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**Secondary
Market of
Government
Securities**

2000

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1	Government Securities Interbank Market _____	5
2	Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities _	16
3	Outstanding Government Securities Discount Treasury Bills _____	23
	Treasury Bonds _____	27
	Guaranty Government Securities _____	35
	Government Securities Issued to Settle Nonperforming Credits of State-owned Companies to Banks _____	37
	EUR-denominated Government Securities _	38
	Government Securities Issued in 2000 _____	39
4	Sales of Government Securities for Participation in Privatization Transactions _____	43
5	Letter of the MF and BNB No. 21-1780/8350 of 7 June 2000 Regarding the Procedure for Selection of Government Securities Primary Dealers _____	45
6	Government Securities Primary Dealers and Reuters Pages for Government Securities Quotations _____	47

ANNOUNCEMENTS

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

As of January 2000 information on BNB activity as a government fiscal agent and official state depository is included in BNB Internet website under the heading of Fiscal Services containing the following major sections:

- establishment and maintenance of an electronic system for registration and trade in book-entry government securities;
- automated system for registration, service and management of foreign debt;
- information service of cash reporting of consolidated state budget and fiscal reserves.

As of March 2000 Rules of BNB Activity on Recording Circumstances Related to a Pledge in Book-entry Government Securities under Article 18, Para. 3 of the Law on Register Pledges and the Attachments to them can be found in BNB Internet website under the heading of Fiscal Services.

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)

Interbank Market of Government Securities Issued under Regulation No. 5

In May 2000 financial institutions concluded 439 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 503,695.4 thousand nominal value, an increase of BGN 18,748.1 thousand, or 3.9%, compared with the same period of the previous year (Chart 1).

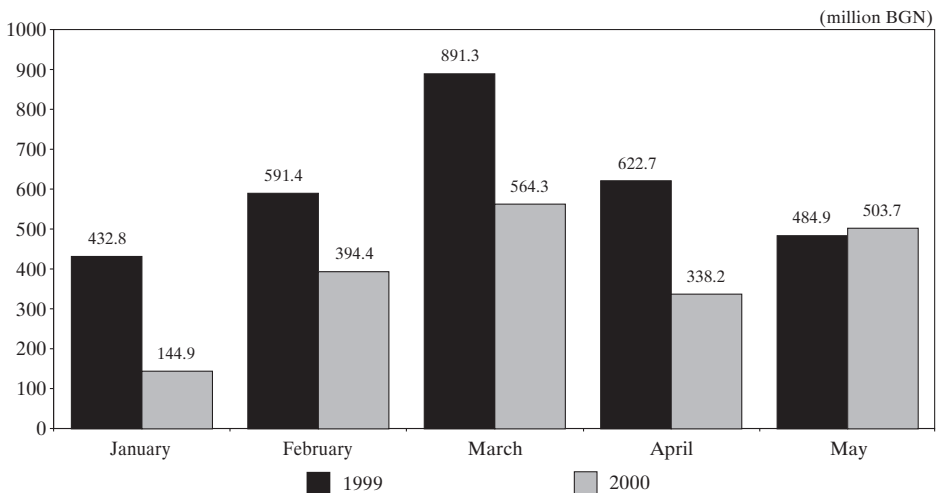
Over the review period total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse repo agreements volume excluded) totaled BGN 322,038.3

thousand, including three-month treasury bills of BGN 14,821.1 thousand, twelve-month of BGN 29,384.3 thousand, two-year of BGN 211,639.7 thousand and up to five years of BGN 66,193.2 thousand (Chart 2). In May sales in government securities intensified compared with the previous month, their volume increasing by 67.8%. Structurally, two-year treasury bonds occupied the largest share in May: their volume rose by 94.3%.

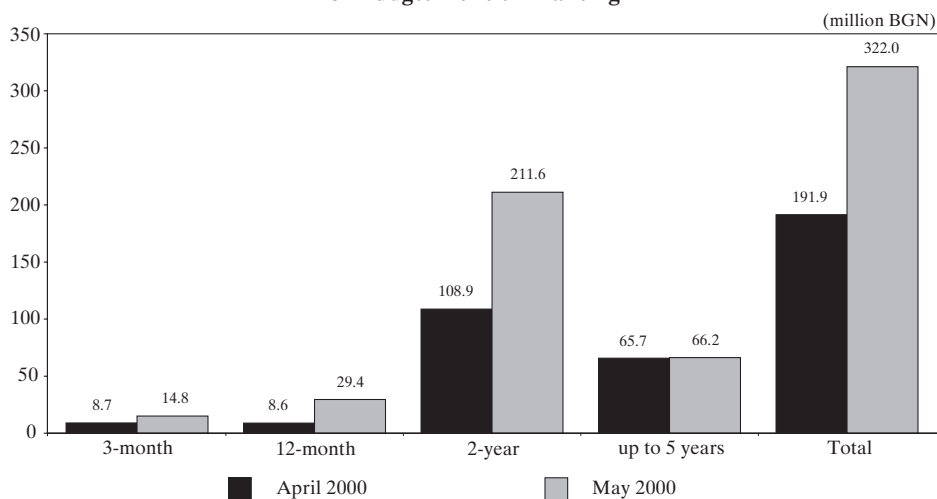
In May secondary market transactions on behalf of clients (i. e. under Article 20 of Regulation No. 5) decreased on the previous month, accounting for BGN 1,113.9 thousand. Transactions between nonprimary dealers and physical or

Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Structure of Transactions in Government Securities Issued for Budget Deficit Financing



legal persons (i. e. transactions under Article 21 of Regulation No. 5) increased significantly from April, reaching BGN 2,287.3 thousand. The volume of transactions between primary and nonprimary dealers (under Article 14 of Regulation No. 5) also grew from April, reaching BGN 55,765.1 thousand, including bids approved at the government securities auctions on behalf of nonprimary dealers of BGN 5,849.5 thousand.

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

In May financial institutions concluded 70 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 57.3 million nominal value (including the number and volume of reverse re-

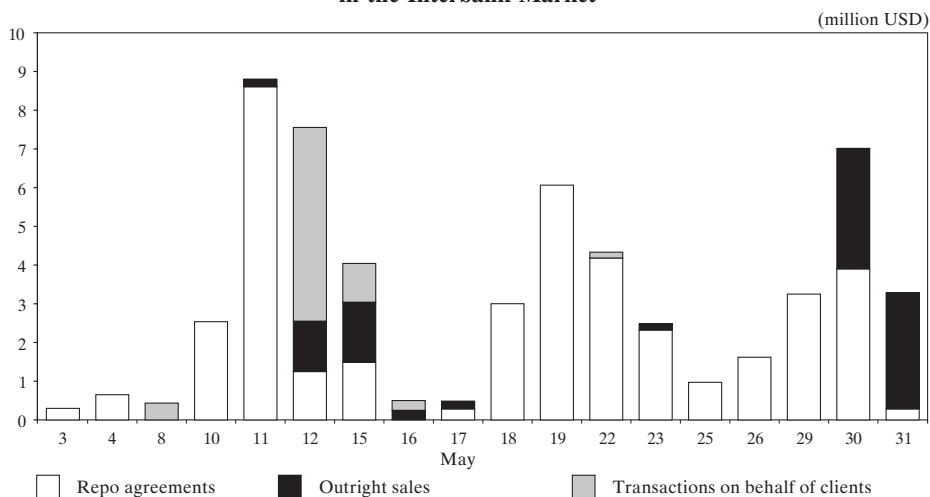
purchase agreements). In May, 14 outright transactions of USD 9.8 million, 50 repo agreements of USD 40.7 million, and six transactions on behalf of clients of USD 6.8 million (under Articles 14, 20 and 21) were concluded.

In May five transactions in EUR-denominated government securities of EUR 3 million, of which three repo agreements of EUR 2.8 million and two outright transactions of EUR 0.2 million, were concluded.

Transactions of USD 3.1 million and EUR 870 thousand were concluded pursuant to Article 14, para. 6 of Regulation No. 5.

In May forex ZUNK bonds were used mainly in repo agreements. Volumes of outright transactions increased by 42.02% compared with the previous month and transactions on behalf of clients rose 4.6 times. Since early 2000 USD-denomi-

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



nated long-term government bonds have been used mainly in reverse repurchase agreements.

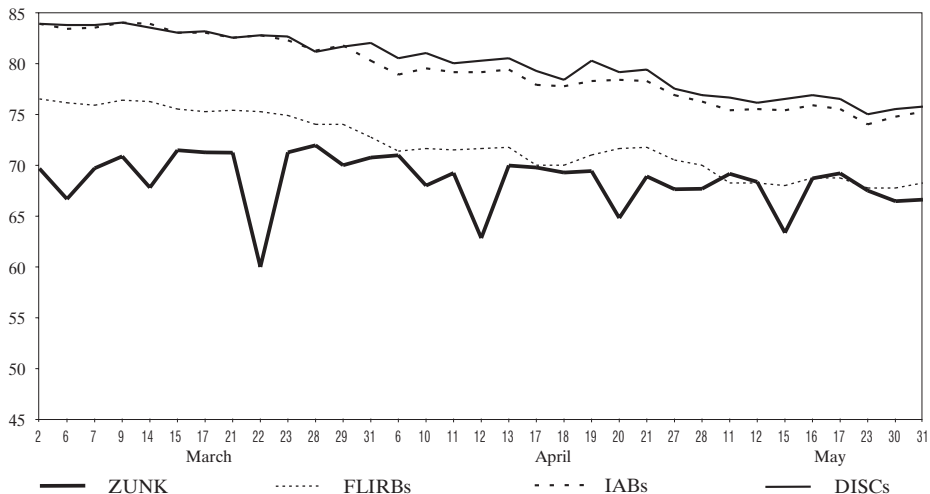
In the first half of May prices of forex ZUNK bonds were sustained at April levels. During the last week of the review period their market value fell to USD 66.61 per USD 100 nominal value.

Government Securities Repo Agreements in the Interbank Market

In May the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). Transactions volume reached a high on 2 May due to the increased demand for funds by commercial banks consistent with minimum reserve requirements regulation. On this date interbank deposits volume also rose.

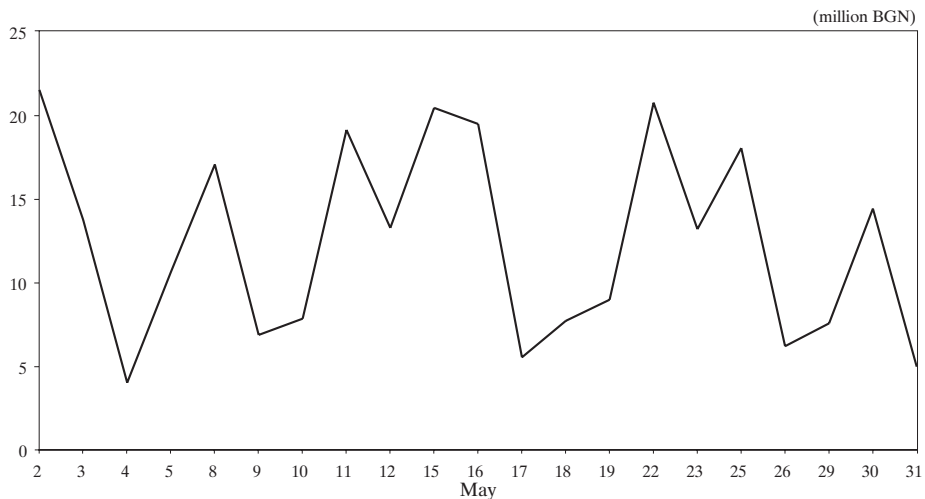
In May yield of repo agreements reflected insignificant changes in the base interest rate. The average term of repo agreements (in terms of days) remained unchanged. The yield of repo agreements in government securities was lower than the yield of interbank deposits with a term of up to seven days and one month. The yield of transactions with a term of up to one day was higher than the yield of interbank deposits with the same term and the yield of transactions with a term of up to three days was equal to the yield of interbank deposits with the same term. In May the yield of repo agreements with a term of up to one month was equal to the average weighted base interest rate during the month and the yield of interbank deposits with the same term was higher than the average weighted base interest rate (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.

Volume of Repo Agreements in the Secondary Interbank Market



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

(USD)

Date May	Price		
	Minimum	Maximum	Average weighted
2	-	-	-
3	69.00	69.00	69.00
4	-	-	-
5	-	-	-
8	-	-	-
9	68.56	68.56	68.56
10	-	-	-
11	69.15	69.15	69.15
12	68.26	68.64	68.35
15	59.13	69.50	63.39
16	68.71	68.71	68.71
17	69.15	69.25	69.20
18	-	-	-
19	-	-	-
22	-	-	-
23	67.50	69.50	67.67
25	-	-	-
26	-	-	-
29	-	-	-
30	63.00	66.60	66.46
31	66.61	66.61	66.61
Monthly	59.13	69.50	67.71

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

Quotations of Bulgarian Brady Bonds*

(USD)

Date May	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	76.88	76.50	70.00	69.50	75.75	74.75
2	77.50	77.00	70.25	69.63	76.88	75.88
3	77.50	76.75	70.00	69.38	76.75	75.88
4	75.75	75.25	69.00	68.63	75.50	74.50
5	75.50	73.63	68.00	66.75	74.75	73.50
8	75.88	75.38	67.25	66.75	75.00	74.00
9	76.25	75.25	68.00	66.50	75.25	73.88
10	75.50	75.00	67.75	67.25	74.25	73.00
11	76.63	75.75	68.25	67.00	75.38	74.38
12	76.13	75.38	68.25	67.00	75.50	74.50
15	76.50	75.25	68.00	67.25	75.38	74.38
16	76.88	76.38	68.75	68.25	75.88	75.00
17	76.50	75.50	68.75	67.75	75.50	74.50
18	75.88	75.00	68.38	67.00	75.75	74.75
19	75.88	75.00	68.25	66.75	75.75	74.00
22	75.75	74.75	67.50	66.50	74.50	73.25
23	75.00	74.25	67.75	65.88	74.00	73.00
24	75.00	74.50	67.00	66.50	74.25	73.25
25	75.25	74.88	67.38	66.63	74.25	73.25
26	75.25	74.75	67.00	66.50	74.50	73.50
30	75.50	75.13	67.75	67.00	74.75	73.75
31	75.75	75.50	68.25	67.38	75.25	74.25

* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	322.04
- repo agreements*	215.14
- outright sales	106.90
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	65.91
- repo agreements*	45.19
- outright sales	20.71
- privatization transactions	0.01
3. Number of secondary market transactions	352
- repo agreements**	175
- outright sales	171
- privatization transactions	6
4. Average term of secondary interbank market repo agreements (days)	5.00
5. Average monthly yield (simple interest) on secondary market repo agreements depending on the term (%)	
1 day	0.27
from 2 to 3 days	0.25
from 4 to 7 days	0.27
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 (May)

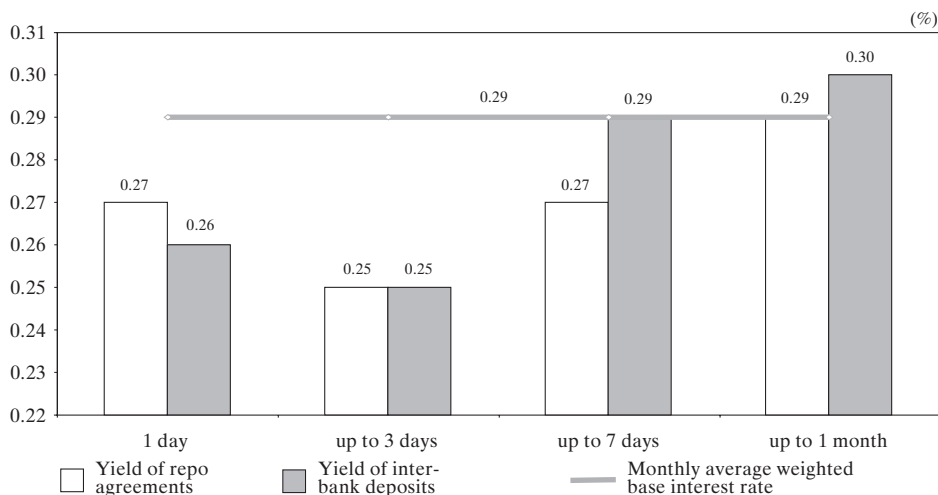


Chart 7

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

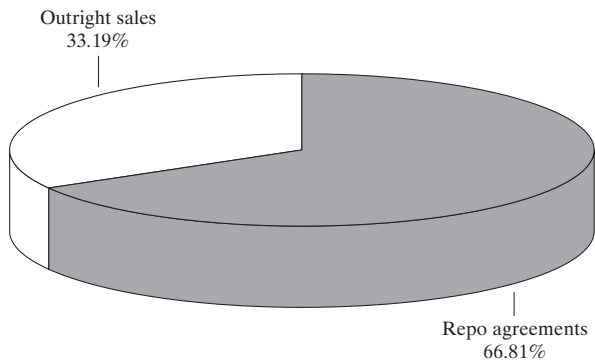
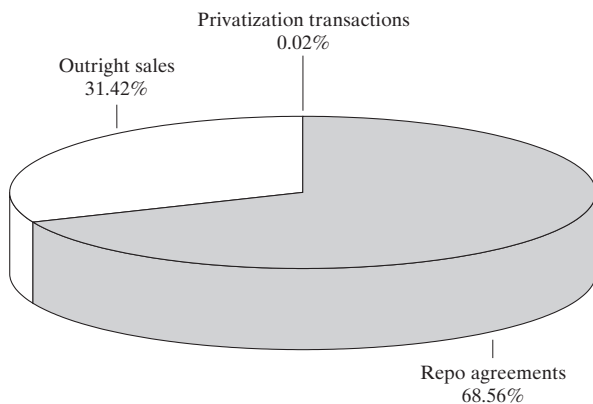


Chart 8

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



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
02.05.2000											
Deposits	26 314	3.74	7 000	3.63	2 730	3.81	700	3.56			36 744
Repo agreements	18 300	3.86	3 246	3.47							21 546
03.05.2000											
Deposits	27 862	3.93	3 100	3.98	7 709	3.99	1 500	3.60			40 171
Repo agreements	10 471	3.93			3 306	3.89					13 777
04.05.2000											
Deposits	18 312	3.36			2 600	3.40	1 300	3.50	400	3.30	22 612
Repo agreements					3 647	3.96			391	4.06	4 038
05.05.2000											
Deposits			26 355	3.09	4 060	3.14					30 415
Repo agreements			9 680	2.95	1 000	3.19					10 680
08.05.2000											
Deposits	22 867	2.90	8 100	3.00	3 900	3.76			1 000	4.30	35 867
Repo agreements	4 000	2.89	900	3.04	12 180	2.94					17 080
09.05.2000											
Deposits	17 761	2.87	8 100	3.06	6 030	3.38	100	3.50			31 991
Repo agreements			3 000	2.94	3 900	2.95					6 900
10.05.2000											
Deposits	22 578	2.97	3 500	3.10	4 625	3.33			2 000	4.10	32 703
Repo agreements	4 000	2.79	1 600	3.04	631	3.09	1 634	3.45			7 865
11.05.2000											
Deposits	18 256	3.05	1 000	3.10	13 104	3.23	2 000	3.20			34 360
Repo agreements	7 300	2.81			5 621	3.28	6 228	3.35			19 149
12.05.2000											
Deposits			23 714	2.85	4 995	3.32	2 429	3.71			31 138
Repo agreements			11 000	2.82	2 293	3.36					13 293
15.05.2000											
Deposits	26 532	2.87	5 600	3.40	7 700	3.70	200	3.80	600	5.00	40 632
Repo agreements	9 000	2.76	8 245	2.95	3 228	3.50					20 473
16.05.2000											
Deposits	26 475	3.27	7 000	3.33	12 174	3.65					45 649
Repo agreements	2 240	2.74	13 264	3.01	4 000	3.40					19 504
17.05.2000											
Deposits	24 447	3.18	15 000	3.19	5 874	3.60	3 397	3.50			48 718
Repo agreements	2 500	2.84			2 456	3.51	601	3.30			5 557
18.05.2000											
Deposits	25 959	2.87			4 000	3.19	3 500	4.13	700	3.50	34 159
Repo agreements	1 000	2.84			2 000	3.42	745	3.35	3 988	3.79	7 733
19.05.2000											
Deposits			29 745	2.88	7 500	3.10			1 000	4.20	38 245
Repo agreements			3 400	2.90	3 325	3.22	2 275	3.35			9 000
22.05.2000											
Deposits	20 946	3.20	12 100	3.14	13 704	3.41	2 000	3.50			48 750
Repo agreements	6 000	2.84	8 354	3.05	3 284	3.35	3 145	3.50			20 783

(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
23.05.2000											
Deposits			37 892	3.25	5 970	3.32	2 944	3.81	2 500	4.20	49 306
Repo agreements			10 304	2.96	1 304	3.55	1 614	3.35			13 222
25.05.2000											
Deposits	16 963	3.02			12 612	3.38	3 550	3.31	3 000	4.70	36 125
Repo agreements			3 000	2.94	11 068	3.24	1 000	3.70	3 000	3.55	18 068
26.05.2000											
Deposits			21 500	2.94	10 800	3.28	520	4.00			32 820
Repo agreements			1 000	2.94	3 200	3.11	2 024	3.55			6 224
29.05.2000											
Deposits	29 132	2.61	3 985	3.11	7 005	3.66					40 122
Repo agreements			4 100	3.04	1 946	3.55	1 540	3.55			7 586
30.05.2000											
Deposits	38 209	2.75	3 000	2.90	1 500	2.80	1 456	3.60			44 165
Repo agreements	6 400	2.94	4 579	3.18	301	2.84	3 168	3.55			14 448
31.05.2000											
Deposits	36 716	2.72			2 104	3.17	1 500	3.60			40 320
Repo agreements	2 700	2.79			1 298	3.24	1 000	3.45			4 998
Monthly											
Deposits	399 329		216 691		140 696		27 096		11 200		795 012
Repo agreements	73 911		85 672		69 988		24 974		7 379		261 924

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 May	Repo agreements	Outright sales	Regulation No. 5				Privatization transactions	Transactions in GS, total	Transactions in securities		
			Article 14	Article 15	Article 20	Article 21			BSE	OTC market	Total
2	33 455 000.00	1 139 000.00	4 399 905.94	3 330 233.22	-	-	-	42 324 139.15	201 456.47	7 920.25	209 376.72
3	33 282 464.65	9 240 490.00	9 159 895.57	6 114 118.00	309 739.00	-	3 218.24	58 109 925.45	17 860.94	2 106.80	19 967.74
4	18 288 818.00	325 000.00	3 420 114.92	1 350 820.00	-	32 915.40	-	23 417 668.32	67 548.75	15 662.35	83 211.10
5	13 476 000.00	1 400 000.00	1 960 000.00	457 889.00	-	-	-	17 293 889.00	38 794.29	1 569.20	40 363.49
8	26 760 000.00	1 050 000.00	4 293 000.00	5 004 634.87	950 264.87	-	-	38 057 899.73	8 782.71	3 112.50	11 895.21
9	10 900 000.00	511 000.00	10 788 378.80	2 723 872.00	-	2 157 330.40	1 966.32	27 082 547.52	17 775.47	297 221.18	314 996.65
10	18 014 432.45	4 321 355.00	1 500 000.00	2 343 541.00	-	380 400.00	-	26 559 728.45	65 040.38	3 607.10	68 647.48
11	33 319 446.00	11 829 522.00	8 356 107.73	4 595 288.00	-	295 100.00	-	58 395 463.73	421 899.38	2 607.00	424 506.38
12	39 522 800.00	8 600 512.00	640 547.42	20 287 088.40	10 771 200.00	-	16 553.18	79 838 701.00	1 152 992.38	5 984.65	1 158 977.03
15	32 372 578.40	5 657 548.00	745 000.00	5 485 286.20	2 166 160.00	-	8 231.41	46 434 804.01	348 086.78	8 252.40	356 339.18
16	32 404 000.00	2 753 434.44	3 176 097.43	1 141 668.27	534 555.00	1 000 000.00	-	41 009 755.14	173 877.29	63 631.40	237 508.69
17	15 425 734.60	8 398 621.00	3 224 251.56	24 439 125.38	149 456.00	300 000.00	-	51 937 188.54	96 885.75	1 753.22	98 638.97
18	24 266 420.00	10 022 000.00	3 434 500.00	3 062 358.21	-	-	-	40 785 278.21	1 074 982.16	184.50	1 075 166.66
19	23 918 674.40	2 050 300.00	600 000.00	4 311 273.00	-	-	-	30 880 247.40	953 113.28	39 672.57	992 785.85
22	30 965 675.00	950 833.00	-	1 732 887.50	334 970.00	-	-	33 984 365.50	475 265.56	4 934.50	480 200.06
23	25 611 074.55	597 702.40	3 074 831.09	101 871.99	-	-	33 031.73	29 418 511.76	18 459.95	764.00	19 223.95
25	38 510 269.90	3 144 729.00	2 393 374.41	4 552 326.00	-	-	-	48 600 699.31	664 847.66	3 620.87	668 468.53
26	12 727 938.80	6 530 000.00	425 292.10	8 098 673.00	-	-	-	27 781 903.90	16 151.64	592.00	16 743.64
29	18 098 670.00	560 000.00	192 801.00	3 852 386.00	-	-	-	22 703 857.00	570 146.13	3 209.00	573 355.13
30	20 647 713.00	6 684 187.06	773 508.55	2 682 012.00	-	-	-	30 787 420.61	63 263.78	2 447.80	65 711.58
31	12 195 590.15	12 164 742.00	1 577 839.82	11 083 310.00	654 658.00	61 760.00	-	37 737 899.97	53 068.18	18 739.10	71 807.28
TOTAL	514 163 299.90	97 930 975.90	64 135 446.32	116 750 662.04	15 871 002.87	4 227 505.80	63 000.87	813 141 893.70	6 500 298.93	487 592.39	6 987 891.32

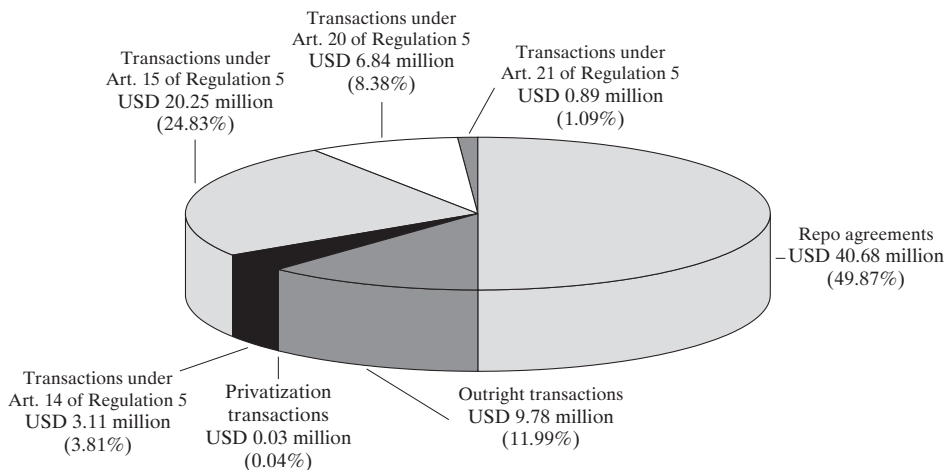
Average volume of government securities transactions *

33 880 912.24

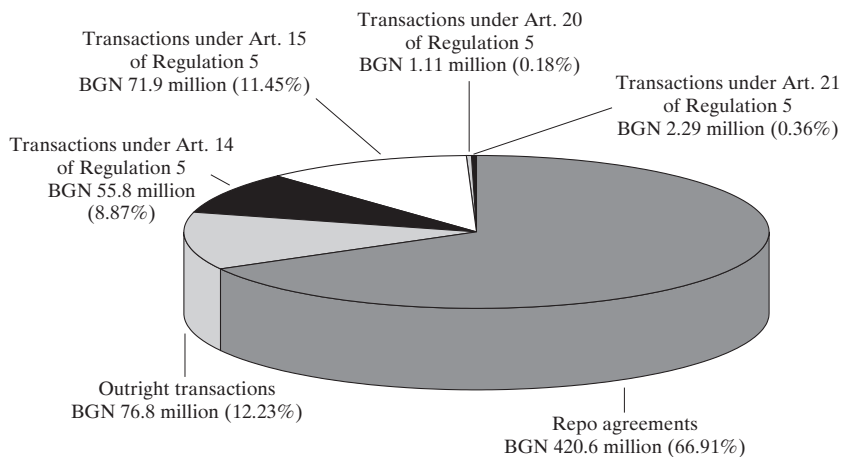
* Volume calculated on the basis of 24 operating primary dealers.

- Notes:**
1. The amount of the bids approved for participation in government securities auctions on behalf of nonprimary dealers of BGN 5,849,542 is included.
 2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 5,043,043 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 and OTC market.

Volume of Secondary Market Transactions in USD-denominated Government Securities Issued for Structural Reform in May



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





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

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

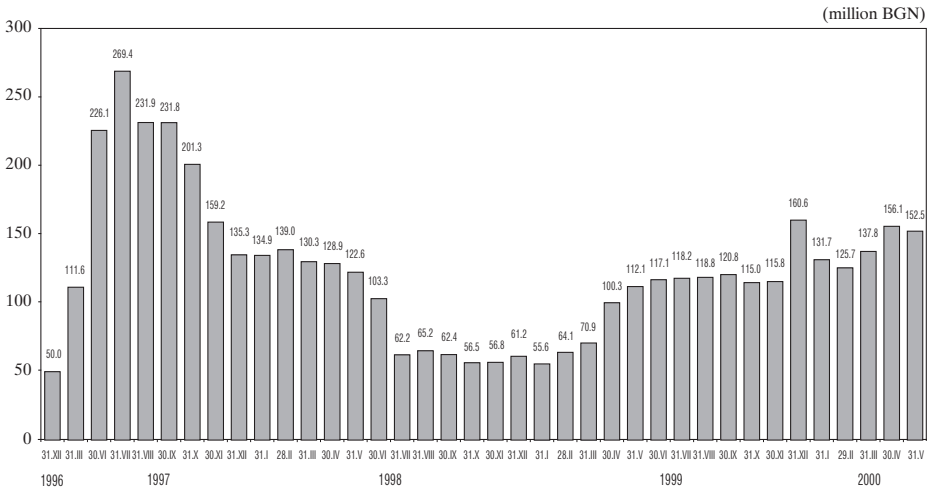
The volume of government securities sales for budget deficit financing decreased in May. As of 31 May 2000 government securities (issued under Regulation No. 5) held by individuals, companies and nonbank financial institutions totaled BGN 152,527 thousand (Chart 11), a decrease of BGN 4,209 thousand, or 2.69%, on the previous month. Sales of target government securities

earmarked for sale to physical persons accounted for BGN 27,227 thousand (Chart 12), an increase of BGN 714 thousand, or 2.69%, on April.

In May sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 5,354.4 thousand, two-year treasury bonds of BGN 3,050 thousand and three-year treasury bonds of BGN 922 thousand. Three-month treasury bills occupied the largest share in total government securities sales in May, 57.41%.

Chart 11

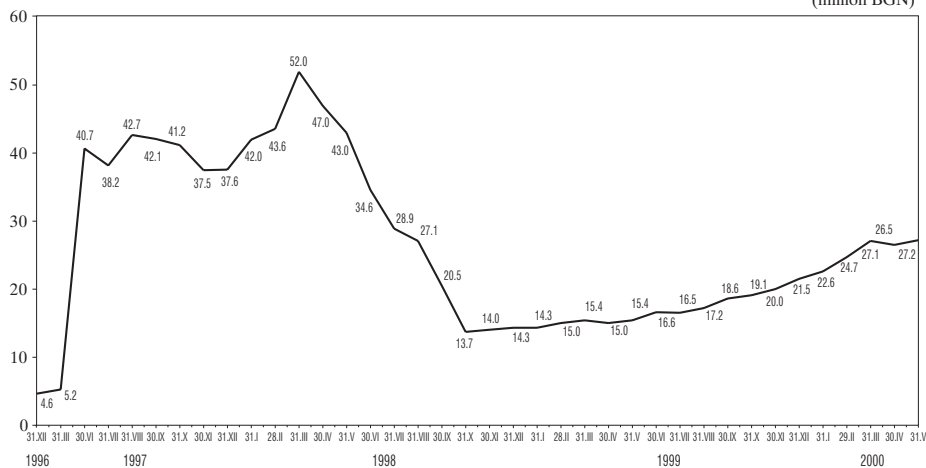
Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities Issued under Regulation No. 5



Note: Preliminary data for May 2000.

Investments in Government Securities from Target Issues Earmarked for Physical Persons

(million BGN)



- Notes: 1. Preliminary data for May 2000.
2. Target issues dated 10 May 2000 excluded.

Target Issues of Government Securities Earmarked for Physical Persons

Between 26 April and 23 May 2000¹ the Ministry of Finance offered for sale two issues of savings government securities earmarked for direct sale to physical persons under the following conditions:

- 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 to-

gether with the nominal value of government securities. The annual interest rate of the first interest coupon is 7%, the second 8%, the third 9%, and fourth 10%. 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.

Total amount of target government securities sales registered in May accounted for BGN 2,065.1 thousand nominal value, including BGN 1,175.9 thousand sold by the BNB and its domestic branches (Chart 13).

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.

Investments in Government Securities Issued for Structural Reform

The volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform slightly decreased in May. As of 31 May 2000 total sales of government securities accounted for BGN 401,939 thousand (including sales to foreign investors), a decrease of BGN 5,008.31 thousand, or 1.54%, from April (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (81.03%) and other financial institutions (18.97%).

Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled

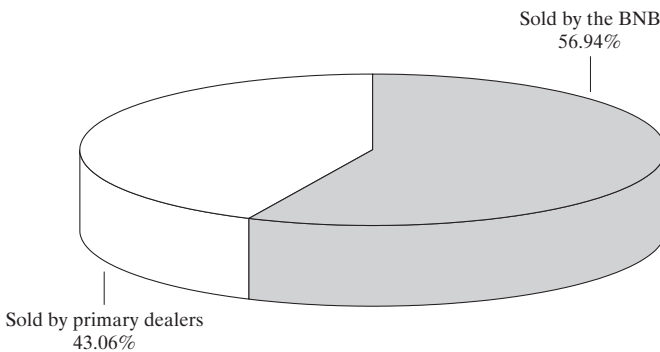
BGN 7,685 thousand (1.91% of total sales), while USD-denominated government securities issued under ZUNK accounted for BGN 350,598.96 thousand (87.23%), and EUR-denominated government securities issued for structural reform amounted to BGN 43,655.04 thousand (10.86%).

Foreign Investments in Government Securities

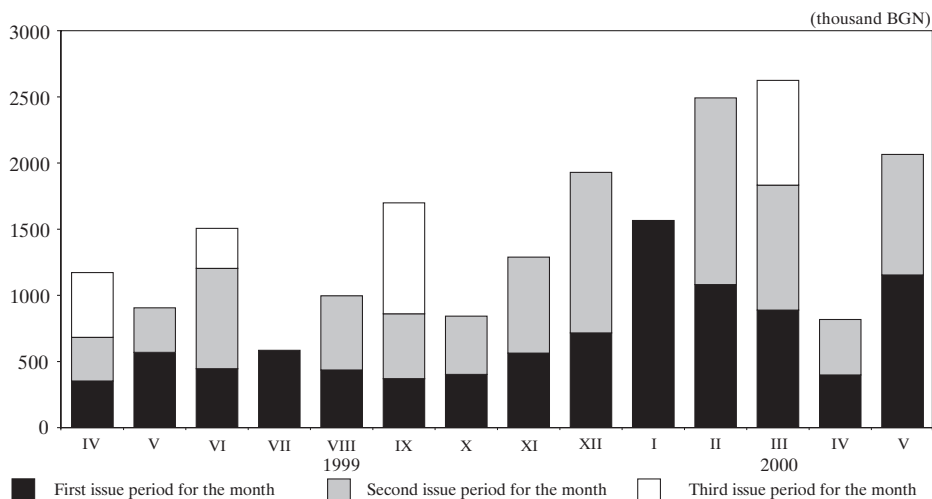
The volume of government securities held by foreign investors continued to increase in May. As of 31 May government securities acquired by foreign investors totaled BGN 215,256.6 thousand (Chart 16), an increase of BGN 3,262 thousand (1.54%) on April.

Chart 13

Share of Government Securities (Earmarked for Physical Persons) Sold by the BNB and Its Domestic Branches in May in Total Volume of Target Government Securities Issued



Volume of Target Government Securities Sales to Physical Persons

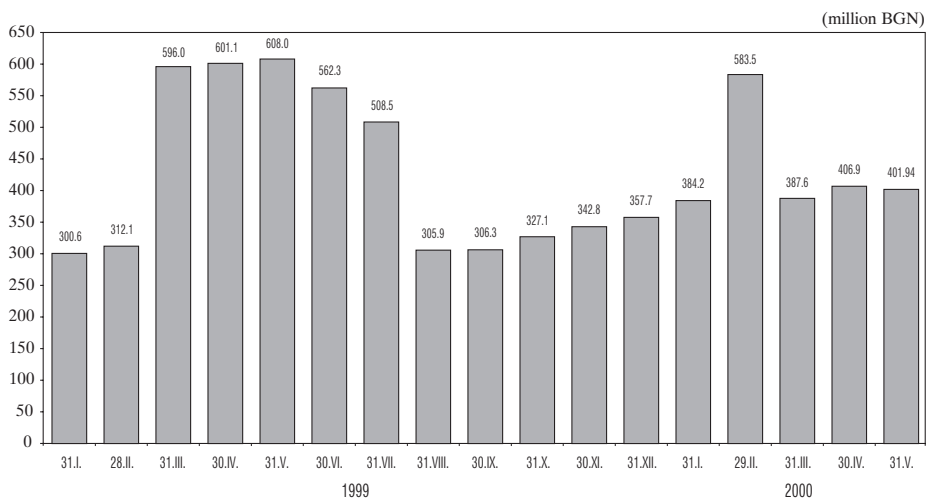


Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 401 thousand. By end-May the volume of target government securities (earmarked for direct sale to physical persons) held by nonresidents totaled BGN 7.6 thousand.

As of 31 May 2000 USD-denominated long-term government bonds held

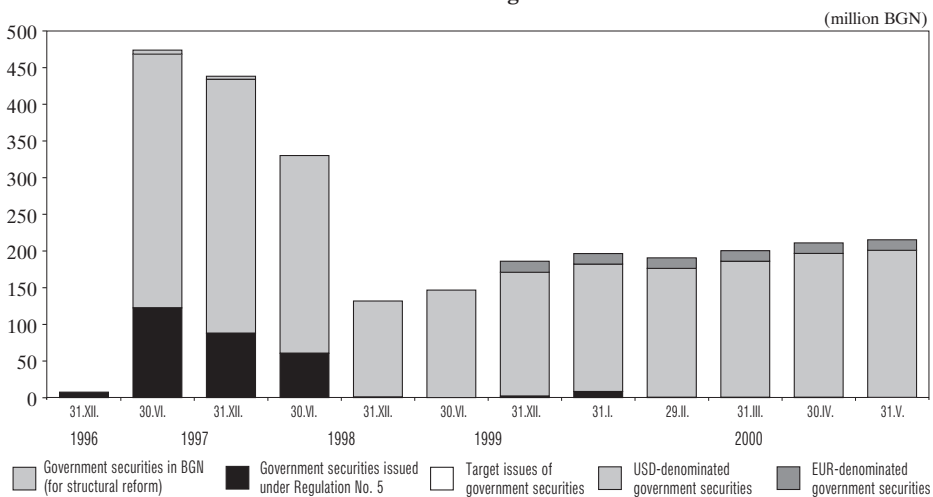
by foreign investors increased by USD 4.3 million (4.66%) on April, reaching USD 95.37 million. The relative share of these government securities on domestic debt was 93.15% in foreign investors' portfolios. The volume of sold EUR-denominated government securities reached EUR 7.33 million (6.66%).

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



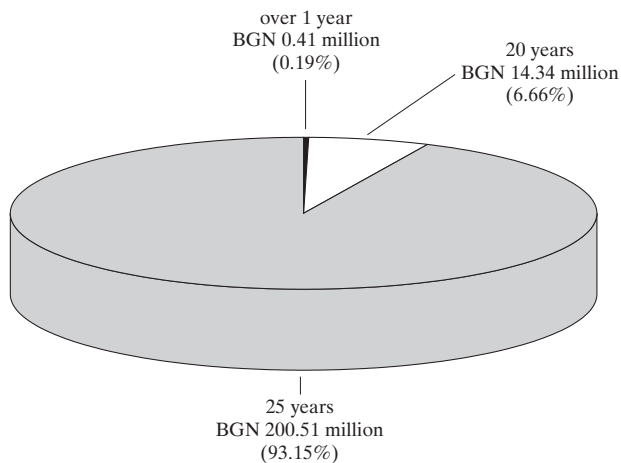
- Notes:**
1. The lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate at the end of month.
 2. From January 2000 EUR-denominated government securities from issue No. 400 of 1999 are included.
 3. Preliminary data for May.

Government Securities in Foreign Investors' Portfolios



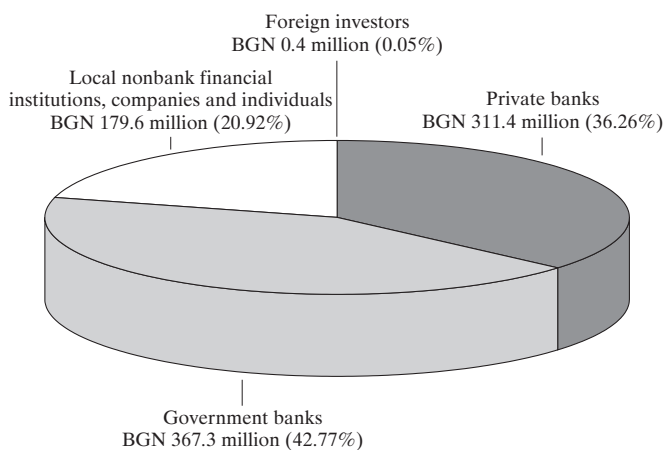
Note: Preliminary data for May.

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



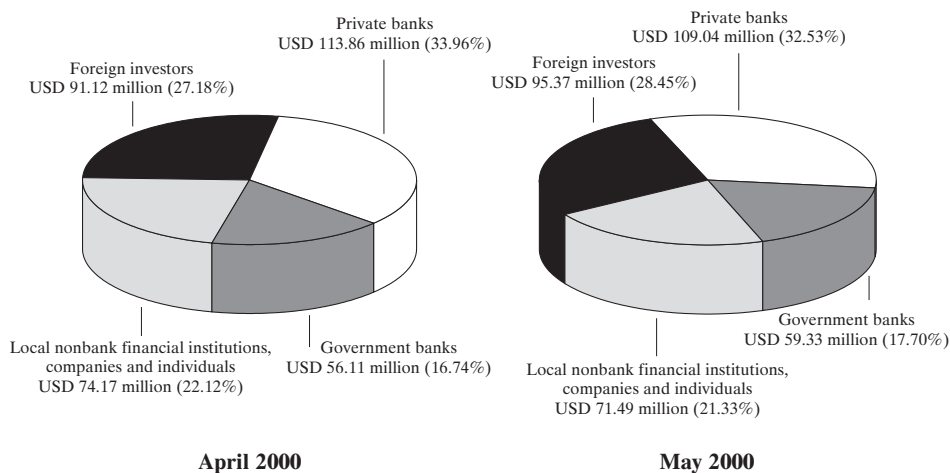
Note: Preliminary data.

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



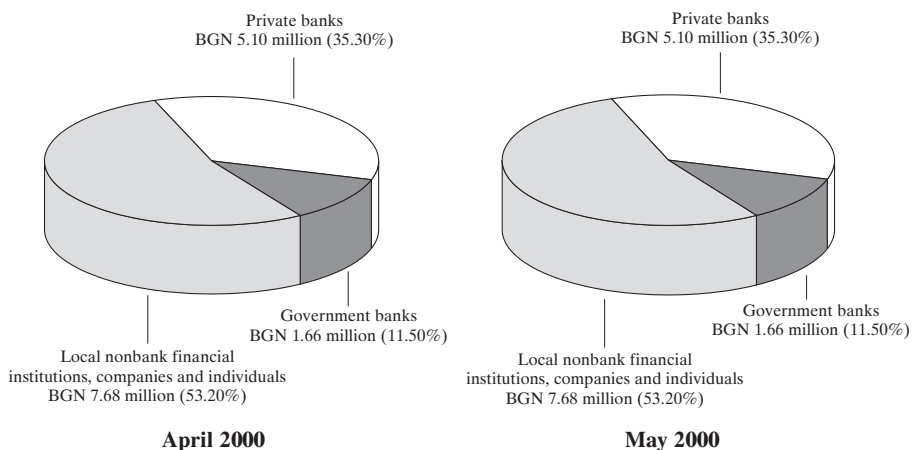
Notes: 1. Including frozen government securities by financial institutions.
 2. Excluding guaranty government securities issued under the LSPDACB.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



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

Holders of Lev-denominated Government Securities Issued for Structural Reform



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

Discount Treasury Bills

Issue No.	BG3013699007	BG3014299005	BG3014599008	BG3014899002	BG3015199006	BG3015499000	BG3015799003	BG3016299003
Issue date	16.06.1999	07.07.1999	21.07.1999	04.08.1999	18.08.1999	01.09.1999	15.09.1999	06.10.1999
Maturity date	14.06.2000	05.07.2000	19.07.2000	02.08.2000	16.08.2000	30.08.2000	13.09.2000	04.10.2000
Nominal value of the offer (thousand BGN)	10 000.00	7 500.00	7 500.00	9 000.00	9 000.00	8 000.00	8 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	14 120.00	14 376.00	11 800.00	12 333.69	9 012.00	11 420.00	21 661.30	21 455.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	7 500.00	7 500.00	9 000.00	9 000.00	8 000.00	8 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	94.69	94.31	94.33	94.18	93.89	92.84	93.32	94.14
Average discount per BGN 100 (%)	5.31	5.69	5.67	5.82	6.11	7.16	6.68	5.86
Average annual yield (%)	5.62	6.05	6.03	6.20	6.53	7.73	7.18	6.24
Effective annual yield (%)	5.62	6.05	6.03	6.20	6.53	7.73	7.18	6.24
Coverage coefficient	1.41	1.92	1.57	1.37	1.00	1.43	2.71	2.15

(continued)

(continued)

	BG3016599006	BG3016890000	BG3017199004	BG3017499008	BG3017799001	BG3018099005	BG3010100009	BG3010600008
Issue No.								
Issue date	20.10.1999	03.11.1999	17.11.1999	01.12.1999	15.12.1999	29.12.1999	05.01.2000	02.02.2000
Maturity date	18.10.2000	01.11.2000	15.11.2000	29.11.2000	13.12.2000	28.06.2000	03.01.2001	31.01.2001
Nominal value of the offer (thousand BGN)	8 000.00	8 000.00	8 000.00	8 000.00	8 000.00	5 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	11 850.00	10 930.00	15 630.00	18 150.00	7 285.00	7 305.00	55 050.00	80 480.00
Total nominal value of the bids approved (thousand BGN)	8 000.00	8 000.00	8 000.00	8 000.00	7 285.00	5 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	94.38	94.45	94.37	94.43	94.38	97.69	94.22	95.23
Average discount per BGN 100 (%)	5.62	5.55	5.63	5.57	5.62	2.31	5.78	4.77
Average annual yield (%)	5.97	5.89	5.98	5.91	5.97	4.74	6.15	5.02
Effective annual yield (%)	5.97	5.89	5.98	5.92	5.97	4.80	6.15	5.02
Coverage coefficient	1.48	1.37	1.95	2.27	0.91	1.46	2.75	4.02

(continued)

(continued)

Issue No.	BG3011100008	BG3011200006	BG3011300004	BG3011400002	BG3011500009	BG3011600007	BG3011700005	BG3011800003
Issue date	01.03.2000	08.03.2000	15.03.2000	22.03.2000	29.03.2000	05.04.2000	12.04.2000	19.04.2000
Maturity date	28.02.2001	07.06.2000	14.06.2000	21.06.2000	28.06.2000	05.07.2000	12.07.2000	19.07.2000
Nominal value of the offer (thousand BGN)	20 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Total nominal value of the bids received (thousand BGN)	33 600.00	9 522.50	5 315.00	11 260.00	13 971.50	12 422.50	12 762.50	13 580.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00	5 000.00
Average price of the bids approved per BGN 100 (%)	95.28	99.25	99.14	99.12	99.12	99.10	99.11	99.11
Average discount per BGN 100 (%)	4.72	0.75	0.86	0.88	0.88	0.90	0.89	0.89
Average annual yield (%)	4.97	3.03	3.48	3.56	3.56	3.64	3.60	3.60
Effective annual yield (%)	4.97	3.07	3.53	3.61	3.61	3.69	3.65	3.65
Coverage coefficient	1.68	1.90	1.06	2.25	2.79	2.48	2.55	2.72

(continued)

Issue No.	BG3011900001	BG3012000009	BG3012100007	BG3012200005	BG3012300003	BG3012400001	BG3012500008
Issue date	26.04.2000	03.05.2000	10.05.2000	17.05.2000	25.05.2000	31.05.2000	31.05.2000
Maturity date	26.07.2000	02.08.2000	09.08.2000	16.08.2000	24.08.2000	30.08.2000	30.05.2001
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	20 000.00
Total nominal value of the bids received (thousand BGN)	13 460.00	13 482.50	16 277.50	15 895.00	10 287.50	12 592.50	34 130.00
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	20 000.00
Average price of the bids approved per BGN 100 (%)	99.10	99.10	99.12	99.14	99.15	99.15	95.26
Average discount per BGN 100 (%)	0.90	0.90	0.88	0.86	0.85	0.85	4.74
Average annual yield (%)	3.64	3.64	3.56	3.48	3.44	3.44	4.99
Effective annual yield (%)	3.69	3.69	3.61	3.53	3.48	3.48	4.99
Coverage coefficient	2.69	2.70	3.26	3.18	2.06	2.52	1.71

Source: MF and BNB.

Treasury Bonds

Issue No./Date	11/30.01.95	72/20.07.95	85/14.09.95	106/30.11.95	113/28.12.95
Maturity date	30.01.2004	13.07.2000	07.09.2000	23.11.2000	21.12.2000
Nominal value of the offer (thousand BGN)	25.00	2 982.00	2 000.00	800.00	1 016.80
Total nominal value of the bids received (thousand BGN)	25.00	2 982.00	960.00	220.00	1 016.80
Total nominal value of the bids approved (thousand BGN)	25.00	2 982.00	960.00	220.00	1 016.80
Average price of the bids approved per BGN 100 (%)	100.00	96.43	93.81	92.86	92.34
Average discount per BGN 100 (%)		3.57	6.19	7.14	7.66
Interest rate	BIR	BIR	BIR	BIR	BIR
Coverage coefficient	1.00	1.00	0.48	0.28	1.00

(continued)

(continued)

Issue No.	BG2030396126	BG2031096121	BG2034797121	BG2041097028	BG2030798115	BG2030998111	BG2031098119	BG2031198117
Issue date	29.02.1996	30.05.1996	16.05.1997	17.07.1997	30.04.1998	28.05.1998	18.06.1998	02.07.1998
Maturity date	22.02.2001	23.05.2001	10.05.2002	13.07.2000	24.04.2003	22.05.2003	15.06.2000	26.06.2003
Nominal value of the offer (thousand BGN)	1 000.00	800.00	20 000.00	35 000.00	1 000.00	2 000.00	5000.00	2000.00
Total nominal value of the bids received (thousand BGN)	200.00	800.00	20 000.00	54 150.00	3 605.00	3 440.00	7825.00	2070.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	20 000.00	35 000.00	1 000.00	2 000.00	5000.00	2000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	97.75	87.14	84.78	93.53	76.20
Average discount per BGN 100 (%)	8.50			2.25	12.86	15.22	6.47	23.80
Interest rate	BIR	BIR+7	BIR+4	BIR	8.00	8.00	6.00	7.00
Coverage coefficient	0.20	1.00	1.00	1.55	3.61	1.72	1.57	1.04

(continued)

(continued)

Issue No.	BG2031298115	BG2031398113	BG2031498111	BG2031598118	BG2031698116	BG2031798114	BG2031898112	BG2031998110
Issue date	16.07.1998	30.07.1998	20.08.1998	03.09.1998	17.09.1998	01.10.1998	15.10.1998	29.10.1998
Maturity date	13.07.2000	26.07.2001	17.08.2000	30.08.2001	14.09.2000	27.09.2001	12.10.2000	25.10.2001
Nominal value of the offer (thousand BGN)	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 500.00	5 000.00	1 500.00
Total nominal value of the bids received (thousand BGN)	6 450.00	2 750.00	11 450.00	1 400.00	6 640.00	1 155.00	7 900.00	700.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	1 000.00	5 000.00	1 000.00	5 000.00	1 055.00	5 000.00	250.00
Average price of the bids approved per BGN 100 (%)	92.70	89.60	92.97	87.85	92.45	86.89	91.71	83.48
Average discount per BGN 100 (%)	7.30	10.40	7.03	12.15	7.55	13.11	8.29	16.52
Interest rate	6.00	7.00	6.00	6.50	6.00	6.50	6.00	6.50
Coverage coefficient	1.29	2.75	2.29	1.40	1.33	0.77	1.58	0.47

(continued)

(continued)

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

(continued)

(continued)

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

(continued)

(continued)

Issue No.	BG2031699114	BG2031799112	BG2031899110	BG2031999118	BG2032099116	BG2032199114	BG2032299112	BG2032399110
Issue date	23.06.1999	14.07.1999	28.07.1999	11.08.1999	25.08.1999	08.09.1999	24.09.1999	13.10.1999
Maturity date	20.06.2001	11.07.2001	25.07.2001	08.08.2001	22.08.2001	05.09.2001	21.09.2001	10.10.2001
Nominal value of the offer (thousand BGN)	15 000.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	11 220.00	16 170.00	13 105.50	11 325.00	9 080.63	16 600.00	34 781.00	39 093.50
Total nominal value of the bids approved (thousand BGN)	11 220.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	93.55	93.54	93.26	92.59	91.92	91.05	94.71	98.02
Average discount per BGN 100 (%)	6.45	6.46	6.74	7.41	8.08	8.95	5.29	1.98
Interest rate	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
Coverage coefficient	0.75	1.35	1.31	1.13	1.14	2.08	4.35	4.89

(continued)

(continued)

Issue No.	BG2032499118	BG2032599115	BG2032699113	BG2032799111	BG2032899119	BG2030000116	BG2030100114*	BG2030200112
Issue date	27.10.1999	10.11.1999	24.11.1999	08.12.1999	22.12.1999	19.01.2000	09.02.2000	16.02.2000
Maturity date	24.10.2001	07.11.2001	21.11.2001	05.12.2001	19.12.2001	16.01.2002	05.02.2003	13.02.2002
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00
Total nominal value of the bids received (thousand BGN)	28 485.05	24 059.00	29 786.00	40 252.00	37 050.00	87 580.00	192 244.60	84 094.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00
Average price of the bids approved per BGN 100 (%)	98.53	98.80	99.04	99.60	100.12	99.74	101.20	100.34
Average discount per BGN 100 (%)	1.47	1.20	0.96	0.40		0.26		
Interest rate	9.00	9.00	9.00	9.00	9.00	8.00	9.00	7.00
Coverage coefficient	2.85	2.41	2.98	4.03	3.71	3.13	3.84	3.00

* The above price is a result of the four auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

(continued)

(continued)

Issue No.	BG2030300110	BG2030400118**	BG2030500115***
Issue date	15.03.2000	05.04.2000	19.04.2000
Maturity date	13.03.2002	03.04.2002	16.04.2003
Nominal value of the offer (thousand BGN)	28 000.00	35 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	61 368.00	100 626.00	86 532.80
Total nominal value of the bids approved (thousand BGN)	28 000.00	35 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	100.10	100.54	100.28
Average discount per BGN 100 (%)			
Interest rate	7.00	7.00	8.00
Coverage coefficient	2.19	2.88	4.33

** The total volume of this issue is BGN 50,000 thousand; the MF will sell the remaining portion on an auctional principle. The above price is a result of the two auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

*** The total volume of this issue is BGN 30,000 thousand; the MF will sell the remaining portion on an auctional principle. The above price is a result of the two auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

Source: MF and BNB.

Guaranty Government Securities

Lev Guaranty Government Securities

Issue No.	BG2040296225	BG2040396223	BG2040596228	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	05.06.1996	12.06.1996	27.06.1996	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	28.05.2003	04.06.2003	19.06.2003	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	2571.43	3622.12	453.18	21 129.85	2330.52	7593.12	10 349.77
Interest rate	BIR	BIR	BIR	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7	7	7	7

(continued)

(continued)

Foreign Currency Guaranty Government Securities

Issue No.	BG2040198116	BG2040297116	BG2040397114	BG2045697112	BG2047297119	BG204797118	BG2047897116
Issue date	29.01.1998	21.10.1997	21.10.1997	15.08.1997	18.08.1997	24.10.1997	05.11.1997
Maturity date	25.01.2001	17.10.2000	17.10.2000	11.08.2000	14.08.2000	20.10.2000	01.11.2000
Principal (thousand USD)	512.00	1442.50	659.50	2043.50	36 513.70	23 326.30	5342.50
Interest rate	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2	LIBOR+2
Interest payments	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
Maturity (in years)	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 (thousand USD)	3127.00	53.50	1013.20
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 levs – 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 May 2000.

Source: MF and BNB.

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)	3026.91 (BGN)	2301.90 (BGN)	8236.69 (BGN)	435 237.01 (USD)	877.88 (BGN)	6213.52 (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 May 2000.

Long-term government bonds on the MF account (restructured debt and target programs) are excluded from 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: BNB and MF.

EUR-denominated Government Securities

Issue No.	BG2040099223	BG2031499127	BG2031599124
Issue date	01.07.1999	16.06.1999	16.06.1999
Maturity date	01.01.2019	13.09.2000	11.04.2001
Principal (thousand EUR)	24 412.62	10 800.00	7000.00
Interest rate	EURIBOR ¹	EURO LIBOR ² + 3	EURO LIBOR ² + 3
Interest payments dates	semiannual	14.06.2000; 13.09.2000	14.06.2000; 11.04.2001
Repayments	20 equal annual	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 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 May 2000.

Source: MF and BNB.

Government Securities Issued in 2000

Discount Government Securities Issued under Regulation No. 5 of the MF and BNB (Treasury Bills)

ISSUES				Amount offered by the MF (thousand BGN)	BIDS RECEIVED					BIDS APPROVED						
No.	Auction date	Issue date	Maturity date		Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Average yield			Nominal value (thousand BGN)	Price per BGN 100 nominal value			Average yield		
							Up to maturity %	Annual %	Effective annual %		Minimum	Maximum	Average	Up to maturity %	Annual %	Effective annual %
BG 30 100 00001	04.01.2000	05.01.2000	05.04.2000	5 000.00	6 920.00	98.90	1.11	4.46	4.54	5 000.00	98.90	98.91	98.91	1.10	4.42	4.49
BG 30 102 00007	10.01.2000	12.01.2000	12.04.2000	5 000.00	13 727.00	98.93	1.08	4.34	4.41	5 000.00	98.93	99.01	98.95	1.06	4.26	4.32
BG 30 103 00005	17.01.2000	19.01.2000	19.04.2000	5 000.00	14 832.50	98.96	1.05	4.22	4.28	5 000.00	98.96	99.02	98.98	1.03	4.13	4.20
BG 30 104 00003	24.01.2000	26.01.2000	26.04.2000	5 000.00	17 925.50	99.00	1.01	4.05	4.11	5 000.00	99.01	99.04	99.03	0.98	3.93	3.99
BG 30 105 00000	31.01.2000	02.02.2000	03.05.2000	5 000.00	17 060.00	99.06	0.95	3.81	3.86	5 000.00	99.07	99.10	99.09	0.92	3.68	3.73
BG 30 107 00006	07.02.2000	09.02.2000	10.05.2000	5 000.00	19 672.50	99.13	0.88	3.52	3.57	5 000.00	99.16	99.17	99.16	0.85	3.40	3.44
BG 30 108 00004	14.02.2000	16.02.2000	17.05.2000	5 000.00	13 852.50	99.18	0.83	3.32	3.36	5 000.00	99.19	99.70	99.20	0.81	3.23	3.27
BG 30 109 00002	21.02.2000	23.02.2000	24.05.2000	5 000.00	14 620.50	99.20	0.81	3.23	3.27	5 000.00	99.20	99.25	99.23	0.78	3.11	3.15
BG 30 110 00000	28.02.2000	01.03.2000	31.05.2000	5 000.00	9 555.00	99.21	0.80	3.19	3.23	5 000.00	99.21	99.25	99.25	0.76	3.03	3.07
BG 30 112 00006	06.03.2000	08.03.2000	07.06.2000	5 000.00	9 522.50	99.22	0.79	3.15	3.19	5 000.00	99.23	99.26	99.25	0.76	3.03	3.07
BG 30 113 00004	13.03.2000	15.03.2000	14.06.2000	5 000.00	5 315.00	99.12	0.89	3.56	3.61	5 000.00	98.77	99.26	99.14	0.87	3.48	3.53
BG 30 114 00002	20.03.2000	22.03.2000	21.06.2000	5 000.00	11 260.00	99.01	1.00	4.01	4.07	5 000.00	98.96	99.20	99.12	0.89	3.56	3.61
BG 30 115 00009	27.03.2000	29.03.2000	28.06.2000	5 000.00	13 971.50	99.01	1.00	4.01	4.07	5 000.00	99.05	99.14	99.12	0.89	3.56	3.61
BG 30 116 00007	03.04.2000	05.04.2000	05.07.2000	5 000.00	12 422.50	99.04	0.97	3.89	3.94	5 000.00	99.08	99.12	99.10	0.91	3.64	3.69
BG 30 117 00005	10.04.2000	12.04.2000	12.07.2000	5 000.00	12 762.50	99.07	0.94	3.77	3.82	5 000.00	99.10	99.12	99.11	0.90	3.60	3.65
BG 30 118 00003	17.04.2000	19.04.2000	19.07.2000	5 000.00	13 580.00	99.07	0.94	3.77	3.82	5 000.00	99.09	99.18	99.11	0.90	3.60	3.65
BG 30 119 00001	24.04.2000	26.04.2000	26.07.2000	5 000.00	13 460.00	99.04	0.97	3.89	3.94	5 000.00	99.08	99.12	99.10	0.91	3.64	3.69
BG 30 120 00009	02.05.2000	03.05.2000	02.08.2000	5 000.00	13 482.50	99.07	0.94	3.77	3.82	5 000.00	99.08	99.12	99.10	0.91	3.64	3.69
BG 30 121 00007	08.05.2000	10.05.2000	09.08.2000	5 000.00	16 277.50	99.10	0.91	3.64	3.69	5 000.00	99.12	99.12	99.12	0.89	3.56	3.61
BG 30 122 00005	15.05.2000	17.05.2000	16.08.2000	5 000.00	15 895.00	99.12	0.89	3.56	3.61	5 000.00	99.14	99.14	99.14	0.87	3.48	3.53
BG 30 123 00003	22.05.2000	25.05.2000	24.08.2000	5 000.00	10 287.50	99.13	0.88	3.52	3.57	5 000.00	99.14	99.16	99.15	0.86	3.44	3.48
BG 30 124 00001	29.05.2000	31.05.2000	30.08.2000	5 000.00	12 592.50	99.13	0.88	3.52	3.57	5 000.00	99.15	99.15	99.15	0.86	3.44	3.48
Three-month issues, total				110 000.00	288 994.50					110 000.00						

(continued)

(continued)

No.	ISSUES			Amount offered by the MF (thousand BGN)	BIDS RECEIVED					BIDS APPROVED					
	Auction date	Issue date	Maturity date		Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Up to maturity %		Average yield		Price per BGN 100 nominal value			Average yield	
							Annual %	Effective annual %	Minimum	Maximum	Average	Up to maturity %	Annual %	Effective annual %	
BG 30 101 00009	04.01.2000	05.01.2000	03.01.2001	20 000.00	93.23	7.26	7.28	7.28	7.28	94.00	94.53	94.22	6.13	6.15	6.15
BG 30 106 00008	31.01.2000	02.02.2000	31.01.2001	20 000.00	80 480.00	94.81	5.47	5.49	5.49	95.20	95.28	95.23	5.01	5.02	5.02
BG 30 111 00008	28.02.2000	01.03.2000	28.02.2001	20 000.00	33 600.00	95.13	5.12	5.13	5.13	95.19	95.30	95.28	4.95	4.97	4.97
BG 30 125 00008	29.05.2000	31.05.2000	30.05.2001	20 000.00	34 130.00	95.10	5.15	5.17	5.17	95.05	95.43	95.26	4.98	4.99	4.99
One-year issues, total				80 000.00	203 260.00					80 000.00					
Total				190 000.00	492 254.50										

Note: According to the methodology applied by the MF, the yield of treasury bills is calculated using the following formulae:

$$YM = D/P \times 100, \text{ where}$$

$$AY = YM \times n$$

$$EAY = [(1 + YM)^n - 1] \times 100$$

YM – yield to maturity;

EAY – effective annual yield.

D – discount;

n – number of periods in one year.

P – price per BGN 100 nominal value.

It is assumed that one year has 364 days.

Interest-bearing Government Securities Issued under Regulation No. 5 of the MF and BNB (Treasury Bonds)

ISSUES						Interest rate offered by the MF	Amount offered by the MF		BIDS RECEIVED		BIDS APPROVED			Average effective annual yield (%)	
No.	Auction date	Issue date	Payment date	Maturity date	Interest payments date		Total volume (thousand BGN)	Auction volume (thousand BGN)	Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Nominal value (thousand BGN)	Price per BGN 100 nominal value			
												Minimum	Maximum		Average
BG 20 300 00116	17.01.2000	19.01.2000		16.01.2002	19.07.2000 17.01.2001 18.07.2001 16.01.2002	8	28 000.00		87 580.00	99.13	28 000.00	99.55	100.02	99.74	8.14
BG 20 302 00112	14.02.2000	16.02.2000		13.02.2002	16.08.2000 14.02.2001 15.08.2001 13.02.2002	7	28 000.00		84 094.00	99.50	28 000.00	100.20	101.10	100.34	6.81
BG 20 303 00110	13.03.2000	15.03.2000		13.03.2002	13.09.2000 14.03.2001 12.09.2001 13.03.2002	7	28 000.00		61 368.00	99.17	28 000.00	99.73	100.73	100.10	6.95
BG 20 304 00118	03.04.2000	05.04.2000	05.04.2000	03.04.2002	04.10.2000 04.04.2001 03.10.2001 03.04.2002	7	50 000.00	15 000.00	46 165.00	99.77	15 000.00	100.00	100.60	100.29	6.84
BG 20 304 00118*	02.05.2000	05.04.2000	03.05.2000	03.04.2002		7		20 000.00	54 461.00	100.18	20 000.00	100.56	101.27	100.72	
Two-year issues, total							134 000.00	35 000.00	333 668.00		119 000.00				

(continued)

(continued)

No.	ISSUES					Interest rate offered by the MF	Amount offered by the MF		BIDS RECEIVED		BIDS APPROVED			Average effective annual yield (%)	
	Auction date	Issue date	Payment date	Maturity date	Interest payments date		Total volume (thousand BGN)	Auction volume (thousand BGN)	Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Nominal value (thousand BGN)	Price per BGN 100 nominal value			
											Minimum	Maximum	Average		
BG 20 301 00114	07.02.2000	09.02.2000	09.02.2000	05.02.2003	09.08.2000	9	50 000.00	5 000.00	34 765.00	98.78	5 000.00	100.70	101.64	101.20	8.54
					07.02.2001										
					08.08.2001										
					06.02.2002										
					07.08.2002										
					05.02.2003										
BG 20 301 00114*	17.02.2000	09.02.2000	18.02.2000	05.02.2003		9	15 000.00	59 465.00	100.15	15 000.00	100.91	102.63	101.47		
BG 20 301 00114*	24.02.2000	09.02.2000	25.02.2000	05.02.2003		9	15 000.00	48 516.60	99.98	15 000.00	100.64	101.82	100.93		
BG 20 301 00114*	02.03.2000	09.02.2000	06.03.2000	05.02.2003		9	15 000.00	49 498.00	100.36	15 000.00	100.64	102.02	101.21		
BG 20 305 00115	17.04.2000	19.04.2000	19.04.2000	16.04.2003	18.10.2000	8	30 000.00	10 000.00	44 350.00	98.58	10 000.00	99.22	100.40	99.68	8.12
					18.04.2001										
					17.10.2001										
					17.04.2002										
					16.10.2002										
					16.04.2003										
BG 20 305 00115*	15.05.2000	19.04.2000	17.05.2000	16.04.2003		8	10 000.00	42 182.80	100.20	10 000.00	100.53	101.20	100.88		
Three-year issues, total							80 000.00	70 000.00	278 777.40		70 000.00				
Total							214 000.00	105 000.00	612 445.40		189 000.00				

* Prices include interest accrued as of the open date of the issue. Therefore, no average effective annual yield is published.

Note: According to the methodology applied by the MF, the calculation of the effective annual yield is based on yield function built in MICROSOFT EXCEL.



SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

In May long-term government bonds issued under Article 5 of ZUNK, totaling USD 29.08 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 two privatization transactions as

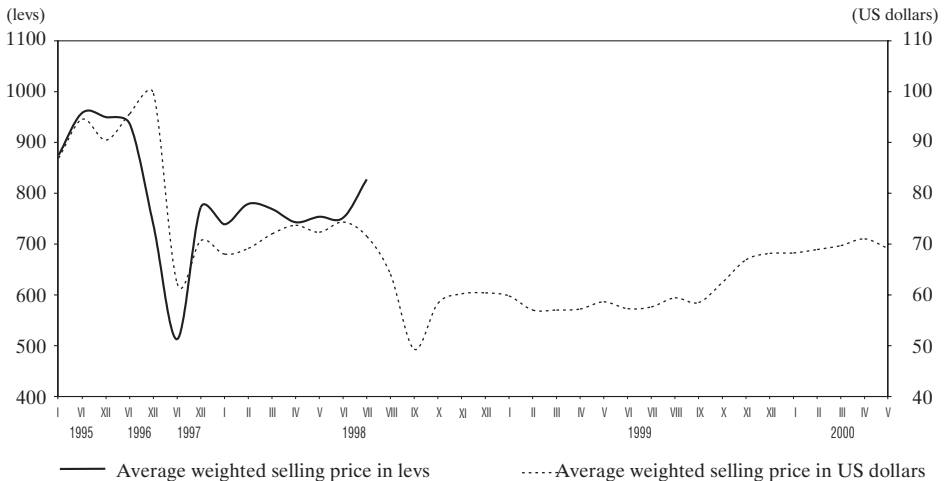
legal tender; they were canceled at the end of May.

The average weighted price of the bonds issued under Article 5 of ZUNK and sold for participation in privatization was USD 69.18 per USD 100 nominal value (Chart 21).

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

Chart 21

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



No transactions in long-term government bonds were reported in May pursuant to Article 1 of the Regulation on the procedure for utilization of long-term government bonds issued under ZUNK

for repayment of debts to the government arising under the same law (published in the State Gazette, issue 12 of 3 February 1995).

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
	2000	0.00	0.00	6.90	0.00	0.00								6.90
II. Government securities in USD (million USD)	1994													
	1995						0.80	0.10	0.10	0.90	1.70		3.90	7.50
	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
	2000	0.02	0.01	0.01	0.01	0.03								0.08
III. Government securities in EUR (thousand EUR)	1999							0.00	2.79	0.00	0.00	0.00	0.00	2.79
	2000	0.00	4.05	0.00	0.00	0.00								4.05

- 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 from Issue No. 400 of 1999 denominated in euro and issued pursuant to § 10 of the Transitional and Final Provisions of 1999 SBL of the Republic of Bulgaria.

LETTER OF THE MF AND BNB No. 21-1780/8350 OF 7 JUNE 2000

5

REGARDING THE PROCEDURE FOR SELECTION OF GOVERNMENT SECURITIES PRIMARY DEALERS

**TO
EXECUTIVE DIRECTORS
OF COMMERCIAL BANKS AND
INVESTMENT INTERMEDIARIES**

Dear Sirs,

With regard to the launch of the procedure for selection of government securities primary dealers for the period after 1 July 2000, we hereby inform you that applications in writing should be sent to the Commission under Article 4, para. 1 of Regulation No. 5 of the MF and BNB until 12 June 2000. Applications should state that you meet the requirements of the Criteria for Evaluation and Selection of Government Securities Primary Dealers approved on 20 January 2000 by the Minister of Finance and the Governor of the BNB and undertake to fulfill them in the period after 1 July 2000. Applications should be signed by the persons authorized by the applicant's managing board. Please take heed of item 8 of the Criteria which provides for the tariff on charges and commissions on government securities transactions should be enclosed to the applications.

Applications should be sent at the BNB, on the telex of the Fiscal Services Department 22751 BNB SF BG or central telex numbers 24090, 24091 and 24092 BNB SF BG.

With regard to evaluation of Criteria compliance, the following items should be taken into consideration:

The evaluation under item 2 of the Criteria shall be based on indicators determined by the Banking Supervision Department (specified in MF Letter No. 17-00-0115 of 28 January 2000).

Compliance under item 6 of the Criteria concerning primary dealers' participation in the auctions for government securities sale shall be evaluated on the basis of data obtained at the auctions held between 1 January 2000 and 19 June 2000 inclusive.

Evaluation under item 7 of the Criteria shall be based on the analytical assessment of government securities market development in the first quarter of 2000; information on the prices of transactions concluded under Article 9, para. 2 of Regulation No. 5

for the period 1 January 2000 – 31 May 2000 and bid and offer quotations for the period 10 February 2000 – 16 June 2000.

Evaluation under item 10 of the Criteria shall be based on the proportion between the average daily amount of government securities held by primary dealers – commercial banks, according to BNB register data for the period 1 January 2000 – 16 June 2000 and the average daily amount of attracted funds determined under the procedure for calculation of minimum reserve requirements with the BNB for the same period.

For primary dealers – investment intermediaries which are not banks the following proportion is established: the average daily amount of government securities held according to BNB register data for the period 1 January 2000 – 16 June 2000 to the amount of the paid-in capital as of the 30th day of each month of the period (for June: as of the 16th) divided by the number of months.

For investment intermediaries which are not primary dealers and apply for the period after 1 July 2000 the proportion under item 10 of the Criteria is established by dividing the amount of government securities held by them as of 16 June 2000 by commercial banks' attracted funds according to the trial as of the same date (commercial banks) and for investment intermediaries which are not banks, by the amount of the paid-in capital as of the same date. The latter should submit until 20 June 2000 information on the volume of government securities bought and sold for the period 1 January 2000 – 16 June 2000, as well as government securities (issued under Regulation No. 5) held by them as of 16 June 2000. The information should be confirmed in writing at the BNB by primary dealers keeping the register under Article 14, para. 1 of Regulation No. 5 of the MF and BNB.



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
SG 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
ROSEXIMBANK	REBS 01
SOCIETE GENERALE	SGBG 01
HEBROS	AGBG 01-03
UNIONBANK	UNBS 01-03
BULBROKERS	BULB 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 6 BGBNB 9

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