



**MARCH**

**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](http://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.

### Interbank Market of Government Securities Issued under Regulation No. 5

In March 2001 financial institutions concluded 350 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 425,373.5 thousand nominal value, a decrease of BGN 138,924.6 thousand, or 24.62% compared with the same period of the previous year (Chart 1).

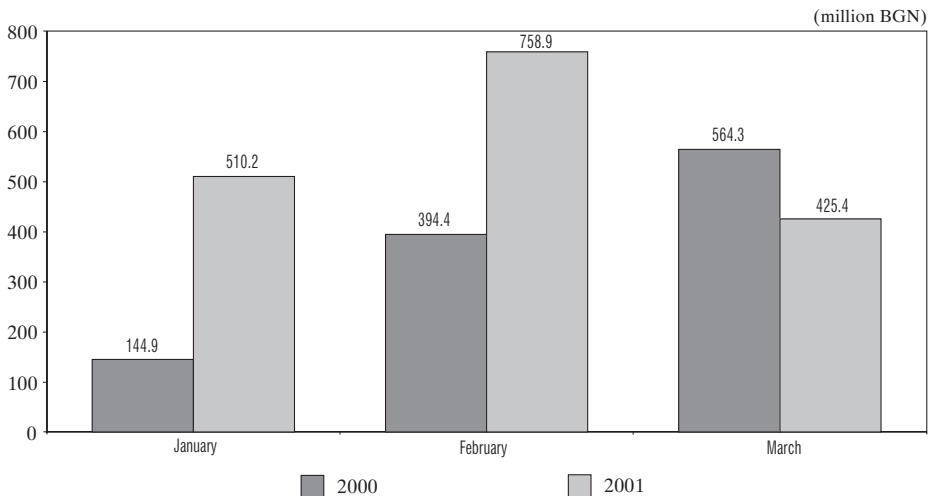
The total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse

repo agreements volume excluded) amounted to BGN 284,524.8 thousand, a decrease of 10.17% on March 2000. Structurally, government securities transactions included three-month treasury bills of BGN 15,386.2 thousand, twelve-month of BGN 7,832.7 thousand, two-year of BGN 134,809.2 thousand and up to seven years of BGN 126,496.7 thousand. This suggests that two-year treasury bonds were most preferred (Chart 2).

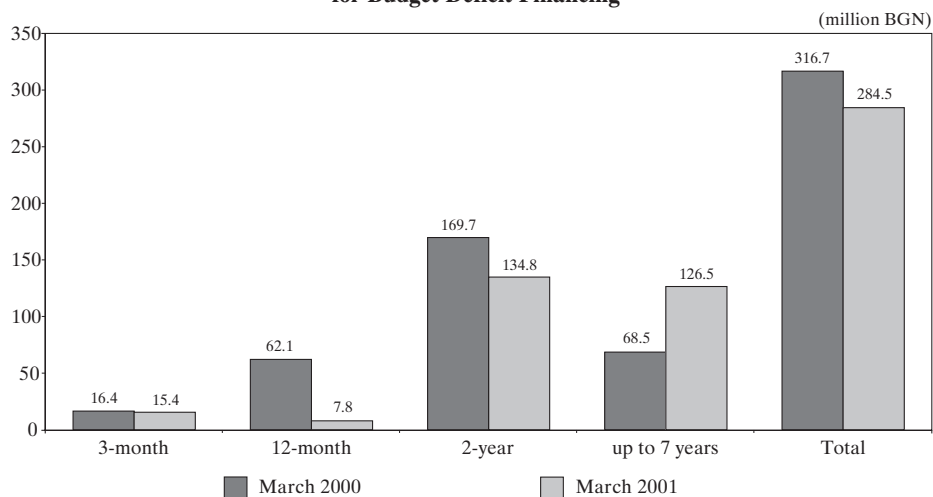
Over the review period the volume of transactions concluded on behalf of clients increased; transactions, worth BGN 7,254.4 thousand (under Article 20) and BGN 1,601.4 thousand (un-

Chart 1

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



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



der Article 21) were registered. In March the volume of transactions concluded between primary and nonprimary dealers under Article 14 insignificantly dropped, reaching BGN 126,050.9 thousand, including bids of BGN 2,500 thousand approved at government securities auctions on behalf of nonprimary dealers.

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

In March financial institutions concluded 50 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 40.6 million nominal value. Twenty-six outright transactions of USD 12.8 million, ten repo agreements of USD 11.6 million, and 14 transactions

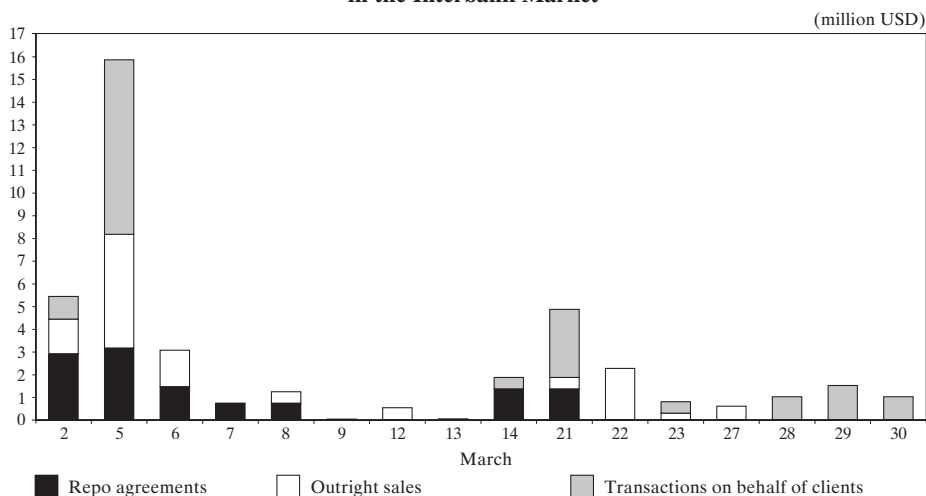
on behalf of clients of USD 16.19 million (under Articles 14, 20 and 21) were concluded.

Five transactions in foreign currency government securities of EUR 5 million were concluded in March. One transaction in lev-denominated government securities issued for structural reform, totaling BGN 0.4 thousand, was concluded.

Pursuant to Article 14, para. 6 of Regulation No. 5 23 transactions of USD 10.8 million were concluded.

In March the volume of transactions concluded in ZUNK bonds denominated in foreign currency continued to increase. They rose by 20.1% on the previous month. Transactions on behalf of clients activated the market; their volume increased by USD 13.09 million on the previous month. In March foreign invest-

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



tors' operations in forex ZUNK bonds intensified. The volume of repo agreements decreased by USD 8.2 million (41.41%) and outright transactions volume grew by USD 1.9 million (17.43%). The average daily volume of traded bonds was USD 2.5 million. Prices at which forex ZUNK bonds were traded in the interbank market continued gradually to increase. In March the average-weighted price was USD 72.31 per USD 100 nominal value.

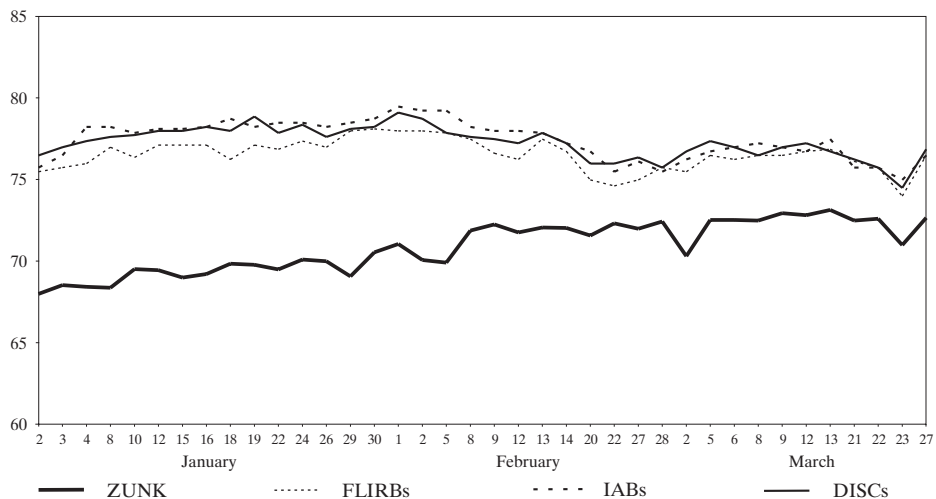
#### Government Securities Repo Agreements in the Interbank Market

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

market was uneven (Chart 5). It hit highs on 5 March, coupled with higher interbank deposit volumes on this date.

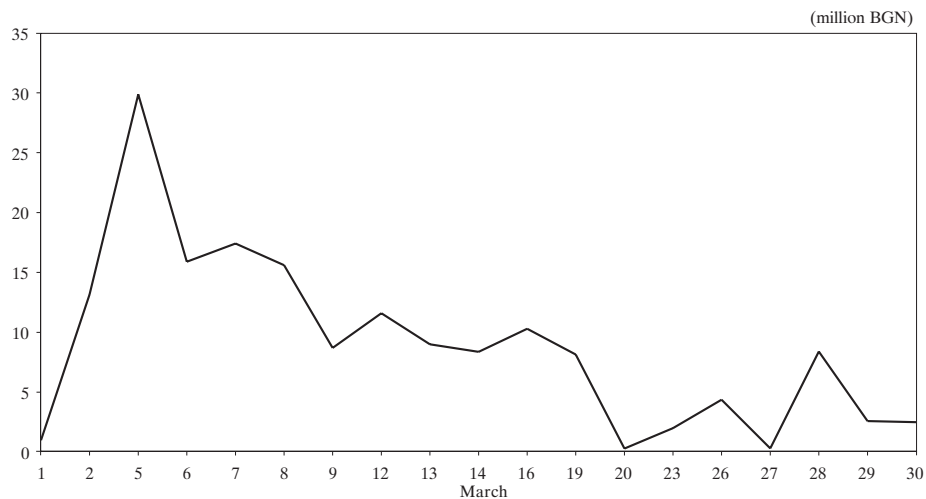
In March the yield of repo agreements fluctuated significantly. Their average term (in days) rose and volume of outright transactions significantly increased during the review period. The yield of repo agreements in government securities with one-day, seven-day and up to one month terms was equal to the yield of interbank deposits with the same terms and lower for transactions with up to three days term. In March the yield of repo agreements and interbank deposits with up to one month term was higher than the average-weighted base interest rate (Chart 6).

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



\* Reuters offer quotations for Brady bonds.

**Volume of Repo Agreements in the Secondary Interbank Market**





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

(USD)

Date March	Price		
	Minimum	Maximum	Average-weighted
1	-	-	-
2	65.62	72.89	70.32
5	72.19	72.90	72.59
6	72.50	72.62	72.54
7	-	-	-
8	72.50	72.50	72.50
9	72.77	73.17	72.95
12	72.83	72.83	72.83
13	73.15	73.15	73.15
14	-	-	-
15	-	-	-
16	-	-	-
19	-	-	-
20	-	-	-
21	72.50	72.50	72.50
22	72.51	72.76	72.61
23	71.00	71.00	71.00
26	-	-	-
27	72.61	72.73	72.67
28	-	-	-
29	-	-	-
30	-	-	-
Monthly	65.62	73.15	72.31

**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 March	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	76.63	75.00	75.63	74.25	76.25	75.25
2	76.75	75.75	75.50	75.13	76.25	75.25
5	77.38	76.25	76.50	75.50	76.75	75.75
6	77.00	75.50	76.25	74.00	77.00	75.50
7	76.50	76.00	76.50	76.00	77.25	76.25
8	76.50	76.00	76.50	76.00	77.25	76.25
9	77.00	76.50	76.50	76.00	77.00	76.00
12	77.25	75.00	76.75	75.50	76.75	75.00
13	76.75	76.13	76.88	75.75	77.50	76.00
14	75.88	75.38	75.38	74.88	76.75	75.25
15	76.13	75.50	77.00	74.88	76.25	75.25
16	77.00	75.25	76.50	75.63	76.75	74.75
19	76.25	75.00	76.00	75.00	75.75	74.50
20	75.88	74.13	75.88	74.63	75.75	73.75
21	76.25	75.13	76.13	75.13	75.75	74.50
22	75.75	74.63	75.75	75.00	75.75	74.75
23	74.50	74.00	74.00	73.50	75.00	73.50
26	75.88	75.38	75.63	75.00	75.63	74.63
27	76.88	75.63	76.50	75.13	76.50	75.25
28	76.50	75.88	76.25	75.75	76.75	75.75
29	75.88	74.75	75.88	74.75	76.00	75.00
30	76.50	74.63	76.00	75.38	76.13	75.13

\* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	284.52
- repo agreements*	158.46
- outright sales	126.06
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	47.51
- repo agreements*	12.43
- outright sales	35.08
- privatization transactions	-
3. Number of secondary interbank market transactions	272.00
- repo agreements**	103
- outright sales	169
- privatization transactions	-
4. Average term of secondary interbank market repo agreements (days)	6.00
5. Average monthly yield (simple interest) of secondary interbank market repo agreements depending on the term (%)	
1 day	0.26
from 2 to 3 days	0.24
from 4 to 7 days	0.32
up to 1 month	0.36

\* 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 (March)

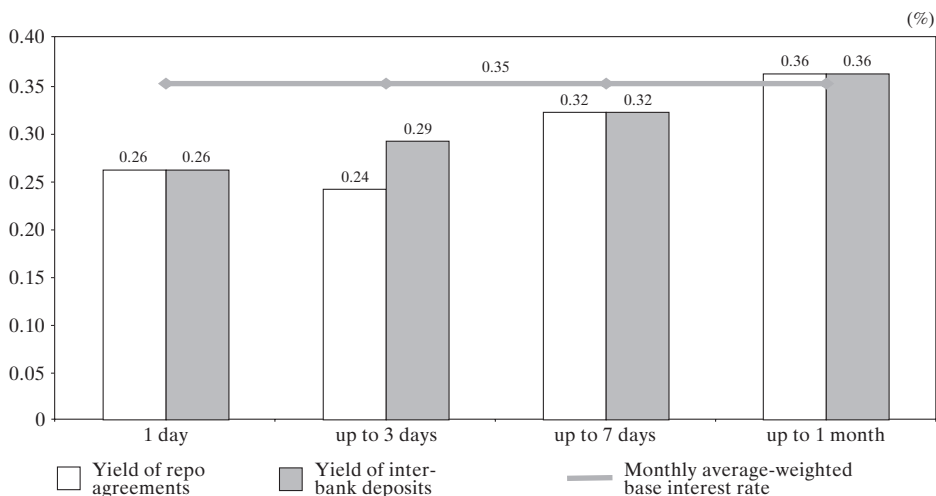


Chart 7

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

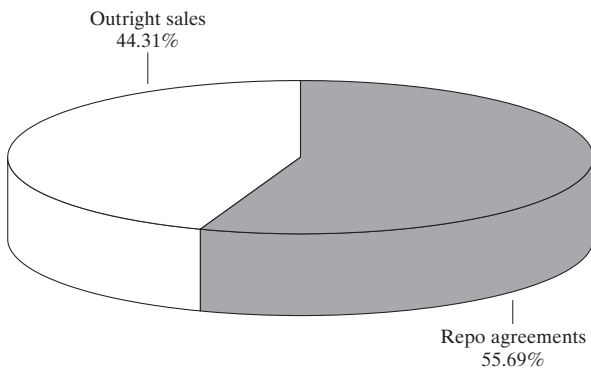
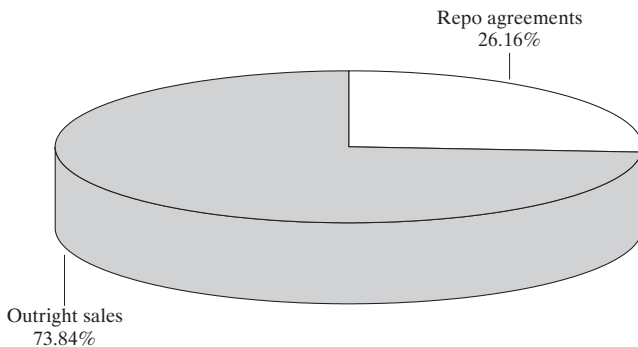


Chart 8

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



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

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
<b>01.03.2001</b>											
Deposits	58 418	2.54			10 045	3.02					68 463
Repo agreements	1 000	2.94									1 000
<b>02.03.2001</b>											
Deposits			56 003	1.60	13 600	2.54			2 200	5.38	71 803
Repo agreements			11 760	1.16	1 400	2.64					13 160
<b>05.03.2001</b>											
Deposits	76 965	1.74	4 200	2.41	2 700	2.90	400	4.10	2 080	4.50	86 345
Repo agreements	22 729	1.99			4 000	2.65	1 250	4.14	1 880	4.14	29 859
<b>06.03.2001</b>											
Deposits	65 720	2.72	7 600	3.17	1 270	3.09			500	4.30	75 090
Repo agreements	15 900	2.83									15 900
<b>07.03.2001</b>											
Deposits	62 675	3.36	4 000	3.60	3 324	3.33			7 500	4.25	77 499
Repo agreements	17 418	3.57									17 418
<b>08.03.2001</b>											
Deposits	66 400	3.65			7 280	3.93					73 680
Repo agreements	15 600	3.77									15 600
<b>09.03.2001</b>											
Deposits			66 200	3.81	4 700	3.93			1 200	5.38	72 100
Repo agreements			7 700	3.80	1 000	3.75					8 700
<b>12.03.2001</b>											
Deposits	75 297	3.16			8 420	4.16	1 000	4.30	5 750	4.43	90 467
Repo agreements	11 600	3.30									11 600
<b>13.03.2001</b>											
Deposits	66 020	2.85	3 000	2.50	4 550	4.05			450	6.38	74 020
Repo agreements	7 000	3.09			1 000	4.26	1 000	4.31			9 000
<b>14.03.2001</b>											
Deposits	63 140	3.54			1 824	4.24					64 964
Repo agreements					5 369	4.19	3 000	4.32			8 369
<b>15.03.2001</b>											
Deposits	64 545	3.68			4 030	4.14	1 900	4.26	1 000	4.60	71 475
Repo agreements											-
<b>16.03.2001</b>											
Deposits			63 644	3.54	3 600	4.22	600	4.40	8 000	4.22	75 844
Repo agreements			8 000	3.35			350	4.06	1 956	4.46	10 306
<b>19.03.2001</b>											
Deposits	49 970	3.37			4 120	3.89			4 500	4.38	58 590
Repo agreements	6 150	3.11			2 000	4.06					8 150
<b>20.03.2001</b>											
Deposits	68 069	3.26	3 000	3.30	5 300	3.79					76 369
Repo agreements					300	4.16					300
<b>21.03.2001</b>											
Deposits	57 570	3.30			2 840	4.04			1 000	4.30	61 410
Repo agreements											-

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
<b>22.03.2001</b>											
Deposits	69 035	3.29			5 265	4.03	1 000	4.00	2 000	4.60	77 300
Repo agreements											-
<b>23.03.2001</b>											
Deposits			55 309	3.09	6 500	4.12	4 000	4.20			65 809
Repo agreements							2 000	4.56			2 000
<b>26.03.2001</b>											
Deposits	63 335	2.84	2 600	2.62	5 000	4.06			4 400	4.08	75 335
Repo agreements			2 577	2.53					1 800	4.16	4 377
<b>27.03.2001</b>											
Deposits	78 185	2.57	455	2.50	1 800	4.18	3 000	4.02	2 500	4.23	85 940
Repo agreements					316	4.16					316
<b>28.03.2001</b>											
Deposits	68 951	3.03	500	3.10	2 856	4.19	1 000	4.30			73 307
Repo agreements	4 000	3.00					4 400	4.13			8 400
<b>29.03.2001</b>											
Deposits	62 800	4.80			8 465	4.08	4 085	4.57	4 500	4.55	79 850
Repo agreements	2 000	5.43			600	8.11					2 600
<b>30.03.2001</b>											
Deposits			55 873	5.52	9 131	5.18			5 000	5.38	70 004
Repo agreements			2 500	5.37							2 500
<b>Monthly, total</b>											
Deposits	1 117 095		322 384		116 620		16 985		52 580		1 625 664
Repo agreements	103 397		32 537		15 985		12 000		5 636		169 555

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 Interbank Market of Government Securities in March 2001

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
1	301	2000	500 000	BGN	106.47
	310	2000	500 000	BGN	106.09
2	97	1994	500 000	USD	72.89
	97	1994	500 000	USD	72.64
	97	1994	520 000	USD	65.62
5	97	1994	1 000 000	USD	72.42
	97	1994	1 000 000	USD	72.90
	300	2000	2 000 000	BGN	100.07
	301	2000	450 000	BGN	106.29
	301	2000	1 500 000	BGN	105.28
	307	2000	500 000	BGN	105.53
	309	2000	750 000	BGN	108.80
	309	2000	650 000	BGN	108.74
	309	2000	750 000	BGN	109.67
	309	2000	650 000	BGN	108.90
6	301	2000	1 500 000	BGN	106.57
	309	2000	500 000	BGN	108.90
7	105	2001	930 691	BGN	98.99
	105	2001	930 691	BGN	98.99
	105	2001	277 575	BGN	98.98
	105	2001	930 691	BGN	98.99
	325	1999	303 000	BGN	105.62
	309	2000	297 000	BGN	107.82
8	400	1999	1 000 000	EUR	70.50
	300	2000	1 500 000	BGN	103.60
	300	2000	1 500 000	BGN	103.75
	304	2000	500 000	BGN	105.05
	301	2001	110 000	BGN	106.46
9	97	1994	8 000	USD	73.17
12	97	1994	20 300	USD	72.83
13	301	2001	1 500 000	BGN	106.67
	301	2001	250 000	BGN	106.62
	301	2001	500 000	BGN	106.49
14	104	2001	250 000	BGN	99.26
	300	2000	270 000	BGN	103.87
	305	2000	300 000	BGN	107.17
	309	2000	500 000	BGN	108.91
	301	2001	520 358	BGN	106.59
15	300	2001	500 000	BGN	102.50
16	328	1999	700 000	BGN	105.21
	304	2000	801 429	BGN	104.93
	300	2001	4 000 000	BGN	100.00
19	304	2000	800 000	BGN	104.97
	300	2001	2 000 000	BGN	102.27
	301	2001	500 000	BGN	106.75
	301	2001	500 000	BGN	106.75
20	300	2001	2 000 000	BGN	100.00

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
21	105	2001	998 300	BGN	99.17
	106	2001	693 323	BGN	98.99
	106	2001	693 323	BGN	98.98
	106	2001	693 323	BGN	98.99
	106	2001	693 324	BGN	98.99
	106	2001	693 323	BGN	98.99
	301	2001	250 000	BGN	106.88
22	97	1994	250 000	USD	72.71
23	306	2000	500 000	BGN	103.71
	301	2001	1 000 000	BGN	107.08
26	317	1999	500 000	BGN	102.72
	306	2000	1 000 000	BGN	103.94
	300	2001	2 000 000	BGN	102.34
	301	2001	250 000	BGN	107.07
27	102	2001	150 000	BGN	99.58
	102	2001	150 000	BGN	99.58
	153	2000	105 000	BGN	95.24
	309	2000	1 000 000	BGN	106.40
28	102	2001	452 300	BGN	99.49
	104	2001	260 000	BGN	100.00
	105	2001	998 300	BGN	99.24
	325	1999	300 000	BGN	106.67
	310	2000	250 000	BGN	106.56
	309	2000	297 000	BGN	107.74
	309	2000	250 000	BGN	110.19
	301	2001	250 000	BGN	107.52
29	153	2000	1 032 000	BGN	96.90
	306	2000	540 947	BGN	103.85
	308	2000	250 000	BGN	105.20
30	300	2001	200 000	BGN	102.76
	307	2000	200 000	BGN	105.91
	301	2001	1 000 000	BGN	105.92

**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)

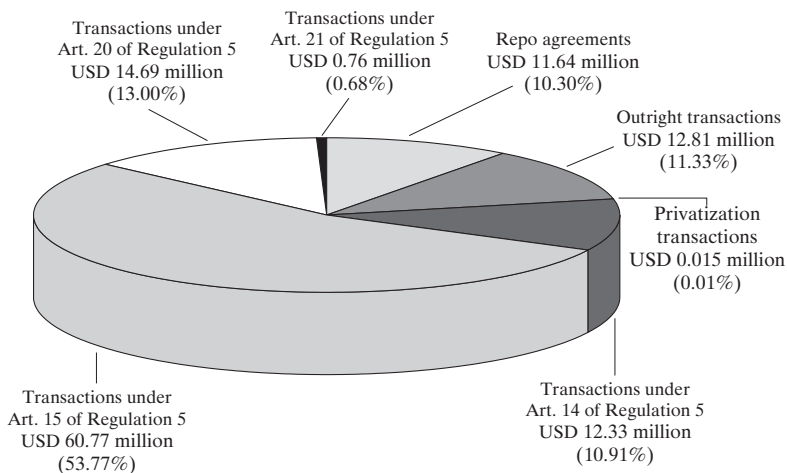
Date March	Repo agreements	Outright sales	Regulation No. 5				Privatization transactions	Transactions in GS, total	Transactions in securities		
			Article 14	Article 15	Article 20	Article 21			BSE	OTC market	Total
1	15 500 000.00	1 065 000.00	9 915 894.48	4 608 673.28	467 684.00	-	-	31 557 251.76	16 111.82	9 110.00	25 221.82
2	17 969 232.00	3 957 321.60	3 688 528.00	3 325 601.60	2 110 080.00	-	-	31 050 763.20	38 909.50	58 950.82	97 860.32
5	43 740 003.50	19 744 450.00	14 127 780.00	20 501 427.18	16 062 464.68	-	-	114 176 125.35	610 894.39	75 610.60	686 504.99
6	38 647 769.50	5 827 056.00	12 212 802.07	3 692 310.00	-	-	-	60 379 937.57	84 621.37	1 697 700.00	1 782 321.37
7	33 317 616.00	8 662 100.80	7 117 931.60	2 057 360.00	-	-	-	51 155 008.40	59 290.84	16 956.80	76 247.64
8	33 013 051.20	8 572 390.00	6 327 540.20	5 176 051.00	-	-	-	53 089 032.40	957 400.26	-	957 400.26
9	25 700 000.00	36 755.78	2 759 375.50	2 668 255.78	-	-	-	31 164 387.05	292 742.11	1 987.00	294 729.11
12	23 441 343.00	6 999 206.67	5 811 660.00	4 613 973.67	-	-	-	40 866 183.34	1 523 200.15	5 785.00	1 528 985.15
13	23 600 000.00	3 813 281.70	6 317 118.03	4 069 392.70	420 358.00	-	-	38 220 150.43	2 468 492.41	5 600.60	2 474 093.01
14	18 869 344.00	4 140 358.00	479 411.68	20 881 348.78	1 161 035.00	-	-	45 562 868.95	2 100 392.89	4 691.40	2 105 084.29
15	-	900 000.00	5 681 725.90	19 474 644.89	1 462 798.00	-	-	27 519 168.79	20 739.31	-	20 739.31
16	10 305 830.00	5 501 429.00	1 805 230.00	19 317 448.00	-	-	-	36 929 937.00	369 712.83	10 347.00	380 059.83
19	17 291 343.00	4 300 000.00	1 500 000.00	2 637 149.59	-	-	-	25 728 492.59	177 411.01	1 088 020.00	1 265 431.01
20	6 450 000.00	2 000 000.00	6 084 461.47	10 964 288.00	-	-	-	25 498 749.47	183 198.03	640 468.00	823 666.03
21	6 427 245.50	11 122 422.00	3 081 369.26	29 450 210.37	6 504 990.00	-	-	56 586 237.13	37 669.92	2 313.00	39 982.92
22	-	5 278 832.00	5 953 957.20	31 583 022.00	-	-	-	42 815 811.20	14 674.87	65 079.80	79 754.67
23	4 000 000.00	3 116 078.40	2 870 098.00	8 017 084.00	1 100 140.00	-	-	19 103 400.40	1 315 816.28	3 562.00	1 319 378.28
26	6 377 000.00	5 750 000.00	3 938 428.00	11 071 530.70	-	-	-	27 136 958.70	29 736.16	641 892.00	671 628.16
27	2 616 000.00	3 700 858.40	6 663 024.15	5 305 586.19	-	-	-	18 285 468.74	23 525.15	21 599.80	45 124.95
28	14 977 000.00	4 069 900.00	4 599 025.60	7 499 787.00	2 904 848.00	-	-	34 050 560.60	10 932.93	12 802 875.00	12 813 807.93
29	8 050 000.00	4 615 947.00	17 558 321.60	5 114 116.26	3 576 190.00	928 200.00	-	39 842 774.86	16 156.12	53 549.10	69 705.22
30	4 850 000.00	2 855 000.00	2 199 000.00	13 494 963.28	2 712 480.00	2 361 671.57	-	28 473 114.85	295 617.14	3 492.00	299 109.14
Total	355 142 777.70	116 028 387.34	130 692 682.74	235 524 224.25	38 483 067.68	3 289 871.57	31 371.49	879 192 382.77	10 647 245.49	17 209 589.92	27 856 835.41
Average volume of government securities transactions*								43 959 619.14			

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

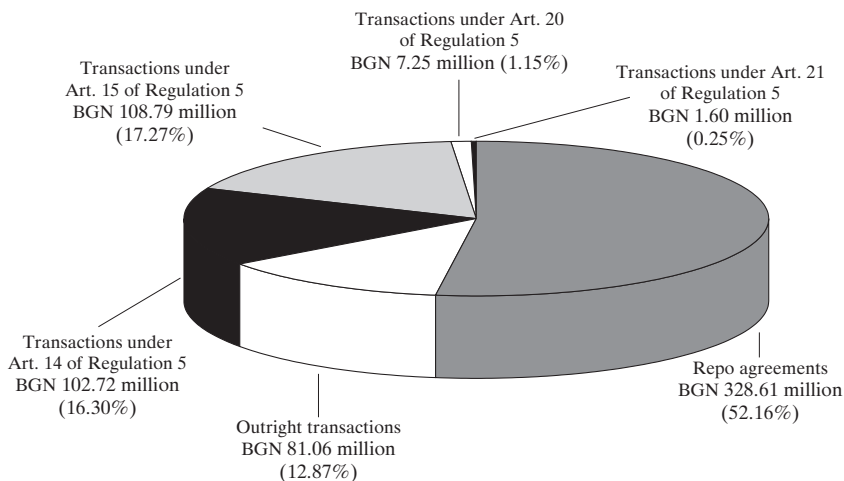
- Notes:
1. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 3,793,271 is included.
  2. The amount of approved bids for participation in government securities auctions on behalf of nonprimary dealers of BGN 2,500,000 is included.
  3. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.
  4. Transfer transactions of government securities to the MF account used as legal tender in privatization are considered to be privatization transactions.
  5. Transactions in USD-denominated government securities are in levs at the US dollar exchange rate quoted by the BNB on the day of transaction.
  6. Banking Department data on the volume of transactions (at market value) in the Bulgarian Stock Exchange and OTC market.



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



### Volume of March 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

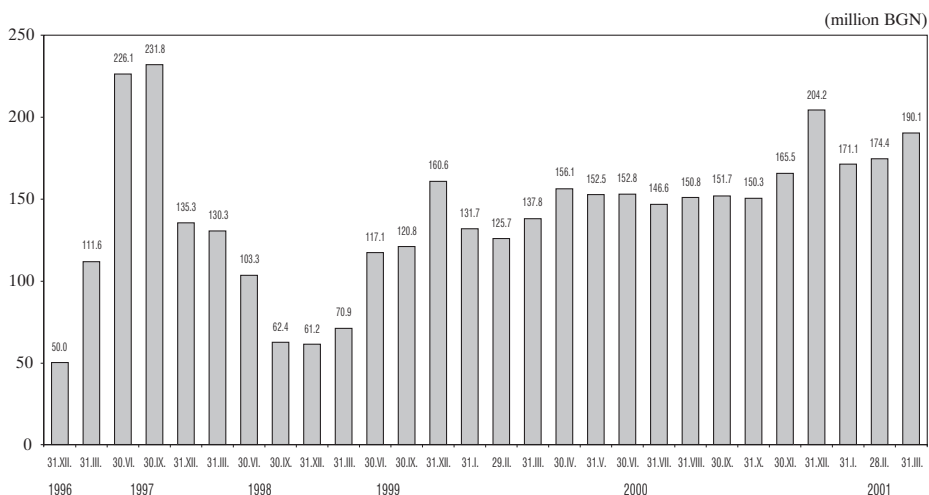
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals increased during the period under review. As of 31 March 2001 they accounted for BGN 190,066 thousand (Chart 11), an increase of BGN 15,695 thousand, or 9% on the previous month. Sales of target government securities earmarked for

physical persons accounted for BGN 32,532 thousand (Chart 12), an increase of BGN 1,346 thousand, or 4.31% on February.

In March sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 4,961.2 thousand, two-year treasury bonds of BGN 8,573.4 thousand and five-year treasury bonds of BGN 6,356.3 thousand. Two-year treasury bonds occupied the largest share in total government securities sales in March: 43.10%.

Chart 11

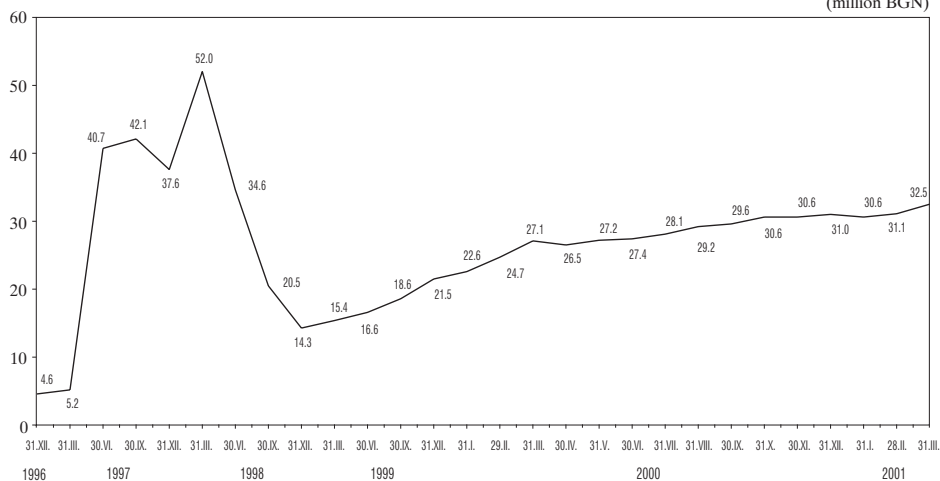
### Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities Issued under Regulation No. 5



Note: Preliminary data for March 2001.

### Investments in Target Government Securities Earmarked for Individuals

(million BGN)



Note: Preliminary data for March 2001.

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

Between 14 February and 27 March 2001<sup>1</sup> the Ministry of Finance offered for sale three 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-

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 March was BGN 2,081 thousand nominal value, including BGN 951.8 thousand sold by the BNB (Chart 13).

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

## Investments in Government Securities Issued for Structural Reform

The volume of government securities acquired by individuals, companies and nonbank financial institutions and issued for structural reform continued to decline in March. As of 31 March 2001 total sales of government securities accounted for BGN 364,883.6 thousand (including sales to foreign investors), a decrease of BGN 11,522.3 thousand, or 3.06% from February (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (83.57%) and other financial institutions (16.43%).

Lev-denominated government securities held by individuals, companies and

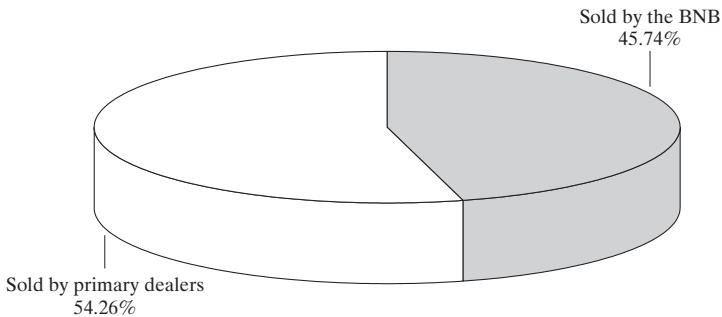
nonbank financial institutions totaled BGN 7,260.17 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 315,452.76 thousand (USD 142.45 million) and EUR-denominated government securities issued for structural reform amounted to BGN 42,170.70 thousand (EUR 21.56 million).

## Foreign Investments in Government Securities

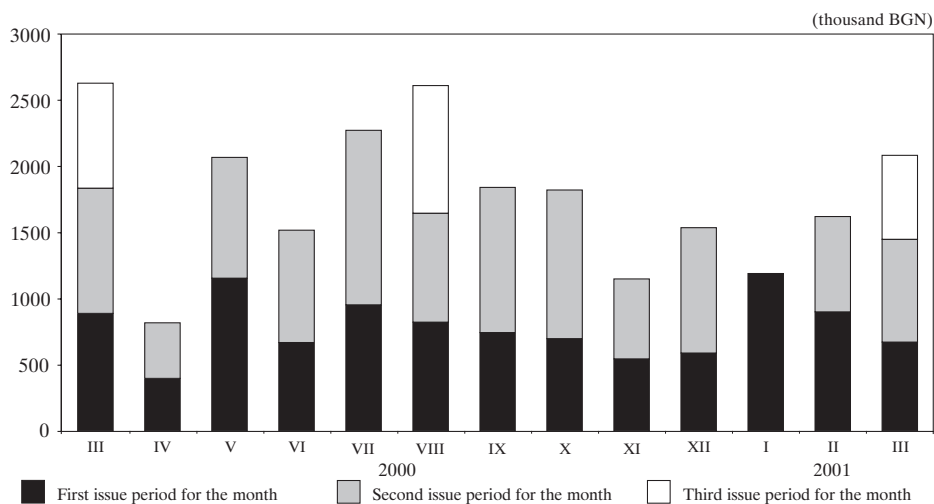
The volume of government securities held by foreign investors continued to decrease in March. As of 31 March government securities acquired by foreign investors totaled BGN 184,976.2 thousand (Chart 16), a decrease of

Chart 13

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



### Volume of Target Government Securities Sales to Physical Persons



BGN 10,307.9 thousand (5.28%) on February.

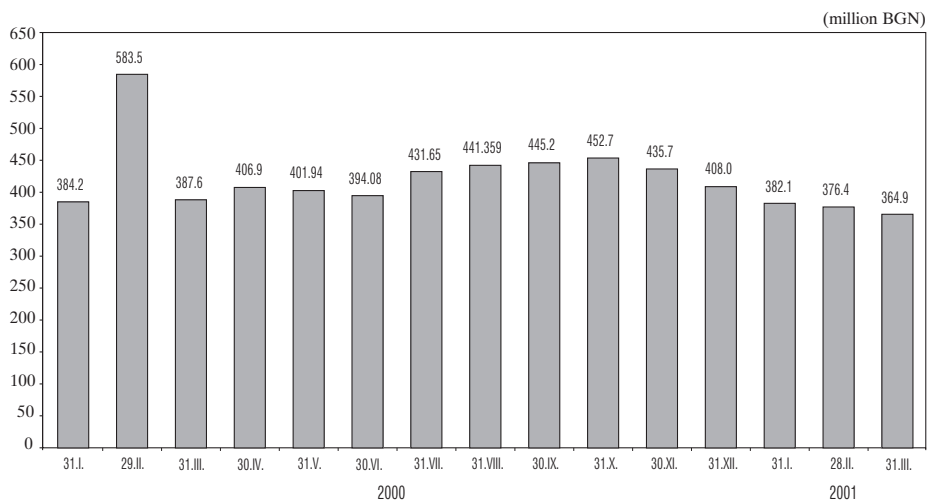
Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 439 thousand. By end-March the volume of target government securities (earmarked for direct sale to physical persons and sold to nonresidents) totaled BGN 0.9 thousand.

As of 31 March 2001 USD-denominated long-term government bonds held by foreign investors dropped by USD 8.68 million (1.21%) on February,

reaching USD 80.83 million (BGN 178.99 million lev equivalent, Chart 17). The decrease in lev terms was BGN 19.24 million (10.16%) on the previous month. The relative share of these government securities on domestic debt accounted for 96.76% in foreign investors' portfolios (Chart 18).

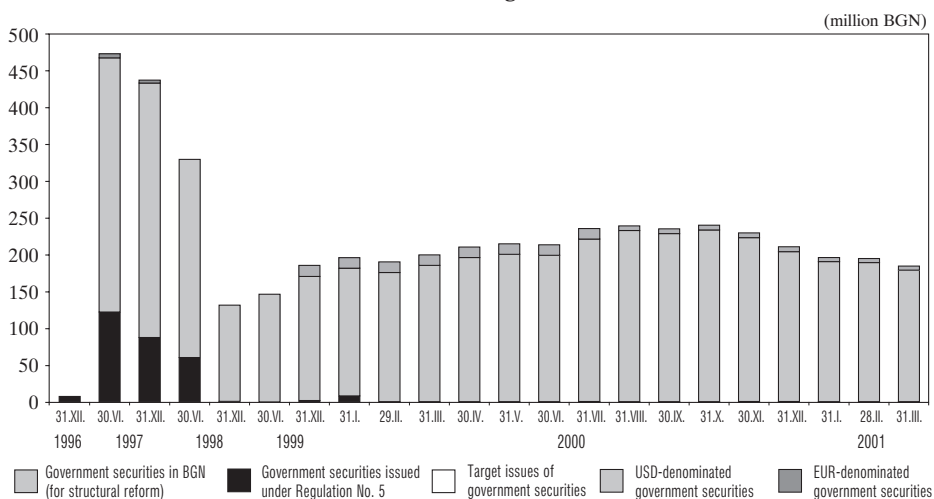
In March EUR-denominated government securities held by foreign investors remained stable, accounting for EUR 2.83 million (3%) as of 31 March 2001.

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



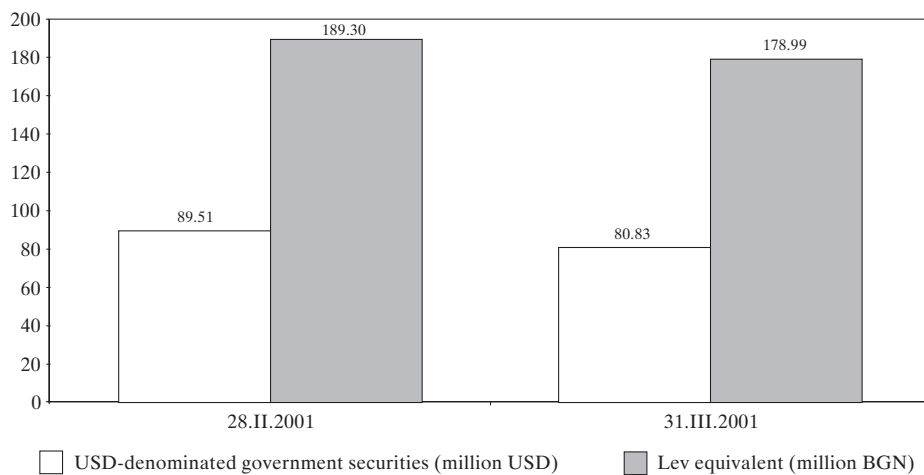
- Notes:**
1. The lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate at the end of month.
  2. From January 2000 EUR-denominated government securities from issue No. 400 of 1999 are included.
  3. Preliminary data for March 2001.

### Government Securities in Foreign Investors' Portfolios



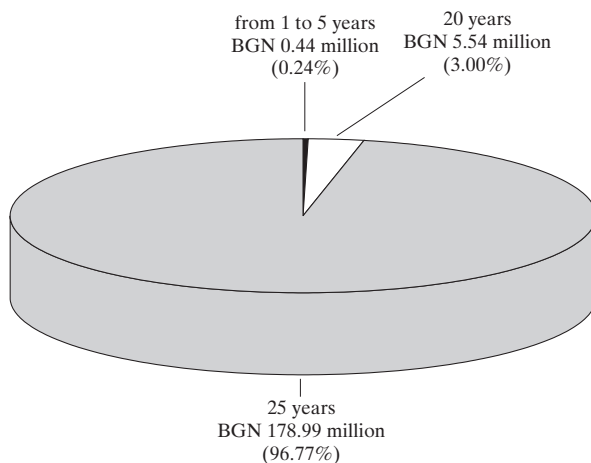
**Note:** Preliminary data for March 2001.

### USD-denominated Government Securities Held by Foreign Investors



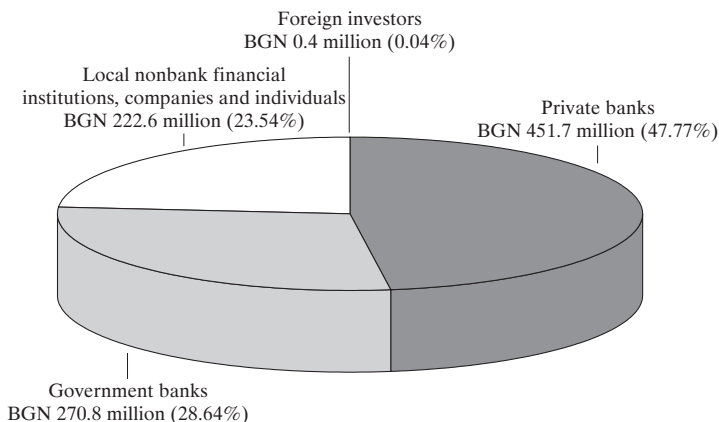
- Notes:**
1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
  2. Preliminary data for March 2001.

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



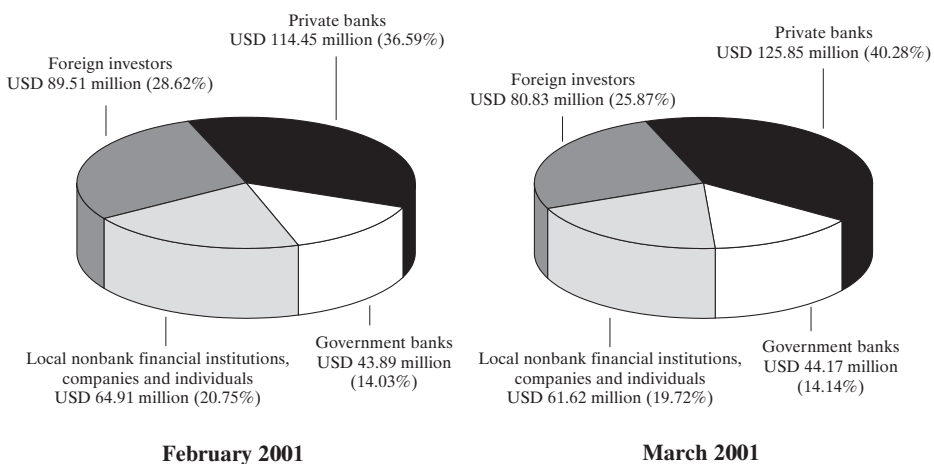
**Note:** Preliminary data

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



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

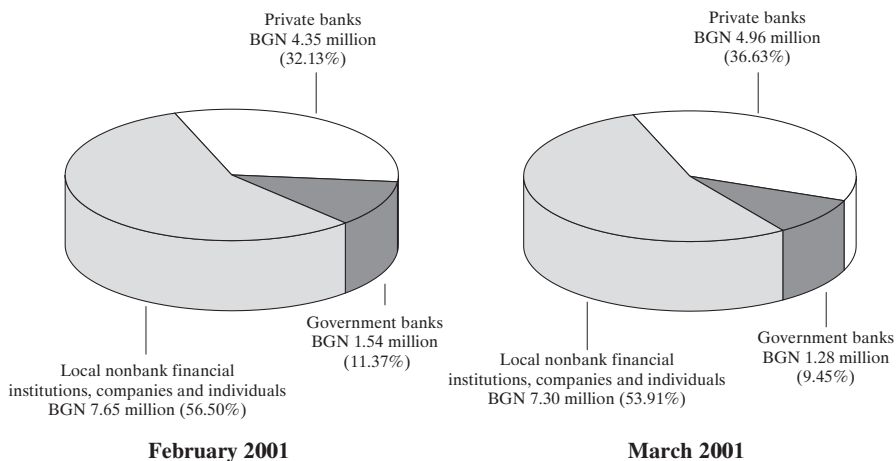
### Holders of USD-denominated Government Securities Issued under ZUNK



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



## Holders of Lev-denominated Government Securities Issued for Structural Reform



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

## Volume of Frozen and Pledged Government Securities as of 31 March 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	12 713 368		
Frozen government securities as security on budget funds	317 987 838	73 006 158	1 121 369	5 700 000
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	4 830 110		130 400	
<b>TOTAL</b>	<b>327 492 196</b>	<b>85 719 526</b>	<b>1 251 769</b>	<b>5 700 000</b>

## Outstanding Government Securities

### Discount Treasury Bills

Issue No.	BG3012500008	BG3013900009	BG3015300000	BG3010001009	BG3010101007	BG3010201005	BG3010301003	BG3010401001
Issue date	31.05.2000	30.08.2000	29.11.2000	03.01.2001	17.01.2001	07.02.2001	14.02.2001	21.02.2001
Maturity date	30.05.2001	29.08.2001	28.11.2001	03.04.2001	17.04.2001	07.05.2001	14.02.2002	21.05.2001
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	10 000.00	10 000.00	20 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	34 130.00	41 530.00	32 755.00	21 375.00	19 500.00	22 292.67	61 610.00	13 304.20
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	10 000.00	10 000.00	20 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	95.26	95.07	94.89	98.88	98.94	99.03	95.29	98.97
Average discount per BGN 100 (%)	4.74	4.93	5.11	1.12	1.06	0.97	4.71	1.03
Average annual yield (%)	4.99	5.20	5.40	4.53	4.29	3.96	4.88	4.21
Effective annual yield (%)	4.99	5.20	5.40	4.61	4.35	4.02	4.87	4.28
Coverage coefficient	1.71	2.08	1.64	2.14	1.95	2.23	3.08	1.33

(continued)

(continued)

Issue No.	BG3010501008	BG3010601006
Issue date	07.03.2001	21.03.2001
Maturity date	07.06.2001	21.06.2001
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	19 575.06	22 600.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.95	98.95
Average discount per BGN 100 (%)	1.05	1.05
Average annual yield (%)	4.15	4.15
Effective annual yield (%)	4.22	4.22
Coverage coefficient	1.96	2.26

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	2000.00	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	2070.00	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	2000.00	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	BG2030699115	BG2030799113	BG2030899111	BG2030999119	BG2031099117	BG2031299113
Issue date	29.10.1998	03.12.1998	31.03.1999	14.04.1999	28.04.1999	29.04.1999	12.05.1999	26.05.1999
Maturity date	25.10.2001	29.11.2001	24.03.2004	11.04.2001	25.04.2001	22.04.2004	09.05.2001	23.05.2001
Nominal value of the offer (thousand BGN)	1 500.00	500.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	700.00	1 250.00	2 795.00	47 594.30	42 870.00	1 190.00	25 720.00	25 827.40
Total nominal value of the bids approved (thousand BGN)	250.00	500.00	2 000.00	15 000.00	20 000.00	1 190.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	83.48	95.55	86.35	100.84	99.88	78.39	99.98	98.98
Average discount per BGN 100 (%)	16.52	4.45	13.65		0.12	21.61	0.02	1.02
Interest rate	6.50	9.00	9.00	9.00	8.00	9.00	8.00	8.00
Coverage coefficient	0.47	2.50	1.40	3.17	2.14	1.00	1.29	1.29

(continued)

	BG2031399111	BG2031699114	BG2031799112	BG2031899110	BG2031999118	BG2032099116	BG2032199114	BG2032299112
Issue No.								
Issue date	09.06.1999	23.06.1999	14.07.1999	28.07.1999	11.08.1999	25.08.1999	08.09.1999	24.09.1999
Maturity date	06.06.2001	20.06.2001	11.07.2001	25.07.2001	08.08.2001	22.08.2001	05.09.2001	21.09.2001
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00
Total nominal value of the bids received (thousand BGN)	15 965.00	11 220.00	16 170.00	13 105.50	11 325.00	9 080.63	16 600.00	34 781.00
Total nominal value of the bids approved (thousand BGN)	15 965.00	11 220.00	12 000.00	10 000.00	10 000.00	8 000.00	8 000.00	8 000.00
Average price of the bids approved per BGN 100 (%)	97.18	93.55	93.54	93.26	92.59	91.92	91.05	94.71
Average discount per BGN 100 (%)	2.82	6.45	6.46	6.74	7.41	8.08	8.95	5.29
Interest rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Coverage coefficient	0.80	0.75	1.35	1.31	1.13	1.14	2.08	4.35

(continued)

(continued)

Issue No.	BG2032399110	BG2032499118	BG2032599115	BG2032699113	BG2032799111	BG2032899119	BG2030000116	BG2030100114 <sup>1</sup>
Issue date	13.10.1999	27.10.1999	10.11.1999	24.11.1999	08.12.1999	22.12.1999	19.01.2000	09.02.2000
Maturity date	10.10.2001	24.10.2001	07.11.2001	21.11.2001	05.12.2001	19.12.2001	16.01.2002	05.02.2003
Nominal value of the offer (thousand BGN)	8 000,00	10 000,00	10 000,00	10 000,00	10 000,00	10 000,00	28 000,00	50 000,00
Total nominal value of the bids received (thousand BGN)	39 093,50	28 485,05	24 059,00	29 786,00	40 252,00	37 050,00	87 580,00	192 244,60
Total nominal value of the bids approved (thousand BGN)	8 000,00	10 000,00	10 000,00	10 000,00	10 000,00	10 000,00	28 000,00	50 000,00
Average price of the bids approved per BGN 100 (%)	98,02	98,53	98,80	99,04	99,60	100,12	99,74	101,20
Average discount per BGN 100 (%)	1,98	1,47	1,20	0,96	0,40		0,26	
Interest rate	9,00	9,00	9,00	9,00	9,00	9,00	8,00	9,00
Coverage coefficient	4,89	2,85	2,41	2,98	4,03	3,71	3,13	3,84

(continued)

(continued)

Issue No.	BG2030300110	BG2030400118 <sup>2</sup>	BG2030500115 <sup>2</sup>	BG2030600113 <sup>2</sup>	BG2030700111 <sup>2</sup>	BG2030800119 <sup>2</sup>	BG2030900117 <sup>2</sup>
Issue date	16.02.2000	15.03.2000	19.04.2000	05.07.2000	19.07.2000	04.10.2000	11.10.2000
Maturity date	13.02.2002	13.03.2002	16.04.2003	03.07.2002	16.07.2003	02.10.2002	05.10.2005
Nominal value of the offer (thousand BGN)	28 000.00	28 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	84 094.00	61 368.00	120 312.85	135 755.00	131 450.00	126 512.50	113 365.10
Total nominal value of the bids approved (thousand BGN)	28 000.00	28 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	100.34	100.10	100.83	101.16	102.09	101.88	100.35
Average discount per BGN 100 (%)							
Interest rate	7.00	7.00	8.00	7.00	8.00	7.00	9.00
Coverage coefficient	3.00	2.19	3.02	2.72	4.38	2.53	2.83

(continued)



(continued)

Issue No.	BG2031000115 <sup>2</sup>	BG2030001114 <sup>3</sup>	BG2030101112 <sup>2</sup>
Issue date	18.10.2000	10.01.2001	24.01.2001
Maturity date	15.10.2003	10.01.2003	24.01.2006
Nominal value of the offer (thousand BGN)	30 000.00	50 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	110 383.00	121 965.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	30 000.00	50 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	102.15	101.61	105.02
Average discount per BGN 100 (%)			
Interest rate	7.50	6.50	9.00
Coverage coefficient	3.68	2.44	4.23

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.	BG2040698115
Issue date	11.05.1998
Maturity date	07.05.2001
Principal (thousand USD)	1013.20
Interest rate	LIBOR + 2
Interest payments	semiannual
Repayments	one-off
	at maturity
Maturity (in years)	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 31 March 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)	312 467.32 (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 March 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

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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 <sup>1</sup>	EURO LIBOR <sup>2</sup> + 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.

<sup>1</sup> 6-month EURIBOR for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

<sup>2</sup> 6-month EURO LIBOR quoted on 15 June 1999 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 March 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
BG 30 105 01008	05.03.2001	07.03.2001	07.06.2001	10 000.00	19 575.06	98.94	1.07	4.19	4.26	10 000.00	98.94	99.04	98.95	1.06	4.15	4.22
BG 30 106 01006	19.03.2001	21.03.2001	21.06.2001	10 000.00	22 600.00	98.94	1.07	4.19	4.26	10 000.00	98.94	98.99	98.95	1.06	4.15	4.22
<b>Three-month issues, total</b>				<b>60 000.00</b>	<b>118 646.93</b>					<b>60 000.00</b>						
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
<b>One-year issues, total</b>				<b>20 000.00</b>	<b>61 610.00</b>					<b>20 000.00</b>						
<b>Total</b>				<b>80 000.00</b>	<b>180 256.93</b>					<b>80 000.00</b>						

**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.

$$AY = YM \times n$$

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

## 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
BG 20 300 01114*	12.03.2001	10.01.2001	14.03.2001	10.01.2003			25 000.00	64 165.00	102.15	25 000.00	102.23	102.65	102.36		
<b>Two-year issues, total</b>							<b>50 000.00</b>	<b>50 000.00</b>	<b>121 965.00</b>		<b>50 000.00</b>				
<b>Three-year issues, total</b>							<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>				
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	
BG 20 301 01112*	26.03.2001	24.01.2001	28.03.2001	24.01.2006				20 000.00	70 430.00	106.81	20 000.00	107.28	109.62	107.95	
<b>Five-year issues, total</b>							<b>60 000.00</b>	<b>60 000.00</b>	<b>253 630.14</b>		<b>60 000.00</b>				
<b>Total</b>							<b>110 000.00</b>	<b>110 000.00</b>	<b>375 595.14</b>		<b>110 000.00</b>				

**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 March no long-term government bonds issued under Article 5 of ZUNK were sold for participation in privatization. Government securities of USD 14,760 were transferred to the MF account for participation in one privatization transaction as legal tender.

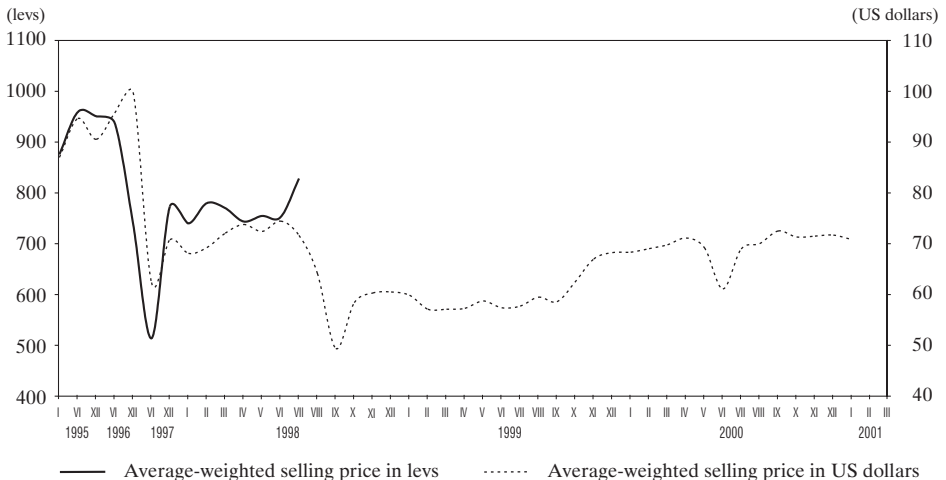
No transfer transactions in government securities on the MF account, issued under Article 4 of ZUNK (issue No. 98 of 1993) and CM Decree No. 186

of 1993 (issue No. 99 of 1993) were concluded in March.

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 284,000, were sold and utilized in March.

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	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					0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1996	0.18	0.23	0.32	2.22	0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1997	4.96	0.68	4.10	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1998	31.50	4.79	11.00	13.00	13.15	10.59	5.18	13.78	4.77	3.60	4.55	2.81	118.72
	1999	9.50	1.61	5.34	0.67	0.61	0.21	0.66	0.03	0.04	2.00	0.03	0.04	20.74
	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	0.015										0.018
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										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

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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 – PARIBAS (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	OBBG 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



JOINT LETTER NO. 1700-2395 OF THE MF AND BNB DATED  
16 MARCH 2001 REGARDING TIME LIMITS RELATED  
TO GOVERNMENT SECURITIES TRANSACTIONS

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To  
Executive Directors of commercial  
banks and investment intermediaries –  
primary dealers of government securities

Dear Sirs,

Herewith we inform you that *pursuant to* Regulation No. 5 on the Terms and Procedure for Issuance, Acquisition and Redemption of Book-entry Government Securities the Ministry of Finance and Bulgarian National Bank determine *the following* time limits *related to* government securities *transactions*:

1. under Article 6, para. 1:
  - until 10.00 a.m. on the auction date;
  - until 12.00 noon on the first business day after the expiry of the issue period for savings bonds earmarked for investors – physical persons\*.
2. under Article 7, para. 5: until 4.00 p.m. on the auction date.
3. under Article 8, para. 1: until 9.30 a.m. on the date of issue; *on the date of payment on savings bonds issue earmarked for investors – physical persons\**.
4. under Article 8, paras. 2 and 6: until 11.30 a.m. on the date of issue; *on the date of payment on savings bonds issue earmarked for investors – physical persons\**.
5. under Article 10, para. 4:
  - until 9.00 a.m. for previously negotiated transactions in government securities;
  - until 11.00 a.m. for new transactions in government securities with value date the same date;
  - until 1.00 p.m. for new transactions in government securities with value date the same date;
  - until 3.00 p.m. for new transactions in government securities with value date the same date.

Primary dealers may send notifications for transactions in government securities packages which were actually acquired within the above specified time limits.

6. under Article 11, para. 2:
  - until 9.30 a.m. for previously negotiated transactions in government securities;
  - until 11.30 a.m. for new transactions in government securities with value date the same date;

- until 1.30 p.m. for new transactions in government securities with value date the same date;
- until 3.30 p.m. for new transactions in government securities with value date the same date.

The check-up of government securities acquired by the transferor is to be done within the limit specified under item 5.

7. under Article 11, para. 4:
  - until 10.30 a.m. for previously negotiated transactions in government securities;
  - until 12.30 p.m. for new transactions in government securities with value date the same date;
  - until 2.30 p.m. for new transactions in government securities with value date the same date;
  - until 4.30 p.m. for new transactions in government securities with value date the same date.
8. under Article 14, para. 6 – where related to the transactions under Article 10:
  - until 8.30 a.m. for previously negotiated transactions in government securities;
  - until 10.30 a.m. for new transactions in government securities with value date the same date;
  - until 12.30 p.m. for new transactions in government securities with value date the same date;
  - until 2.30 p.m. for new transactions in government securities with value date the same date.
9. under Article 14, para. 10: until 3.00 p.m. on the date of required value date.
10. under Article 18, para. 1: until 12.00 noon for savings bonds issue earmarked for investors – physical persons\*.
11. under Article 18, para. 2:
  - until 8.30 a.m. for previously negotiated transactions in government securities;
  - until 10.30 a.m. for new transactions in government securities with value date the same date;
  - until 12.30 p.m. for new transactions in government securities with value date the same date;
  - until 2.30 p.m. for new transactions in government securities with value date the same date.
12. under Article 20, para. 4: until 3.00 p.m. on the date of required value date.
13. under Article 21, para. 3: until 3.00 p.m. on the date of required value date.
14. acceptance of applications for registration and deletion of pledges of government securities under Chapter Four of Regulation No. 5 of the MF and BNB – 3.00 p.m.; under Article 26a – until 3.00 p.m. on the date of the application filing for blocking (unblocking).

15. under Article 27, para. 3: until 9.30 a.m. on the date of maturity (including also issue of savings bonds earmarked for investors – physical persons)\*.
16. under Article 32, para. 1: until 10.00 a.m. on the date of reverse repurchase auction.
17. under Article 33, para. 4: until 4.00 p.m. on the date of reverse repurchase auction.
18. under Article 33, para. 6: until 11.00 a.m. on the date of the new issue.
19. under Article 34:
  - until 11.00 a.m. on the date of the new issue, respectively the date of payment of the nominal value and interest (in case the date of reverse repurchase auction coincides with the date of the new issue, respectively with the date of redemption of the nominal value and interest – until 4.30 p.m.);
  - until 3.00 p.m. for savings bonds issue earmarked for investors – physical persons\*.

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\* These time limits refer to transactions related to savings bonds earmarked for investors – physical persons, issued under § 12 of the Transitional and Final Provisions of the 2001 State Budget Law of the Republic of Bulgaria and registered under Regulation No. 5.