00	275 000.00	353 000.00
16	8 130 000.00	2 192 040.00	3 523 692.40	2 939 017.95	-	-	4 177.10	16 788 927.44	211 000.00	1 468 000.00	1 679 000.00
17	6 903 616.00	8 852 948.95	2 712 211.45	7 932 469.18	1 719 422.00	-	-	28 120 667.58	80 000.00	19 000.00	99 000.00
18	9 395 832.00	10 939 600.00	2 838 914.40	6 338 220.97	550 000.00	-	-	30 062 567.37	107 000.00	17 000.00	124 000.00
19	10 760 000.00	7 327 003.00	3 183 372.90	9 622.96	9 421.15	-	-	21 289 420.01	72 000.00	62 000.00	134 000.00
22	23 646 028.00	3 380 548.00	3 233 026.37	7 698 168.22	5 076 320.05	405 005.00	-	43 439 095.64	42 000.00	-	42 000.00
23	6 658 736.00	3 708 420.00	1 043 826.00	3 195 574.63	-	19 300.00	-	14 625 856.63	16 000.00	3 000.00	19 000.00
24	5 310 424.00	4 111 742.00	1 000 000.00	7 041 876.60	-	-	9 290.89	17 473 333.49	17 000.00	1 000.00	18 000.00
25	3 300 000.00	1 518 635.00	1 290 984.40	3 831 458.46	319 106.00	-	-	10 260 183.86	13 000.00	-	13 000.00
26	9 599 305.00	2 176 915.00	95 930.50	3 661 765.84	-	19 186.10	-	15 553 102.44	102 000.00	1 000.00	103 000.00
29	30 999 794.00	5 295 000.00	2 505 163.50	13 704 993.10	-	951 371.28	-	53 456 321.88	101 000.00	1 000.00	102 000.00
30	39 069 000.00	7 275 775.00	10 453 886.90	6 700 144.00	2 911 335.00	-	-	66 410 140.90	5 000.00	-	5 000.00
TOTAL	308 372 452.05	207 952 468.95	95 281 546.59	116 684 219.02	12 645 504.15	1 443 818.38	47 917.27	742 427 926.41	2 728 000.00	2 303 000.00	5 031 000.00

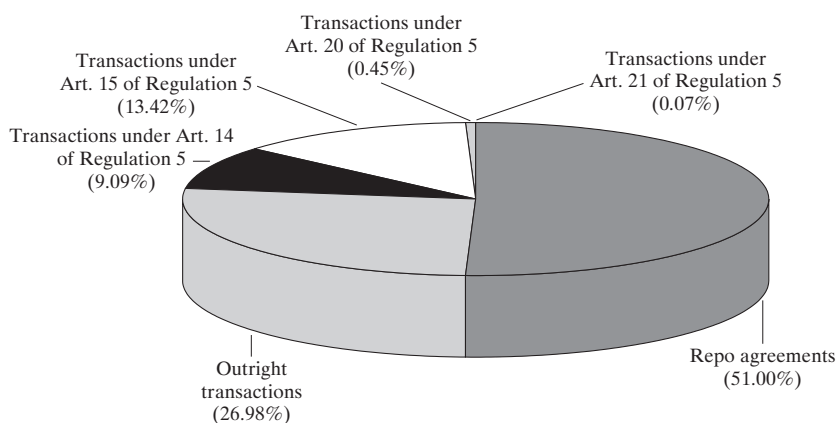
- Notes:**
1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGN 1,655,000 is included.
  2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 3,427,373 is included.
  3. The 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 levs 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 USD-denominated Government Securities Issued for Structural Reform in November**



Source: BNB.

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



Source: BNB.

## Outstanding Government Securities

### Discount Treasury Bills

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)



(continued)

Issue No.	BG3012199009	BG301249003	BG3012799006	BG3013099000	BG3013399004	BG3013699007	BG3014099009	BG3014299005
Issue date	07.04.1999	21.04.1999	05.05.1999	19.05.1999	02.06.1999	16.06.1999	30.06.1999	07.07.1999
Maturity date	05.04.2000	19.04.2000	03.05.2000	17.05.2000	31.05.2000	14.06.2000	29.12.1999	05.07.2000
Nominal value of the offer (thousand BGN)	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00	7 500.00
Total nominal value of the bids received (thousand BGN)	42 960.00	42 660.50	28 000.00	17 250.00	11 125.00	14 120.00	8 070.00	14 376.00
Total nominal value of the bids approved (thousand BGN)	15 000.00	15 000.00	10 000.00	10 000.00	10 000.00	10 000.00	8 070.00	7 500.00
Average price of the bids approved per BGN 100 (%)	94.32	94.54	94.82	94.94	94.85	94.69	97.28	94.31
Average discount per BGN 100 (%)	5.68	5.46	5.18	5.06	5.15	5.31	2.72	5.69
Average annual yield (%)	6.04	5.79	5.48	5.34	5.44	5.62	5.61	6.05
Effective annual yield (%)	6.04	5.79	5.48	5.34	5.44	5.62	5.69	6.05
Coverage coefficient	2.86	2.84	2.80	1.73	1.11	1.41	0.81	1.92

(continued)

(continued)

Issue No.	BG3014599008	BG301489002	BG3015199006	BG3015399002	BG3015499000	BG3015599007	BG3015699005	BG3015799003
Issue date	21.07.1999	04.08.1999	18.08.1999	01.09.1999	01.09.1999	08.09.1999	15.09.1999	15.09.1999
Maturity date	19.07.2000	02.08.2000	16.08.2000	01.12.1999	30.08.2000	08.12.1999	15.12.1999	13.09.2000
Nominal value of the offer (thousand BGN)	7 500.00	9 000.00	9 000.00	5 000.00	8 000.00	5 000.00	5 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	11 800.00	12 333.69	9 012.00	7 288.00	11 420.00	9 950.00	11 030.00	21 661.30
Total nominal value of the bids approved (thousand BGN)	7 500.00	9 000.00	9 000.00	5 000.00	8 000.00	5 000.00	5 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	94.33	94.18	93.89	98.83	92.84	98.83	98.84	93.32
Average discount per BGN 100 (%)	5.67	5.82	6.11	1.17	7.16	1.17	1.16	6.68
Average annual yield (%)	6.03	6.20	6.53	4.75	7.73	4.75	4.71	7.18
Effective annual yield (%)	6.03	6.20	6.53	4.83	7.73	4.83	4.79	7.18
Coverage coefficient	1.57	1.37	1.00	1.46	1.43	1.99	2.21	2.71

(continued)

(continued)

Issue No.	BG3015899001	BG3015999009	BG3016099007	BG3016199005	BG3016299003	BG3016399001	BG3016499009	BG3016599006
Issue date	24.09.1999	29.09.1999	29.09.1999	06.10.1999	06.10.1999	13.10.1999	20.10.1999	20.10.1999
Maturity date	24.12.1999	29.12.1999	29.03.2000	05.01.2000	04.10.2000	12.01.2000	19.01.2000	18.10.2000
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	13 827.50	14 950.00	9 900.00	7 650.00	21 455.00	7 865.00	6 160.00	11 850.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	10 000.00	5 000.00	5 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	98.86	98.89	97.53	98.90	94.14	98.91	98.91	94.38
Average discount per BGN 100 (%)	1.14	1.11	2.47	1.10	5.86	1.09	1.09	5.62
Average annual yield (%)	4.63	4.50	5.08	4.46	6.24	4.42	4.42	5.97
Effective annual yield (%)	4.71	4.58	5.14	4.54	6.24	4.49	4.49	5.97
Coverage coefficient	2.77	2.99	1.98	1.53	2.15	1.57	1.23	1.48

(continued)

Issue No.	BG3016699004	BG3016799002	BG3016899000	BG3016999008	BG3017099006	BG3017199004	BG3017299002
Issue date	27.10.1999	03.11.1999	03.11.1999	10.11.1999	17.11.1999	17.11.1999	24.11.1999
Maturity date	26.01.2000	02.02.2000	01.11.2000	09.02.2000	16.02.2000	15.11.2000	23.02.2000
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
Total nominal value of the bids received (thousand BGN)	7 610.00	4 820.00	10 930.00	7 330.00	5 900.00	15 630.00	9 750.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	4 785.00	8 000.00	5 000.00	5 000.00	8 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	98.91	98.90	94.45	98.90	98.90	94.37	98.90
Average discount per BGN 100 (%)	1.09	1.10	5.55	1.10	1.10	5.63	1.10
Average annual yield (%)	4.42	4.46	5.89	4.46	4.46	5.98	4.46
Effective annual yield (%)	4.49	4.54	5.89	4.54	4.54	5.98	4.54
Coverage coefficient	1.52	0.96	1.37	1.47	1.18	1.95	1.95

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	BG2045997124	BG2046497124	BG2030098128
Issue date	29.02.1996	30.05.1996	09.05.1997	16.05.1997	17.07.1997	04.12.1997	18.12.1997	15.01.1998
Maturity date	22.02.2001	23.05.2001	05.05.2000	10.05.2002	13.07.2000	02.12.1999	16.12.1999	13.01.2000
Nominal value of the offer (thousand BGN)	1 000.00	800.00	35 000.00	20 000.00	35 000.00	2 500.00	2 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	200.00	800.00	30 910.00	20 000.00	54 150.00	2 480.00	6 880.00	17 425.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	30 000.00	20 000.00	35 000.00	2 480.00	2 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	100.00	97.75	94.58	94.16	94.88
Average discount per BGN 100 (%)	8.50	-	0.00	0.00	2.25	5.42	5.84	5.12
Interest rate	BIR	BIR+7	BIR+4	BIR+4	BIR	(x+1).182,365 <sup>1</sup>	(x+1).182,365 <sup>1</sup>	(x+1).182,365 <sup>1</sup>
Coverage coefficient	0.20	1.00	0.88	1.00	1.55	0.99	3.44	3.49

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

(continued)

(continued)

Issue No.	BG2030198110	BG2030298116	BG2030398114	BG2030498112	BG2030598119	BG2030698117	BG2030798115	BG2030898113
Issue date	29.01.1998	12.02.1998	05.03.1998	19.03.1998	02.04.1998	16.04.1998	30.04.1998	14.05.1998
Maturity date	27.01.2000	10.02.2000	02.03.2000	16.03.2000	30.03.2000	13.04.2000	24.04.2003	11.05.2000
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	1 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	16 360.00	13 320.00	10 620.00	7 970.00	8 540.00	14 565.00	3 605.00	14 041.00
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	1 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	95.86	96.11	95.54	95.46	94.97	94.43	87.14	95.47
Average discount per BGN 100 (%)	4.14	3.89	4.46	4.54	5.03	5.57	12.86	4.53
Interest rate	8.00	8.00	7.50	7.50	7.50	7.00	8.00	7.00
Coverage coefficient	3.27	2.66	2.12	1.59	1.71	2.91	3.61	2.81

(continued)

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	BG203098111	BG2031098119	BG2031198117	BG2031298115	BG2031398113	BG2031498111	BG2031598118	BG2031698116
Issue No.								
Issue date	28.05.1998	18.06.1998	02.07.1998	16.07.1998	30.07.1998	20.08.1998	03.09.1998	17.09.1998
Maturity date	22.05.2003	15.06.2000	26.06.2003	13.07.2000	26.07.2001	17.08.2000	30.08.2001	14.09.2000
Nominal value of the offer (thousand BGN)	2 000.00	5 000.00	2 000.00	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	3 440.00	7 825.00	2 070.00	6 450.00	2 750.00	11 450.00	1 400.00	6 640.00
Total nominal value of the bids approved (thousand BGN)	2 000.00	5 000.00	2 000.00	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	84.78	93.53	76.20	92.70	89.60	92.97	87.85	92.45
Average discount per BGN 100 (%)	15.22	6.47	23.80	7.30	10.40	7.03	12.15	7.55
Interest rate	8.00	6.00	7.00	6.00	7.00	6.00	6.50	6.00
Coverage coefficient	1.72	1.57	1.04	1.29	2.75	2.29	1.40	1.33

(continued)



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Issue No.	BG2031798114	BG2031898112	BG2031998110	BG2032098118	BG2032198116	BG2032298114	BG2030099118	BG2030199116
Issue date	01.10.1998	15.10.1998	29.10.1998	19.11.1998	03.12.1998	17.12.1998	13.01.1999	27.01.1999
Maturity date	27.09.2001	12.10.2000	25.10.2001	16.11.2000	29.11.2001	14.12.2000	10.01.2001	24.01.2001
Nominal value of the offer (thousand BGN)	1 500.00	5 000.00	1 500.00	1 000.00	500.00	1 000.00	5 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	1 155.00	7 900.00	700.00	3 700.00	1 250.00	2 647.02	13 053.00	20 849.60
Total nominal value of the bids approved (thousand BGN)	1 055.00	5 000.00	250.00	1 000.00	500.00	1 000.00	5 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	86.89	91.71	83.48	93.32	95.55	99.82	99.60	99.38
Average discount per BGN 100 (%)	13.11	8.29	16.52	6.68	4.45	0.18	0.40	0.62
Interest rate	6.50	6.00	6.50	6.50	9.00	9.00	9.00	9.00
Coverage coefficient	0.77	1.58	0.47	3.70	2.50	2.65	2.61	2.61

(continued)

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	BG2030299114	BG2030399112	BG2030499110	BG2030599117	BG2030699115	BG2030799113	BG2030899111	BG2030999119
Issue No.								
Issue date	10.02.1999	24.02.1999	10.03.1999	24.03.1999	31.03.1999	14.04.1999	28.04.1999	29.04.1999
Maturity date	07.02.2001	21.02.2001	07.03.2001	21.03.2001	24.03.2004	11.04.2001	25.04.2001	22.04.2004
Nominal value of the offer (thousand BGN)	10 000.00	15 000.00	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00
Total nominal value of the bids received (thousand BGN)	24 021.03	30 397.50	48 340.00	39 280.00	2 795.00	47 594.30	42 870.00	1 190.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	15 000.00	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00
Average price of the bids approved per BGN 100 (%)	99.66	99.74	99.91	100.05	86.35	100.84	99.88	78.39
Average discount per BGN 100 (%)	0.34	0.26	0.09	-0.05	13.65	-0.84	0.12	21.61
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00
Coverage coefficient	2.40	2.03	3.22	2.62	1.40	3.17	2.14	1.00

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Issue No.	BG2031099117	BG2031299113	BG2031399111	BG2031699114	BG2031799112	BG2031899110	BG2031999118	BG2032099116
Issue date	12.05.1999	26.05.1999	09.06.1999	23.06.1999	14.07.1999	28.07.1999	11.08.1999	25.08.1999
Maturity date	09.05.2001	23.05.2001	06.06.2001	20.06.2001	11.07.2001	25.07.2001	08.08.2001	22.08.2001
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	15 000.00	12 000.00	10 000.00	10 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	25 720.00	25 827.40	15 965.00	11 220.00	16 170.00	13 105.50	11 325.00	9 080.63
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	15 965.00	11 220.00	12 000.00	10 000.00	10 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	99.98	98.98	97.18	93.55	93.54	93.26	92.59	91.92
Average discount per BGN 100 (%)	0.02	1.02	2.82	6.45	6.46	6.74	7.41	8.08
Interest rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Coverage coefficient	1.29	1.29	0.80	0.75	1.35	1.31	1.13	1.14

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Issue No.	BG2032199114	BG2032299112	BG2032399110	BG2032499118	BG2032599115	BG2032699113
Issue date	08.09.1999	24.09.1999	13.10.1999	27.10.1999	10.11.1999	24.11.1999
Maturity date	05.09.2001	21.09.2001	10.10.2001	24.10.2001	07.11.2001	21.11.2001
Nominal value of the offer (thousand BGN)	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	16 600.00	34 781.00	39 093.50	28 485.05	24 059.00	29 786.00
Total nominal value of the bids approved (thousand BGN)	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	91.05	94.71	98.02	98.53	98.80	99.04
Average discount per BGN 100 (%)	8.95	5.29	1.98	1.47	1.20	0.96
Interest rate	8.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	2.08	4.35	4.89	2.85	2.41	2.98

*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	10 349.77
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)

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**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 30 November 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)	495 368 (USD)	931.34 (BGN)	7 766.90 (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 30 November 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 <sup>1</sup>	EURO LIBOR <sup>2</sup> + 3	EURO LIBOR <sup>3</sup> + 3	EURO LIBOR <sup>3</sup> + 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.

<sup>1</sup> 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.

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

<sup>3</sup> 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 30 November 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

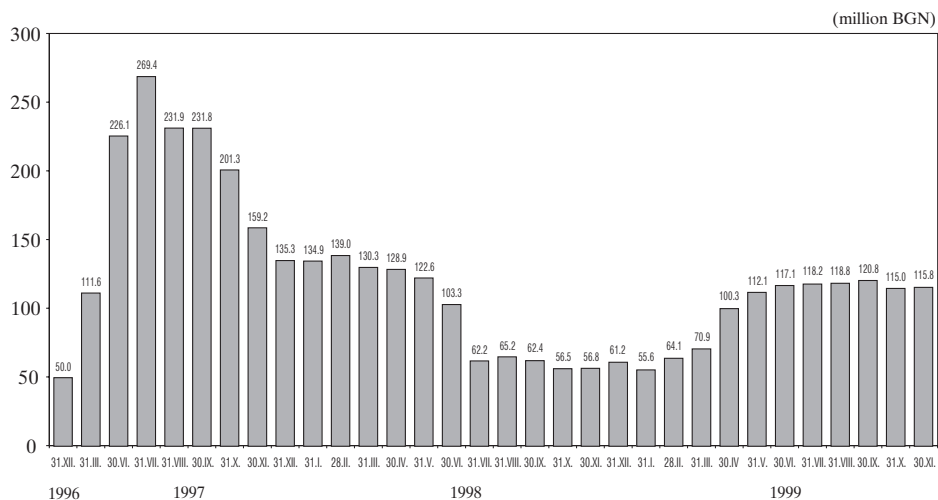
The volume of government securities sales for budget deficit financing increased in November. As of the end of November government securities (issued under Regulation No. 5) held by individuals, companies and nonbank financial institutions totaled BGN 115,753 thousand (Chart 11), an increase of BGN 779 thousand, or 0.7%, on the previous month. Investments in target gov-

ernment securities earmarked for sale to physical persons accounted for BGN 20,014 thousand (Chart 12), an increase of BGN 926 thousand, or 4.85%, on October.

In November sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 1,871.4 thousand, one-year of BGN 1,200 thousand, and two-year treasury bonds of BGN 3,086.8 thousand. Two-year treasury bonds occupied the largest share in total government securities sales in November, 50.13%.

Chart 11

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

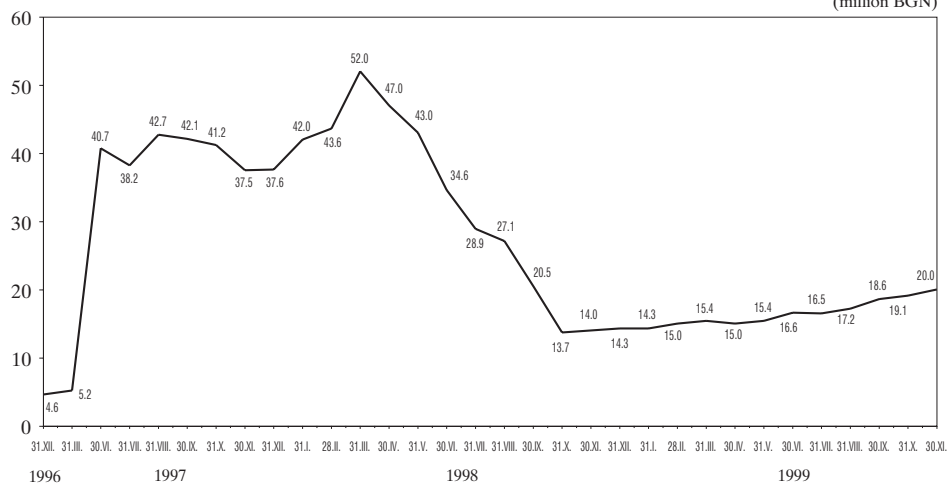


**Note:** Preliminary data for November 1999.

*Source:* BNB.

### Individuals' Investments in Government Securities from Target Issues Earmarked for Physical Persons

(million BGN)



Notes: 1. Preliminary data for November 1999.  
2. Target issues dated 10 November 1999 excluded.

Source: BNB.

### Target Issues of Government Securities Earmarked for Physical Persons

Between 27 October and 23 November 1999<sup>1</sup> 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 government treasury bills yielding 5.9% annually. Their average weighted monthly yield is 0.49% (Chart 13). No repurchases are effected by the clients

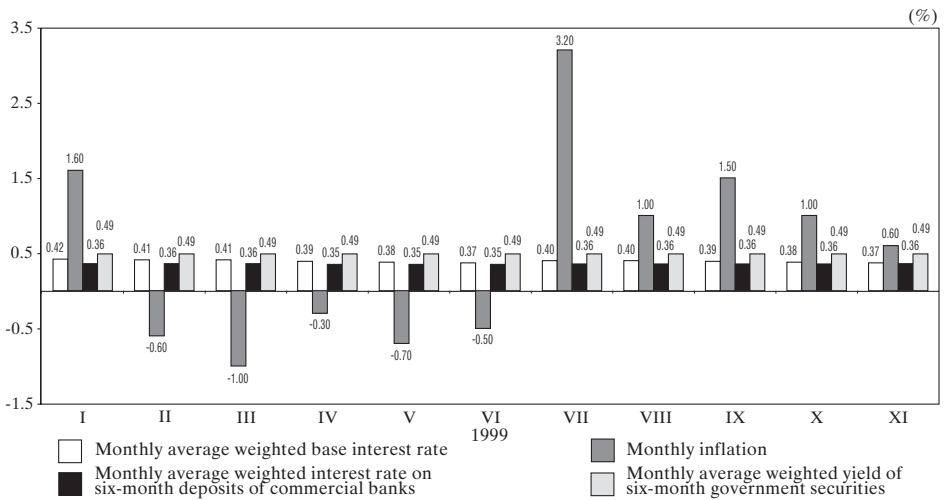
<sup>1</sup> The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes two issue periods or four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

prior to maturity of these government securities.

- Two issues 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.

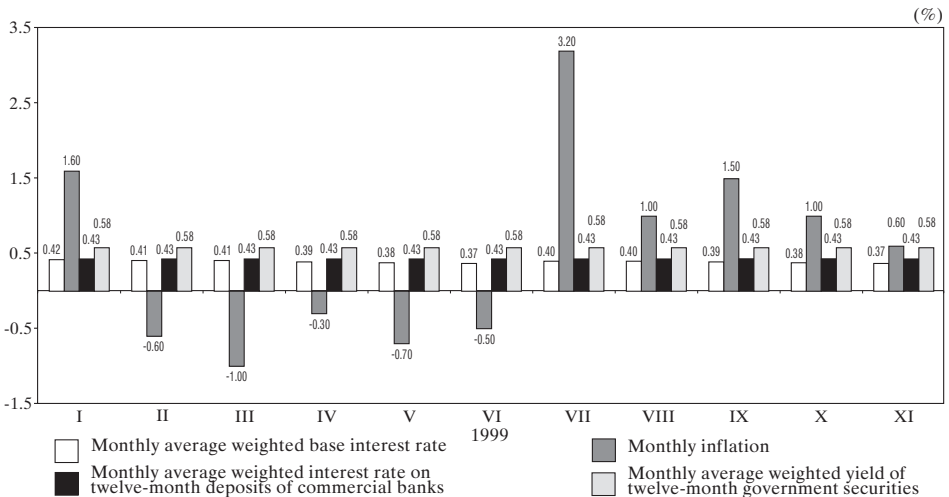
- Two issues of two-year savings government treasury bonds with fixed annual yield in the form of semiannual interest payment, effective as of the issue date. The last interest payment is effected at maturity together with the nominal value of government securities.

**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 9%, the second 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 1,288.5 thousand nominal value: six-month treasury bills of BGN 82.2 thousand (6.38%), twelve-month treasury bills of BGN 43.7 thousand (3.39%) and two-year savings treasury bonds of BGN 1,162.6 thousand (90.23%), including BGN 0.1 thousand

to foreign physical persons. Data shows that during the reporting period investors opted for two-year savings treasury bonds (Chart 15) generating higher yield.

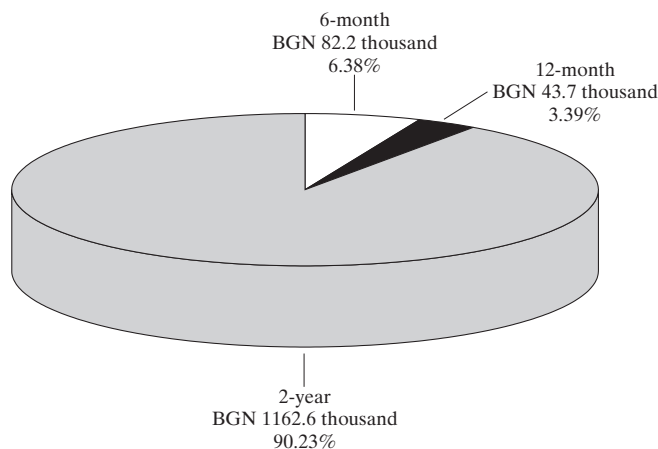
### Investments in Government Securities Issued for Structural Reform

The slight increase in the volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform continued in November. As of 30 November total sales of government securities accounted for BGN 342,815.6 thousand (including sales to foreign investors), an increase of BGN 15,695.5 thousand from October (Chart 17).

The bulk of government securities issued for structural reform was sold by

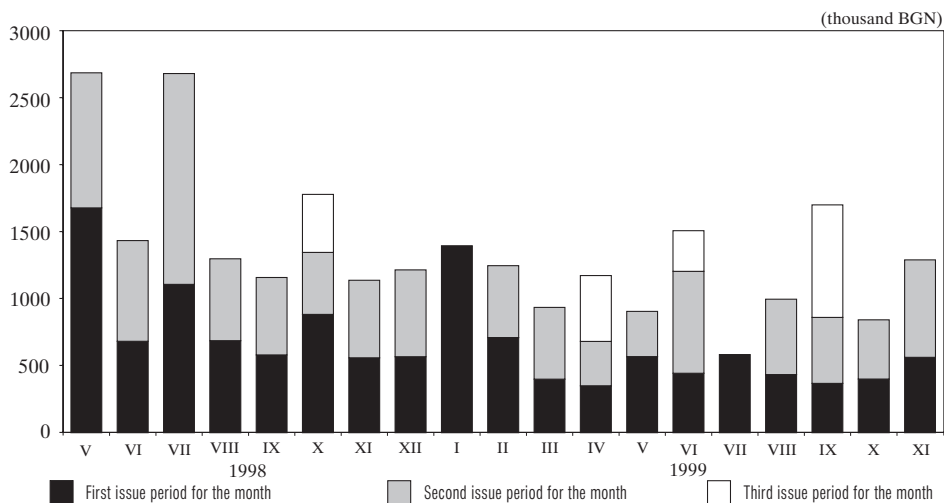
Chart 15

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



Source: BNB.

## Volume of Target Government Securities Sales to Physical Persons



Source: BNB.

commercial banks (78.9%) and other financial institutions (21.1%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 8,631.1 thousand (2.6% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGN 334,184.5 thousand.

### Foreign Investments in Government Securities

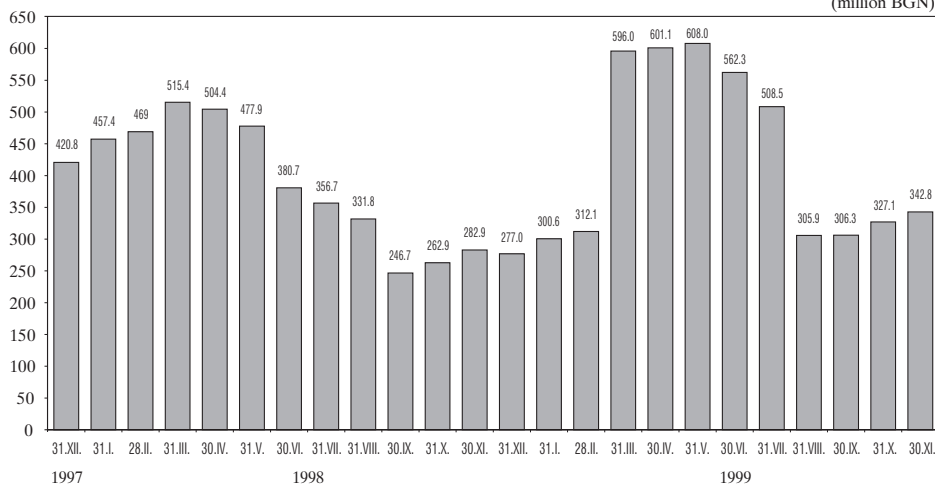
The volume of government securities held by foreign investors increased in November. As of 30 November 1999 government securities acquired by foreign investors totaled BGN 173,200.6 thousand (Chart 18), an increase of BGN 11,119.6 thousand (6.9%) on October.

Government securities issued under Regulation No. 5 and acquired by foreign investors accounted for 582.5 thousand. By end-November the volume of target government securities (earmarked for direct sale to physical persons) held by nonresidents was BGN 9.4 thousand.

As of 30 November USD-denominated long-term government bonds held by foreign investors increased by USD 2.9 million, reaching USD 81.3 million, equivalent to BGN 157.5 million, an increase of BGN 10.9 million, or 7.4%, on the previous month. The relative share of these government securities on domestic debt comprised 90.94% in foreign investors' portfolios. The volume of sold EUR-denominated government securities remained unchanged: EUR 7.7 million (8.72%).

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

(million BGN)

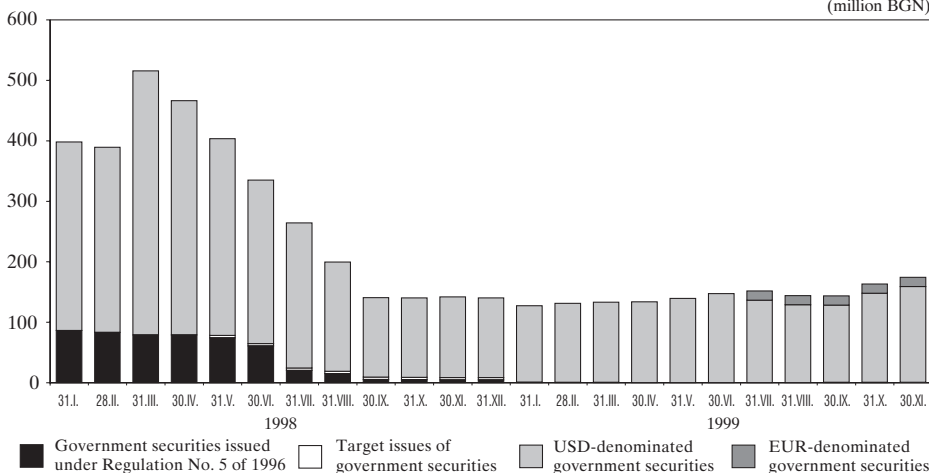


**Note:** Data on USD-denominated government securities shows the lev equivalent based on the USD exchange rate at the end of month. Preliminary data for November 1999.

Source: BNB.

### Government Securities in Foreign Investors' Portfolios

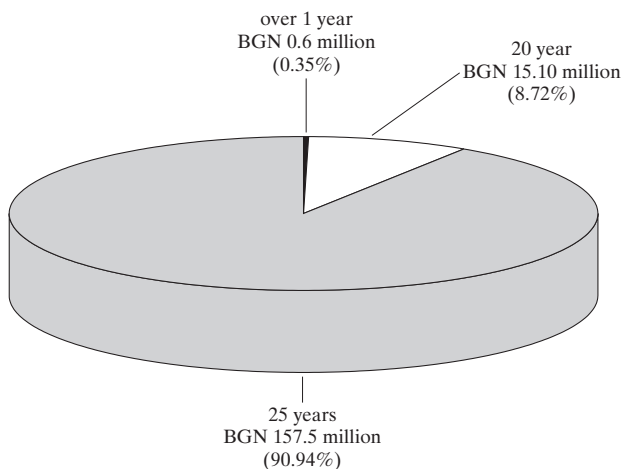
(million BGN)



**Note:** Preliminary data for November 1999.

Source: BNB.

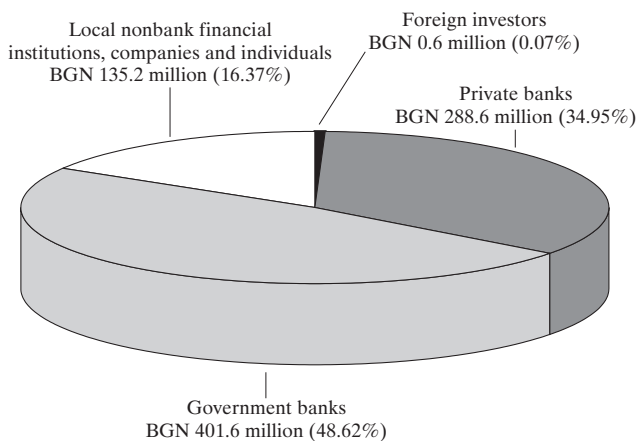
### Volume and Maturity Structure of Government Securities held by Foreign Investors by 30 November



Note: Preliminary data.

Source: BNB.

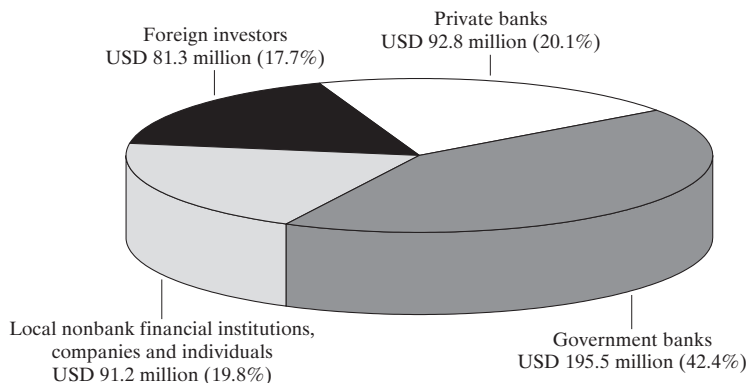
### Holders of Government Securities Issued under Regulation No. 5 and of Target Issues by 30 November



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

Source: BNB.

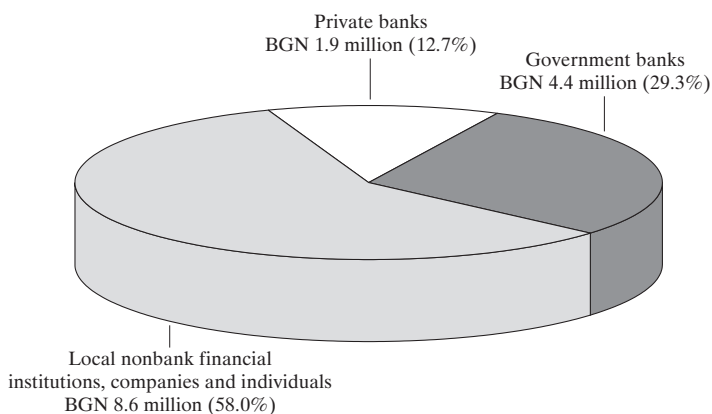
### Holders of USD-denominated Government Securities Issued under ZUNK by 30 November



**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 30 November



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

Source: BNB.



# SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

In November long-term government bonds issued under Article 5 of ZUNK, totaling USD 0.03 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 7 privatization transactions as legal tender; they were canceled at the end of

November.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 66.98 per USD 100 nominal value (Chart 23).

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

In November pursuant to Article 1 of the Regulation on the procedure for uti-

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.

lization of long-term government bonds issued under ZUNK for repayment of debts to the government arising under the same law (published in the State Ga-

zette, issue 12 of 3 February 1995), maturing long-term government bonds of USD 0.002 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
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	0.03	0.04	2.00	0.03		20.70
II. Government securities in EUR (thousand EUR)	1999								2.79	0.00	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

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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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Fiscal Services Department, tel. 9145 1486.  
1000 Sofia, 1 Alexander Battenberg Square  
Telephone: 91459  
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