



JANUARY

**Secondary
Market of
Government
Securities**

2001

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)

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As of December 1999 you can find a daily bulletin containing information on government securities primary and secondary markets 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 Registered Pledges and the Attachments to them can be found on BNB Internet website under the heading of Fiscal Services.

For additional information on the Rules please call on telephones: (+359 2) 987 14 11 or 9145 1486.

ANNOUNCEMENT

of the Ministry of Finance and Bulgarian National Bank of 1 February 2001

With regard to restructuring of the central bank's branch network activity the Ministry of Finance suspends temporarily as of this day (the announcement was published on 1 February 2001) the sale of book-entry government securities earmarked for direct sale to individuals at the BNB branches based in Haskovo, Rouse, Plovdiv, Varna and Pleven.

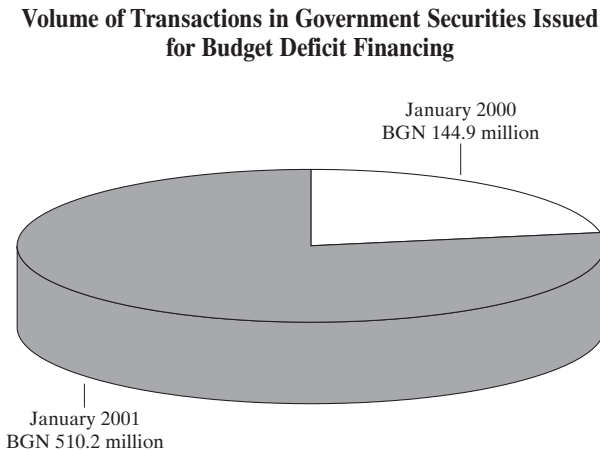
The Ministry of Finance is negotiating with the United Bulgarian Bank for the conclusion of a contract for sale of target government securities to individuals and taking over relevant registers and their subsequent service, of which the public will be promptly notified.

Interbank Market of Government Securities Issued under Regulation No. 5

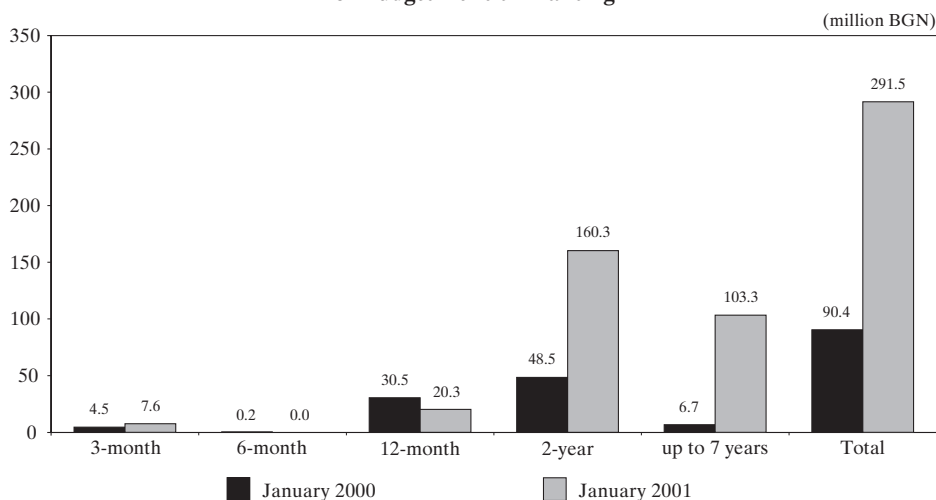
In January 2001 financial institutions concluded 415 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 510,187.5 thousand nominal value, an almost four-fold increase compared with the same period of the previous year when the nominal value of these transactions was BGN 144,947.8 thousand (Chart 1).

The total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse repo agreements volume excluded) amounted to BGN 291,486 thousand, a three-fold increase on January 2000. Structurally, government securities transactions included three-month treasury bills of BGN 7,603.7 thousand, twelve-month of BGN 20,307.1 thousand, two-year of BGN 160,329.5 thousand and up to seven years of BGN 103,245.7 thousand (Chart 2). This suggests that two-year treasury bonds were most preferred.

Chart 1



Structure of Transactions in Government Securities Issued for Budget Deficit Financing



Over the review period the volume of transactions concluded between nonprimary dealers and physical or legal persons pursuant to Article 21 decreased on the previous month, totaling BGN 972 thousand. The volume of transactions on behalf of clients and between primary and nonprimary dealers increased, totaling BGN 111,953.4 thousand under Article 14 and BGN 2,158.5 thousand under Article 20.

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

In January financial institutions concluded 34 transactions in USD-denominated government securities issued as a result of structural reform, totaling

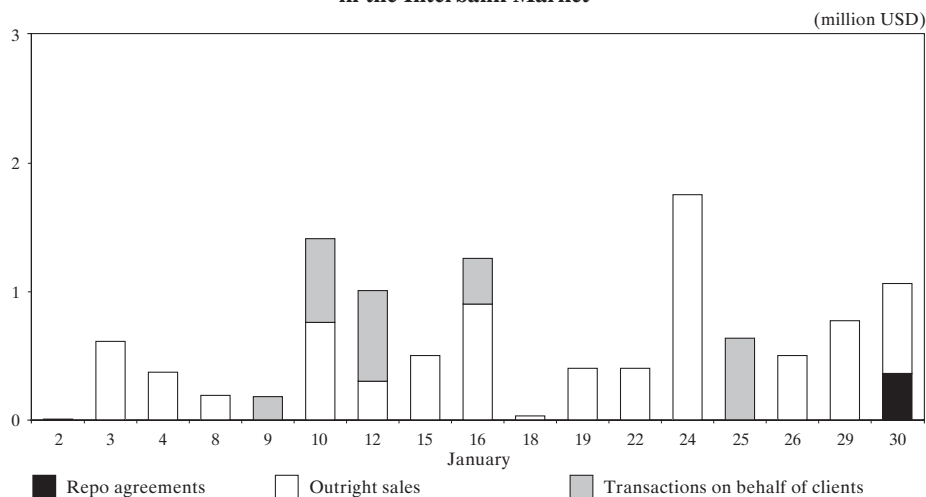
USD 10.3 million nominal value. Twenty-five outright transactions of USD 7.5 million, one repo agreement of USD 0.4 million, and eight transactions on behalf of clients of USD 2.4 million (under Articles 14, 20 and 21) were concluded.

Nine transactions in EUR-denominated government securities of EUR 2.2 million were concluded in January.

Pursuant to Article 14, para. 6 of Regulation No. 5 15 transactions of USD 4.9 million were concluded.

In January the volume of transactions concluded in ZUNK bonds denominated in foreign currency dropped by 42.8% on the previous month. The number of registered outright transactions remained unchanged from December 2000 while their volume decreased by 36.97%. The volume of repo agreements fell by 88.89%.

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



The average daily volume of traded ZUNK bonds was USD 0.6 million. Prices at which forex ZUNK bonds were traded in the interbank market increased gradually, with daily average-weighted prices ranging between USD 68.00 and 70.55 per USD 100 nominal value.

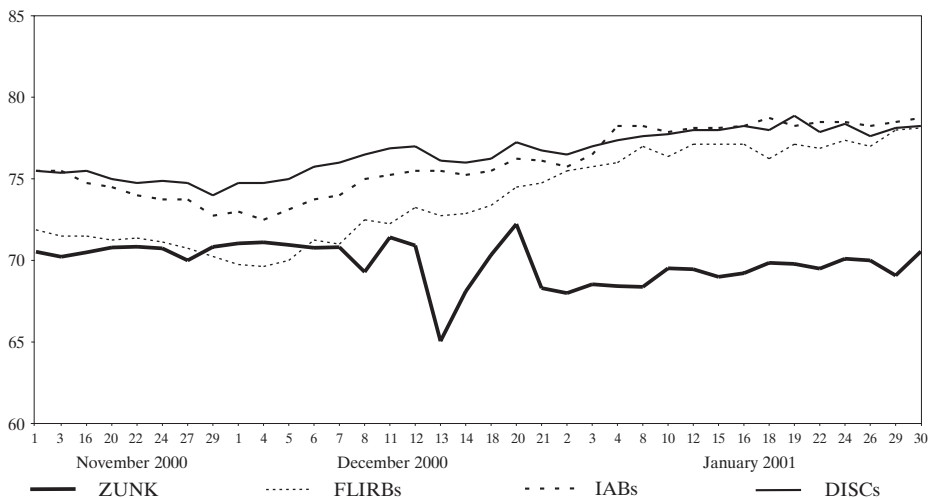
Government Securities Repo Agreements in the Interbank Market

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

market was uneven (Chart 5). It hit highs on 17 and 31 January, coupled with higher interbank deposit volumes on these days.

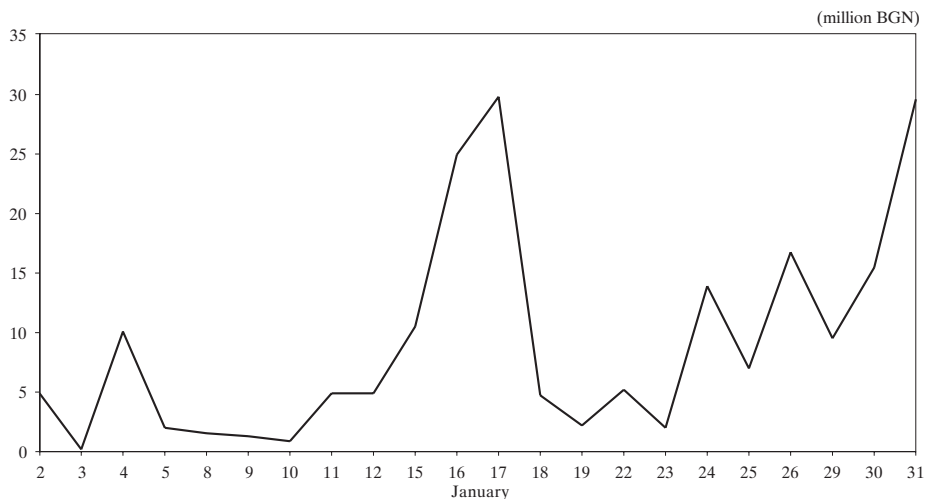
In January the yield of repo agreements fluctuated significantly and their average term (in days) was shorter than in December. The yield of repo agreements in government securities with one-day, three-day and seven-day and up to one-month terms was lower than the yield of interbank deposits with the same terms (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 January	Price		
	Minimum	Maximum	Average-weighted
2	68.00	68.00	68.00
3	68.54	68.54	68.54
4	68.43	68.43	68.43
5	-	-	-
8	67.92	69.38	68.38
9	-	-	-
10	69.42	69.54	69.52
11	-	-	-
12	69.33	69.71	69.46
15	69.00	69.00	69.00
16	69.00	69.50	69.22
17	-	-	-
18	69.82	71.00	69.85
19	69.79	69.79	69.79
22	69.50	69.50	69.50
23	-	-	-
24	70.00	70.18	70.11
25	-	-	-
26	70.00	70.00	70.00
29	66.40	70.52	69.08
30	70.54	70.75	70.55
31	-	-	-
Monthly	66.40	71.00	69.57

Note: Information is based on outright transactions registered by the BNB (with and without flows on settlement accounts), as well as transactions in government securities registered during the current month for participation in privatization and for settlement of obligations to the government under ZUNK.

Quotations of Bulgarian Brady Bonds*

(USD)

Date January	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
2	76.50	75.88	75.50	73.63	75.75	74.75
3	77.00	76.13	75.75	74.00	76.50	75.25
4	77.38	76.88	76.00	75.50	78.25	77.25
5	77.00	76.00	76.88	75.50	77.50	76.50
8	77.63	76.88	77.00	75.00	78.25	77.00
9	77.38	76.88	77.00	76.50	78.25	77.25
10	77.75	77.25	76.38	75.88	77.88	76.88
11	77.75	77.00	76.75	76.00	78.00	77.00
12	78.00	77.38	77.13	76.25	78.13	77.13
16	78.25	77.25	77.13	76.13	78.25	77.25
17	78.25	77.25	77.25	76.25	78.75	77.75
18	78.00	77.50	76.25	75.75	78.75	77.75
19	78.88	77.25	77.13	76.25	78.25	77.25
22	77.88	76.88	76.88	76.00	78.50	77.50
23	78.38	77.50	77.50	76.38	78.75	77.75
24	78.38	76.75	77.38	76.63	78.50	77.50
25	77.88	77.13	77.00	76.13	78.25	77.38
26	77.63	77.38	77.00	76.00	78.25	77.25
29	78.13	77.50	78.00	76.38	78.50	77.63
30	78.25	77.75	78.13	76.50	78.75	77.75
31	78.38	77.50	77.50	76.50	78.50	77.50

* Reuters quotations.

Volume and Structure of Government Securities Transactions in the Secondary Interbank Market in January

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	291.50
- repo agreements*	201.59
- outright sales	89.89
- privatization transactions	0.02
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	20.82
- repo agreements*	0.77
- outright sales	20.04
- privatization transactions	0.01
3. Number of secondary interbank market transactions	287
- repo agreements**	115
- outright sales	168
- privatization transactions	4
4. Average term of secondary interbank market repo agreements (days)	5.00
5. Average monthly yield (simple interest) of secondary interbank market repo agreements depending on the term (%)	
1 day	0.043
from 2 to 3 days	0.033
from 4 to 7 days	0.099
up to 1 month	0.187

* 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 (January)

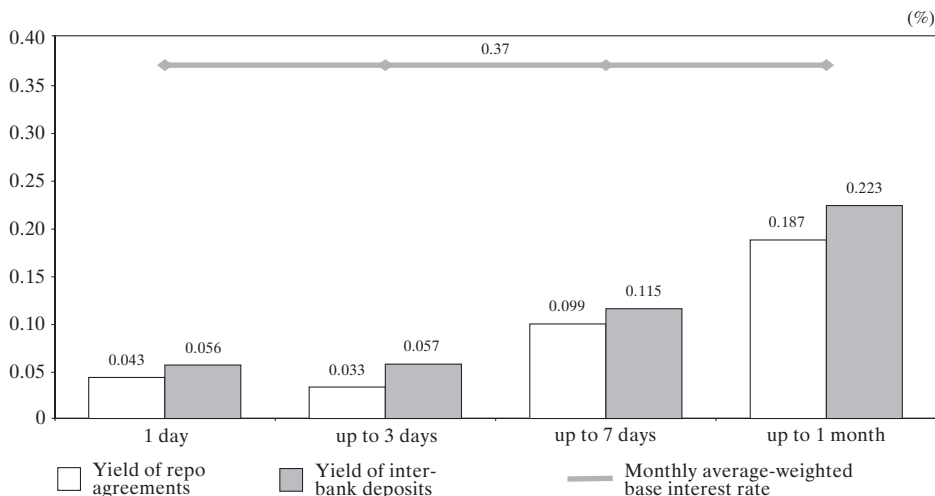


Chart 7

Structure of Secondary Interbank Market Transactions in Lev-denominated Government Securities in January

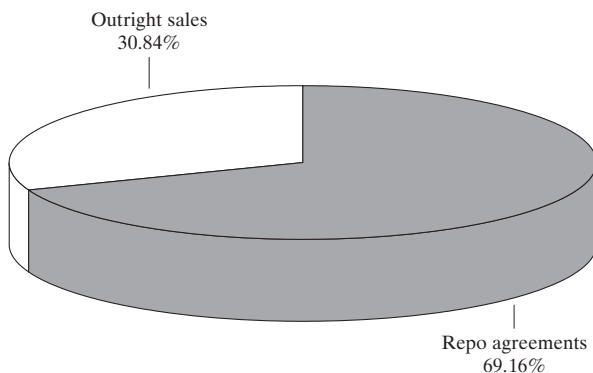
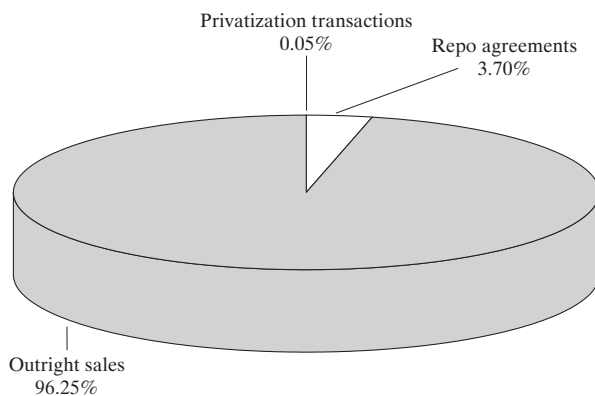


Chart 8

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



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
02.01.2001											
Deposits	37 150	2.18			4 000	2.55					41 150
Repo agreements	4 900	1.62									4 900
03.01.2001											
Deposits	20 600	1.23			8 102	2.33	2 070	3.20	1 000	5.65	31 772
Repo agreements					200	2.43					200
04.01.2001											
Deposits	45 050	1.64			9 515	2.39			4 600	2.13	59 165
Repo agreements	2 100	1.52			2 800	2.33	4 816	2.46	380	3.95	10 096
05.01.2001											
Deposits			60 100	1.31	4 200	2.29	2 000	3.50	2 000	3.70	68 300
Repo agreements					2 000	2.08					2 000
08.01.2001											
Deposits	49 119	1.10			200	2.40			8 000	3.69	57 319
Repo agreements	1 300	1.01					250	3.75			1 550
09.01.2001											
Deposits	68 308	0.95									68 308
Repo agreements			1 300	1.01							1 300
10.01.2001											
Deposits	70 550	0.88			5 812	2.00			1 500	3.50	77 862
Repo agreements					880	1.67					880
11.01.2001											
Deposits	68 800	0.83			7 385	1.52			3 000	2.87	79 185
Repo agreements	2 100	0.71			2 800	1.89					4 900
12.01.2001											
Deposits			57 050	0.65	1 200	1.77					58 250
Repo agreements			4 900	0.41							4 900
15.01.2001											
Deposits	74 128	0.51			11 800	1.45	500	0.45	1 000	3.70	87 428
Repo agreements	4 900	0.41			5 615	2.54					10 515
16.01.2001											
Deposits	77 350	0.05			7 500	1.15			2 000	3.55	86 850
Repo agreements	23 148	0.50					1 800	2.03			24 948
17.01.2001											
Deposits	76 777	0.58			5 900	1.39	5 320	2.29	1 000	4.60	88 997
Repo agreements	19 763	0.63			9 850	0.98	200	1.52			29 813
18.01.2001											
Deposits	70 277	0.57			2 435	1.43			1 600	3.47	74 312
Repo agreements	2 500	0.56					2 230	1.70			4 730
19.01.2001											
Deposits			48 607	0.44	3 200	1.02	100	2.20	2 530	3.68	54 437
Repo agreements			2 200	0.35							2 200
22.01.2001											
Deposits	34 100	0.36			3 320	1.34					37 420
Repo agreements	2 000	0.46	1 200	0.41			2 000	1.62			5 200

(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
23.01.2001											
Deposits	43 550	0.37	500	0.60	1 700	0.88	217	2.00	1 000	3.65	46 967
Repo agreements					2 000	0.91					2 000
24.01.2001											
Deposits	46 500	0.34	800	0.45	1 820	1.12					49 120
Repo agreements	6 000	0.30			4 900	0.46	3 000	1.79			13 900
25.01.2001											
Deposits	44 200	0.34			7 150	0.71	200	2.30			51 550
Repo agreements	7 000	0.30									7 000
26.01.2001											
Deposits			65 100	0.34	9 700	0.44	150	2.90	200	4.30	75 150
Repo agreements			11 240	0.30	3 500	0.77	2 000	2.84			16 740
29.01.2001											
Deposits	78 500	0.33			4 470	0.66					82 970
Repo agreements	9 520	0.32									9 520
30.01.2001											
Deposits	77 150	0.33			4 500	0.73					81 650
Repo agreements	13 500	0.32	1 966	0.41							15 466
31.01.2001											
Deposits	83 600	0.39			12 154	0.77	1 218	2.88	7 000	5.90	103 972
Repo agreements	23 000	0.39	4 600	0.46	2 000	1.32					29 600
Monthly, total											
Deposits	1 065 709		232 157		116 063		11 775		36 430		1 462 134
Repo agreements	121 731		27 406		36 545		16 296		380		202 358

- 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 BNB exchange rate of the US dollar on the day of transaction.

**Outright Sales in the Secondary Market of Government Securities
in January 2001**

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
2	309	2000	500 000	BGN	106.05
3	97	1994	61 426	USD	68.54
	100	2001	640 679	BGN	98.92
	100	2001	640 675	BGN	98.92
	100	2001	640 675	BGN	98.92
	100	2001	640 675	BGN	98.92
	100	2001	640 675	BGN	98.91
	305	2000	24 000	BGN	105.67
	309	2000	2 000 000	BGN	106.08
4	308	2000	250 000	BGN	103.30
	308	2000	250 000	BGN	103.30
	301	2000	1 500 000	BGN	107.94
	301	2000	500 000	BGN	109.14
	301	2000	1 500 000	BGN	109.23
5	100	2001	250 000	BGN	98.98
	139	2000	250 000	BGN	96.87
	153	2000	250 000	BGN	95.63
	301	2000	250 000	BGN	109.06
	301	2000	536 100	BGN	109.18
	307	2000	250 000	BGN	107.17
8	97	1994	6 000	USD	69.38
	328	1999	500 000	BGN	103.73
9	98	1993	3 690	BGN	755.00
10	97	1994	100 000	USD	69.42
11	99	1993	11 900	BGN	757.00
	324	1999	500 000	BGN	104.99
	326	1999	250 000	BGN	104.55
	328	1999	700 000	BGN	103.90
	302	2000	1 000 000	BGN	104.61
	302	2000	1 000 000	BGN	104.61
	301	2000	250 000	BGN	109.57
	301	2000	1 500 000	BGN	109.30
	307	2000	250 000	BGN	107.64
	307	2000	525 455	BGN	107.63
	310	2000	80 000	BGN	104.30
	310	2000	256 142	BGN	103.97
	309	2000	500 000	BGN	103.51
	309	2000	500 000	BGN	103.62
	309	2000	700 000	BGN	103.54
	12	97	1994	100 000	USD
106		2000	13 440	BGN	99.85
313		1999	750 000	BGN	102.03
309		2000	250 000	BGN	103.61
15	304	2000	2 000 000	BGN	102.83
	304	2000	2 000 000	BGN	102.84
	304	2000	1 000 000	BGN	103.62
	304	2000	1 000 000	BGN	103.65
	309	2000	1 000 000	BGN	103.49

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
16	400	1999	500 000	EUR	68.20
	139	2000	250 000	BGN	97.18
	153	2000	250 000	BGN	95.97
	304	2000	505 667	BGN	103.68
	304	2000	505 667	BGN	103.71
	301	2000	500 000	BGN	109.66
	301	2000	200 000	BGN	109.44
310	2000	500 000	BGN	104.40	
17	101	2001	408 213	BGN	98.95
	101	2001	408 213	BGN	98.95
	101	2001	204 106	BGN	98.95
	101	2001	408 213	BGN	98.95
	101	2001	179 041	BGN	98.95
	153	2000	250 000	BGN	96.06
	309	2000	500 000	BGN	104.12
18	97	1994	900	USD	71.00
	301	2000	200 000	BGN	108.51
	309	2000	500 000	BGN	104.09
	309	2000	1 500 000	BGN	104.33
23	400	1999	7 400	EUR	69.32
24	400	1999	7 400	EUR	69.42
	97	1994	250 000	USD	70.18
	97	1994	500 000	USD	70.13
	97	1994	500 000	USD	70.18
	139	2000	1 450 000	BGN	96.55
	153	2000	250 000	BGN	96.15
	309	2000	250 000	BGN	104.81
	301	2001	500 000	BGN	102.20
	301	2001	185 897	BGN	102.61
	301	2001	150 000	BGN	102.14
	25	139	2000	250 000	BGN
153		2000	250 000	BGN	96.20
326		1999	200 000	BGN	104.75
309		2000	500 000	BGN	105.27
29	97	1994	270 000	USD	66.40
	139	2000	250 000	BGN	97.45
	139	2000	250 000	BGN	97.43
	300	2000	250 000	BGN	102.86
	304	2000	1 000 000	BGN	103.15
	304	2000	1 000 000	BGN	103.16
	304	2000	1 000 000	BGN	103.86
	300	2001	250 000	BGN	101.50
	301	2000	250 000	BGN	110.08
	309	2000	250 000	BGN	105.56
	301	2001	250 000	BGN	102.93
30	97	1994	2 000	USD	70.75
	324	1999	190 000	BGN	105.26
	310	2000	260 000	BGN	104.41
	309	2000	2 000 000	BGN	104.60
31	139	2000	1 450 000	BGN	96.57
	310	1999	250 000	BGN	102.80
	309	2000	2 000 000	BGN	105.60

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

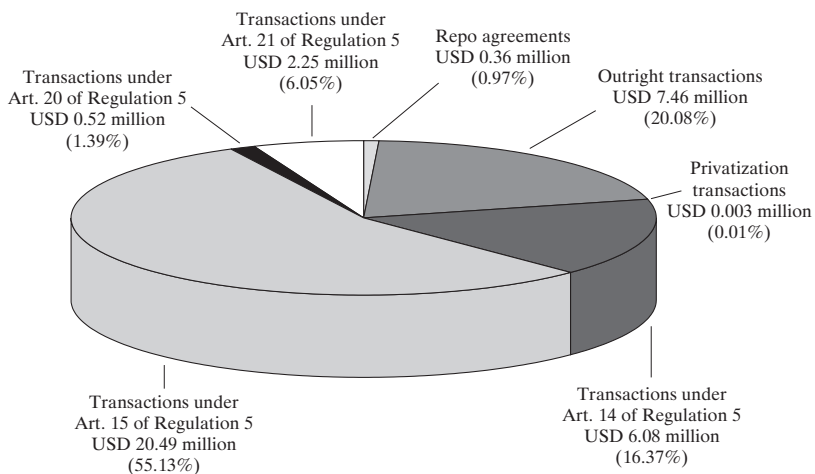
(BGN)

Date January	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	29 940 000.00	1 263 956.41	4 517 675.82	11 165 316.65	-	-	-	46 886 948.88	-	-	-
3	17 534 000.00	9 116 224.19	8 210 910.00	27 648 288.60	-	2 501 348.42	-	65 010 771.21	-	-	-
4	14 002 064.00	4 759 347.30	6 112 130.00	9 501 423.36	-	-	-	34 374 964.66	-	-	-
5	6 822 000.00	2 581 100.00	1 351 409.75	5 839 223.00	-	-	-	16 593 732.75	131 968.97	-	131 968.97
8	1 800 000.00	1 579 403.42	2 144 000.00	10 195 209.42	-	-	-	15 718 612.85	7 753.45	472.00	8 225.45
9	2 600 000.00	453 000.00	3 020 000.00	4 417 835.11	37 069.56	1 400 383.00	2 785.95	11 931 073.62	27 798.43	139.50	27 937.93
10	1 980 000.00	5 486 981.10	4 117 752.40	21 314 165.77	643 660.86	1 352 292.50	-	34 894 852.63	529 817.32	4 350.50	534 167.82
11	8 100 000.00	8 511 597.00	1 319 777.40	2 538 981.71	1 000 000.00	-	11 900.00	21 482 256.11	27 052.48	360.00	27 412.48
12	14 238 000.00	1 629 580.00	7 914 919.00	2 389 987.40	-	-	-	26 172 486.40	22 067.01	-	22 067.01
15	18 995 000.00	8 415 696.00	10 134 858.00	5 442 337.50	-	-	-	42 987 891.50	33 799.57	-	33 799.57
16	29 848 485.00	9 125 371.00	7 433 488.68	4 872 406.00	391 166.00	-	-	51 670 916.68	144 148.79	1 692 017.22	1 836 166.01
17	53 161 970.00	5 145 087.50	4 141 583.44	10 887 491.74	-	100 263.00	-	73 436 395.68	123 050.39	2 078.00	125 128.39
18	26 709 307.00	3 762 446.80	3 400 000.00	12 518 619.30	-	-	1 873.40	46 392 246.51	216 960.98	38.00	216 998.98
19	4 700 000.00	1 331 916.00	4 100 000.00	2 055 287.00	-	-	-	12 187 203.00	13 956.87	-	13 956.87
22	7 400 000.00	2 832 268.00	3 481 600.00	6 085 517.00	-	-	-	19 799 385.00	1 508.00	-	1 508.00
23	4 000 000.00	14 473.14	5 000 000.00	14 234 429.14	-	-	-	23 248 902.28	1 100 146.82	24 439.00	1 124 585.82
24	25 750 000.00	11 957 035.14	14 511 564.64	7 610 295.91	-	-	-	59 828 895.69	1 321 718.60	19 085.00	1 340 803.60
25	14 200 000.00	1 300 000.00	6 010 353.19	32 319 643.52	1 407 065.00	-	-	55 237 061.70	228 545.52	3 255 063.00	3 483 608.52
26	25 540 000.00	1 069 225.00	3 448 457.50	4 995 139.72	203 583.00	-	-	35 256 405.22	155 999.07	1 342.00	157 341.07
29	22 375 000.00	7 381 976.50	9 707 006.30	4 648 893.60	-	-	-	44 112 876.40	6 132.40	1 110.00	7 242.40
30	27 485 907.20	4 497 264.00	8 791 579.04	4 162 941.94	-	275 000.00	4 255.04	45 216 947.22	234 804.23	92 973.35	327 777.58
31	48 309 000.00	17 002 884.00	5 787 105.20	5 097 517.00	100 000.00	-	-	76 296 506.20	1 783 123.65	7 942.00	1 791 065.65
Total	405 490 733.20	109 216 832.51	124 656 170.36	209 940 950.40	3 782 544.42	5 629 286.92	20 814.39	858 737 332.20	6 110 352.55	5 101 409.57	11 211 762.12
Average volume of government securities transactions*								42 936 866.61			

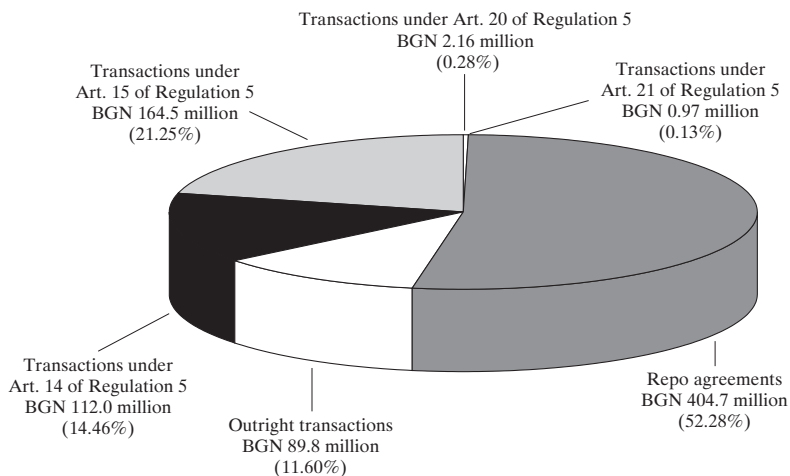
* Volume calculated on the basis of 20 operating primary dealers.

- Notes:
1. The amount of approved bids on behalf of nonprimary dealers of government securities of BGN 700,000 is included.
 2. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 4,601,282 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 (at market value) in the Bulgarian Stock Exchange and OTC market.

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



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





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, Including Target Issues

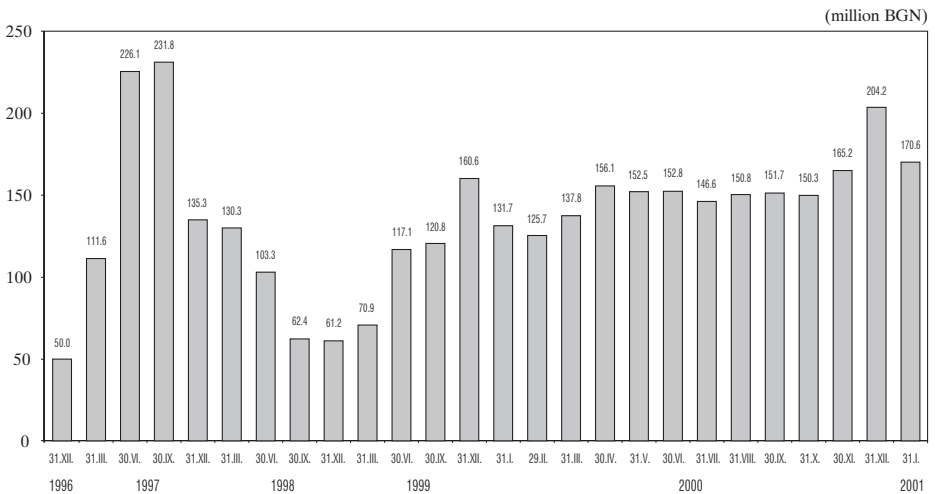
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals decreased during the period under review. As of 31 January 2001 they accounted for BGN 170,584 thousand (Chart 11), a decrease of BGN 33,624 thousand, or 16.46% on the previous month. Sales of target gov-

ernment securities earmarked for physical persons accounted for BGN 30,612 thousand (Chart 12), a decrease of BGN 799 thousand, or 2.54% on December.

In January sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 6,954.2 thousand, two-year treasury bonds of BGN 750 thousand, and five-year treasury bonds of BGN 4,104.1 thousand. Three-month treasury bills occupied the largest share in total government securities sales in January: 58.89%.

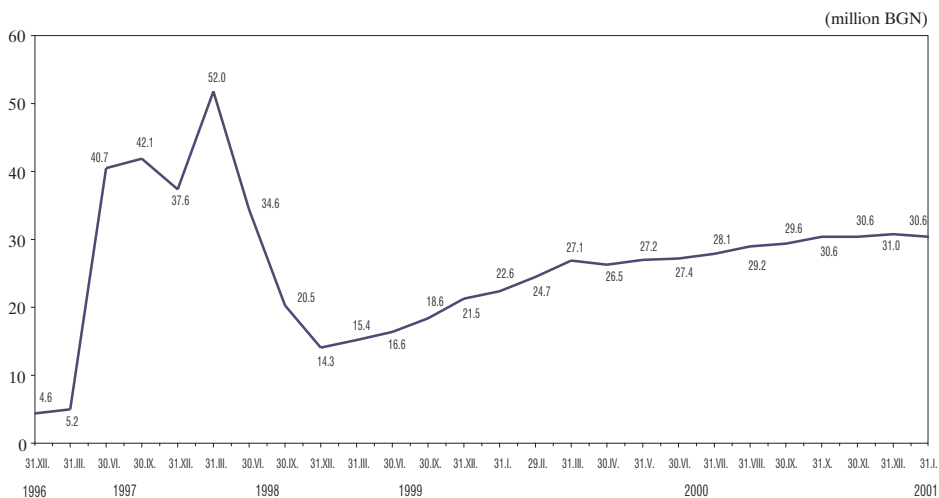
Chart 11

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



Note: Preliminary data for January 2001.

Investments in Target Government Securities Earmarked for Individuals



Note: Preliminary data for January 2001.

Target Issues of Government Securities Earmarked for Physical Persons

Between 3 and 16 January 2001¹ the Ministry of Finance offered for sale one issue of savings bonds 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 inter-

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

est payment is effected at maturity together with the nominal value of government securities. The annual interest rate of the first interest coupon is 6%, the second 7%, the third 8%, and the fourth 9% respectively. 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 January accounted for BGN 1,188.1 thousand nominal value, including BGN 812.7 thousand sold by the BNB (Chart 13).

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 continued to decline in January. As of 31 January 2001 total sales of government securities accounted for BGN 382,067.4 thousand (including sales to foreign investors), a decrease of BGN 25,914.45 thousand, or 6.35% from December (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (81.80%) and other financial institutions (18.20%).

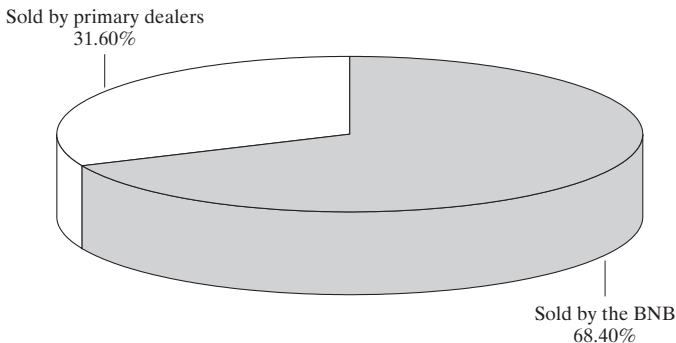
Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 7,260.18 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 332,639.85 thousand (USD 158.05 million) and EUR-denominated government securities issued for structural reform amounted to BGN 42,167.37 thousand (EUR 21.56 million).

Foreign Investments in Government Securities

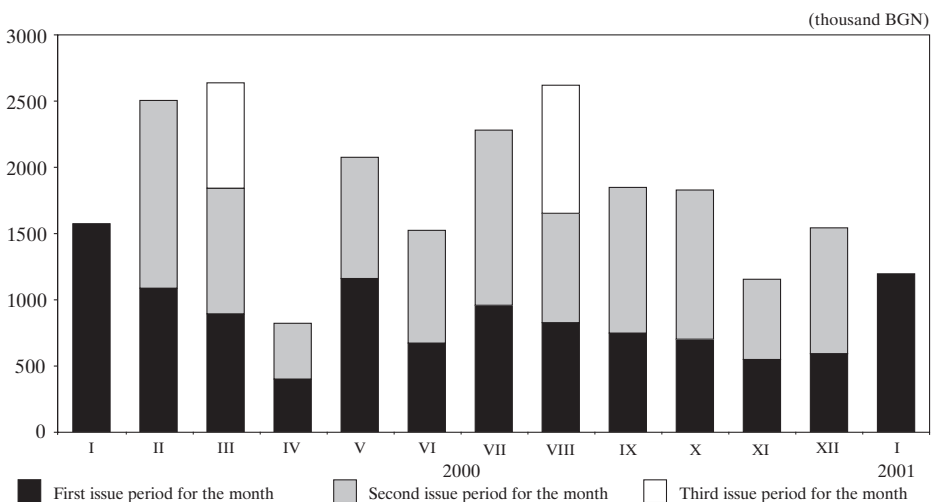
The volume of government securities held by foreign investors continued to

Chart 13

Share of Government Securities (Earmarked for Physical Persons) Sold by the BNB in January in Total Volume of Target Government Securities Issued



Volume of Target Government Securities Sales to Physical Persons



decrease in January. As of 31 January government securities acquired by foreign investors totaled BGN 196,682.9 thousand (Chart 16), a decrease of BGN 14,100.6 thousand (6.90%) on December.

Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 439 thousand. By end-January the volume of target government securities (earmarked for direct sale to physical persons and sold to nonresidents) totaled BGN 1.1 thousand.

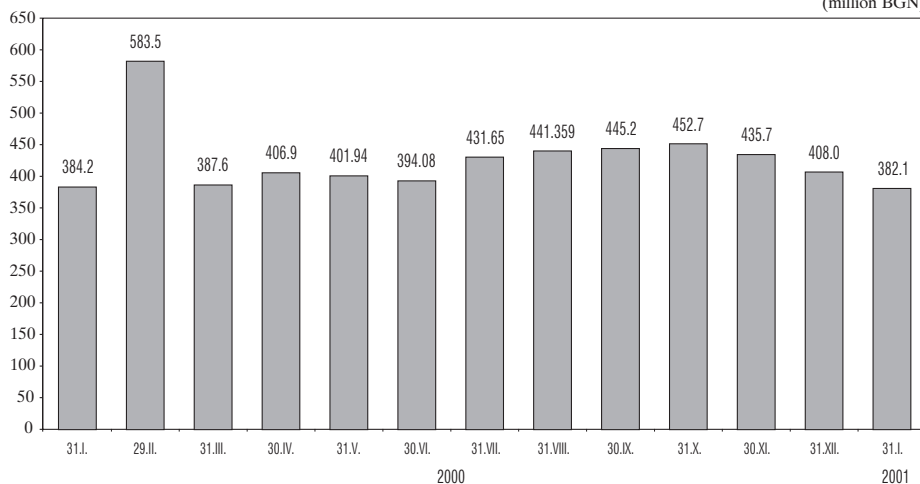
As of 31 January 2001 USD-denominated long-term government bonds held

by foreign investors dropped by USD 6.51million (6.70%) on December, reaching USD 90.61 million (BGN 190.70 million lev equivalent, Chart 17). The decrease in lev terms was BGN 13.44 million (6.58%) on the previous month. The relative share of these government securities on domestic debt accounted for 96.96% in foreign investors' portfolios (Chart 18).

In January EUR-denominated government securities held by foreign investors decreased, reaching EUR 2.83 million (2.82%) as of 31 January. The decline from December accounted for EUR 0.33 million (10.36%).

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

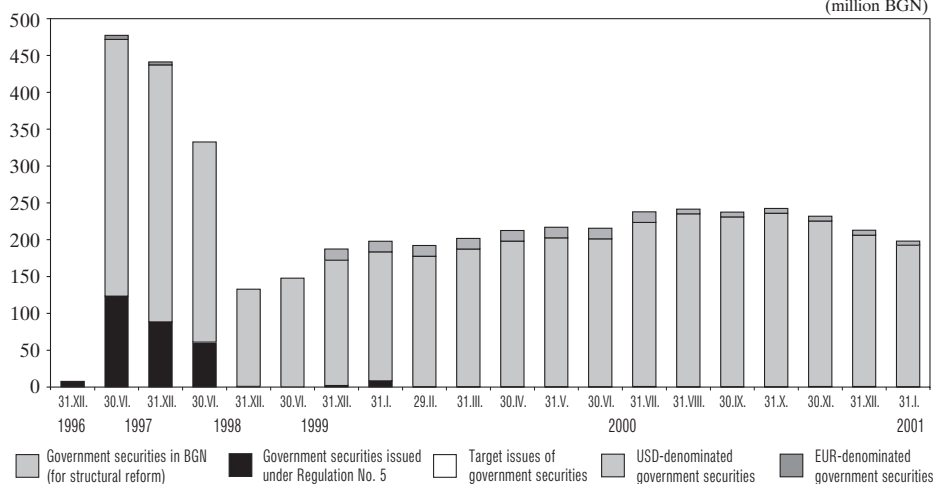
(million BGN)



- 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 January 2001.

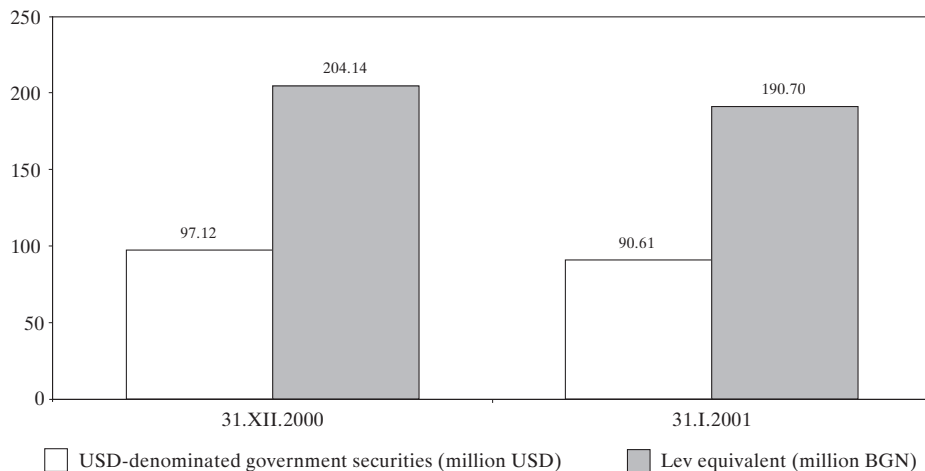
Government Securities in Foreign Investors' Portfolios

(million BGN)



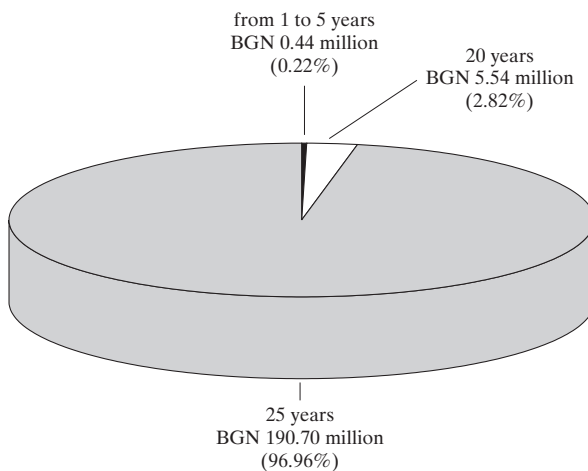
Note: Preliminary data for January 2001.

USD-denominated Government Securities Held by Foreign Investors



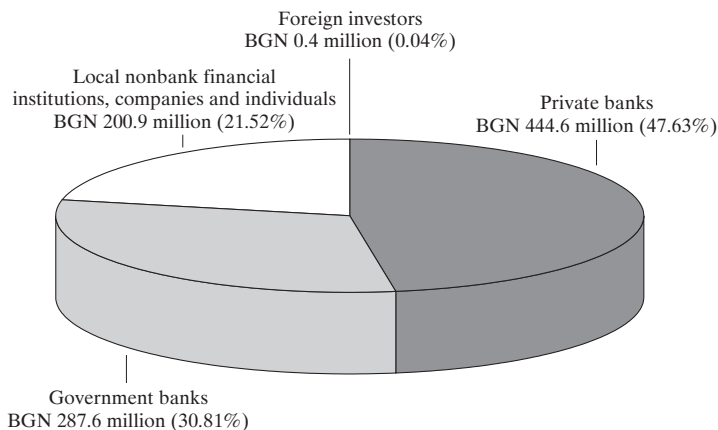
- Notes:**
1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
 2. Preliminary data for January 2001.

Volume and Maturity Structure of Government Securities Held by Foreign Investors as of 31 January



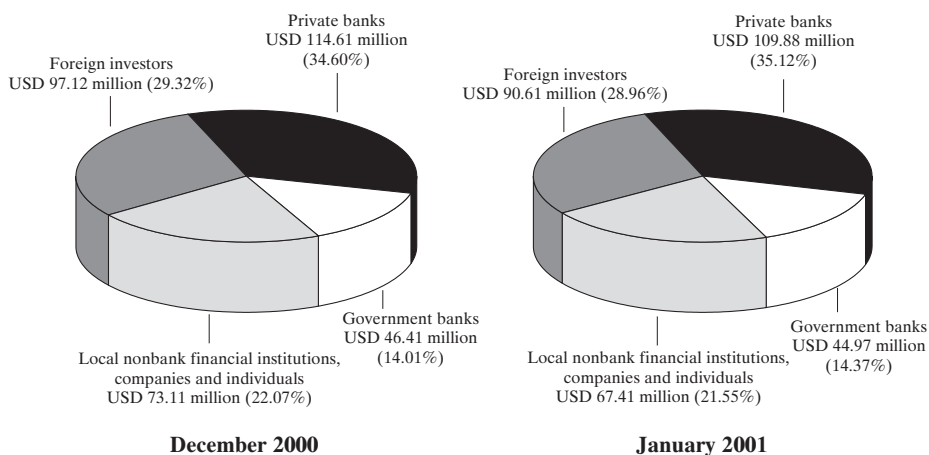
Note: Preliminary data

Holders of Government Securities Issued under Regulation No. 5 as of 31 January



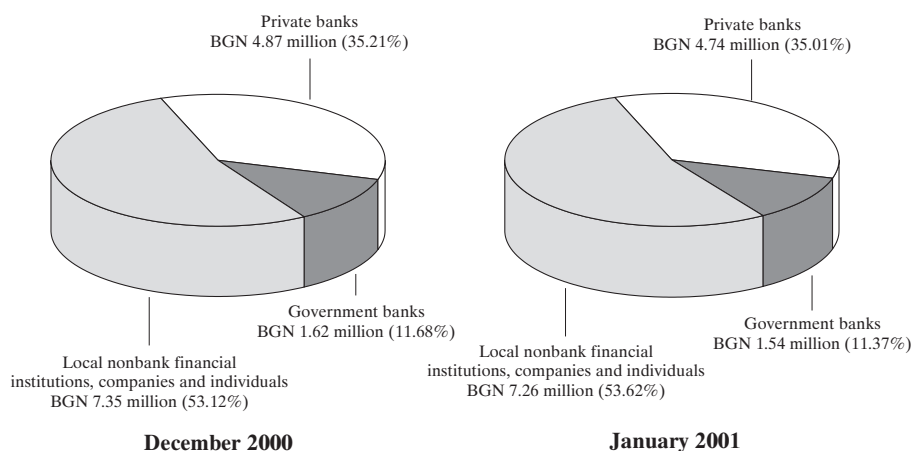
Notes: 1. Including frozen government securities by financial institutions.
 2. Including target issues earmarked for individuals.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



Notes: 1. Including frozen government securities by financial institutions.
 2. Preliminary data for January 2001.

Holders of Lev-denominated Government Securities Issued for Structural Reform



- Notes:** 1. Including frozen government securities by financial institutions.
2. Preliminary data for January 2001.

Volume of Frozen and Pledged Government Securities as of 31 January 2001

Transaction	Government securities issued under Regulation No. 5		Government securities issued for structural reform		
	BGN	USD	BGN	EUR	
Government securities pledges under the Law on Registered Pledges	2 574 248	12 613 368			
Frozen government securities as security on budget funds	278 330 888	82 188 637	856 369	5 000 000	
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	5 099 110	17 800	143 440		
TOTAL	286 004 246	94 819 805	999 809	5 000 000	

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3011100008	BG3012500008	BG3013900009	BG3014900008	BG3015000006	BG3015100004	BG3015200002	BG3015300000
Issue date	01.03.2000	31.05.2000	30.08.2000	08.11.2000	15.11.2000	22.11.2000	29.11.2000	29.11.2000
Maturity date	28.02.2001	30.05.2001	29.08.2001	07.02.2001	14.02.2001	21.02.2001	28.02.2001	28.11.2001
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	5 000.00	5 000.00	5 000.00	5 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	33 600.00	34 130.00	41 530.00	14 735.00	10 347.50	10 072.50	7 512.50	32 755.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	5 000.00	5 000.00	5 000.00	5 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	95.28	95.26	95.07	98.90	98.89	98.84	98.84	94.89
Average discount per BGN 100 (%)	4.72	4.74	4.93	1.10	1.11	1.16	1.16	5.11
Average annual yield (%)	4.97	4.99	5.20	4.46	4.50	4.71	4.71	5.40
Effective annual yield (%)	4.97	4.99	5.20	4.54	4.58	4.79	4.79	5.40
Coverage coefficient	1.68	1.71	2.08	2.95	2.07	2.01	1.50	1.64

(continued)

(continued)

Issue No.	BG301540008	BG301550005	BG301560003	BG301570001	BG3010001009	BG3010101007
Issue date	06.12.2000	13.12.2000	20.12.2000	28.12.2000	03.01.2001	17.01.2001
Maturity date	07.03.2001	14.03.2001	21.03.2001	29.03.2001	03.04.2001	17.04.2001
Nominal value of the offer (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	10 360.00	10 180.00	10 162.56	6 797.50	21 375.00	19 500.00
Total nominal value of the bids approved (thousand BGN)	5 000.00	5 000.00	5 000.00	5 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.85	98.87	98.88	98.86	98.88	98.94
Average discount per BGN 100 (%)	1.15	1.13	1.12	1.14	1.12	1.06
Average annual yield (%)	4.67	4.58	4.54	4.63	4.53	4.29
Effective annual yield (%)	4.75	4.66	4.62	4.71	4.61	4.35
Coverage coefficient	2.07	2.04	2.03	1.36	2.14	1.95

Source: BNB and MF.

Treasury Bonds

Issue No.	BG2030396126	BG2031096121	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2031398113	BG2031598118
Issue date	29.02.1996	30.05.1996	16.05.1997	30.04.1998	28.05.1998	02.07.1998	30.07.1998	03.09.1998
Maturity date	22.02.2001	23.05.2001	10.05.2002	24.04.2003	22.05.2003	26.06.2003	26.07.2001	30.08.2001
Nominal value of the offer (thousand BGN)	1 000.00	800.00	20 000.00	1 000.00	2 000.00	2000.00	1 000.00	1 000.00
Total nominal value of the bids received (thousand BGN)	200.00	800.00	20 000.00	3 605.00	3 440.00	2070.00	2 750.00	1 400.00
Total nominal value of the bids approved (thousand BGN)	50.00	800.00	20 000.00	1 000.00	2 000.00	2000.00	1 000.00	1 000.00
Average price of the bids approved per BGN 100 (%)	91.50	100.00	100.00	87.14	84.78	76.20	89.60	87.85
Average discount per BGN 100 (%)	8.50			12.86	15.22	23.80	10.40	12.15
Interest rate	BIR	BIR+7	BIR+4	8.00	8.00	7.00	7.00	6.50
Coverage coefficient	0.20	1.00	1.00	3.61	1.72	1.04	2.75	1.40

(continued)

(continued)

Issue No.	BG2031798114	BG2031998110	BG2032198116	BG2030299114	BG2030399112	BG2030499110	BG2030599117	BG2030699115
Issue date	01.10.1998	29.10.1998	03.12.1998	10.02.1999	24.02.1999	10.03.1999	24.03.1999	31.03.1999
Maturity date	27.09.2001	25.10.2001	29.11.2001	07.02.2001	21.02.2001	07.03.2001	21.03.2001	24.03.2004
Nominal value of the offer (thousand BGN)	1 500.00	1 500.00	500.00	10 000.00	15 000.00	15 000.00	15 000.00	2 000.00
Total nominal value of the bids received (thousand BGN)	1 155.00	700.00	1 250.00	24 021.03	30 397.50	48 340.00	39 280.00	2 795.00
Total nominal value of the bids approved (thousand BGN)	1 055.00	250.00	500.00	10 000.00	15 000.00	15 000.00	15 000.00	2 000.00
Average price of the bids approved per BGN 100 (%)	86.89	83.48	95.55	99.66	99.74	99.91	100.05	86.35
Average discount per BGN 100 (%)	13.11	16.52	4.45	0.34	0.26	0.09	0.00	13.65
Interest rate	6.50	6.50	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	0.77	0.47	2.50	2.40	2.03	3.22	2.62	1.40

(continued)

Issue No.	BG2030799113	BG2030899111	BG2030999119	BG2031099117	BG2031299113	BG2031399111	BG2031699114	BG2031799112
Issue date	14.04.1999	28.04.1999	29.04.1999	12.05.1999	26.05.1999	09.06.1999	23.06.1999	14.07.1999
Maturity date	11.04.2001	25.04.2001	22.04.2004	09.05.2001	23.05.2001	06.06.2001	20.06.2001	11.07.2001
Nominal value of the offer (thousand BGN)	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00	20 000.00	15 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	47 594.30	42 870.00	1 190.00	25 720.00	25 827.40	15 965.00	11 220.00	16 170.00
Total nominal value of the bids approved (thousand BGN)	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00	15 965.00	11 220.00	12 000.00
Average price of the bids approved per BGN 100 (%)	100.84	99.88	78.39	99.98	98.98	97.18	93.55	93.54
Average discount per BGN 100 (%)		0.12	21.61	0.02	1.02	2.82	6.45	6.46
Interest rate	9.00	8.00	9.00	8.00	8.00	8.00	8.00	8.00
Coverage coefficient	3.17	2.14	1.00	1.29	1.29	0.80	0.75	1.35

(continued)

(continued)

Issue No.	BG2031899110	BG2031999118	BG2032099116	BG2032199114	BG2032299112	BG2032399110	BG2032499118	BG2032599115
Issue date	28.07.1999	11.08.1999	25.08.1999	08.09.1999	24.09.1999	13.10.1999	27.10.1999	10.11.1999
Maturity date	25.07.2001	08.08.2001	22.08.2001	05.09.2001	21.09.2001	10.10.2001	24.10.2001	07.11.2001
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	13 105.50	11 325.00	9 080.63	16 600.00	34 781.00	39 093.50	28 485.05	24 059.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	93.26	92.59	91.92	91.05	94.71	98.02	98.53	98.80
Average discount per BGN 100 (%)	6.74	7.41	8.08	8.95	5.29	1.98	1.47	1.20
Interest rate	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Coverage coefficient	1.31	1.13	1.14	2.08	4.35	4.89	2.85	2.41

(continued)

(continued)

	BG2032699113	BG2032799111	BG2032899119	BG2030000116	BG2030100114 ¹	BG2030200112	BG2030300110	BG2030400118 ²
Issue No.								
Issue date	24.11.1999	08.12.1999	22.12.1999	19.01.2000	09.02.2000	16.02.2000	15.03.2000	05.04.2000
Maturity date	21.11.2001	05.12.2001	19.12.2001	16.01.2002	05.02.2003	13.02.2002	13.03.2002	03.04.2002
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	29 786.00	40 252.00	37 050.00	87 580.00	192 244.60	84 094.00	61 368.00	151 083.50
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	99.04	99.60	100.12	99.74	101.20	100.34	100.10	100.83
Average discount per BGN 100 (%)	0.96	0.40		0.26				
Interest rate	9.00	9.00	9.00	8.00	9.00	7.00	7.00	7.00
Coverage coefficient	2.98	4.03	3.71	3.13	3.84	3.00	2.19	3.02

(continued)

(continued)

Issue No.	BG2030500115 ²	BG2030600113 ²	BG2030700111 ²	BG2030800119 ²	BG2030900117 ²	BG2031000115 ²	BG2030001114 ³	BG2030101112 ⁴
Issue date	19.04.2000	05.07.2000	19.07.2000	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001
Maturity date	16.04.2003	03.07.2002	16.07.2003	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006
Nominal value of the offer (thousand BGN)	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	25 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	120 312.85	135 755.00	131 450.00	126 512.50	113 365.10	110 383.00	57 800.00	95 924.14
Total nominal value of the bids approved (thousand BGN)	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	25 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	100.61	101.16	102.09	101.88	100.35	102.15	100.86	101.65
Average discount per BGN 100 (%)								
Interest rate	8.00	7.00	8.00	7.00	9.00	7.50	6.50	9.00
Coverage coefficient	4.01	2.72	4.38	2.53	2.83	3.68	2.31	4.80

¹ 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.

² The above price is a result of the three auctions organized for sale of this issue and includes the interest accrued as of the dates of the auctions.

³ The total volume of the issue is BGN 50,000 thousand; the MF will sell the remaining portion on an auction principle.

⁴ The total volume of the issue is BGN 60,000 thousand; the MF will sell the remaining portion on an auction principle.

Source: BNB and MF.

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	2716.59	339.89	16 903.88	1864.42	6074.50	8279.82
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

Foreign Currency Guaranty Government Securities

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 January 2001.

Source: BNB and 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)	2751.73 (BGN)	2162.12 (BGN)	7795.70 (BGN)	312 896.18 (USD)	831.68 (BGN)	4660.14 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
2001 interest	BIR+1	BIR	BIR	LIBOR*	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 January 2001.

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	BG2031599124
Issue date	01.07.1999	16.06.1999
Maturity date	01.01.2019	11.04.2001
Principal (thousand EUR)	23 127.74	7000.00
Interest rate	EURIBOR ¹	EURO LIBOR ² + 3
Interest payments dates	semiannual	14.06.2000; 11.04.2001
Repayments	20 equal annual	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 on 13 June 2000 respectively 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 January 2001.

Source: BNB and MF.

Government Securities Issued in 2001

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 01009	02.01.2001	03.01.2001	03.04.2001	10 000.00	21 375.00	98.87	1.14	4.57	4.65	10 000.00	98.87	98.93	98.88	1.13	4.53	4.61
BG 30 101 01007	15.01.2001	17.01.2001	17.04.2001	10 000.00	19 500.00	98.92	1.09	4.37	4.44	10 000.00	98.90	98.99	98.94	1.07	4.29	4.35
Three-month issues, total				20 000.00	40 875.00					20 000.00						
Total				20 000.00	40 875.00					20 000.00						

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

$$YM = D/P \times 100$$

where

YM – yield to maturity;

D – discount;

P – price per BGN 100 nominal value;

AY – annual yield;

n – number of periods in one year;

EAY – effective annual yield.

It is assumed that one year has 360 days.

$$AY = YM \times n$$

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

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

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	Open date of payment	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			
												Mini-mum	Maxi-mum	Average	
BG 20 300 01114	08.01.2001	10.01.2001	10.01.2001	10.01.2003	10.07.2001 10.01.2002 10.07.2002 10.01.2003	6.5%	50 000.00	25 000.00	57 800.00	100.56	25 000.00	100.71	101.17	100.86	6.04
Two-year issues, total							50 000.00	25 000.00	57 800.00		25 000.00				
BG 20 301 01112	22.01.2001	24.01.2001	24.01.2001	24.01.2006	24.07.2001 24.01.2002 24.07.2002 24.01.2003 24.07.2003 24.01.2004 24.07.2004 24.01.2005 24.07.2005 24.01.2006	9.0%	60 000.00	20 000.00	95 924.14	100.78	20 000.00	101.24	103.23	101.65	8.59
Five-year issues, total							60 000.00	20 000.00	95 924.14		20 000.00				
Total							110 000.00	45 000.00	153 724.14		45 000.00				

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

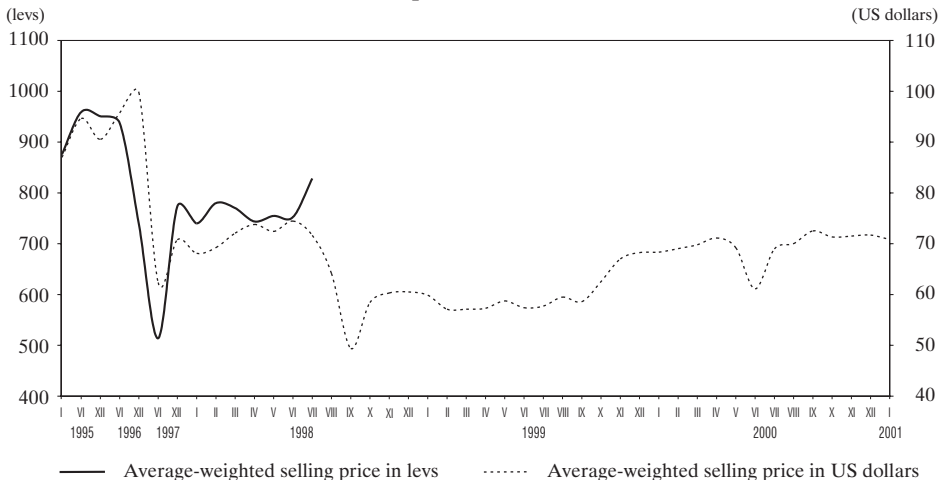
In January long-term government bonds issued under Article 5 of ZUNK, totaling USD 3,000, were sold for participation in privatization. Pursuant to Article 5 of the Regulation on participation in privatization of holders of long-term government bonds issued under the terms of ZUNK of 31 December 1990, CM Decrees Nos. 244 of 1991, 186 of 1993 and 3 of 1994, these government securities were transferred to the MF account for participation in one privatization transaction as legal tender.

Transfer transactions in government securities to the MF account, issued under Article 4 of ZUNK (from issue No. 98 of 1993) totaling BGN 4,000, and under CM Decree No. 186 of 1993 (from issue No. 99 of 1993) of BGN 12,000 to be used as legal tender in privatization transactions, were registered in January. The government securities were sold in previous months.

Long-term government bonds issued under Article 5 of ZUNK pursuant to Article 1 of the Regulation on the proce-

Chart 22

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



cedure 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), totaling USD 928,000, were sold and utilized in January.

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.90
	2001	2.79												2.79
II. Government securities in USD (million USD)	1994						0.80	0.10	0.10	0.90	1.70		3.90	7.50
	1995													
	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	0.016	0.010	0.010	0.010	0.030	0.010	0.040	0.005	0.002	0.005	0.003	0.003	0.144
	2001	0.003												0.003
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.05
	2001	0.00												0.00

- 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.

5

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 2001

BIOCHIM COMMERCIAL BANK	CBBB 01-03
BNP – DRESDNERBANK	BSBD 01-03
BULBANK	BGTB 01-03
BULBROKERS	BULB 01-03
BULGARIA-INVEST COMMERCIAL BANK	BGIN 01-03
BULGARIAN POST BANK	BPBB 01-03
DSK BANK	SSBG 01-03
ECONOMIC AND INVESTMENT BANK	RIBB 01-03
ELANA	ELAN 01-03
EUROFINANCE	EUFI 01-03
EVROBANK	EBSF 01-03
FIRST INVESTMENT BANK	BFIB 01-03
ING BANK	INBS 01-03
MUNICIPAL BANK	SMBK 01-03
NEFTINVESTBANK	OBGG 01-03
RAIFFEISENBANK	RBBS 01-03
ROSEXIMBANK	REBS 01
SG EXPRESSBANK	EBVB 01
SII INVEST	SIIB 01
UNITED BULGARIAN BANK	UBBB 01-03

**NONPRIMARY DEALERS OF GOVERNMENT SECURITIES WITH REGISTERS
AT THE BNB UNDER § 6 OF THE ADDITIONAL PROVISIONS OF
REGULATION No. 5 OF THE MF AND BNB**

CENTRAL COOPERATIVE BANK	SCCB 01-03
CITIBANK N. A.	CSOF
HEBROS COMMERCIAL BANK	AGBG 01-03
UNIONBANK	UNBS 01-03
SUMMARIZED QUOTATION PAGES	BGTSY= BGZUNK= BGTSYM=
BNB pages containing information on the government securities interbank market	BGBNB 5 BGBNB 6 BGBNB 9
BNB pages containing information on average-weighted prices of traded government securities issues	BGBNB 10 BGBNB 11 BGBNB 12 BGBNB 13



TARIFF ON THE FEES AND COMMISSIONS CHARGED ON GOVERNMENT SECURITIES TRANSACTIONS

	<i>charge/commission</i>
1. Affiliation fee for participation in the BNB Government Securities Depository	BGN 1,000
2. Register maintenance fee (monthly)	BGN 500
3. Commissions for document processing:	
3.1. Primary market:	
3.1.1. For approved bids (on the nominal value)	0.04%
3.1.2. For unapproved bids (per one bid)	BGN 5
3.1.3. For bids not admitted to selection (per one bid)	BGN 2
3.1.4. For correction in the register of transactions in target issues of government securities earmarked for physical persons	BGN 10
3.2. Secondary market:	
3.2.1. Transactions between financial institutions (the commission should be paid by the transferor and the acquirer)	BGN 2
3.2.2. For each registered transaction pursuant to Article 14, para. 6 of Regulation No. 5 (the commission should be paid by the institution which has sent a notification)	BGN 5
3.2.3. For each registered transaction pursuant to Article 18 and Article 21, para. 2 of Regulation No. 5 (the commission should be paid by the institution which has sent a notification)	BGN 1
3.2.4. For each registered transaction pursuant to Article 14, para. 7 and Article 20, para. 1 of Regulation No. 5 (the commission should be paid by the issuer of the certificate and acquirer)	BGN 5
3.2.5. For each registered transaction in government securities used for participation in privatization (the commission should be paid by the institution which has sent a notification)	BGN 5
3.2.6. For each registered government securities transaction between clients of a financial institution with foreign investor's participation (the commission should be paid by the institution which has sent a notification)	BGN 10
3.2.7. For each registered transaction pursuant to Article 14, paras. 8 and 9, Article 20, paras. 2 and 3 and Article 21, para. 3 of Regulation No. 5 (the commission should be paid by the primary dealers keeping the registers of the transferor and the acquirer)	BGN 5
3.2.8. For transfer of the register in case of selection of primary dealers (the commission should be paid by the investment intermediary approved as government securities primary dealer, and in case of dropping out from primary dealers' list – by the primary dealer to whose register government securities are transferred)	BGN 10
3.3. Blocking and unblocking of government securities excluding cases of pledge of government securities pursuant to the Law on Registered Pledges (the commission on the nominal value for each blocking and unblocking should be paid by the financial institution which has sent a notification)	0.02%
3.4. Maturity of issues (on the nominal value)	0.02%

4. Charges for preparing excerpts from the register as per Article 12, paras. 1 and 2 of Regulation No. 5:

- 4.1. For the amount of government securities held for a fixed period of time **BGN 50**
4.2. For the flow of acquired government securities **BGN 100**

5. For refusal to register a transaction in the secondary market

(the commission should be paid by the financial institutions which have sent a notification for the transaction)

BGN 2

6. Charges for sale of government securities at teller's desks:

- 6.1. For issue of a certificate **BGN 0.20**
6.2. For issue of duplicates **BGN 1**
6.3. For transfer of property (from the transferor and acquirer) **BGN 1.50**
6.4. Quotations **BGN 0.20**
6.5. Information sheet from the register **BGN 1**
6.6. Advertising materials **the value of the advertising material**

Notes:

1. The BNB reserves the right to change the amount of fees and commissions depending on financial market state.
2. The fee under item 1 is collected ex officio by the BNB both from primary dealers of government securities as approved by the Governor of the BNB and the Minister of Finance pursuant to Article 4 of Regulation No. 5, and from the commercial banks – nonprimary dealers, whose register is kept by the BNB pursuant to § 6 of the Additional Provisions of Regulation No. 5.
3. The fee under item 2 is collected ex officio by the BNB and is applied to all financial institutions whereof the BNB keeps register of government securities owned by them.
4. The commissions under item 3.1 are collected from primary dealers on the issue date (in case of reverse repurchase auction: on the day of redemption) and those under items 3.2, 3.3 and 3.4 – on the day of transaction registration, respectively upon maturity of the issue of government securities.
5. In case of registration of an approved bid for participation in the auction sent by a primary dealer on behalf of a client, no commission is accrued under items 3.2.2 and 3.2.3 but only under item 3.1.1.
6. The commissions under item 3.3 of the Tariff on the fees and commissions charged on government securities transactions are paid in Bulgarian levs. Commissions charged on the nominal value of government securities denominated in foreign currency are calculated as absolute figures in levs.
7. The commission under item 3.4. is applied to the government securities issued after 1 September 1997.
8. Charges for preparing an excerpt from the register pursuant to Article 12, para. 1 of Regulation No. 5 are collected from the financial institution which has requested an excerpt, and pursuant to Article 12, para. 2 from the primary dealer who has kept the register of the foreign person.
9. When calculating commissions under items 3.1.1, 3.3, 3.4, 5.2, the result is rounded off up to the second digit after the decimal point.
10. The commissions are collected ex officio by the BNB Government Securities Depository from the settlement accounts of the transacting parties.
- 11.* State fees are collected according to the tariff approved by the Council of Ministers for recording circumstances on pledges in government securities pursuant to Article 18, para. 3 of the Law on Registered Pledges and for blocking and unblocking of government securities held as security against budget deposits with commercial banks acting as registered pledge pursuant to § 18, para. 2 of the Transitional and Final Provisions of the State Budget Law of the Republic of Bulgaria for 2001.

**Pursuant to MF Letter No. 17-00-0041 of 18 January 2001 in the cases of blocking (unblocking) of government securities held as security against budget deposits with commercial banks acting as registered pledge no state fees are charged.*

The Tariff is adopted by Resolution No. 1 of 18 January 2001 of the BNB Managing Board.