



DECEMBER

**Secondary
Market of
Government
Securities**

1999

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ANNOUNCEMENT

As of December 1999 you can find a daily bulletin containing information on government securities primary and secondary market on BNB Internet website *www.bnb.bg*.

For contacts and detailed information on the bulletin subscription and use please call on telephone (+359 2) 9145 1304.

Abbreviations

BGN – The Abbreviation of the Redenominated Bulgarian Lev

BIR – Base Interest Rate

BNB – Bulgarian National Bank

BSE – Bulgarian Stock Exchange

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 December 1999 financial institutions concluded 401 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 474,589.6 thousand nominal value, a two-fold increase compared with the same period of the previous year (BGN 255,843.5 thousand, Chart 1).

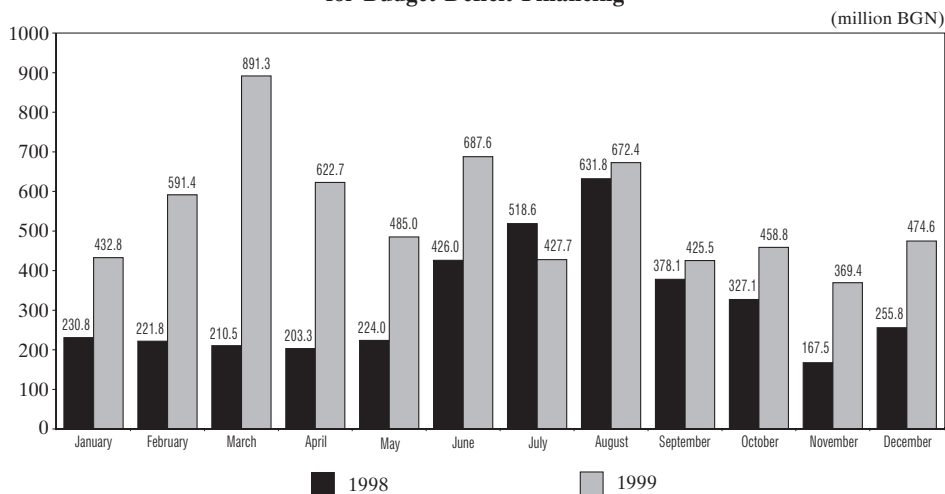
Over the review period the volume of secondary market transactions in government securities between primary dealers issued under Regulation No. 5 (reverse repo agreements volume excluded) to-

taled BGN 276,001.8 thousand, including three-month treasury bills of BGN 7,257.6 thousand, six-month of BGN 1,431.3 thousand, twelve-month of BGN 120,128.9 thousand, two-year of BGN 123,074 thousand and up to five years of BGN 24,110 thousand (Chart 2). In December sales in government securities intensified compared with the previous month, their volume increasing by 29.1%. Structurally, two-year treasury bonds occupied the largest share. Sales volume of one-year government securities increased by 31.1% from the previous month.

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

Chart 1

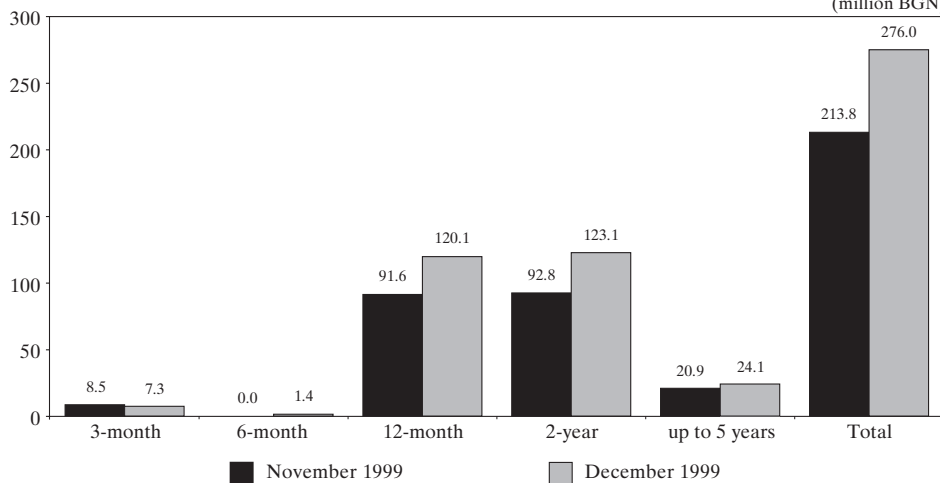
Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Source: BNB.

Structure of Transactions in Government Securities Issued for Budget Deficit Financing

(million BGN)



Source: BNB.

ing for BGN 467 thousand. Transactions between nonprimary dealers and physical or legal persons (i. e. transactions under Article 21 of Regulation No. 5) significantly increased compared with November, reaching BGN 4,942.1 thousand. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) increased from November, reaching BGN 64,277.8 thousand, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGN 1,537.3 thousand.

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

In December financial institutions concluded 58 transactions in USD-denominated government securities issued

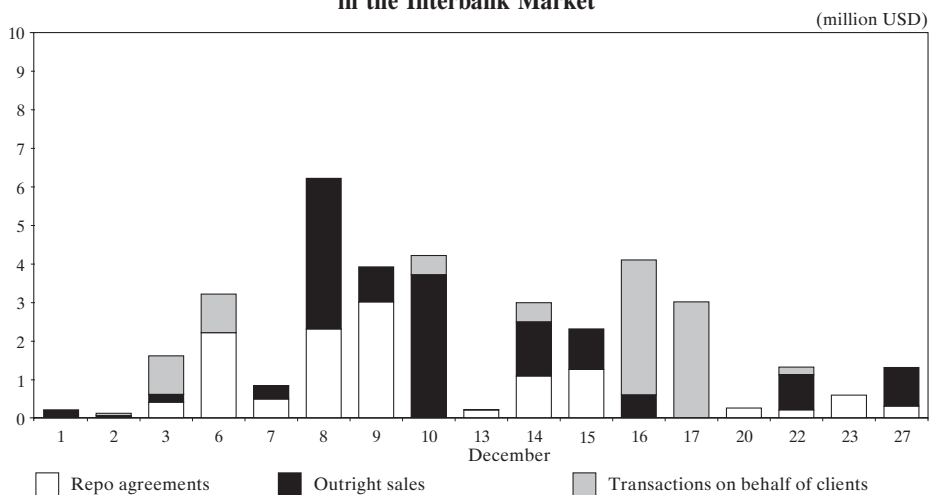
as a result of structural reform, totaling USD 36.3 million nominal value (including the number and volume of reverse repurchase agreements). In December, 22 outright transactions of USD 14.3 million, 23 repo agreements of USD 12.3 million, and 13 transactions on behalf of clients of USD 9.7 million (under Articles 14, 20 and 21) were concluded.

In December two lev-denominated transactions on behalf of clients in government securities issued as a result of structural reform of BGN 75.5 thousand and five transactions in EUR-denominated government securities, totaling EUR 0.8 million, were concluded.

Twenty-two transactions of USD 7.5 million and five transactions of EUR 1.8 million were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

In December forex ZUNK bonds sales dropped compared with the previ-

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



Source: BNB.

ous month. December was marked by a two-fold decrease in outright transactions volume, while repo agreements and transactions on behalf of clients insignificantly decreased. The lowered volume of outright transactions was due to the pending interest and first maturity payment on this government securities issue on 1 January 2000.

Prices of forex ZUNK bonds on domestic debt ranged between USD 65.75 and USD 70 per USD 100 nominal value, an increase of USD 1.50 compared with November prices.

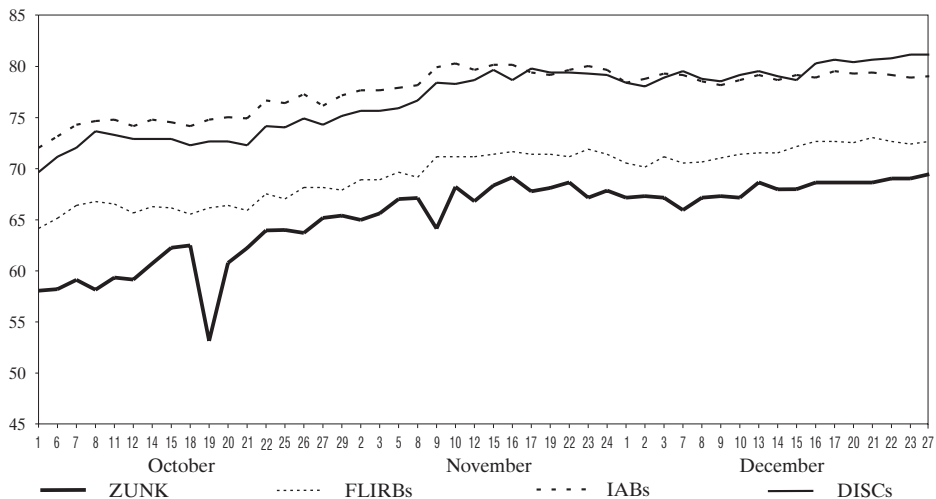
Government Securities Repo Agreements in the Interbank Market

In December the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5).

Transactions increased at the end of the review period, reaching a high on 23 December, which was 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 was reported.

The unchangeable base interest rate in December brought about a relatively stable yield of repo agreements. A decrease in the average term of repo agreements (in terms of days) occurred. The yield of repo agreements in government securities was higher than the yield of interbank deposits of up to one-day, three-day and seven-day maturities. The yield of transactions of up to one month maturity was lower than that of interbank deposits of the same maturity (Chart 6).

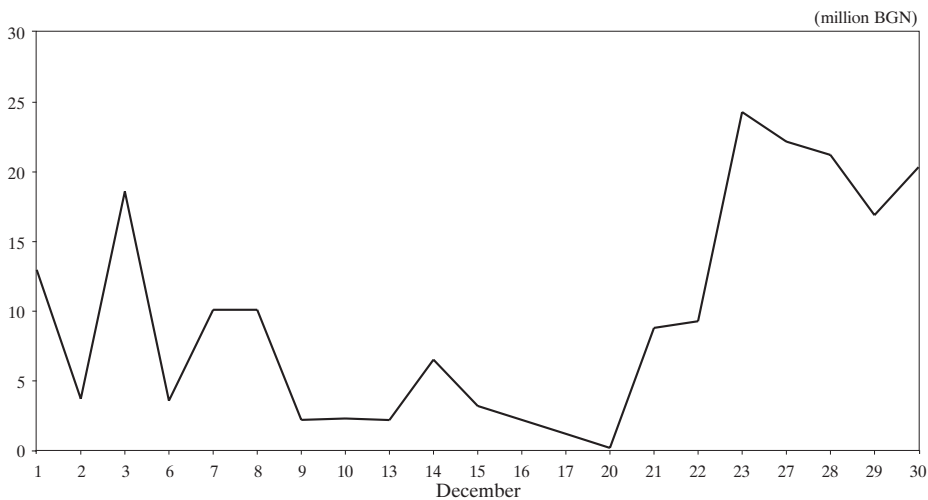
Price Movements of USD-denominated Government Securities (Issued under ZUNK) in the Interbank Market and Bulgarian Brady Bonds*



* 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 December	Price		
	Minimum	Maximum	Average weighted
1	67.00	67.00	67.00
2	67.15	67.15	67.15
3	67.00	68.52	67.05
7	65.75	66.22	65.82
8	67.00	67.15	67.01
9	67.15	67.74	67.16
10	67.00	67.26	67.00
13	68.50	68.51	68.50
14	67.15	68.30	67.83
15	66.52	67.93	67.82
16	68.14	69.09	68.49
22	68.87	68.87	68.87
23	70.00	70.00	70.00
27	69.10	69.50	69.30
30	68.50	68.50	68.50
Monthly	65.75	70.00	67.83

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

Quotations of Bulgarian Brady Bonds*

(USD)

Date December	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	78.25	77.75	70.38	69.75	78.25	77.13
2	77.88	77.38	70.00	69.50	78.63	77.50
3	78.75	78.50	71.00	70.63	79.13	78.63
6	79.63	77.50	70.38	69.88	79.50	77.50
7	79.38	78.50	70.38	69.88	79.00	77.00
8	78.63	78.25	70.50	70.25	78.38	78.25
9	78.38	77.25	70.88	70.13	78.00	77.50
10	79.00	78.25	71.25	70.63	78.50	78.13
13	79.38	78.50	71.38	71.13	79.00	78.50
14	78.88	78.38	71.38	70.88	78.50	78.00
15	78.50	78.00	72.00	71.75	79.00	77.75
16	80.13	79.75	72.50	71.75	78.75	78.25
17	80.50	79.50	72.50	71.75	79.38	78.63
20	80.25	79.75	72.38	71.88	79.13	78.63
21	80.50	80.00	72.88	71.88	79.25	78.75
22	80.63	80.13	72.50	71.75	79.00	78.50
23	81.00	80.50	72.25	71.75	78.75	78.25
27	81.00	80.50	72.50	72.00	75.88	75.38
28	81.00	80.50	72.25	72.00	79.25	78.25
29	80.50	80.13	72.50	72.00	79.38	79.00
30	80.50	80.13	72.50	72.00	79.75	78.75
31	80.50	80.13	72.50	72.00	79.75	78.75

* Reuters quotations.

Volume and Structure of Government Securities Secondary Interbank Market Transactions in December

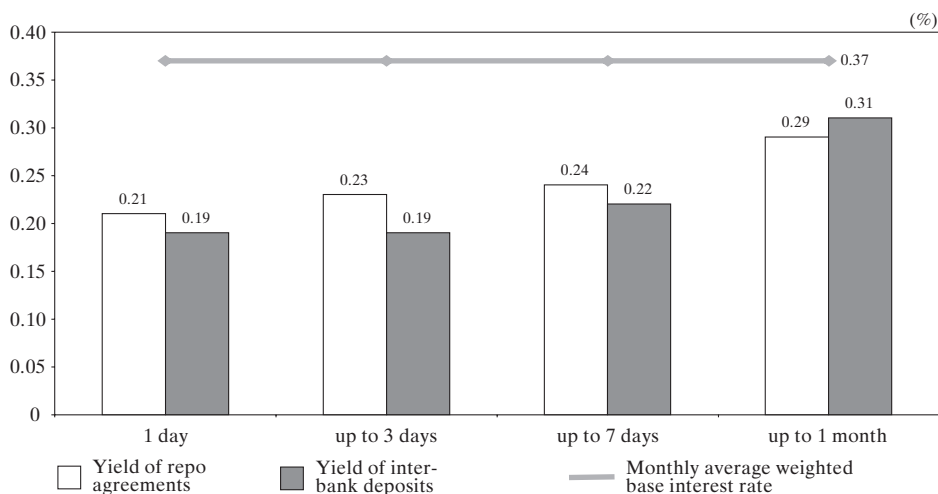
1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	276.06
- repo agreements*	189.68
- outright sales	86.38
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	34.19
- repo agreements*	6.63
- outright sales	27.48
- privatization transactions	0.08
3. Number of secondary market transactions	281
- repo agreements**	146
- outright sales	126
- privatization transactions	9
4. Average term of secondary interbank market repo agreements (days)	5.87
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.21
from 2 to 3 days	0.23
from 4 to 7 days	0.24
up to 1 month	0.29

* Volume of reverse repo agreements excluded.

** Number of reverse repo agreements excluded.

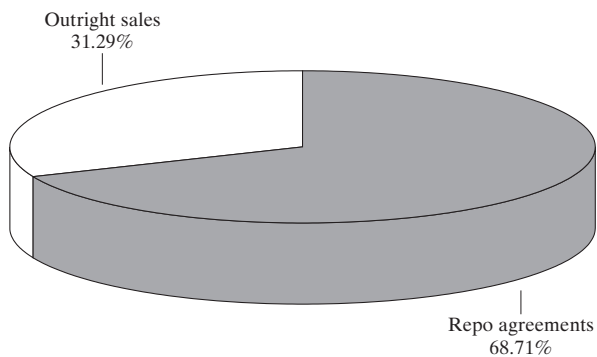
Chart 6

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



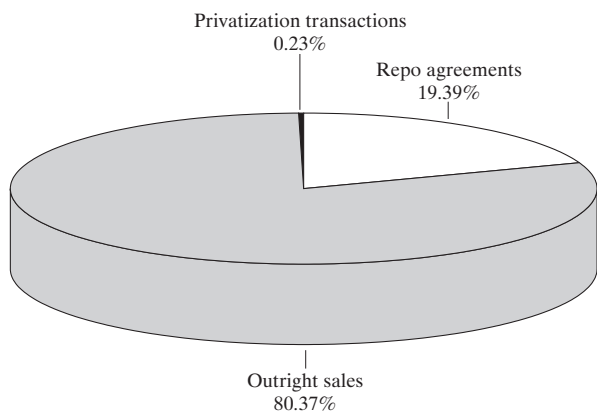
Source: BNB.

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



Source: BNB.

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



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	Volume
1.12.1999										
Deposits	23 588	2.15	7 000	2.24	4 877	2.85	1 750	3.74	1 700	38 915
Repo agreements	5 171	2.24	7 800	2.68						12 971
2.12.1999										
Deposits	12 200	2.16			2 299	2.81	1 380	3.19	1 500	17 379
Repo agreements	2 510	2.03			200	2.94	1 000	3.35		3 710
3.12.1999										
Deposits			2 770	2.03	4 000	2.84				6 770
Repo agreements			12 800	1.88	5 800	2.34				18 600
6.12.1999										
Deposits	9 294	2.30	500	2.40	1 000	2.90	9 000	4.13	6 000	25 794
Repo agreements	2 280	2.53	600	3.35	695	3.23				3 575
7.12.1999										
Deposits	11 171	2.35	2 000	2.80	4 607	3.12	2 700	3.13		20 478
Repo agreements			2 007	2.03	5 160	2.91	2 524	3.56	410	10 101
8.12.1999										
Deposits	9 250	2.39	3 200	2.60	3 872	2.86	2 905	3.22	500	19 727
Repo agreements	700	2.64	800	3.04	6 801	3.03	1 350	3.54	350	10 001
9.12.1999										
Deposits	11 840	2.43			4 950	2.70	299	3.10		17 089
Repo agreements					2 200	2.86				2 200
10.12.1999										
Deposits			24 340	2.29	1 500	2.53				25 840
Repo agreements			1 000	2.64	1 300	3.04				2 300
13.12.1999										
Deposits	20 230	2.26	5 000	2.46			1 590	3.11		26 820
Repo agreements					2 193	2.85				2 193
14.12.1999										
Deposits	20 173	2.31	5 800	2.49	7 400	3.24	6 200	3.78	3 000	42 573
Repo agreements					6 525	2.92				6 525
15.12.1999										
Deposits	20 234	2.47	5 500	2.57	1 371	2.93	770	3.30	2 500	30 375
Repo agreements	1 700	2.43			1 500	2.84				3 200
16.12.1999										
Deposits	11 173	2.16			12 756	2.71	2 060	3.88	1 000	26 989
Repo agreements					1 200	2.70	1 000	3.24		2 200
17.12.1999										
Deposits			11 907	2.17	1 500	2.93	2 351	3.17		15 758
Repo agreements							1 200	3.24		1 200
20.12.1999										
Deposits	13 180	1.96	2 000	2.30	1 950	3.15	1 606	2.88		18 736
Repo agreements			193	2.53						193
21.12.1999										
Deposits	25 100	2.14	3 000	2.23	3 000	2.87	3 800	3.70	500	35 400
Repo agreements			600	2.94	7 200	2.94	1 000	3.35		8 800

(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	Volume
22.12.1999										
Deposits	26 500	2.17			5 600	2.68	2 101	3.77	1 000	35 201
Repo agreements	6 592	2.34			2 694	2.82				9 286
23.12.1999										
Deposits					12 800	2.36	3 150	3.83		15 950
Repo agreements					22 296	2.66	2 000	3.24		24 296
27.12.1999										
Deposits	9 900	2.18					3 219	4.09		13 119
Repo agreements	6 683	2.65	15 200	3.04			291	2.97		22 174
28.12.1999										
Deposits	16 400	2.67	1 000	3.70	3 805	2.67	2 750	4.00		23 955
Repo agreements	14 470	2.64	6 052	2.86	200	3.14	500	3.75		21 222
29.12.1999										
Deposits	7 000	2.89			2 040	3.62	1 070	3.57		10 110
Repo agreements	15 025	2.80			828	2.94	1 057	3.42		16 910
30.12.1999										
Deposits					4 750	1.71	1 093	3.76	200	6 043
Repo agreements					19 340	2.85	1 000	3.45		20 340

- 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.

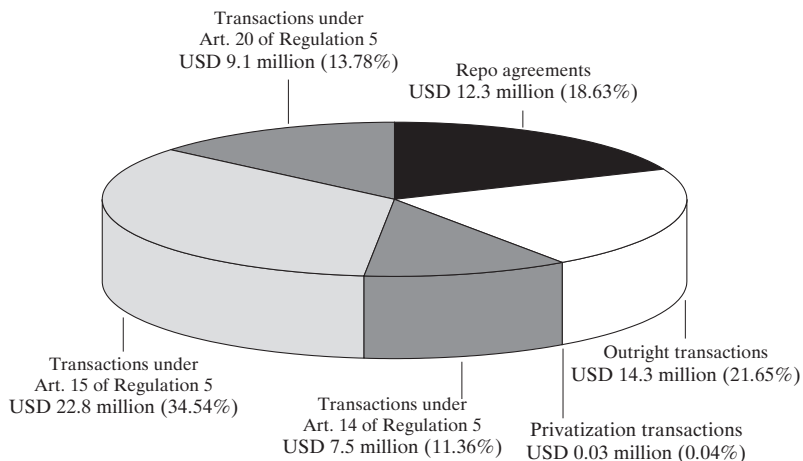
Volume of Government Securities Transactions in the Secondary Market and Securities Transactions in the Bulgarian Stock Exchange and OTC Market

(BGN)

Date December	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			BSE	OTC market	Total
1	24 667 000.00	9 459 620.20	13 509 672.80	15 761 079.31				63 397 372.31	1 012 004.25	599 301.00	1 611.305.25
2	15 681 000.00	155 473.00	4 598 524.18	5 543 167.23				25 978 164.41	8 407.82	316 595.75	325 003.57
3	21 961 160.00	1 396 980.00	8 336 653.00	353 332.77	1 952 900.00		26 168.86	34 027 194.63	69 506.90	11 864.25	83 371.15
6	15 655 914.00	135 000.00	4 952 018.83	3 217 095.00	1 920 870.00	254 144.00		26 135 041.83	55 447.30	8 770.55	64 217.85
7	16 075 796.58	7 168 563.00	3 586 527.00	1 835 463.01		1 645 540.00		30 311 889.59	1 072 061.34	1 042.05	1 073 103.39
8	10 002 024.20	9 718 635.00	4 997 980.00	4 288 756.65	31 000.00	2 000.00		29 040 395.85	885 477.58	29 343.05	914 820.63
9	13 473 570.00	1 856 504.14	4 661 322.70	8 436 737.62				28 428 134.46	1 163 725.55	10 854.25	1 174 579.80
10	5 600 000.00	9 435 968.00	4 300 000.00	6 799 490.20	982 845.00	27 520.00	7 521.70	27 153 344.90	2 481 368.81	49 477.26	2 530 846.07
13	5 336 222.00	280 000.00		3 165 893.32			19 890.43	8 802 005.75	1 510 273.39	14 270.50	1 524 543.89
14	14 789 304.40	2 727 802.00	2 348 138.90	741 377.62				20 606 622.92	288 861.19	3 254.80	292 115.99
15	6 639 662.50	10 362 086.29	1 841 324.50	12 556 919.10		27 520.00	8 977.96	31 436 490.35	390 294.00	18 719.28	409 013.28
16	7 900 050.00	6 323 469.73	3 520 914.60	2 066 483.68	6 746 915.00	158 400.00		26 716 233.01	1 806 835.20	4 291.50	1 811 126.70
17	2 700 000.00	12 478 233.20	1 640 000.00	5 593 977.77	5 794 330.00			28 206 540.97	100 394.43	49 949.52	150 343.95
20	3 484 307.50	4 232 000.00	3 597 816.90	1 989 535.21	435 000.00			13 738 659.61	310 503.14	19 030.20	329 533.34
21	17 875 000.00	21 204.00	317 333.00			762 520.00		18 976 057.00	3 318 565.28	4 977.75	3 323 543.03
22	10 980 292.00	12 734 122.60	3 246 158.40	11 302 022.03	194 146.00	995 000.00		39 451 741.03	6 839 373.00	100 483.73	6 939 856.73
23	35 814 314.98	7 662 275.00	1 927 251.40	6 096 295.77		79 440.00	15 508.64	51 595 085.79	3 374 420.92	18 904.50	3 393 325.42
27	44 307 991.00	5 169 086.60	810 587.40	21 440 762.83				71 728 427.83	239 536.00	24 875.10	264 411.10
28	41 855 000.00	10 675 000.00	4 114 000.00	8 745 205.34		45 000.00		65 434 205.34	233 847.19	29 714.50	263 561.69
29	33 873 000.00	3 029 817.00	6 260 000.00	15 205 047.00		945 000.00		59 312 864.00	536 677.55	175 866.00	712 543.55
TOTAL	348 671 609.16	115 021 839.75	78 566 223.61	135 138 641.45	18 058 006.00	4 942 084.00	78 067.59	700 476 471.56	25 697 580.84	1 491 585.54	27 189 166.38

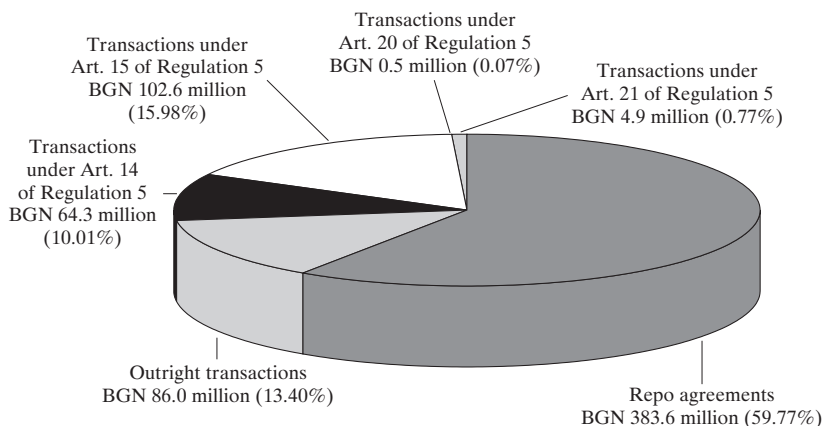
- Notes:**
1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGN 1,537,333 is included.
 2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 4,664,151 is included.
 3. The volume 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 USD-denominated Government Securities Issued for Structural Reform in December



Source: BNB.

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



Source: BNB.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3010199001	BG3010499005	BG3010799008	BG3011099002	BG3011399006	BG3011699009	BG3012199009	BG3012499003
Issue date	6.01.1999	20.01.1999	3.02.1999	17.02.1999	4.03.1999	17.03.1999	7.04.1999	21.04.1999
Maturity date	5.01.2000	19.01.2000	2.02.2000	16.02.2000	2.03.2000	15.03.2000	5.04.2000	19.04.2000
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	20 000.00	15 000.00	15 000.00	15 000.00	15 000.00	15 000.00
Total nominal value of the bids received (thousand BGN)	32 577.60	36 670.00	37 350.00	34 036.70	43 240.00	31 790.00	42 960.00	42 660.50
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	20 000.00	15 000.00	15 000.00	15 000.00	15 000.00	15 000.00
Average price of the bids approved per BGN 100 (%)	93.75	93.68	93.76	93.91	94.03	94.09	94.32	94.54
Average discount per BGN 100 (%)	6.25	6.32	6.24	6.09	5.97	5.91	5.68	5.46
Average annual yield (%)	6.68	6.76	6.66	6.50	6.37	6.30	6.04	5.79
Effective annual yield (%)	6.69	6.77	6.67	6.50	6.37	6.30	6.04	5.79
Coverage coefficient	1.30	1.47	1.87	2.27	2.88	2.12	2.86	2.84

(continued)

(continued)

Issue No.	BG3012799006	BG3013099000	BG3013399004	BG3013699007	BG3014299005	BG3014599008	BG3014899002	BG3015199006
Issue date	5.05.1999	19.05.1999	2.06.1999	16.06.1999	7.07.1999	21.07.1999	4.08.1999	18.08.1999
Maturity date	3.05.2000	17.05.2000	31.05.2000	14.06.2000	5.07.2000	19.07.2000	2.08.2000	16.08.2000
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	7 500.00	7 500.00	9 000.00	9 000.00
Total nominal value of the bids received (thousand BGN)	28 000.00	17 250.00	11 125.00	14 120.00	14 376.00	11 800.00	12 333.69	9 012.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	7 500.00	7 500.00	9 000.00	9 000.00
Average price of the bids approved per BGN 100 (%)	94.82	94.94	94.85	94.69	94.31	94.33	94.18	93.89
Average discount per BGN 100 (%)	5.18	5.06	5.15	5.31	5.69	5.67	5.82	6.11
Average annual yield (%)	5.48	5.34	5.44	5.62	6.05	6.03	6.20	6.53
Effective annual yield (%)	5.48	5.34	5.44	5.62	6.05	6.03	6.20	6.53
Coverage coefficient	2.80	1.73	1.11	1.41	1.92	1.57	1.37	1.00

(continued)

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Issue No.	BG3015499000	BG3015799003	BG3016099007	BG3016199005	BG3016299003	BG3016399001	BG3016499009	BG3016599006
Issue date	1.09.1999	15.09.1999	29.09.1999	6.10.1999	6.10.1999	13.10.1999	20.10.1999	20.10.1999
Maturity date	30.08.2000	13.09.2000	29.03.2000	5.01.2000	4.10.2000	12.01.2000	19.01.2000	18.10.2000
Nominal value of the offer (thousand BGN)	8 000.00	8 000.00	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)	11 420.00	21 661.30	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)	8 000.00	8 000.00	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 (%)	92.84	93.32	97.53	98.90	94.14	98.91	98.91	94.38
Average discount per BGN 100 (%)	7.16	6.68	2.47	1.10	5.86	1.09	1.09	5.62
Average annual yield (%)	7.73	7.18	5.08	4.46	6.24	4.42	4.42	5.97
Effective annual yield (%)	7.73	7.18	5.14	4.54	6.24	4.49	4.49	5.97
Coverage coefficient	1.43	2.71	1.98	1.53	2.15	1.57	1.23	1.48

(continued)

(continued)

Issue No.	BG3016699004	BG3016799002	BG3016899000	BG3016999008	BG3017099006	BG3017199004	BG3017299002	BG3017399000
Issue date	27.10.1999	3.11.1999	3.11.1999	10.11.1999	17.11.1999	17.11.1999	24.11.1999	1.12.1999
Maturity date	26.01.2000	2.02.2000	1.11.2000	9.02.2000	16.02.2000	15.11.2000	23.02.2000	1.03.2000
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	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	7 570.00
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	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	98.90
Average discount per BGN 100 (%)	1.09	1.10	5.55	1.10	1.10	5.63	1.10	1.10
Average annual yield (%)	4.42	4.46	5.89	4.46	4.46	5.98	4.46	4.46
Effective annual yield (%)	4.49	4.54	5.89	4.54	4.54	5.98	4.54	4.54
Coverage coefficient	1.52	0.96	1.37	1.47	1.18	1.95	1.95	1.51

(continued)

(continued)

Issue No.	BG3017499008	BG3017599005	BG3017699003	BG3017799001	BG3017899009	BG3017999007	BG3018099005
Issue date	1.12.1999	8.12.1999	15.12.1999	15.12.1999	22.12.1999	29.12.1999	29.12.1999
Maturity date	29.11.2000	8.03.2000	15.03.2000	13.12.2000	22.03.2000	29.03.2000	28.06.2000
Nominal value of the offer (thousand BGN)	8 000.00	5 000.00	5 000.00	8 000.00	5 000.00	5 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	18 150.00	8 010.00	9 507.00	7 285.00	7 300.00	7 885.00	7 305.00
Total nominal value of the bids approved (thousand BGN)	8 000.00	5 000.00	5 000.00	7 285.00	5 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	94.43	98.90	98.90	94.38	98.90	98.90	97.69
Average discount per BGN 100 (%)	5.57	1.10	1.10	5.62	1.10	1.10	2.31
Average annual yield (%)	5.91	4.46	4.46	5.97	4.46	4.46	4.74
Effective annual yield (%)	5.92	4.54	4.54	5.97	4.54	4.54	4.80
Coverage coefficient	2.27	1.60	1.90	0.91	1.46	1.58	1.46

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	BG2030098128	BG2030198110	BG2030298116
Issue date	29.02.1996	30.05.1996	9.05.1997	16.05.1997	17.07.1997	15.01.1998	29.01.1998	12.02.1998
Maturity date	22.02.2001	23.05.2001	05.05.2000	10.05.2002	13.07.2000	13.01.2000	27.01.2000	10.02.2000
Nominal value of the offer (thousand BGN)	1 000.00	800.00	35 000.00	20 000.00	35 000.00	5 000.00	5 000.00	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	17 425.00	16 360.00	13 320.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	30 000.00	20 000.00	35 000.00	5 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	100.00	97.75	94.88	95.86	96.11
Average discount per BGN 100 (%)	8.50	-	0.00	0.00	2.25	5.12	4.14	3.89
Interest rate	BIR	BIR+7	BIR+4	BIR+4	BIR	(x+1).102365 ¹	8.00	8.00
Coverage coefficient	0.20	1.00	0.88	1.00	1.55	3.49	3.27	2.66

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

(continued)

(continued)

Issue No.	BG2030398114	BG2030498112	BG2030598119	BG2030698117	BG2030798115	BG2030898113	BG2030998111	BG2031098119
Issue date	5.03.1998	19.03.1998	2.04.1998	16.04.1998	30.04.1998	14.05.1998	28.05.1998	18.06.1998
Maturity date	2.03.2000	16.03.2000	30.03.2000	13.04.2000	24.04.2003	11.05.2000	22.05.2003	15.06.2000
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	1 000.00	5 000.00	2 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	10 620.00	7 970.00	8540.00	14 565.00	3 605.00	14 041.00	3 440.00	7 825.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	1 000.00	5 000.00	2 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	95.54	95.46	94.97	94.43	87.14	95.47	84.78	93.53
Average discount per BGN 100 (%)	4.46	4.54	5.03	5.57	12.86	4.53	15.22	6.47
Interest rate	7.50	7.50	7.50	7.00	8.00	7.00	8.00	6.00
Coverage coefficient	2.12	1.59	1.71	2.91	3.61	2.81	1.72	1.57

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(continued)

Issue No.	BG2031198117	BG2031298115	BG2031398113	BG2031498111	BG2031598118	BG2031698116	BG2031798114	BG2031898112
Issue date	2.07.1998	16.07.1998	30.07.1998	20.08.1998	3.09.1998	17.09.1998	1.10.1998	15.10.1998
Maturity date	26.06.2003	13.07.2000	26.07.2001	17.08.2000	30.08.2001	14.09.2000	27.09.2001	12.10.2000
Nominal value of the offer (thousand BGN)	2 000.00	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 500.00	5 000.00
Total nominal value of the bids received (thousand BGN)	2 070.00	6 450.00	2 750.00	11 450.00	1 400.00	6 640.00	1 155.00	7 900.00
Total nominal value of the bids approved (thousand BGN)	2 000.00	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 055.00	5 000.00
Average price of the bids approved per BGN 100 (%)	76.20	92.70	89.60	92.97	87.85	92.45	86.89	91.71
Average discount per BGN 100 (%)	23.80	7.30	10.40	7.03	12.15	7.55	13.11	8.29
Interest rate	7.00	6.00	7.00	6.00	6.50	6.00	6.50	6.00
Coverage coefficient	1.04	1.29	2.75	2.29	1.40	1.33	0.77	1.58

(continued)

(continued)

Issue No.	BG2031998110	BG2032098118	BG2032198116	BG2032298114	BG2030099118	BG2030199116	BG2030299114	BG2030399112
Issue date	29.10.1998	19.11.1998	3.12.1998	17.12.1998	13.01.1999	27.01.1999	10.02.1999	24.02.1999
Maturity date	25.10.2001	16.11.2000	29.11.2001	14.12.2000	10.01.2001	24.01.2001	7.02.2001	21.02.2001
Nominal value of the offer (thousand BGN)	1 500.00	1 000.00	500.00	1 000.00	5 000.00	8 000.00	10 000.00	15 000.00
Total nominal value of the bids received (thousand BGN)	700.00	3 700.00	1 250.00	2 647.02	13 053.00	20 849.60	24 021.03	30 397.50
Total nominal value of the bids approved (thousand BGN)	250.00	1 000.00	500.00	1 000.00	5 000.00	8 000.00	10 000.00	15 000.00
Average price of the bids approved per BGN 100 (%)	83.48	93.32	95.55	99.82	99.60	99.38	99.66	99.74
Average discount per BGN 100 (%)	16.52	6.68	4.45	0.18	0.40	0.62	0.34	0.26
Interest rate	6.50	6.50	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	0.47	3.70	2.50	2.65	2.61	2.61	2.40	2.03

(continued)

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Issue No.	BG2030499110	BG2030599117	BG2030699115	BG2030799113	BG2030899111	BG2030999119	BG2031099117	BG2031299113
Issue date	10.03.1999	24.03.1999	31.03.1999	14.04.1999	28.04.1999	29.04.1999	12.05.1999	26.05.1999
Maturity date	7.03.2001	21.03.2001	24.03.2004	11.04.2001	25.04.2001	22.04.2004	9.05.2001	23.05.2001
Nominal value of the offer (thousand BGN)	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	48 340.00	39 280.00	2 795.00	47 594.30	42 870.00	1 190.00	25 720.00	25 827.40
Total nominal value of the bids approved (thousand BGN)	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	99.91	100.05	86.35	100.84	99.88	78.39	99.98	98.98
Average discount per BGN 100 (%)	0.09	-0.05	13.65	-0.84	0.12	21.61	0.02	1.02
Interest rate	9.00	9.00	9.00	9.00	8.00	9.00	8.00	8.00
Coverage coefficient	3.22	2.62	1.40	3.17	2.14	1.00	1.29	1.29

(continued)

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Issue No.	BG2031399111	BG2031699114	BG2031799112	BG2031899110	BG2031999118	BG2032099116	BG2032199114	BG2032299112
Issue date	9.06.1999	23.06.1999	14.07.1999	28.07.1999	11.08.1999	25.08.1999	8.09.1999	24.09.1999
Maturity date	6.06.2001	20.06.2001	11.07.2001	25.07.2001	8.08.2001	22.08.2001	5.09.2001	21.09.2001
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	15 965.00	11 220.00	16 170.00	13 105.50	11 325.00	9 080.63	16 600.00	34 781.00
Total nominal value of the bids approved (thousand BGN)	15 965.00	11 220.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	97.18	93.55	93.54	93.26	92.59	91.92	91.05	94.71
Average discount per BGN 100 (%)	2.82	6.45	6.46	6.74	7.41	8.08	8.95	5.29
Interest rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Coverage coefficient	0.80	0.75	1.35	1.31	1.13	1.14	2.08	4.35

(continued)

(continued)

Issue No.	BG2032399110	BG2032499118	BG2032599115	BG2032699113	BG2032799111	BG2032899119
Issue date	13.10.1999	27.10.1999	10.11.1999	24.11.1999	8.12.1999	22.12.1999
Maturity date	10.10.2001	24.10.2001	7.11.2001	21.11.2001	5.12.2001	19.12.2001
Nominal value of the offer (thousand BGN)	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	39 093.50	28 485.05	24 059.00	29 786.00	40 252.00	37 050.00
Total nominal value of the bids approved (thousand BGN)	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.02	98.53	98.80	99.04	99.60	100.12
Average discount per BGN 100 (%)	1.98	1.47	1.20	0.96	0.40	
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	4.89	2.85	2.41	2.98	4.03	3.71

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	21 129.85	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)

(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 December 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)	494 910 (USD)	884.77 (BGN)	7766.90 (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 31 December 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)	25.70	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 December 1999.

Source: MF.

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

Investments in Government Securities Issued under Regulation No. 5 of the MF and BNB and Target Issues

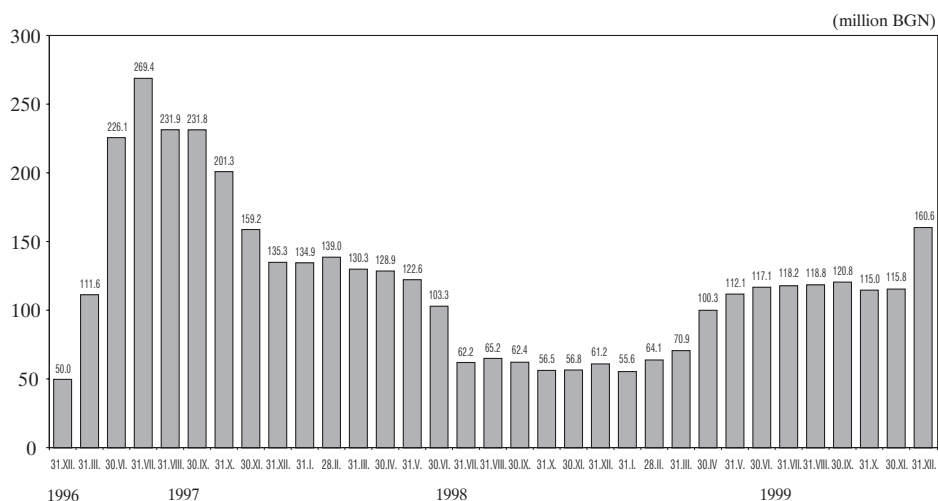
The volume of government securities sales for budget deficit financing increased in December. As of 31 December 1999 government securities (issued under Regulation No. 5) held by individuals, companies and nonbank financial institutions totaled BGN 160,573 thousand (Chart 11), an increase of BGN 45,102 thousand, or 39.06%, on the previous month. Investments in target government securities earmarked for sale

to physical persons accounted for BGN 21,546 thousand (Chart 12), an increase of BGN 1,532 thousand, or 7.65%, on November.

In December sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 5,702.8 thousand, six-month of BGN 1,015 thousand, one-year of BGN 2,364.5 thousand, and two-year treasury bonds of BGN 12,711.4 thousand. Two-year treasury bonds occupied the largest share in total government securities sales in December, 58.33%.

Chart 11

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

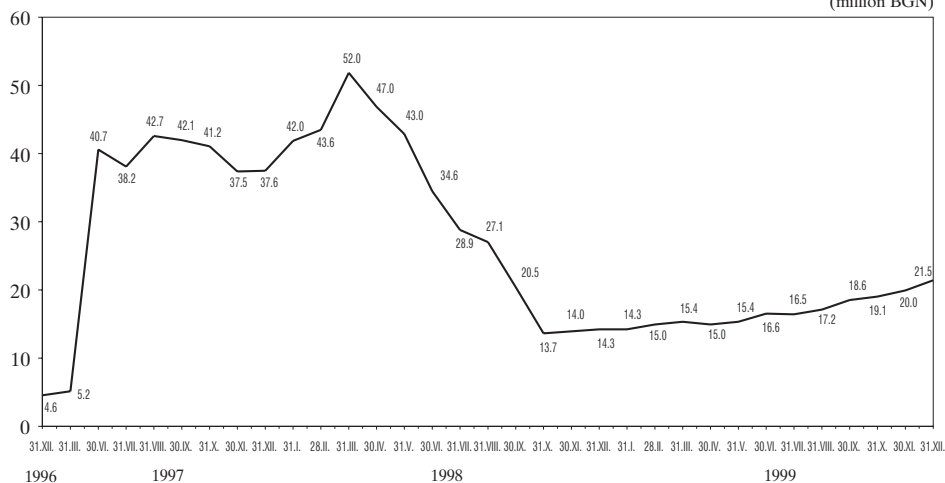


Note: Preliminary data for December 1999.

Source: BNB.

Investments in Government Securities from Target Issues Earmarked for Physical Persons

(million BGN)



- Notes: 1. Preliminary data for December 1999.
2. Target issues dated 8 December 1999 excluded.

Source: BNB.

Target Issues of Government Securities Earmarked for Physical Persons

Between 24 November and 21 December 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 government treasury bills yielding 5.9% annually. Their average weighted monthly yield is 0.49% (Chart 13). No repurchases are effected by the clients

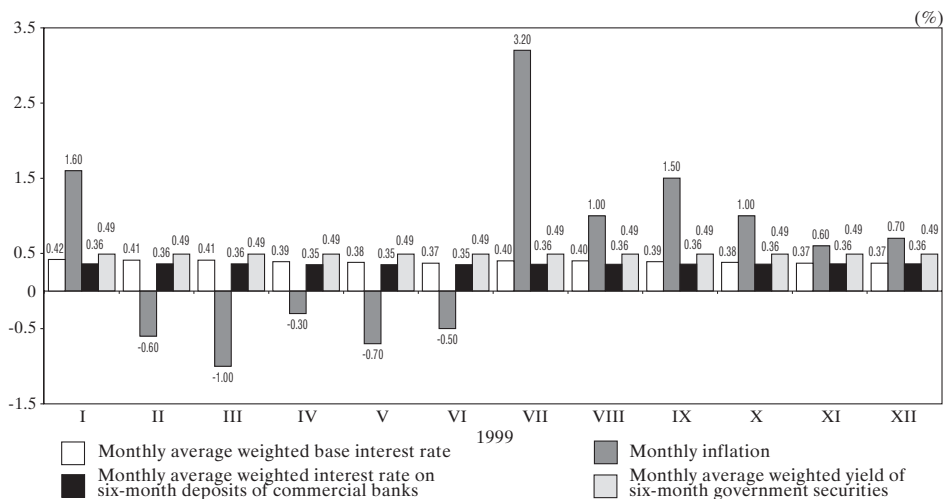
¹ The period under review starts from the issue date and finishes at the end of issue periods, since data is obtained and registered after the sale of a particular issue has been finished. Therefore, this period does not correspond to the calendar month and includes two issue periods or four weeks.

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.

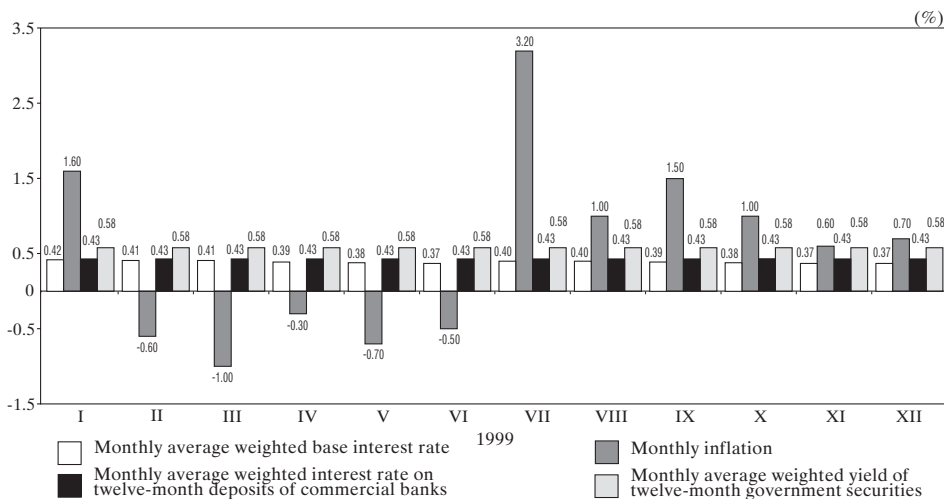
- Two issues of two-year savings government treasury bonds with fixed annual yield in the form of semiannual interest payment, effective as of the issue date. The last interest payment is effected at maturity together with the nominal value of government securities.

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 1,929.8 thousand nominal value: six-month treasury bills of BGN 100.8 thousand (5.22%), twelve-month treasury bills of BGN 56.1 thousand (2.91%) and two-year savings treasury bonds of BGN 1,772.9 thousand

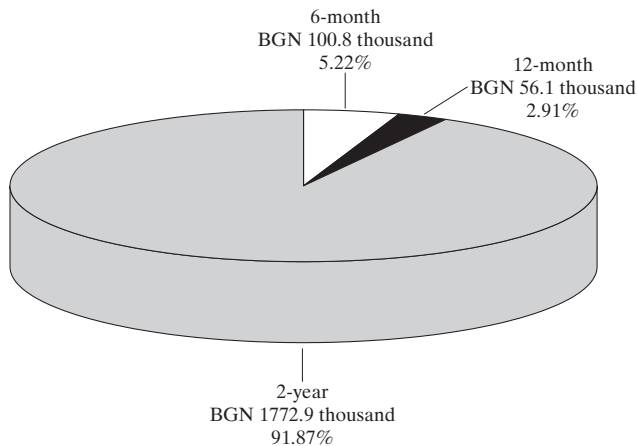
(91.87%). Data shows that during the reporting period investors opted for two-year savings treasury bonds (Chart 15) generating higher yield.

Investments in Government Securities Issued for Structural Reform

The increase in the volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform continued in December. As of 31 December 1999 total sales of government securities accounted for BGN 357,714.2 thousand (including sales to foreign investors), an increase of BGN 14,898.5 thousand, or 4.3%, from November (Chart 17).

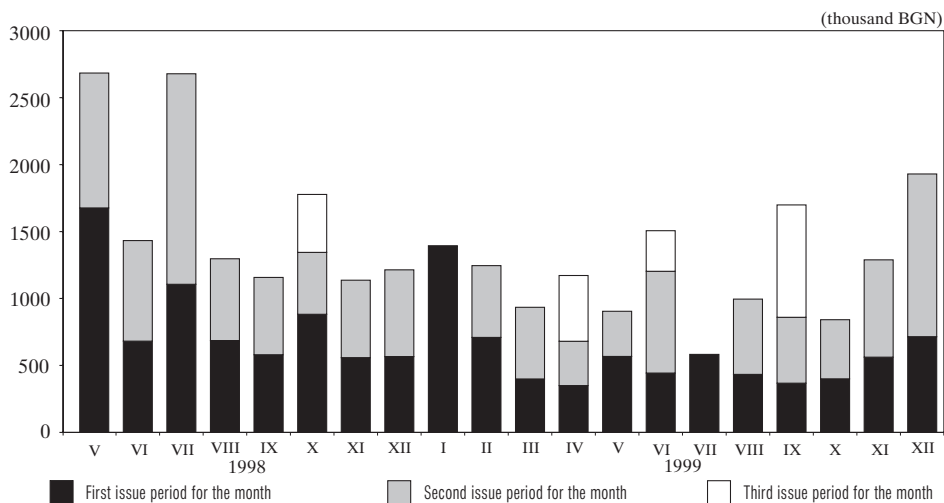
Chart 15

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



Source: BNB.

Volume of Target Government Securities Sales to Physical Persons



Source: BNB.

The bulk of government securities issued for structural reform was sold by commercial banks (79.8%) and other financial institutions (20.2%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 7,909.6 thousand (2.3% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGN 349,804.7 thousand.

Foreign Investments in Government Securities

The volume of government securities held by foreign investors increased in December. As of 31 December 1999 government securities acquired by foreign investors totaled BGN 185,992.8 thousand

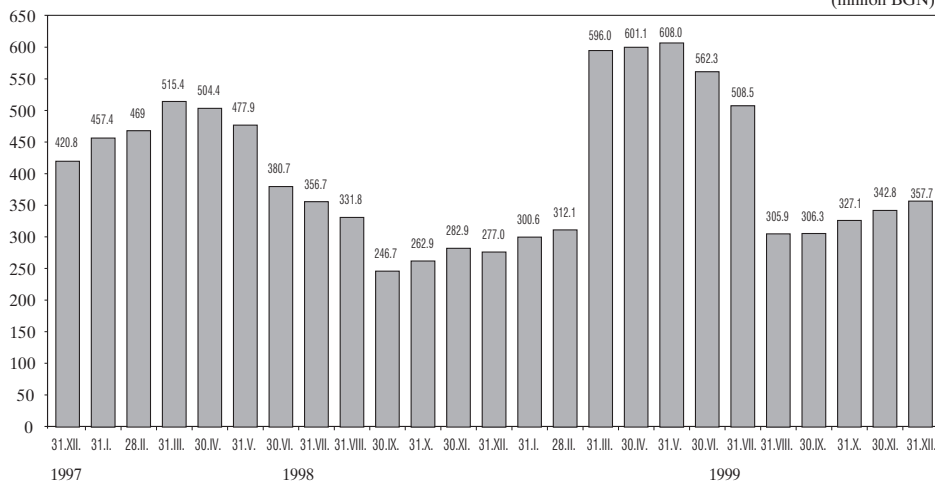
(Chart 18), an increase of BGN 12,861.4 thousand (7.4%) on November.

Sales of government securities issued under Regulation No. 5 accounted for BGN 1,867.6 thousand. By end-December target government securities (earmarked for direct sale to physical persons) held by nonresidents totaled BGN 9.4 thousand.

As of 31 December 1999 USD-denominated long-term government bonds held by foreign investors increased by USD 5.5 million (6.76%), reaching USD 86.82 million. The relative share of these government securities on domestic debt totaled 90.87% in foreign investors' portfolios. The volume of sold EUR-denominated government securities remained unchanged: EUR 7.72 million (8.12%).

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

(million BGN)

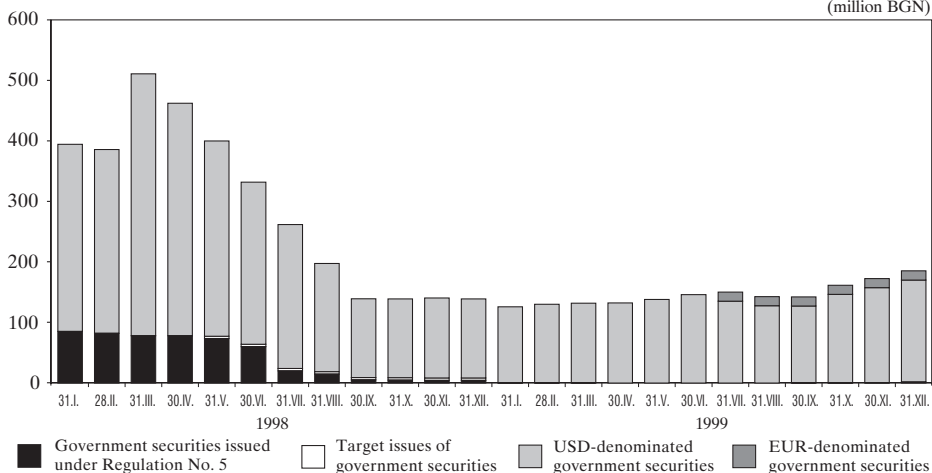


Note: Data on USD-denominated government securities shows the lev equivalent based on the USD exchange rate at the end of month. Preliminary data for December 1999.

Source: BNB.

Government Securities in Foreign Investors' Portfolios

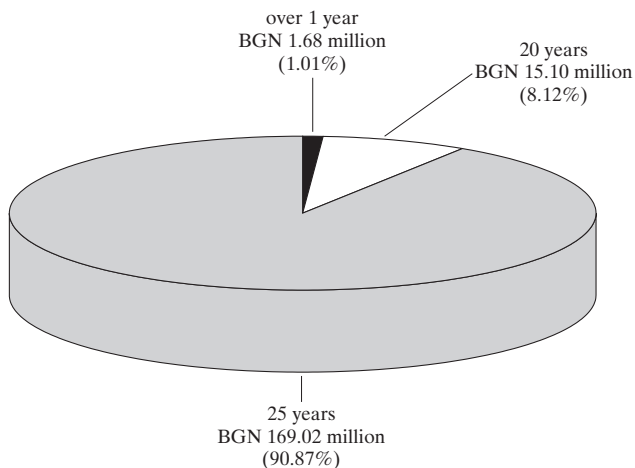
(million BGN)



Note: Preliminary data for December 1999.

Source: BNB.

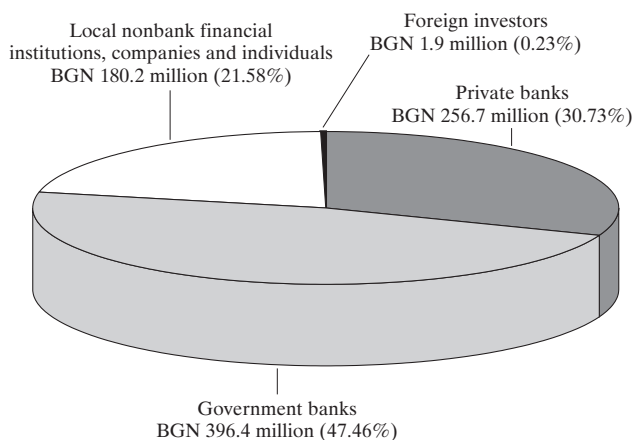
Volume and Maturity Structure of Government Securities held by Foreign Investors by 31 December



Note: Preliminary data.

Source: BNB.

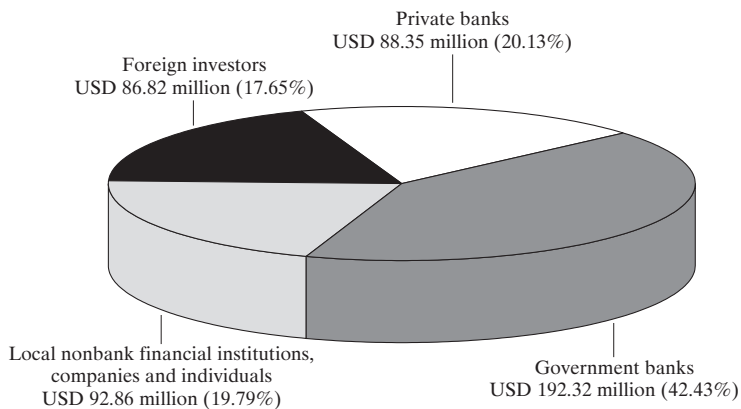
Holders of Government Securities Issued under Regulation No. 5 and of Target Issues by 31 December



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

Source: BNB.

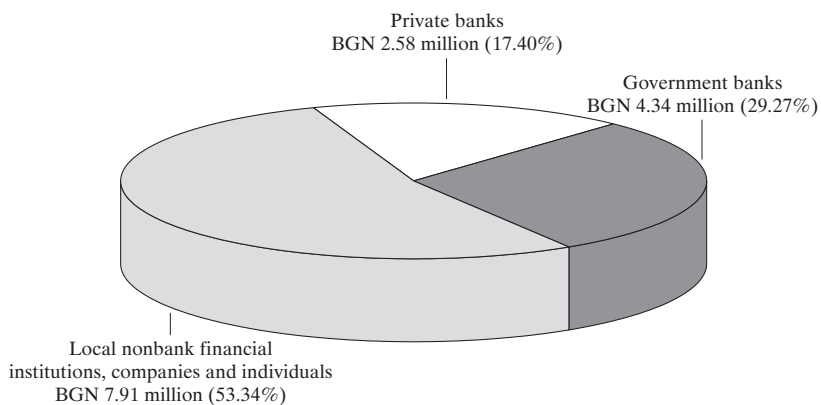
Holders of USD-denominated Government Securities Issued under ZUNK by 31 December



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 December



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

Source: BNB.

SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

In December long-term government bonds issued under Article 5 of ZUNK, totaling USD 40 thousand, were sold for participation in privatization. Pursuant to Article 5 of the Regulation on participation in privatization of holders of long-term government bonds issued under the terms of ZUNK, CM Decrees Nos. 244 of 1991, 186 of 1993 and 3 of 1994 (government securities for structural reform), these government securities were transferred to the MF account for participation in 9 privatization transactions as le-

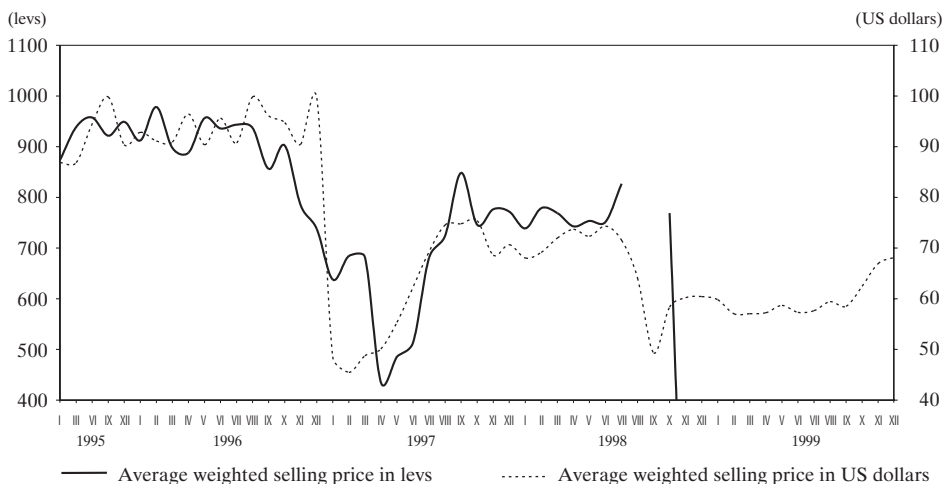
gal tender; they were canceled at the end of December.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 68.24 per USD 100 nominal value (Chart 23).

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

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.

In December pursuant to Article 1 of the Regulation on the procedure for utilization of long-term government bonds issued under ZUNK for repayment of debts to the government arising under the same law (published in the State Ga-

zette, issue 12 of 3 February 1995), maturing long-term government bonds of USD 430 thousand and EUR 20 thousand (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	0.03	0.04	20.74
II. Government securities in EUR (thousand EUR)	1999								2.79	0.00	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

Pursuant to Article 4, para. 1 of Regulation No. 5 of the MF and BNB the Minister of Finance and the Governor of the Bulgarian National Bank approved the government securities primary dealers, as follows:

FOR THE PERIOD 1 JANUARY – 30 JUNE 2000

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	SIIB 01
EVROBANK	EBSF 01-03
EXPRESSBANK	EBVB 01
NATIONAL BANK OF GREECE	NBGS 01-03
NEFTINVESTBANK	OBGG 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
BULBROKERS	
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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