



FEBRUARY

**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 26 February 2001

With regard to announced restructuring of the central bank branch network activity as of 1 March 2001 the Ministry of Finance discontinues the sale and reverse repurchase of book-entry government securities earmarked for direct sale to individuals at the BNB regional cash centers based in Plovdiv, Varna, Rouse, Pleven and Haskovo.

Service of individuals will be renewed on 12 March 2001 by the relevant branches of the United Bulgarian Bank which will effect the sale of target government securities to individuals, keep registers of certificate holders and provide their subsequent servicing.

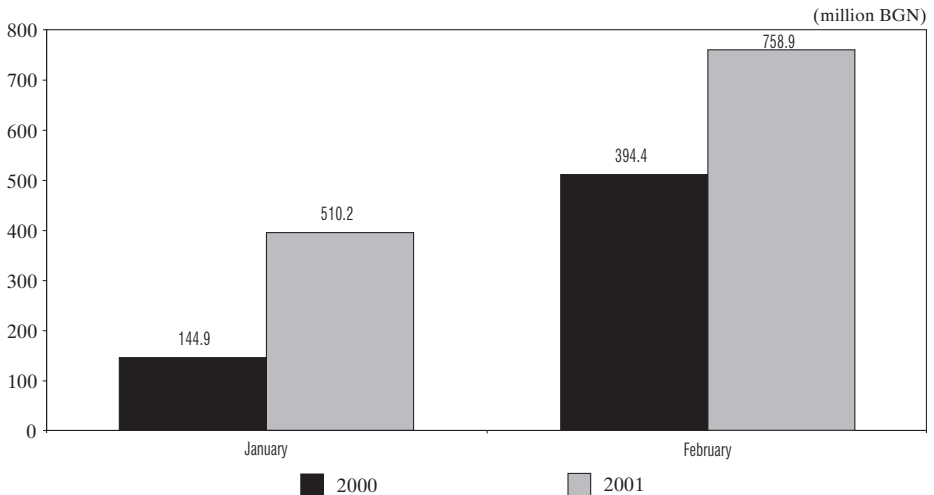
Interbank Market of Government Securities Issued under Regulation No. 5

In February 2001 financial institutions concluded 501 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 758,867.8 thousand nominal value, a two-fold increase compared with the same period of the previous year when the nominal value of these transactions was BGN 394,361.9 thousand (Chart 1).

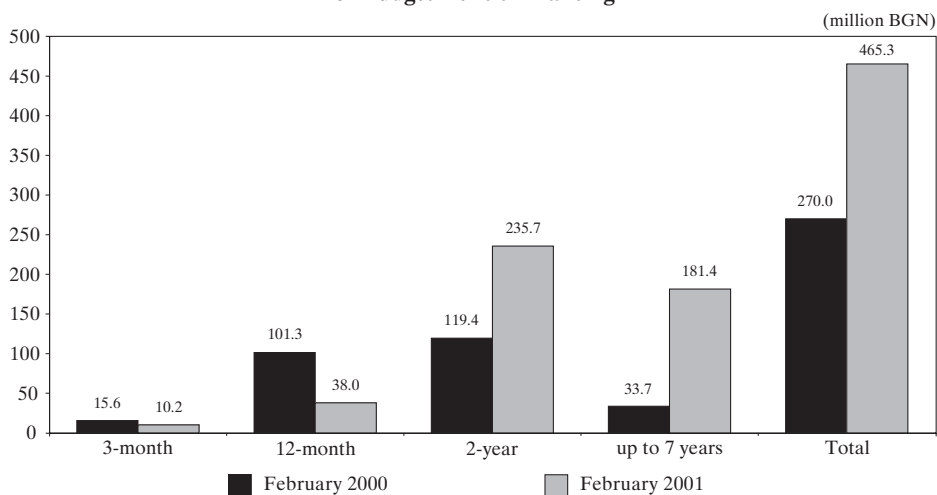
The total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse repo agreements volume excluded) amounted to BGN 465,266.1 thousand, an increase of 72.33% on February 2000. Structurally, government securities transactions included three-month treasury bills of BGN 10,228.3 thousand, twelve-month of BGN 37,993.8 thousand, two-year of BGN 235,635.1 thousand and up to seven years of BGN 181,408.9 thousand. This suggests that two-year treasury bonds were most preferred (Chart 2).

Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Structure of Transactions in Government Securities Issued for Budget Deficit Financing



Over the review period the volume of transactions concluded on behalf of clients and those between primary and nonprimary dealers increased; transactions, worth BGN 126,050.9 thousand (under Article 14) and BGN 4,135.6 thousand (under Article 20) were registered.

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

In February financial institutions concluded 67 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 33.8 million nominal value. Twenty-seven outright transactions of USD 10.9

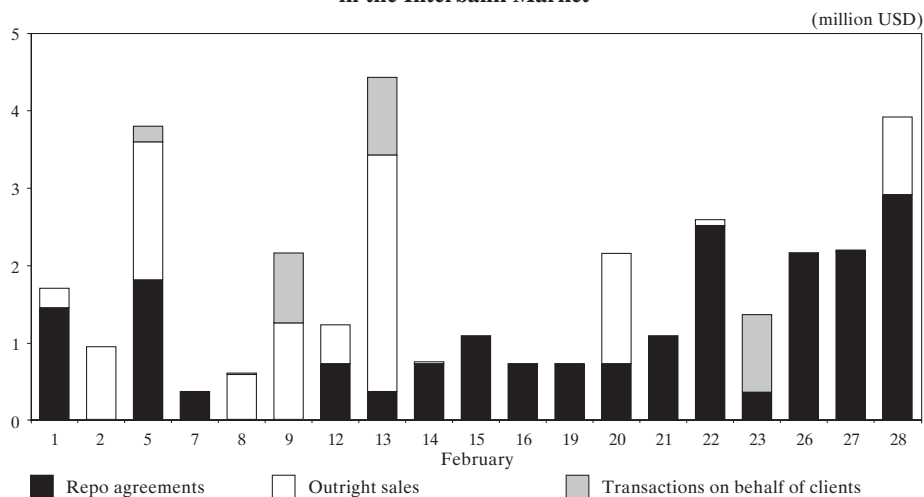
million, 34 repo agreements of USD 19.8 million, and six transactions on behalf of clients of USD 3.1 million (under Articles 14, 20 and 21) were concluded.

One transaction in guaranty foreign currency government securities of USD 0.2 million was concluded in February.

Pursuant to Article 14, para. 6 of Regulation No. 5 19 transactions of USD 7.2 million were concluded.

In February the volume of transactions concluded in ZUNK bonds denominated in foreign currency rose three times on the previous month. Repo agreements increased most significantly and outright transactions volume grew by 45.33%. The average daily volume of traded bonds was

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



USD 1.8 million. Prices at which forex ZUNK bonds were traded in the interbank market continued to increase and leveled off at over USD 72 per USD 100 nominal value.

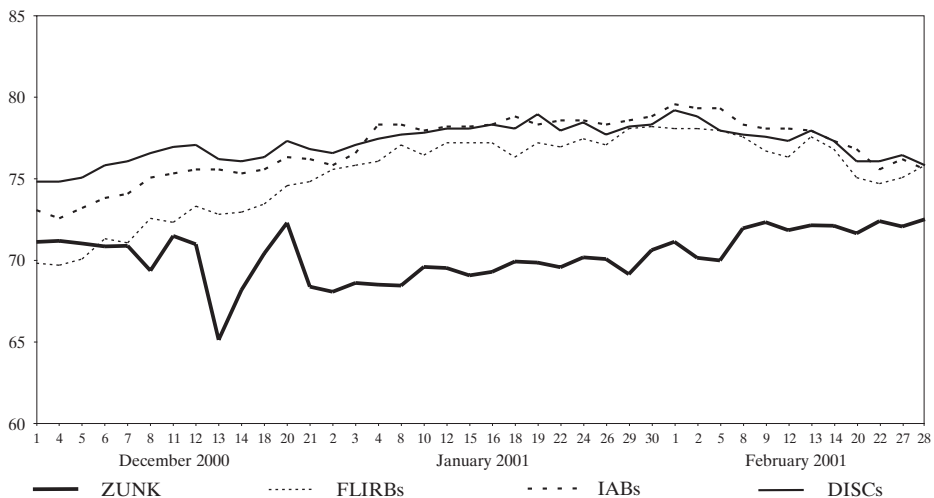
Government Securities Repo Agreements in the Interbank Market

In February the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). It hit highs

on 6 February, coupled with higher interbank deposit volumes on this day.

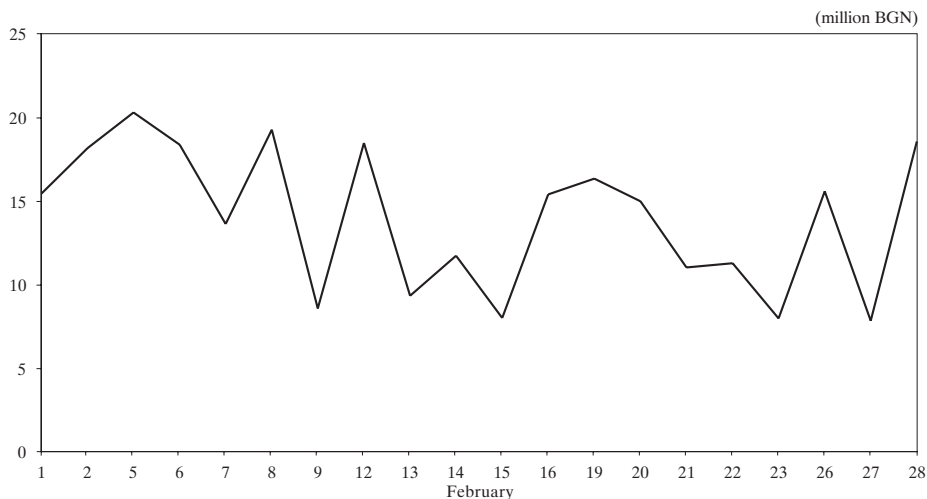
In February the yield of repo agreements fluctuated significantly and their average term (in days) was equal to that in January. The yield of repo agreements in government securities with one-day and seven-day terms was higher than the yield of interbank deposits with the same terms and lower for transactions with up to three-day and up to one-month 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 February	Price		
	Minimum	Maximum	Average-weighted
1	71.06	71.06	71.06
2	67.33	71.48	70.08
5	66.60	71.89	69.92
6	-	-	-
7	-	-	-
8	70.00	72.19	71.89
9	72.16	72.34	72.27
12	71.77	71.77	71.77
13	71.78	72.29	72.07
14	72.05	72..05	72.05
15	-	-	-
16	-	-	-
19	-	-	-
20	70.00	71.92	71.58
21	-	-	-
22	72.33	72.33	72.33
23	-	-	-
26	-	-	-
27	72.00	72.00	72.00
28	72.44	72.44	72.44
Monthly	66.60	72.44	71.49

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.

Quotations of Bulgarian Brady Bonds*

(USD)

Date February	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	79.13	78.63	78.00	77.50	79.50	78.50
2	78.75	78.00	78.00	77.25	79.25	78.25
5	77.88	76.88	77.88	77.25	79.25	77.75
6	78.38	77.25	77.13	76.63	78.38	77.50
7	77.88	76.50	76.88	75.75	77.75	76.50
8	77.63	76.88	77.50	76.13	78.25	77.25
9	77.50	77.00	76.63	76.13	78.00	77.00
12	77.25	76.75	76.25	75.75	78.00	77.00
13	77.88	77.38	77.50	76.00	77.88	77.00
14	77.25	76.50	76.75	76.13	77.25	76.25
15	77.63	76.63	76.75	75.88	78.00	77.00
16	78.00	77.50	77.00	76.63	78.75	77.50
20	76.00	75.50	75.00	74.50	76.75	75.75
21	73.50	73.00	72.50	72.00	74.75	72.75
22	76.00	74.25	74.63	73.00	75.50	74.25
23	75.38	75.00	74.38	73.75	75.75	74.75
26	75.88	74.00	74.13	73.63	75.50	74.50
27	76.38	75.00	75.00	74.50	76.13	75.13
28	75.75	74.75	75.75	73.50	75.50	74.50

* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	465.27
- repo agreements*	276.70
- outright sales	188.57
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	45.16
- repo agreements*	22.22
- outright sales	22.94
- privatization transactions	-
3. Number of secondary interbank market transactions	355.00
- repo agreements**	163
- outright sales	192
- privatization transactions	-
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	0.19
from 2 to 3 days	0.13
from 4 to 7 days	0.18
up to 1 month	0.24

* 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 (February)

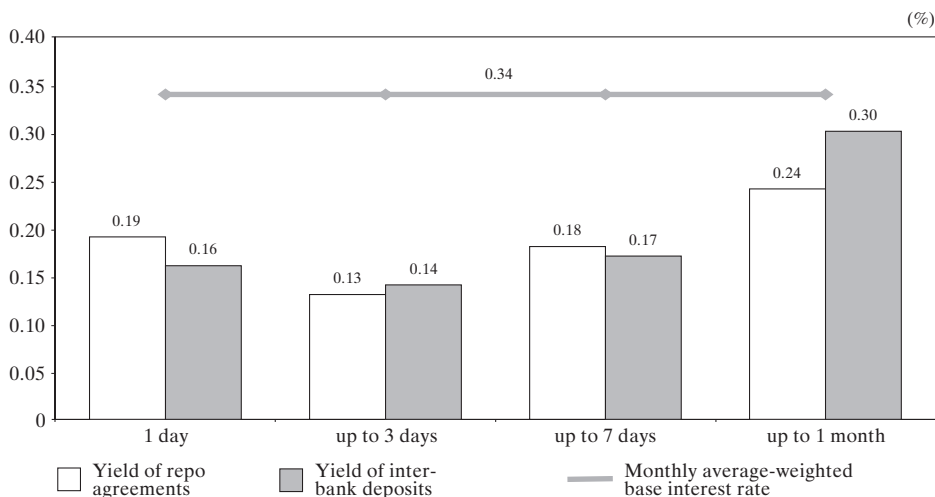


Chart 7

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

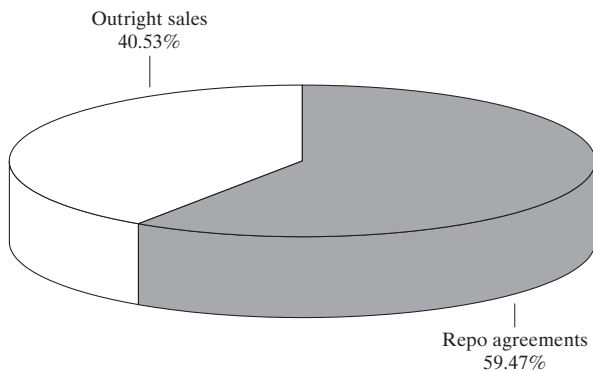
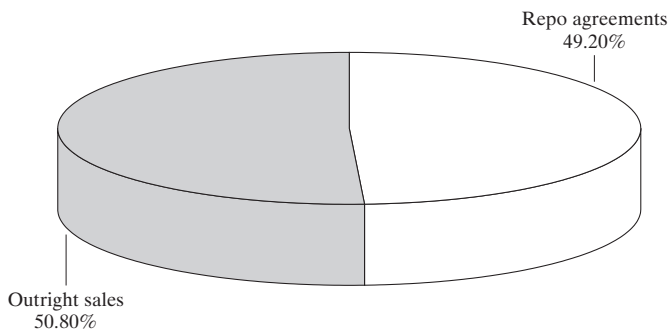


Chart 8

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



Volume and Yield of Deposits in the Interbank Market and Repo Agreements in Government Securities

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
01.02.2001											
Deposits	61 600	0.44			35 050	0.85	1 000	3.70	2 120	0.63	99 770
Repo agreements	9 500	0.43			2 273	0.68	3 700	2.36			15 473
02.02.2001											
Deposits			53 800	0.37	2 000	1.30			6 200	5.90	62 000
Repo agreements			18 200	0.37							18 200
05.02.2001											
Deposits	63 000	1.02	3 200	1.16	16 120	1.45	7 080	3.40	3 600	1.10	93 000
Repo agreements	15 200	1.06			1 497	1.52	3 630	2.48			20 327
06.02.2001											
Deposits	70 750	1.15	6 700	1.40	302	1.60					77 752
Repo agreements	13 000	1.01	5 400	1.32							18 400
07.02.2001											
Deposits	75 150	1.08	500	2.00	1 820	1.73					77 470
Repo agreements	11 900	1.07			755	1.52	1 000	1.72			13 655
08.02.2001											
Deposits	67 929	1.14			7 270	1.54	1 200	3.43			76 399
Repo agreements	13 900	1.12			5 400	1.27					19 300
09.02.2001											
Deposits			79 900	1.12	1 500	1.00			5 200	5.90	86 600
Repo agreements			8 600	1.12							8 600
12.02.2001											
Deposits	60 358	1.06	120	1.60	8 820	1.75			1 500	3.40	70 798
Repo agreements	12 600	1.07	5 400	1.17			500	3.35			18 500
13.02.2001											
Deposits	71 460	1.01					120	2.00	1 000	5.65	72 580
Repo agreements	8 600	1.01	758	1.22							9 358
14.02.2001											
Deposits	75 150	0.99			8 209	1.90			1 000	4.20	84 359
Repo agreements			7 759	1.15	2 000	1.52	2 000	3.40			11 759
15.02.2001											
Deposits	98 477	1.09			9 650	1.61					108 127
Repo agreements					8 034	1.66					8 034
16.02.2001											
Deposits			91 675	1.62	9 400	1.97	1 000	3.80	4 200	5.38	106 275
Repo agreements			6 075	1.67	9 350	2.12					15 425
19.02.2001											
Deposits	56 841	3.31	2 000	3.70	13 500	3.33	2 400	3.70	300	1.50	75 041
Repo agreements	14 373	3.60	2 000	3.95							16 373
20.02.2001											
Deposits	52 750	3.84			2 600	3.41	1 500	3.60	1 000	3.60	57 850
Repo agreements	10 264	3.90	3 350	4.08					1 400	4.92	15 014
21.02.2001											
Deposits	40 274	3.95	1 200	4.10	1 836	4.23					43 310
Repo agreements	7 053	4.10	1 000	3.85	3 000	3.92					11 053

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
22.02.2001											
Deposits	41 700	3.83			7 915	4.12					49 615
Repo agreements	8 000	3.92			3 310	4.16					11 310
23.02.2001											
Deposits			50 200	3.79	2 600	4.25	200	4.40	3 200	5.38	56 200
Repo agreements			4 500	4.06	1 506	4.36	2 000	4.56			8 006
26.02.2001											
Deposits	48 879	3.51	1 000	3.70	3 700	4.01					53 579
Repo agreements	15 609	3.82									15 609
27.02.2001											
Deposits	72 825	3.31	1 000	3.70	2 720	3.84	1 000	4.30	2 000	4.00	79 545
Repo agreements	7 863	3.40									7 863
28.02.2001											
Deposits	55 403	2.81			836	3.60	3 000	3.53	6 000	5.64	65 239
Repo agreements	14 500	2.94	3 095	3.14			1 000	3.35			18 595
Monthly, total											
Deposits	1 012 546		291 295		135 848		18 500		37 320		1 495 509
Repo agreements	162 362		66 137		37 125		13 830		1 400		280 854

- 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 February 2001

Date	Issue		Nominal value	Currency	Price 100/1000	
	No.	Year				
1	139	2000	100 000	BGN	97.76	
	310	2000	1 500 000	BGN	103.67	
	310	2000	1 500 000	BGN	103.69	
2	97	1994	300 000	USD	67.33	
	139	2000	250 000	BGN	97.53	
	310	2000	1 500 000	BGN	104.86	
5	97	1994	520 000	USD	66.60	
	100	2001	250 000	BGN	99.39	
	101	2001	250 000	BGN	99.23	
	300	2000	1 900 000	BGN	102.54	
	300	2000	2 000 000	BGN	100.00	
	303	2000	1 000 000	BGN	104.62	
	303	2000	250 000	BGN	104.63	
	303	2000	1 000 000	BGN	104.56	
	304	2000	300 000	BGN	104.12	
	309	2000	1 000 000	BGN	106.38	
	6	139	2000	229 305	BGN	97.63
309		2000	250 000	BGN	106.52	
309		2000	100 000	BGN	106.00	
309		2000	250 000	BGN	106.72	
309		2000	500 000	BGN	105.94	
301		2001	250 000	BGN	103.94	
301		2001	250 000	BGN	104.14	
7		102	2001	704 494	BGN	99.07
	102	2001	1 408 988	BGN	99.06	
	102	2001	1 000 000	BGN	99.08	
	304	2000	250 000	BGN	103.25	
	308	2000	2 000 000	BGN	100.00	
	301	2000	1 300 000	BGN	105.60	
	310	2000	500 000	BGN	105.02	
	309	2000	1 300 000	BGN	105.00	
	309	2000	1 050 000	BGN	106.74	
	309	2000	250 000	BGN	106.94	
	8	304	2000	500 000	BGN	104.30
		304	2000	500 000	BGN	104.31
		306	2000	250 000	BGN	102.75
306		2000	200 000	BGN	102.73	
300		2001	500 000	BGN	101.70	
9	100	2001	300 000	BGN	99.45	
	100	2001	250 000	BGN	99.43	
	101	2001	250 000	BGN	99.31	
	153	2000	698 571	BGN	96.15	
	153	2000	698 571	BGN	96.45	
	302	2000	250 000	BGN	105.35	
	303	2000	250 000	BGN	104.87	
	303	2000	700 000	BGN	104.29	
	304	2000	698 571	BGN	104.47	
	304	2000	698 571	BGN	104.26	
	304	2000	200 000	BGN	104.43	
	304	2000	500 000	BGN	104.42	

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
	301	2000	250 000	BGN	105.92
	307	2000	200 000	BGN	104.55
	310	2000	150 000	BGN	105.19
	309	2000	250 000	BGN	106.98
12	101	2001	250 000	BGN	99.35
	304	2000	500 000	BGN	104.47
	301	2000	1 000 000	BGN	105.02
	310	2000	344 001	BGN	105.30
	309	2000	500 000	BGN	107.05
	309	2000	500 000	BGN	106.89
13	97	1994	1 000 000	USD	71.94
14	103	2001	2 150 000	BGN	95.30
	324	1999	190 000	BGN	105.29
	324	1999	162 000	BGN	104.94
	310	2000	200 000	BGN	105.46
15	103	2001	815 151	BGN	95.44
	306	2000	355 000	BGN	102.72
	310	2000	300 000	BGN	105.48
16	-	-	-	-	-
19	301	2000	250 000	BGN	106.22
	301	2000	250 000	BGN	106.30
20	301	2000	500 000	BGN	106.31
	309	2000	350 000	BGN	106.30
21	104	2001	264 865	BGN	98.95
	324	1999	162 000	BGN	104.96
	325	1999	161 000	BGN	105.59
22	305	2000	100 000	BGN	106.00
23	309	2000	1 000 000	BGN	108.65
	309	2000	650 000	BGN	107.70
26	103	2001	60 000	BGN	95.19
	302	2000	1 000 000	BGN	102.00
27	325	1999	303 000	BGN	105.61
	302	2000	1 000 000	BGN	102.01
	309	2000	297 000	BGN	107.74
28	308	2000	2 000 000	BGN	100.12
	309	2000	250 000	BGN	108.40
	301	2001	250 000	BGN	106.08

Note: Information based on outright transactions (with a flow on settlement accounts) registered by the BNB.

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

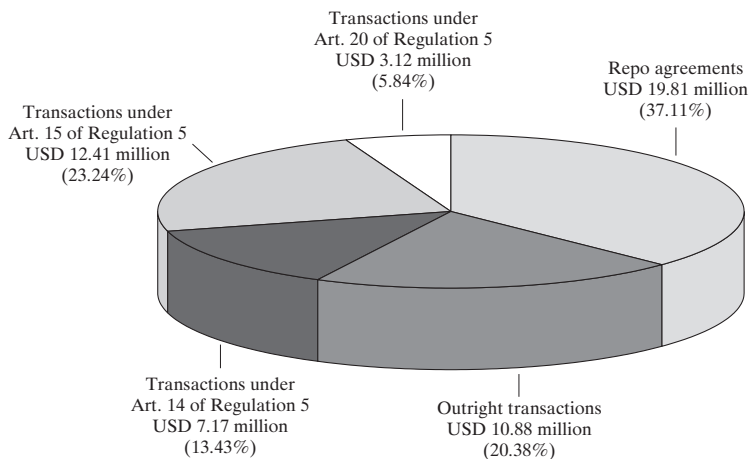
(BGN)

Date February	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
1	44 330 667.20	541 257.50	8 826 713.10	2 102 283.00	-	-	-	55 800 920.80	345 735.05	94 681.76	440 416.81
2	35 739 000.00	4 100 311.28	5 227 769.00	3 858 509.67	-	-	-	48 925 589.95	73 162.79	10 232.80	83 395.59
5	43 402 416.00	15 857 549.16	6 500 000.00	6 791 750.07	1 479 724.00	-	-	74 031 439.23	85 285.75	2 852.60	88 138.35
6	33 600 000.00	2 829 305.00	5 571 621.55	5 131 475.52	-	-	-	47 132 402.07	21 396.72	2 198.20	23 594.92
7	31 655 308.80	15 513 482.00	8 115 773.76	6 964 524.00	-	-	-	62 249 088.56	409 065.59	13 068.00	422 133.59
8	36 600 000.00	3 666 492.00	6 583 038.00	7 116 650.00	536 243.07	-	-	54 502 423.07	6 466 309.43	1 830.00	6 468 139.43
9	22 500 000.00	9 984 234.70	5 442 451.50	2 181 475.22	2 479 161.00	-	-	42 587 322.42	765 976.64	53 095.10	819 071.74
12	51 026 169.60	4 153 841.00	4 230 000.00	5 076 083.54	-	-	-	64 486 094.14	107 095.20	1 314.00	108 409.20
13	38 958 073.60	25 062 568.00	7 115 023.52	11 623 940.00	2 105 760.00	-	-	84 865 365.12	64 627.65	1 365.00	65 992.65
14	28 518 271.20	22 603 543.62	5 741 906.14	20 171 357.43	1 931 034.00	-	-	78 966 112.39	17 119.44	798.20	17 917.64
15	10 817 480.00	33 705 151.00	13 318 470.00	9 015 448.58	-	-	-	66 856 549.58	1 128 784.46	384.00	1 129 168.46
16	23 199 173.60	-	5 753 070.50	2 068 339.60	-	-	-	31 020 583.70	103 953.00	12 912.00	116 865.00
19	24 561 264.00	4 500 000.00	2 900 000.00	983 703.52	-	-	-	32 944 967.52	36 376.85	1 700.00	38 076.85
20	31 878 488.00	11 364 518.00	13 847 813.30	3 448 064.00	-	-	-	60 538 883.30	952 113.07	34 510.00	986 623.07
21	27 578 879.60	6 364 865.00	6 928 714.14	11 066 734.12	-	-	-	51 939 192.86	59 802.77	215 731.60	275 534.37
22	29 188 894.00	262 522.20	8 441 226.50	2 227 944.13	-	-	-	40 120 586.83	530 336.26	1 482.50	531 818.76
23	26 455 898.50	3 400 000.00	8 255 898.50	4 711 880.00	2 159 710.00	-	-	44 983 387.00	392 533.30	55 847.80	448 381.10
26	25 439 270.00	1 060 000.00	4 800 000.00	1 572 470.00	-	-	-	32 871 740.00	85 194.57	832.00	86 026.57
27	25 461 333.60	1 628 264.20	6 619 442.16	5 507 310.00	-	-	-	39 216 349.96	63 800.46	620.50	64 420.96
28	28 190 021.00	9 798 490.00	7 031 456.78	2 681 120.00	70 671.00	-	-	47 771 758.78	20 740.84	1 874.70	22 615.54
Total	619 100 608.70	176 396 394.65	141 250 388.45	114 301 062.40	10 762 303.07	-	-	1 061 810 757.28	11 729 409.84	507 330.76	12 236 740.60
Average volume of government securities transactions*								53 090 537.86			

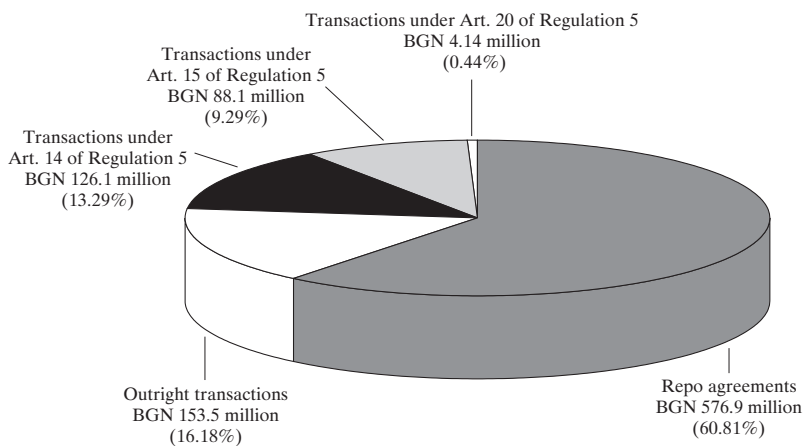
* Volume calculated on the basis of 20 operating primary dealers.

- Notes:**
1. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 6,677,812 is included.
 2. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.
 3. Transfer transactions of government securities to the MF account used as legal tender in privatization are considered to be privatization transactions.
 4. Transactions in USD-denominated government securities are in leva at the US dollar exchange rate quoted by the BNB on the day of transaction.
 5. Banking Department data on the volume of transactions (at market value) in the Bulgarian Stock Exchange and OTC market.

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



Volume of February 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

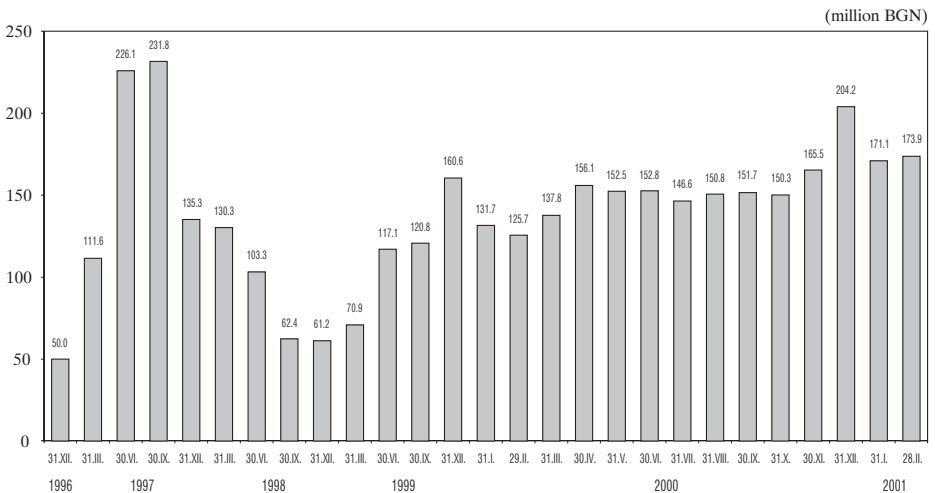
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals increased during the period under review. As of 28 February 2001 they accounted for BGN 173,854 thousand (Chart 11), an increase of BGN 2,790 thousand, or 1.63% on the previous month. Sales of target government securities earmarked

for physical persons accounted for BGN 31,186 thousand (Chart 12), an increase of BGN 574 thousand, or 1.87% on January.

In February sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 9,354 thousand, twelve-month of BGN 4,188.1 thousand and five-year treasury bonds of BGN 5,523.2 thousand. Three-month treasury bills occupied the largest share in total government securities sales in February: 49.06%.

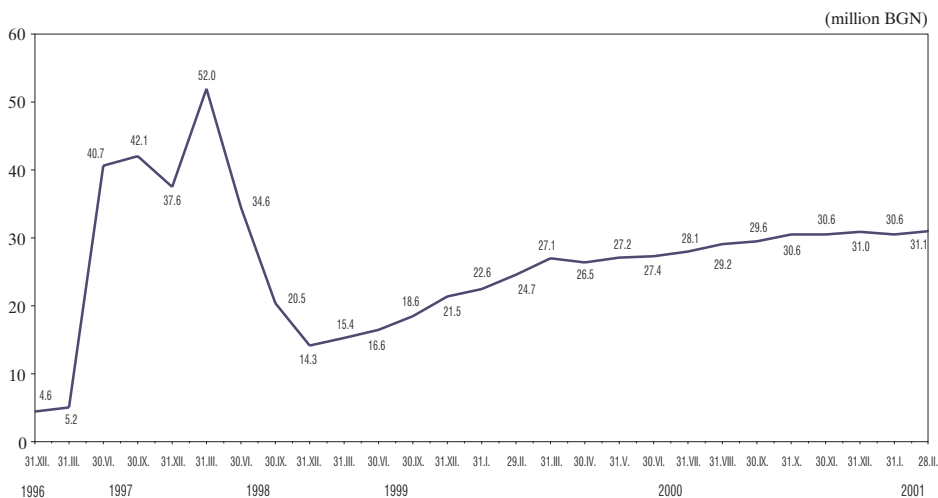
Chart 11

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



Note: Preliminary data for February 2001.

Investments in Target Government Securities Earmarked for Individuals



Note: Preliminary data for February 2001.

Target Issues of Government Securities Earmarked for Physical Persons

Between 17 January and 13 February 2001¹ the Ministry of Finance offered for sale two issues 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 two issue periods or four 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 February accounted for BGN 1,618.6 thousand nominal value, including BGN 944 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 February. As of 28 February 2001 total sales of government securities accounted for BGN 376,405.9 thousand (including sales to foreign investors), a decrease of BGN 5,661.5 thousand, or 1.48% from January (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (81.65%) and other financial institutions (18.35%).

Lev-denominated government securities held by individuals, companies and

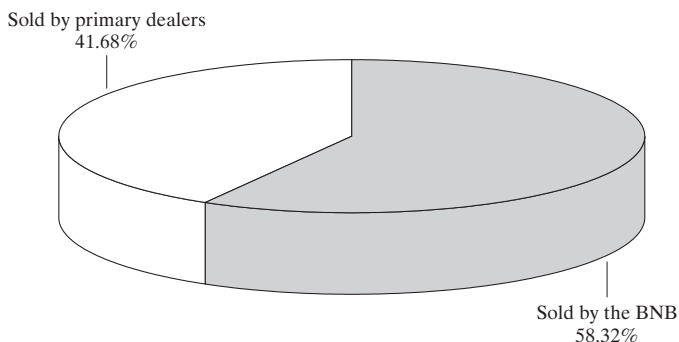
nonbank financial institutions totaled BGN 7,653.71 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 326,581.50 thousand (USD 154.42 million) and EUR-denominated government securities issued for structural reform amounted to BGN 42,170.70 thousand (EUR 21.56 million).

Foreign Investments in Government Securities

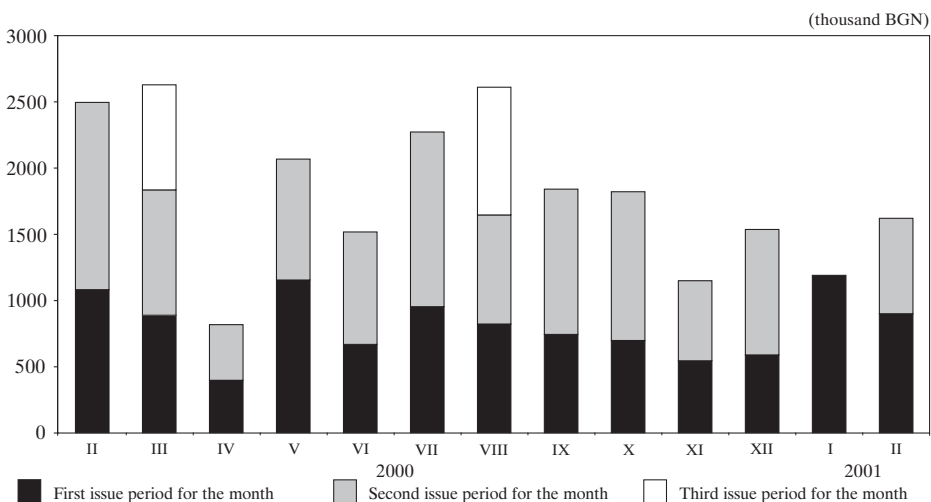
The volume of government securities held by foreign investors continued to decrease in February. As of 28 February government securities acquired by foreign investors totaled BGN 195,284.1

Chart 13

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



Volume of Target Government Securities Sales to Physical Persons



thousand (Chart 16), a decrease of BGN 1,398.8 thousand (0.71%) on January.

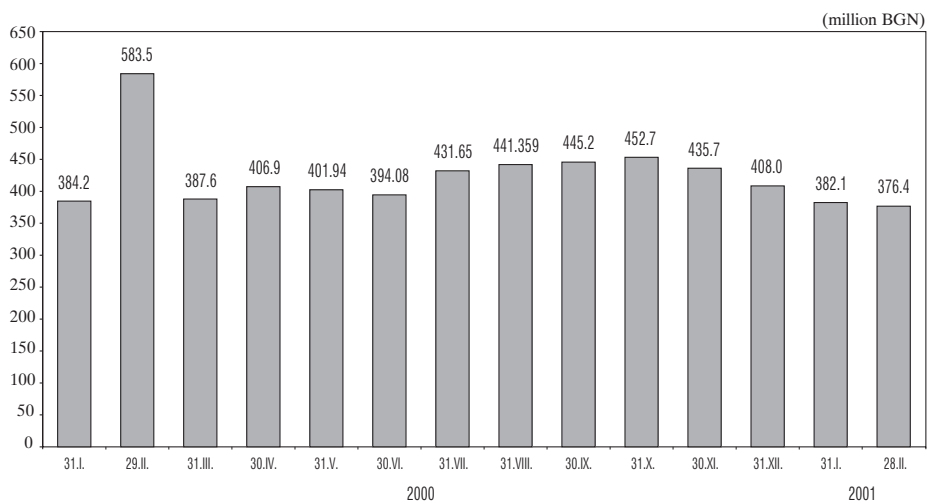
Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 439 thousand. By end-February the volume of target government securities (earmarked for direct sale to physical persons and sold to nonresidents) totaled BGN 0.9 thousand.

As of 28 February 2001 USD-denominated long-term government bonds held by foreign investors dropped by

USD 1.1 million (1.21%) on January, reaching USD 89.51 million (BGN 189.28 million lev equivalent, Chart 17). The decrease in lev terms was BGN 1.42 million (0.74%) on the previous month. The relative share of these government securities on domestic debt accounted for 96.94% in foreign investors' portfolios (Chart 18).

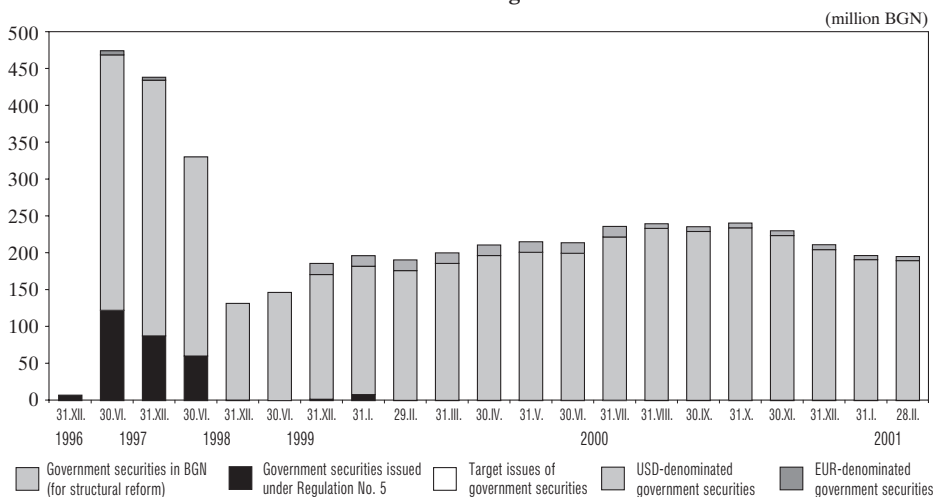
In February EUR-denominated government securities held by foreign investors remained stable, accounting for EUR 2.83 million (2.84%) as of 28 February.

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



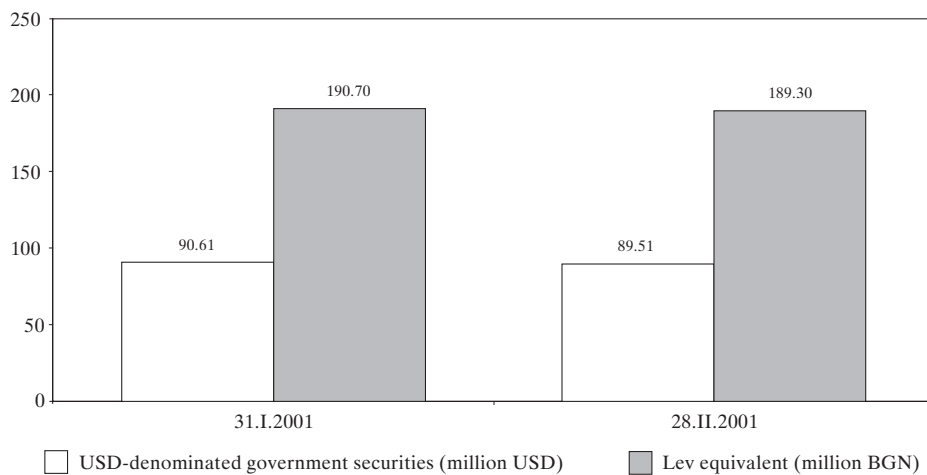
- Notes:**
1. The lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate at the end of month.
 2. From January 2000 EUR-denominated government securities from issue No. 400 of 1999 are included.
 3. Preliminary data for February 2001.

Government Securities in Foreign Investors' Portfolios



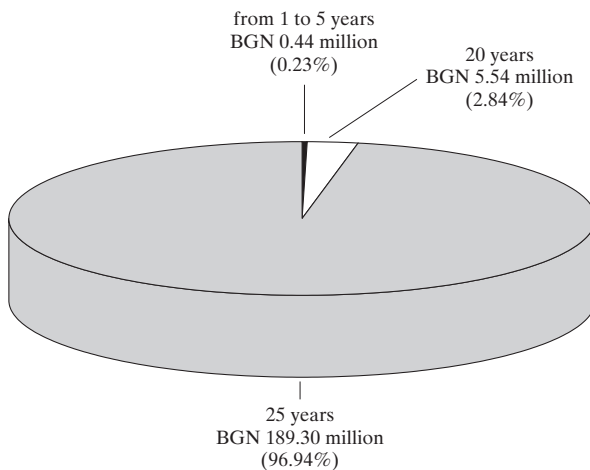
Note: Preliminary data for February 2001.

USD-denominated Government Securities Held by Foreign Investors



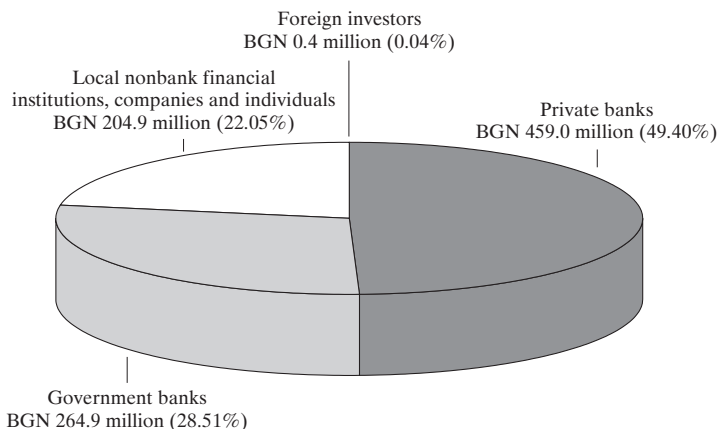
- Notes:** 1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
 2. Preliminary data for February 2001.

Volume and Maturity Structure of Government Securities Held by Foreign Investors as of 28 February



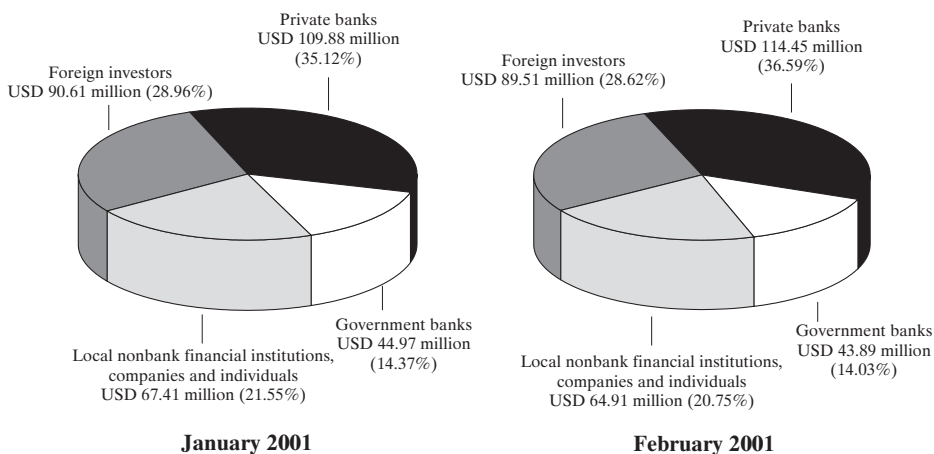
Note: Preliminary data

Holders of Government Securities Issued under Regulation No. 5 as of 28 February



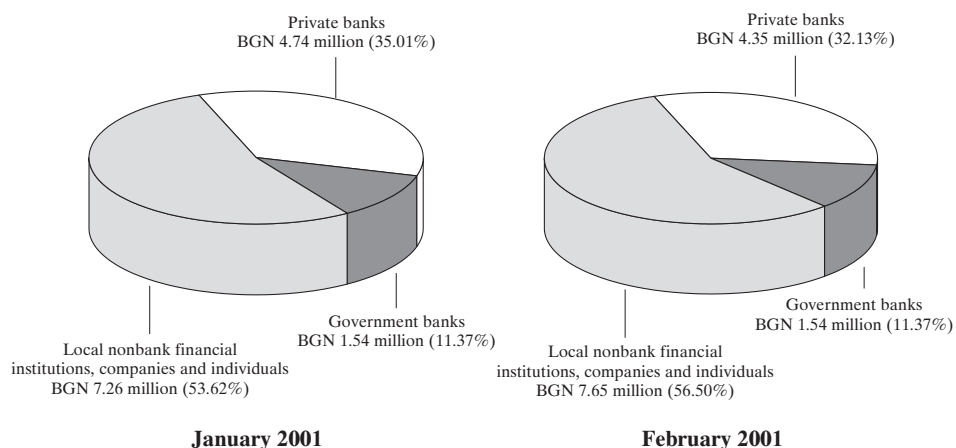
- Notes:**
1. Including frozen government securities by financial institutions.
 2. Including target issues earmarked for individuals.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



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

Holders of Lev-denominated Government Securities Issued for Structural Reform



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

Volume of Frozen and Pledged Government Securities as of 28 February 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	4 674 248	12 613 368		
Frozen government securities as security on budget funds	300 205 601	79 102 158	1 121 369	5 700 000
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	4 830 110	17 800	130 400	
TOTAL	309 709 959	91 733 327	1 251 769	5 700 000

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3012500008	BG3013900009	BG3015300000	BG3015400008	BG3015500005	BG3015600003	BG3015700001	BG3010001009
Issue date	31.05.2000	30.08.2000	29.11.2000	06.12.2000	13.12.2000	20.12.2000	28.12.2000	03.01.2001
Maturity date	30.05.2001	29.08.2001	28.11.2001	07.03.2001	14.03.2001	21.03.2001	29.03.2001	03.04.2001
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	10 000.00
Total nominal value of the bids received (thousand BGN)	34 130.00	41 530.00	32 755.00	10 360.00	10 180.00	10 162.56	6 797.50	21 375.00
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	10 000.00
Average price of the bids approved per BGN 100 (%)	95.26	95.07	94.89	98.85	98.87	98.88	98.86	98.88
Average discount per BGN 100 (%)	4.74	4.93	5.11	1.15	1.13	1.12	1.14	1.12
Average annual yield (%)	4.99	5.20	5.40	4.67	4.58	4.54	4.63	4.53
Effective annual yield (%)	4.99	5.20	5.40	4.75	4.66	4.62	4.71	4.61
Coverage coefficient	1.71	2.08	1.64	2.07	2.04	2.03	1.36	2.14

(continued)

(continued)

Issue No.	BG3010101007	BG3010201005	BG3010301003	BG3010401001
Issue date	17.01.2001	07.02.2001	14.02.2001	21.02.2001
Maturity date	17.04.2001	07.05.2001	14.02.2002	21.05.2001
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	20 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	19 500.00	22 292.67	61 610.00	13 304.20
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	20 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.94	99.03	95.29	98.97
Average discount per BGN 100 (%)	1.06	0.97	4.71	1.03
Average annual yield (%)	4.29	3.96	4.88	4.21
Effective annual yield (%)	4.35	4.02	4.87	4.28
Coverage coefficient	1.95	2.23	3.08	1.33

Source: BNB and MF.

Treasury Bonds

Issue No.	BG2031096121	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2031398113	BG2031598118	BG2031798114
Issue date	30.05.1996	16.05.1997	30.04.1998	28.05.1998	02.07.1998	30.07.1998	03.09.1998	01.10.1998
Maturity date	23.05.2001	10.05.2002	24.04.2003	22.05.2003	26.06.2003	26.07.2001	30.08.2001	27.09.2001
Nominal value of the offer (thousand BGN)	800.00	20 000.00	1 000.00	2 000.00	2 000.00	1 000.00	1 000.00	1 500.00
Total nominal value of the bids received (thousand BGN)	800.00	20 000.00	3 605.00	3 440.00	2 070.00	2 750.00	1 400.00	1 155.00
Total nominal value of the bids approved (thousand BGN)	800.00	20 000.00	1 000.00	2 000.00	2 000.00	1 000.00	1 000.00	1 055.00
Average price of the bids approved per BGN 100 (%)	100.00	100.00	87.14	84.78	76.20	89.60	87.85	86.89
Average discount per BGN 100 (%)			12.86	15.22	23.80	10.40	12.15	13.11
Interest rate	BIR+7	BIR+4	8.00	8.00	7.00	7.00	6.50	6.50
Coverage coefficient	1.00	1.00	3.61	1.72	1.04	2.75	1.40	0.77

(continued)

(continued)

Issue No.	BG2031998110	BG2032198116	BG2030499110	BG2030599117	BG2030699115	BG2030799113	BG2030899111	BG2030999119
Issue date	29.10.1998	03.12.1998	10.03.1999	24.03.1999	31.03.1999	14.04.1999	28.04.1999	29.04.1999
Maturity date	25.10.2001	29.11.2001	07.03.2001	21.03.2001	24.03.2004	11.04.2001	25.04.2001	22.04.2004
Nominal value of the offer (thousand BGN)	1 500.00	500.00	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00
Total nominal value of the bids received (thousand BGN)	700.00	1 250.00	48 340.00	39 280.00	2 795.00	47 594.30	42 870.00	1 190.00
Total nominal value of the bids approved (thousand BGN)	250.00	500.00	15 000.00	15 000.00	2 000.00	15 000.00	20 000.00	1 190.00
Average price of the bids approved per BGN 100 (%)	83.48	95.55	99.91	100.05	86.35	100.84	99.88	78.39
Average discount per BGN 100 (%)	16.52	4.45	0.09	0.09	13.65	0.12	0.12	21.61
Interest rate	6.50	9.00	9.00	9.00	9.00	9.00	8.00	9.00
Coverage coefficient	0.47	2.50	3.22	2.62	1.40	3.17	2.14	1.00

(continued)

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

(continued)

(continued)

Issue No.	BG2032199114	BG2032299112	BG2032399110	BG2032499118	BG2032599115	BG2032699113	BG2032799111	BG2032899119
Issue date	08.09.1999	24.09.1999	13.10.1999	27.10.1999	10.11.1999	24.11.1999	08.12.1999	22.12.1999
Maturity date	05.09.2001	21.09.2001	10.10.2001	24.10.2001	07.11.2001	21.11.2001	05.12.2001	19.12.2001
Nominal value of the offer (thousand BGN)	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	16 600.00	34 781.00	39 093.50	28 485.05	24 059.00	29 786.00	40 252.00	37 050.00
Total nominal value of the bids approved (thousand BGN)	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	91.05	94.71	98.02	98.53	98.80	99.04	99.60	100.12
Average discount per BGN 100 (%)	8.95	5.29	1.98	1.47	1.20	0.96	0.40	
Interest rate	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	2.08	4.35	4.89	2.85	2.41	2.98	4.03	3.71

(continued)

(continued)

	BG2030000116	BG2030100114 ¹	BG2030200112	BG2030300110	BG2030400118 ²	BG2030500115 ²	BG2030600113 ²	BG2030700111 ²
Issue No.								
Issue date	19.01.2000	09.02.2000	16.02.2000	15.03.2000	05.04.2000	19.04.2000	05.07.2000	19.07.2000
Maturity date	16.01.2002	05.02.2003	13.02.2002	13.03.2002	03.04.2002	16.04.2003	03.07.2002	16.07.2003
Nominal value of the offer (thousand BGN)	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00	30 000.00	50 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	87 580.00	192 244.60	84 094.00	61 368.00	151 083.50	120 312.85	135 755.00	131 450.00
Total nominal value of the bids approved (thousand BGN)	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00	30 000.00	50 000.00	30 000.00
Average price of the bids approved per BGN 100 (%)	99.74	101.20	100.34	100.10	100.83	100.61	101.16	102.09
Average discount per BGN 100 (%)	0.26							
Interest rate	8.00	9.00	7.00	7.00	7.00	8.00	7.00	8.00
Coverage coefficient	3.13	3.84	3.00	2.19	3.02	4.01	2.72	4.38

(continued)

(continued)

Issue No.	BG2030800119 ¹	BG20309000117 ²	BG2031000115 ²	BG203000114 ³	BG2030101112 ⁴
Issue date	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001
Maturity date	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006
Nominal value of the offer (thousand BGN)	50 000.00	40 000.00	30 000.00	25 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	126 512.50	113 365.10	110 383.00	57 800.00	183 200.14
Total nominal value of the bids approved (thousand BGN)	50 000.00	40 000.00	30 000.00	25 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	101.88	100.35	102.15	100.86	103.56
Average discount per BGN 100 (%)					
Interest rate	7.00	9.00	7.50	6.50	9.00
Coverage coefficient	2.53	2.83	3.68	2.31	4.58

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. 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: 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.	BG2040598117	BG2040698115
Issue date	13.03.1998	11.05.1998
Maturity date	06.03.2001	07.05.2001
Principal (thousand USD)	53.50	1013.20
Interest rate	LIBOR + 2	LIBOR + 2
Interest payments	semiannual	semiannual
Repayments	one-off at maturity	one-off at maturity
Maturity (in years)	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 Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), 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 28 February 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)	312 766.83 (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 28 February 2001.

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, negotiated until 31 December 1990, 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 28 February 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 %		Mini-mum	Maxi-mum	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
BG 30 102 01005	05.02.2001	07.02.2001	07.05.2001	10 000.00	22 292.67	99.00	1.01	4.09	4.15	10 000.00	99.02	99.07	99.03	0.98	3.96	4.02
BG 30 104 01001	19.02.2001	21.02.2001	21.05.2001	10 000.00	13 304.20	98.95	1.06	4.29	4.36	10 000.00	98.90	99.02	98.97	1.04	4.21	4.28
Three-month issues, total				40 000.00	76 471.87					40 000.00						
BG 30 103 01003	12.02.2001	14.02.2001	14.02.2002	20 000.00	61 610.00	95.16	5.09	5.02	5.01	20 000.00	95.23	95.38	95.29	4.94	4.88	4.87
One-year issues, total				20 000.00	61 610.00					20 000.00						
Total				60 000.00	138 081.87					60 000.00						

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

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

$$AY = YM \times n$$

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

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.

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-	Maxi-	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				
Three-year issues, total							0.00	0.00	0.00		0.00				
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
BG 20 301 01112*	26.02.2001	24.01.2001	28.02.2001	24.01.2006				20 000.00	87 276.00	104.50	20 000.00	105.17	106.50	105.46	
Five-year issues, total							60 000.00	40 000.00	183 200.14		40 000.00				
Total							110 000.00	65 000.00	241 000.14		65 000.00				

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.

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



SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

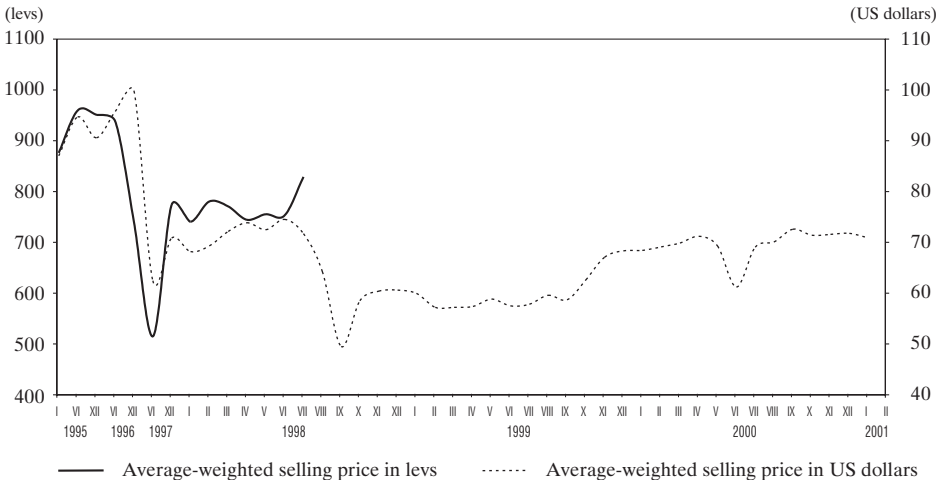
In February no long-term government bonds issued under Article 5 of ZUNK were sold for participation in privatization.

No transfer transactions in government securities on the MF account issued under Article 4 of ZUNK (issue No. 98 of 1993) and CM Decree No. 186 of 1993 (issue No. 99 of 1993) were concluded in February.

Long-term government bonds issued under Article 5 of ZUNK 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), totaling USD 129,000, were sold and utilized in February.

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



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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.90
	2001	2.79	0.00											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	0.000											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											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 (BULGARIA)	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 (BULGARIA)	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



LETTER NO. 1700-0101 OF THE BNB DATED 15 FEBRUARY 2001
REGARDING CHANGES IN INTEREST CONVENTIONS APPLIED
IN CALCULATING GOVERNMENT SECURITIES YIELD

To
Executive Directors of
commercial banks and
investment intermediaries –
primary dealers of government securities
(according to the attached list)

Dear Sirs,

By Letter No. 0401/0218/14.02.2001 the Ministry of Finance informed us on the changes of interest conventions applied in calculating government securities yield effective from 1 January 2001, as follows:

- For short-term government securities the interest convention 364/365 applied prior to 31 December 2000 was replaced by **ACT/360**.
- For medium-term government securities the interest convention 364/365 applied prior to 31 December 2000 was replaced by **ACT/ACT**.

Please find enclosed information provided by the MF on the types of circulating issues and applied interest conventions used for calculation of their yield.

INFORMATION
on
the Types of Circulating Issues and Applied Interest Conventions
Used for Calculation of Their Yield

• **Interest convention 30/360 applied to all types of government securities issued prior to 28 February 1995, as follows:**

1. Government long-term bonds issued under CM Decree No. 244 of 1991.
2. Government long-term bonds issued under CM Decree No. 234 of 1992.
3. Government long-term bonds issued under Articles 4 and 5 of ZUNK of 1993.
4. Government long-term bonds issued under CM Decree No. 3 of 1994.

• **Interest convention 364/365 applied to all types of government securities issued between 1 March 1995 and 31 December 2000, as follows:**

1. Government securities issued for budget deficit financing circulated and issued between 1 March 1995 and 31 December 2000.
2. Government long-term bonds issued under Article 2 of CM Decree No. 89 of 1995.
3. Government long-term bonds issued under the procedure of Articles 8 and 9 of LSPDACB of 1996.

• **The new interest convention which comes into force on 1 January 2001 shall be applied to all types of government securities issued after 1 January 2001.**