



JULY

**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
LRP – Law on Registered Pledges
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.

Interbank Market of Government Securities Issued under Regulation No. 5

In July 2001 financial institutions concluded 289 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 317,809.5 thousand nominal value, a decrease of 34.56% compared with the same period of the previous year (Chart 1).

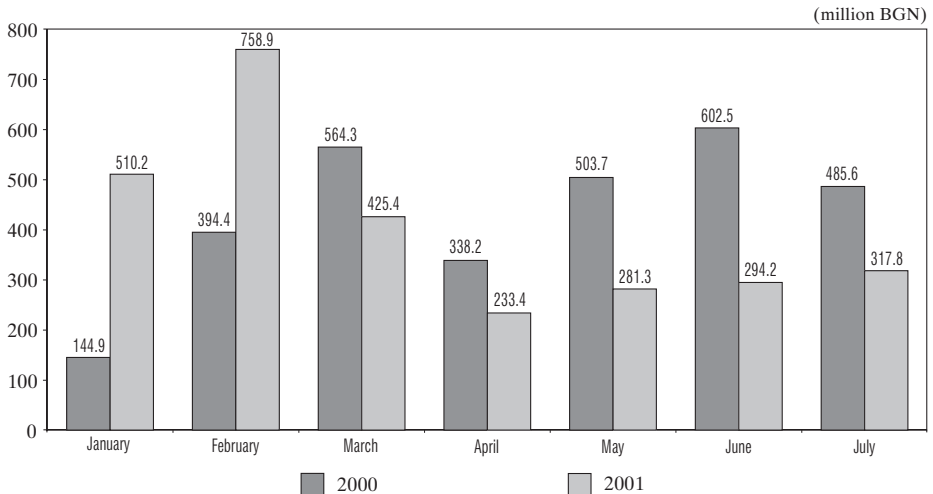
The total volume of secondary market transactions in government securities

issued under Regulation No. 5 (reverse repo agreements volume excluded) amounted to BGN 225,726 thousand, a decrease of 21.44% on July 2000. Structurally, government securities transactions included three-month treasury bills of BGN 18,578.5 thousand, twelve-month of BGN 10,572.6 thousand, two-year of BGN 107,693.3 thousand and up to seven years of BGN 88,881.6 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 cli-

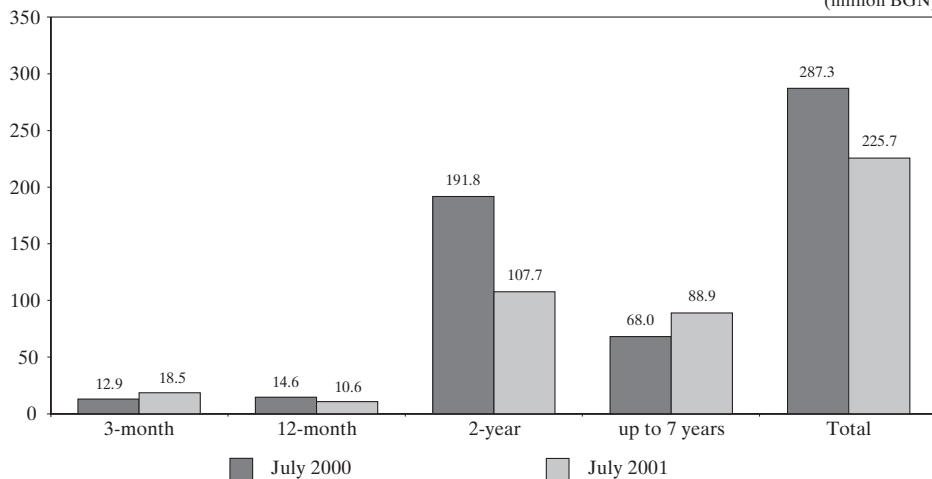
Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Structure of Transactions in Government Securities Issued for Budget Deficit Financing

(million BGN)



ents (under Article 20) decreased by 76.04% from the previous month to BGN 2,626.9 thousand. Transactions registered under Article 21 increased on June, accounting for BGN 2,395 thousand. The volume of transactions concluded between primary and nonprimary dealers under Article 14 rose to BGN 106,906.4 thousand (71.10%), including bids of BGN 3,500 thousand approved at government securities auctions on behalf of nonprimary dealers.

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

In July financial institutions concluded 31 transactions in USD-denominated government securities issued as a result of structural reform, totaling

USD 12.5 million nominal value. Twenty-seven outright transactions of USD 10.9 million and four transactions of USD 1.6 million on behalf of clients (under Articles 14, 20 and 21) were concluded. No repo agreements were registered in July.

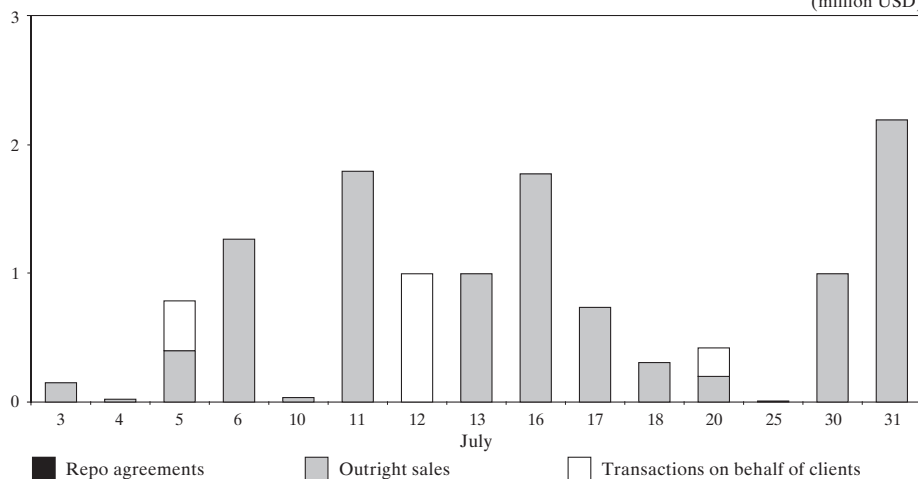
In the review period the volume of transactions concluded in ZUNK bonds denominated in foreign currency decreased by 66.8% on June. The volume of outright transactions fell by 50.9% on the previous month and that of transactions on behalf of clients 88.3%. The average-weighted price was USD 76.28 per USD 100 nominal value.

Trade in EUR-denominated bonds issued for structural reform intensified in July. A four-fold increase in traded volumes was registered.

Thirty-two transactions in EUR-de-

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

(million USD)



nominated government securities of EUR 24.2 million, including 16 outright transactions of EUR 10.4 million and 16 transactions on behalf of clients of EUR 13.8 million, were concluded. Seven transactions in lev-denominated government securities, totaling BGN 1.4 million, were registered in July.

Pursuant to Article 14, para. 6 of Regulation No. 5 24 transactions of USD 12.9 million and nine transactions of EUR 6.6 million were concluded.

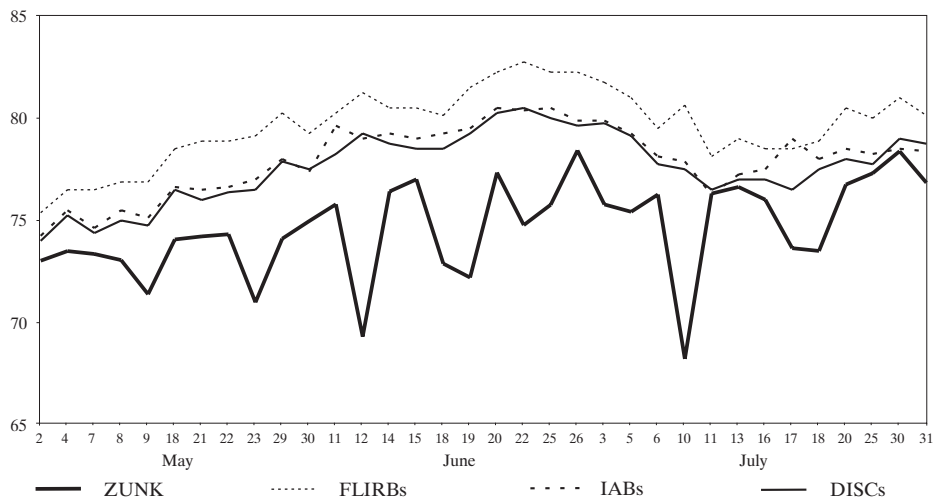
Government Securities Repo Agreements in the Interbank Market

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

market was uneven (Chart 5). It hit highs on 31 July, coupled with increased interbank deposit volumes on this date.

In July the yield of repo agreements in government securities with different term set at close levels and was higher than the average-weighted interest rate for July (Chart 6). The yield of repo agreements in government securities with one-day and three-day term (0.45% and 0.44% respectively) was higher than the yield of interbank deposits with the same term and lower for repo agreements with up to one-month term (0.40%). The yield of repo agreements with up to seven-day term (0.41%) was equal to the yield of interbank deposits with the same term.

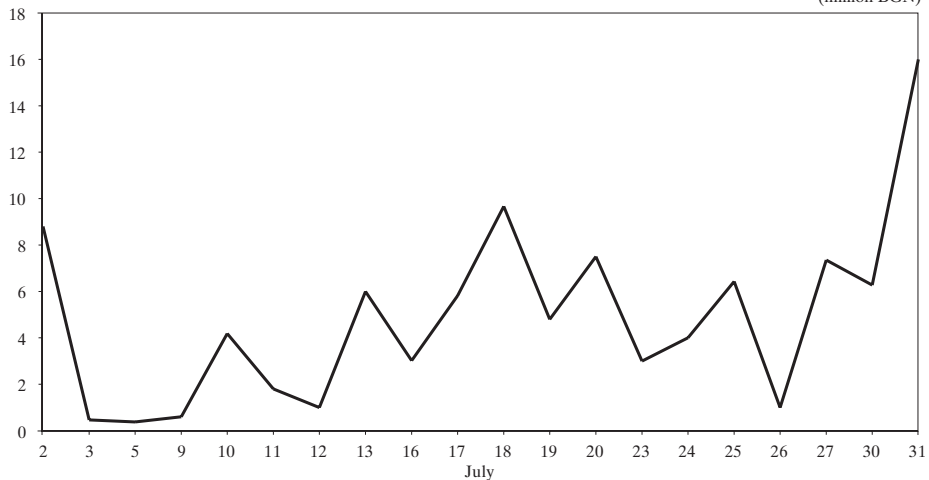
Price Movements of USD-denominated Government Securities (Issued under ZUNK) in the Interbank Market and Bulgarian Brady Bonds*



* Reuters offer quotations for Brady bonds.

Volume of Repo Agreements in the Secondary Interbank Market

(million BGN)



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

(USD)

Date July	Price		
	Minimum	Maximum	Average-weighted
2	-	-	-
3	75.78	75.78	75.78
4	76.14	76.14	76.14
5	72.05	76.55	75.43
9	-	-	-
10	68.23	68.23	68.28
11	75.88	76.66	76.31
12	-	-	-
13	76.61	76.66	76.64
16	69.00	76.67	76.01
17	72.84	75.21	73.64
18	73.51	73.51	73.51
19	-	-	-
20	76.75	76.75	76.75
23	-	-	-
24	-	-	-
25	77.31	77.31	77.31
26	-	-	-
27	-	-	-
30	78.38	78.38	78.38
31	76.09	77.49	76.84
Monthly	68.23	78.38	76.28

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 July	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
2	79.63	78.75	81.63	80.88	79.75	78.75
3	79.75	78.88	81.75	81.00	79.88	78.88
5	79.13	78.63	81.00	80.00	79.25	78.00
6	77.75	77.25	79.50	79.00	78.13	77.13
9	78.25	77.75	80.00	79.50	78.25	77.25
10	77.50	76.75	80.63	80.13	77.88	77.00
11	76.50	74.75	78.13	76.50	76.25	75.25
12	75.00	74.75	77.00	76.50	74.00	72.00
13	77.00	75.13	79.00	76.00	77.25	75.25
16	77.00	75.25	78.50	76.00	77.50	75.50
17	76.50	76.00	78.50	78.00	79.00	77.75
18	77.50	77.00	78.88	78.38	78.00	77.00
19	78.25	77.00	80.25	78.75	78.63	77.63
20	78.00	77.25	80.50	79.50	78.50	77.50
23	79.00	77.50	80.75	79.50	79.50	77.00
24	77.63	77.13	78.75	78.25	79.00	77.75
25	77.75	77.38	80.00	78.75	78.25	77.25
26	78.25	77.50	80.00	79.50	77.50	76.50
27	77.75	77.13	81.00	79.13	78.00	77.00
30	79.00	78.00	81.00	80.00	78.50	77.50
31	78.75	77.88	80.13	79.38	78.38	77.38

* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	227.12
- repo agreements*	98.58
- outright sales	128.54
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	45.16
- repo agreements*	-
- outright sales	45.16
- privatization transactions	-
3. Number of secondary interbank market transactions	258
- repo agreements**	72
- outright sales	186
- privatization transactions	-
4. Average term of secondary interbank market repo agreements (days)	6.00
5. Average monthly yield (simple interest) on secondary interbank market repo agreements depending on the term (%)	
1 day	0.45
from 2 to 3 days	0.44
from 4 to 7 days	0.41
up to 1 month	0.40

* Volume of reverse repo agreements excluded.

** Number of reverse repo agreements excluded.

Chart 6

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

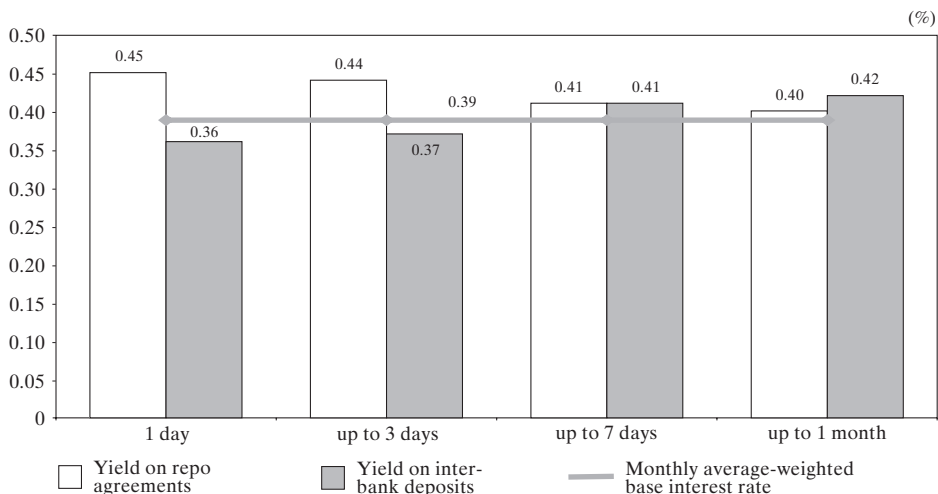


Chart 7

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

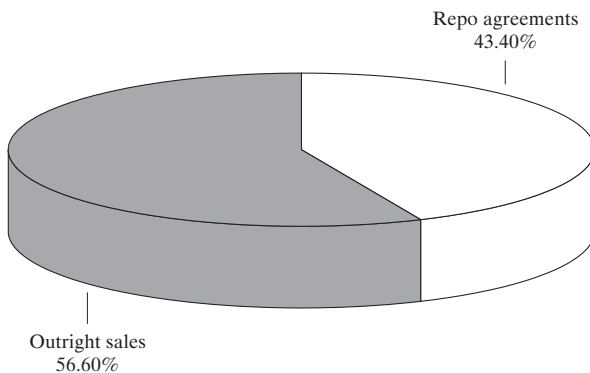
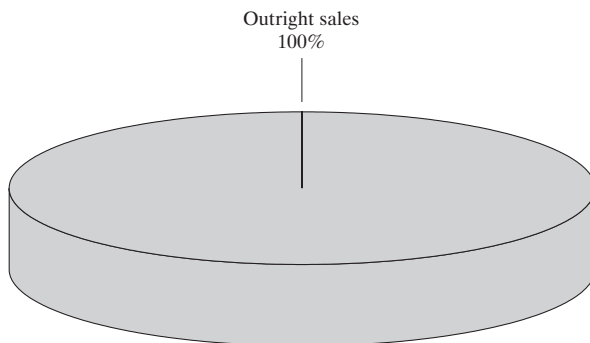


Chart 8

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



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

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
02.07.2001											
Deposits	57 480	3.16			6 300	4.08					63 780
Repo agreements	6 800	3.38			2 000	4.06					8 800
03.07.2001											
Deposits	67 950	3.56			17 000	4.45	1 600	4.81	1 500	5.03	88 050
Repo agreements					465	5.07					465
04.07.2001											
Deposits	36 400	3.85	5 000	4.04	5 800	4.43	1 000	5.00	1 000	5.25	49 200
Repo agreements											-
05.07.2001											
Deposits	60 750	3.71			8 110	4.05	1 000	4.50			69 860
Repo agreements							379	4.97			379
06.07.2001											
Deposits			45 515	3.54	5 300	4.40	3 120	4.70			53 935
Repo agreements											-
09.07.2001											
Deposits	53 350	3.37			11 300	4.45	3 665	4.78	4 080	4.98	72 395
Repo agreements							600	4.06			600
10.07.2001											
Deposits	57 850	3.26			7 350	4.45	1 300	4.65	3 020	4.75	69 520
Repo agreements									4 185	4.31	4 185
11.07.2001											
Deposits	60 627	3.43	2 000	3.40	6 800	4.35			9 000	5.28	78 427
Repo agreements							1 800	4.97			1 800
12.07.2001											
Deposits	57 894	3.59			5 710	4.65					63 604
Repo agreements	1 000	3.85									1 000
13.07.2001											
Deposits			70 270	3.77	4 350	4.50			500	5.15	75 120
Repo agreements			4 000	3.95			2 000	4.46			6 000
16.07.2001											
Deposits	67 251	4.32	3 900	4.99	9 800	4.98			4 000	5.05	84 951
Repo agreements							1 000	5.07	2 020	4.56	3 020
17.07.2001											
Deposits	41 375	6.03	3 700	8.06	7 300	5.79			4 000	5.05	56 375
Repo agreements	3 316	9.77							2 500	4.66	5 816
18.07.2001											
Deposits	38 400	7.45			2 300	4.73	1 600	5.80	1 000	5.45	43 300
Repo agreements	5 761	8.44					3 900	5.40			9 661
19.07.2001											
Deposits	40 632	5.87			4 000	6.09			1 100	5.80	45 732
Repo agreements	4 200	6.07			600	5.07					4 800
20.07.2001											
Deposits			37 700	5.45	670	5.55					38 370
Repo agreements			7 500	5.61							7 500

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
23.07.2001											
Deposits	30 450	5.26			8 750	5.86			4 100	5.90	43 300
Repo agreements	2 000	5.78			1 000	5.68					3 000
24.07.2001											
Deposits	44 600	4.94	1 500	5.17	5 400	5.56			170	5.40	51 670
Repo agreements	4 000	5.17									4 000
25.07.2001											
Deposits	41 500	4.90	2 800	5.50	200	5.10					44 500
Repo agreements	2 600	5.30	3 006	5.51	820	5.58					6 426
26.07.2001											
Deposits	47 700	5.86			4 000	5.64	280	6.20	4 000	5.80	55 980
Repo agreements	1 000	5.58									1 000
27.07.2001											
Deposits			64 000	4.82	2 500	5.80	1 000	5.75			67 500
Repo agreements			7 000	5.75	350	5.58					7 350
30.07.2001											
Deposits	45 930	3.30			8 250	5.58	500	5.00	2 022	6.10	56 702
Repo agreements	6 000	4.39					277	4.77			6 277
31.07.2001											
Deposits	58 632	3.92	3 000	3.75	5 300	4.92	1 000	5.39	5 000	3.21	72 932
Repo agreements	14 000	4.43	2 000	5.07							16 000
Monthly, total											
Deposits	908 771		239 385		136 490		16 065		44 492		1 345 203
Repo agreements	50 677		23 506		5 235		9 956		8 705		98 079

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 July

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
2	109	2001	1 003 000	BGN	99.70
	113	2001	1 009 000	BGN	99.11
	317	1999	2 000 000	BGN	103.80
	301	2000	300 000	BGN	105.57
	301	2001	80 000	BGN	111.23
3	110	2001	521 000	BGN	96.00
	320	1999	2 000 000	BGN	103.30
	301	2000	2 000 000	BGN	100.09
4	97	1994	22 000	USD	76.14
	109	2001	1 003 000	BGN	99.72
	113	2001	1 009 000	BGN	99.13
	114	2001	800 000	BGN	98.91
	114	2001	383 772	BGN	98.91
	114	2001	1 093 750	BGN	98.91
	153	2000	500 000	BGN	98.20
	317	1999	2 000 000	BGN	103.82
	327	1999	320 000	BGN	103.21
	306	2000	2 000 000	BGN	100.00
	301	2000	120 000	BGN	107.39
	309	2000	299 000	BGN	110.47
	301	2001	820 000	BGN	108.78
	5	108	2001	2 004 200	BGN
112		2001	500 000	BGN	99.25
113		2001	1 100 000	BGN	99.10
306		2000	1 000 000	BGN	102.04
300		2001	2 000 000	BGN	100.21
301		2000	2 000 000	BGN	100.00
6	400	1999	1 000 000	EUR	75.19
	110	2001	521 000	BGN	96.03
	308	2000	3 000 000	BGN	104.00
	305	2000	1 383 655	BGN	106.60
	301	2001	1 000 000	BGN	99.84
	303	2001	1 000 000	BGN	106.61
9	153	2000	406 429	BGN	98.29
	324	1999	423 400	BGN	103.16
	326	1999	455 000	BGN	102.79
	327	1999	250 000	BGN	102.61
	328	1999	336 269	BGN	102.44
	302	2000	2 000 000	BGN	103.50
10	99	1993	513 698	BGN	715.00
	99	1993	513 698	BGN	716.20
	98	1993	833	BGN	715.00
	98	1993	833	BGN	715.00
	96	1993	183 386	BGN	715.00
	96	1993	183 386	BGN	739.30
	300	2001	2 000 000	BGN	100.00

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
11	400	1999	66 500	EUR	76.13
	400	1999	464 106	EUR	75.27
	400	1999	12 600	EUR	76.63
	97	1994	800 000	USD	75.12
	108	2001	1 400 000	BGN	99.91
	308	2000	356 000	BGN	103.93
	302	2001	1 000 000	BGN	103.00
	302	2001	500 000	BGN	103.51
	301	2001	750 000	BGN	113.02
	301	2001	600 000	BGN	109.05
12	153	2000	500 000	BGN	98.35
	153	2000	250 000	BGN	98.32
	303	2001	1 000 000	BGN	106.94
	303	2001	1 000 000	BGN	107.57
	303	2001	500 000	BGN	106.91
13	108	2001	1 390 000	BGN	99.97
	325	1999	250 000	BGN	103.02
	326	1999	250 000	BGN	102.83
	327	1999	250 000	BGN	102.66
	300	2000	1 000 000	BGN	100.11
	300	2000	2 000 000	BGN	100.11
	300	2001	3 000 000	BGN	100.00
16	400	1999	20 000	EUR	75.69
	139	2000	2 020 000	BGN	99.01
	306	2000	850 000	BGN	102.00
	308	2000	800 000	BGN	104.00
	301	2001	500 000	BGN	113.40
17	97	1994	488 000	USD	72.84
	153	2000	87 000	BGN	97.70
	302	2001	780 000	BGN	101.57
	305	2000	100 000	BGN	105.00
18	97	1994	308 000	USD	73.51
	115	2001	300 000	BGN	98.85
	325	1999	220 000	BGN	104.63
	325	1999	191 000	BGN	104.71
	302	2001	3 000 000	BGN	102.00
	309	2000	750 000	BGN	111.49
	301	2001	1 000 000	BGN	103.95
	301	2001	820 000	BGN	108.96
	301	2001	600 000	BGN	109.14
19	301	2001	600 000	BGN	109.14
	301	2001	600 000	BGN	109.14
20	302	2000	500 000	BGN	104.18
	301	2000	1 315 000	BGN	107.87
23	400	1999	500 000	EUR	77.03
	139	2000	27 126	BGN	99.59
24	-	-	-	-	-

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
25	97	1994	7 290	USD	77.31
	98	1993	1 537	BGN	745.00
	327	1999	320 000	BGN	103.13
	302	2001	3 000 000	BGN	102.10
	309	2000	299 000	BGN	110.37
26	305	2001	250 000	BGN	101.25
27	309	2000	1 000 000	BGN	111.70
30	302	2000	2 000 000	BGN	103.75
	306	2000	850 000	BGN	102.17
	308	2000	800 000	BGN	104.17
	300	2001	500 000	BGN	102.06
	301	2001	1 000 000	BGN	104.13
	301	2001	820 000	BGN	109.14
	301	2001	260 390	BGN	111.23
	301	2001	1 000 000	BGN	109.00
31	400	1999	30 000	EUR	73.37
	97	1994	1 000 000	USD	76.09
	308	2000	3 000 000	BGN	104.30
	301	2001	350 000	BGN	107.08
	301	2001	1 000 000	BGN	108.83

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

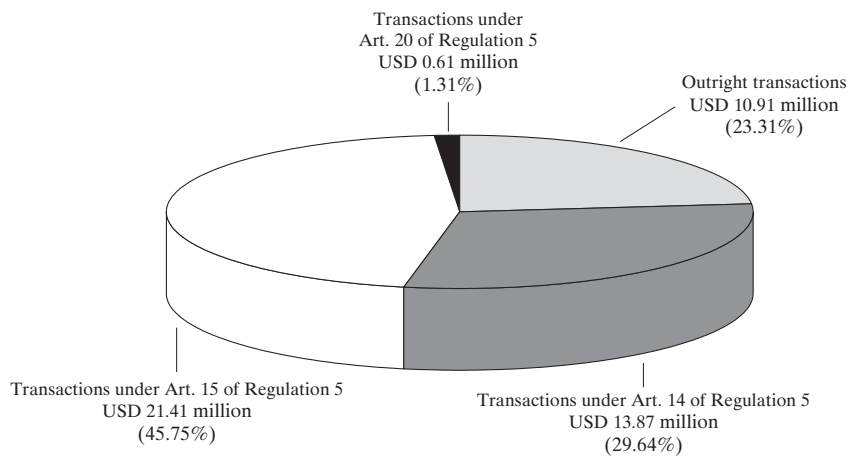
(BGN)

Date July	Repo agreements	Outright sales	Regulation No. 5				Privatization transactions	Transactions in GS, total	Transactions in securities		
			Article 14	Article 15	Article 20	Article 21			BSE	OTC market	Total
2	14 300 000.00	6 781 922.56	20 053 450.00	28 990.00	-	-	-	41 164 362.56	6 825 256.33	-	6 825 256.33
3	9 264 540.00	10 407 983.00	2 508 908.40	16 831 359.80	-	1 895 000.00	-	40 907 791.20	3 564 420.13	-	3 564 420.13
4	-	12 339 161.38	1 070 265.88	18 094 082.50	-	-	-	31 503 509.76	1 416 676.85	-	1 416 676.85
5	758 484.00	17 079 211.80	6 001 211.18	19 479 898.85	8 450 717.22	-	-	51 769 523.05	109 649.30	-	109 649.30
6	-	18 628 420.17	9 678 970.00	556 929.67	-	-	-	28 864 319.84	380 557.08	70.00	380 627.08
9	4 600 000.00	3 921 920.00	9 622 812.76	5 356 773.60	2 183 101.36	-	-	25 684 607.72	15 315.00	-	15 315.00
10	8 030 835.00	3 476 757.29	1 270 229.25	9 479 011.50	-	-	-	22 256 833.04	1 667 861.34	-	1 667 861.34
11	2 800 000.00	12 494 366.59	1 896 878.20	20 722 524.40	907 712.44	-	-	38 821 481.63	4 360 734.07	-	4 360 734.07
12	1 000 000.00	4 250 000.00	9 566 430.00	2 264 248.39	150 000.00	-	-	17 230 678.39	20 552 863.01	-	20 552 863.01
13	7 000 000.00	14 190 340.49	3 067 960.00	11 572 826.58	459 600.49	-	-	36 290 727.57	4 259 941.79	-	4 259 941.79
16	7 020 000.00	11 449 920.85	69 399 914.06	4 011 608.35	-	-	-	91 881 443.26	70 113.22	-	70 113.22
17	6 297 295.00	2 648 702.74	512 714.25	2 038 601.13	-	-	-	11 497 313.12	145 418.26	-	145 418.26
18	14 857 295.00	10 638 368.20	849 760.50	14 959 911.60	-	-	-	41 305 335.30	395 234.22	-	395 234.22
19	9 300 000.00	600 000.00	4 524 585.40	927 803.74	280 673.00	-	-	15 633 062.14	132 119.33	-	132 119.33
20	11 700 000.00	4 155 430.00	200 000.00	8 079 725.00	1 041 340.20	-	-	25 176 495.20	434 709.57	-	434 709.57
23	11 100 000.00	1 982 956.00	3 990 864.06	4 835 269.56	156 249.00	-	-	22 065 338.62	11 393.78	-	11 393.78
24	6 000 000.00	-	-	27 200 921.00	-	-	-	33 200 921.00	277 526.16	-	277 526.16
25	13 025 500.00	12 429 910.49	7 331 027.40	10 617 573.90	-	-	-	43 404 011.78	785 303.30	-	785 303.30
26	3 600 000.00	3 450 000.00	6 517 851.00	706 395.43	2 063 816.20	500 000.00	-	16 838 062.63	71 612.61	-	71 612.61
27	14 355 500.00	2 000 000.00	702 123.50	4 228 741.64	-	-	-	21 286 365.14	78 082.93	-	78 082.93
30	15 097 000.00	9 461 040.00	4 680 727.50	7 836 049.50	-	-	-	37 074 817.00	320 602.11	-	320 602.11
31	22 350 000.00	11 375 630.90	3 436 615.50	5 764 851.00	-	-	-	42 927 097.40	57 231.42	-	57 231.42
Total	182 456 449.00	173 762 042.46	166 883 298.83	195 594 097.15	15 693 209.90	2 395 000.00	-	736 784 097.34	45 932 621.81	70.00	45 932 691.81
Average volume of government securities transactions*								32 034 091.19			

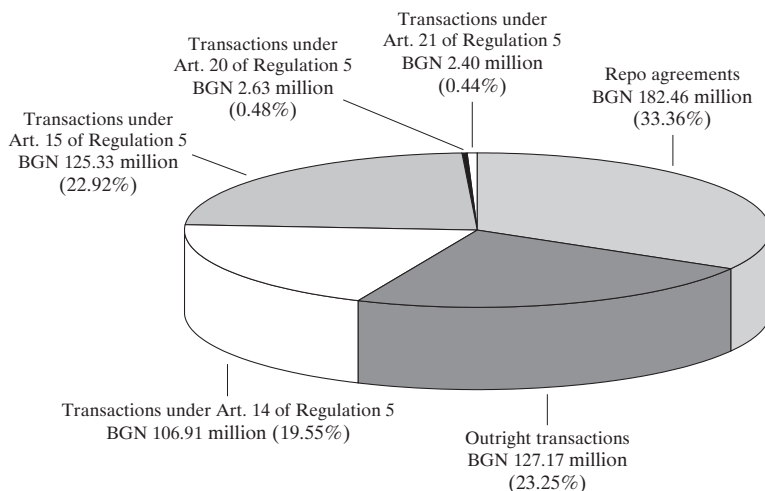
* Volume calculated on the basis of 23 operating primary dealers.

- Notes:**
1. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 7,159,978 is included.
 2. The amount of approved bids for participation in government securities auctions on behalf of nonprimary dealers of BGN 3,500,000 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 July Secondary Market Transactions in USD-denominated Government Securities Issued for Structural Reform



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





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

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

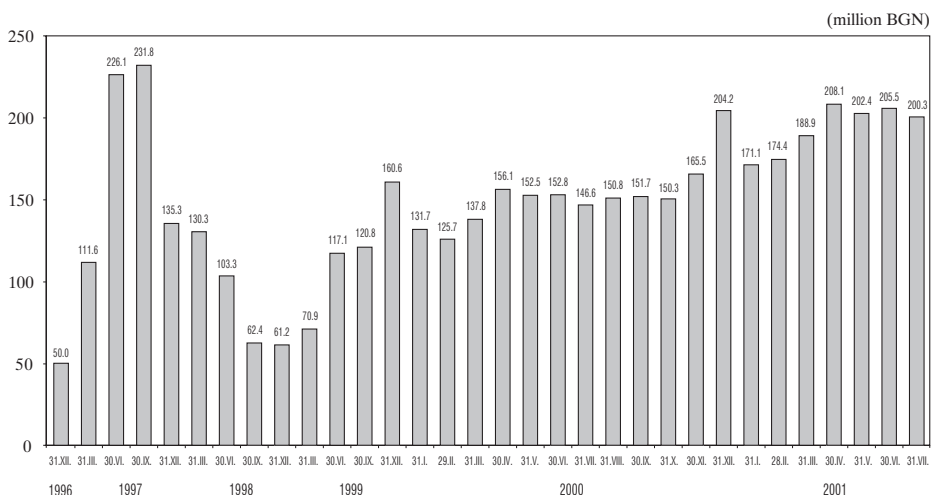
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals decreased during the period under review. As of 31 July 2001 these government securities accounted for BGN 200,352 thousand (Chart 11), a decrease of BGN 5,185 thousand, or 2.52% on the previous month. Sales of target government securities

earmarked for physical persons accounted for BGN 32,797 thousand (Chart 12), an increase of BGN 72 thousand, or 0.22% on June.

In July sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 5,408.1 thousand, two-year treasury bonds of BGN 1,176.8 thousand, and five-year treasury bonds of BGN 3,450 thousand. Three-month treasury bills occupied the largest share in total government securities sales in July: 53.89%.

Chart 11

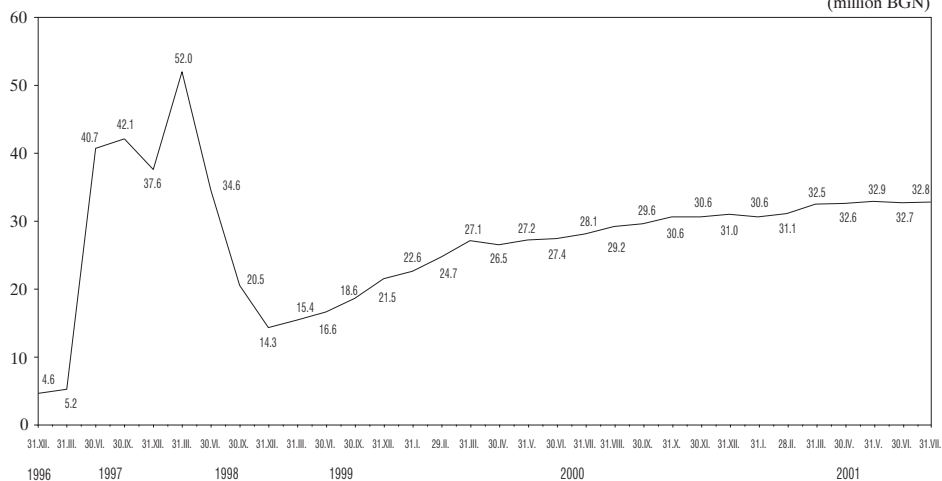
Investments of Nonbank Financial Institutions, Companies and Individuals in Government Securities Issued under Regulation No. 5



Note: Preliminary data for July 2001.

Investments in Target Government Securities Earmarked for Individuals

(million BGN)



Note: Preliminary data for July 2001.

Target Issues of Government Securities Earmarked for Physical Persons

Between 20 June and 17 July 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 interest payment is effected at maturity together with the nominal value of govern-

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.

ment securities. The annual interest rates of the four interest coupons are 6.0%, 6.5%, 7.0%, and 7.5% for the issue offered for sale between 20 June and 3 July 2001 and 5.50%, 6.0%, 6.50% and 7.0% for the issue offered for sale between 4 July and 17 July 2001. 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.

The total amount of target government securities sales registered in July was BGN 916.2 thousand nominal value, including BGN 351.4 thousand sold by the BNB (Chart 13). The decreased share of target government securities

sold by the BNB was due to discontinued (since 1 March 2001) government securities sales at the BNB regional cash centers (branches): Varna, Pleven, Plovdiv, Ruse, and Haskovo. The change reflected BNB branch network reorganization.

Services to individuals were restored on 12 March 2001 at the branches of the United Bulgarian Bank, which took over sales of target government securities to individuals, name registration of certificate holders and their subsequent service.

Investments in Government Securities Issued for Structural Reform

The volume of government securities acquired by individuals, companies and

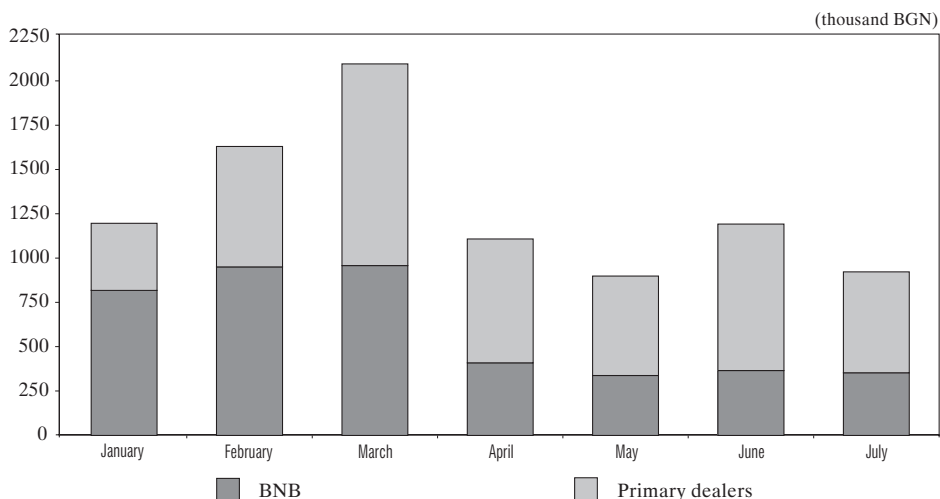
nonbank financial institutions and issued for structural reform decreased in July. As of 31 July 2001 total sales of government securities accounted for BGN 376,697.17 thousand (including sales to foreign investors), a decrease of BGN 15,545.93 thousand, or 4% on June (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (83.50%) and other financial institutions (16.50%).

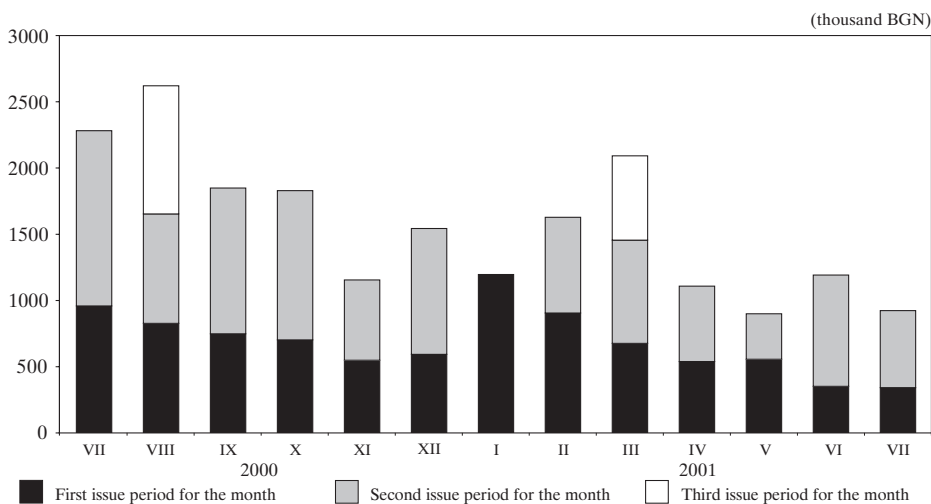
Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 7,225.03 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 295,379.70 thousand (USD 132.22 million), and EUR-denominated govern-

Chart 13

Share of Government Securities (Earmarked for Physical Persons) Sold by the BNB in Total Volume of Target Government Securities Issued in 2001



Volume of Target Government Securities Sales to Physical Persons



ment securities issued for structural reform amounted to BGN 74,092.44 thousand (EUR 37.89 million).

Foreign Investments in Government Securities

In July the volume of government securities held by foreign investors decreased by BGN 7,226.37 thousand, or 3.78% on June. As of 31 July foreign investments in government securities totaled BGN 184,154.13 thousand (Chart 16).

Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 438 thousand. By end-July the volume of tar-

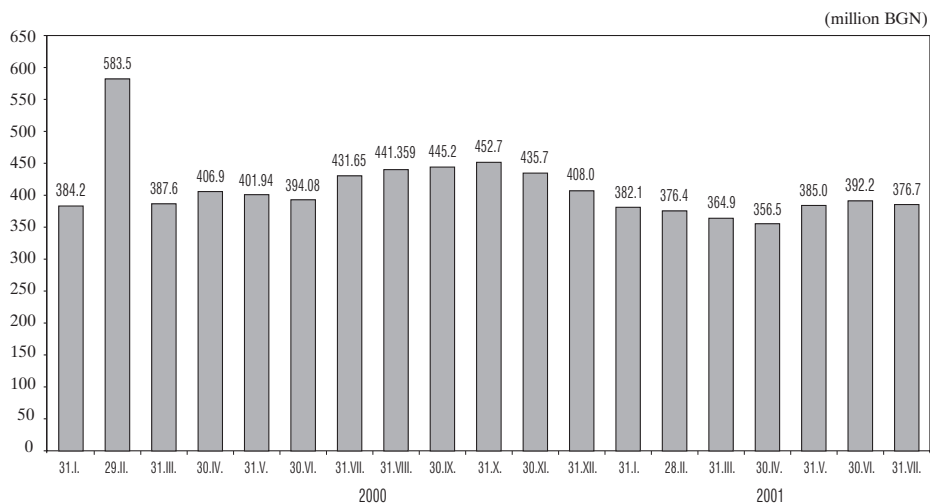
get government securities (earmarked for direct sale to physical persons) totaled BGN 0.9 thousand.

As of 31 July 2001 USD-denominated long-term government bonds held by foreign investors totaled USD 79.89 million (BGN 184.15 million lev equivalent, Chart 17), a decrease of USD 0.5 million on June (0.6%).

The relative share of these government securities in foreign investors' portfolios stayed high: 96.76% (Chart 18).

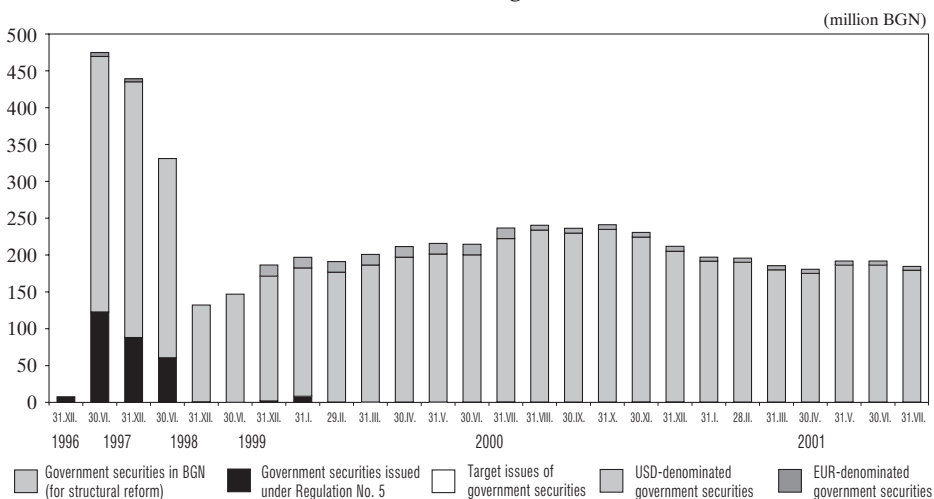
In July the volume of EUR-denominated government securities held by foreign investors dropped by EUR 0.15 million (5.3%), accounting for EUR 2.68 million as of 31 July 2001.

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



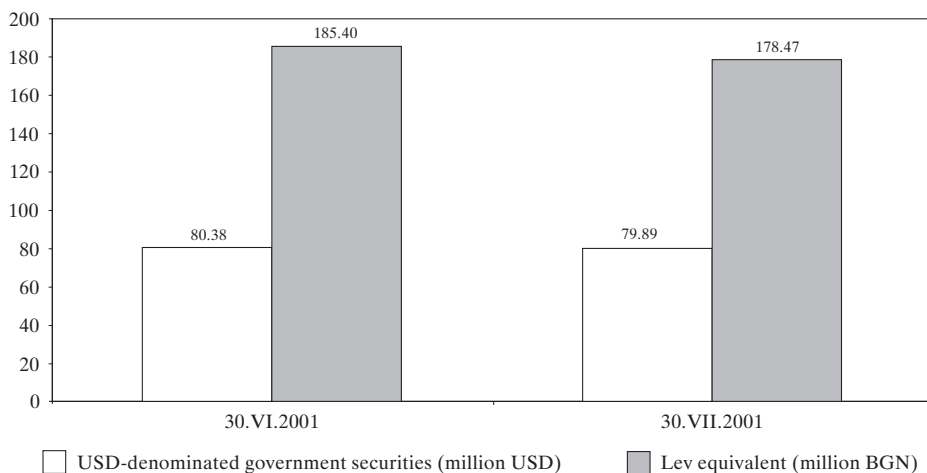
- Notes:**
1. The lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate at the end of month.
 2. From January 2000 EUR-denominated government securities from issue No. 400 of 1999 are included.
 3. Preliminary data for July 2001.

Government Securities in Foreign Investors' Portfolios



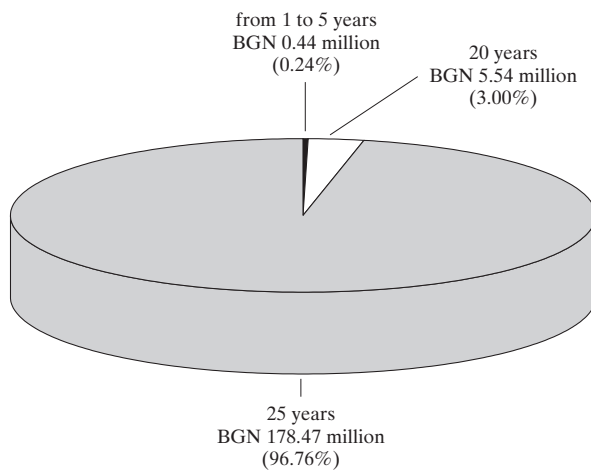
Note: Preliminary data for July 2001.

USD-denominated Government Securities Held by Foreign Investors



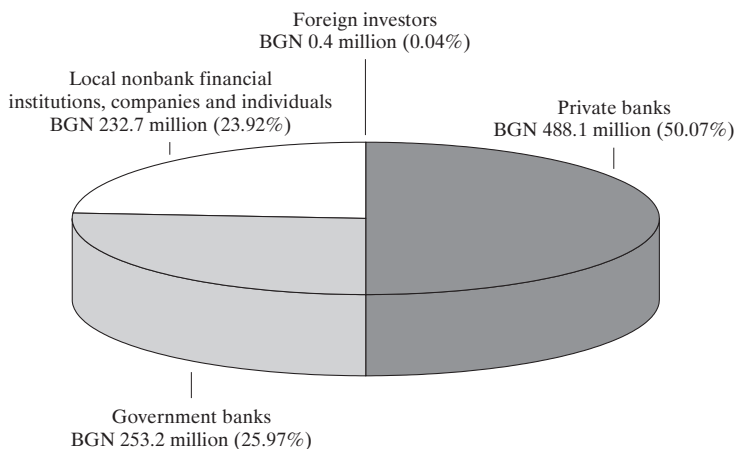
- Notes:**
1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
 2. Preliminary data for July 2001.

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



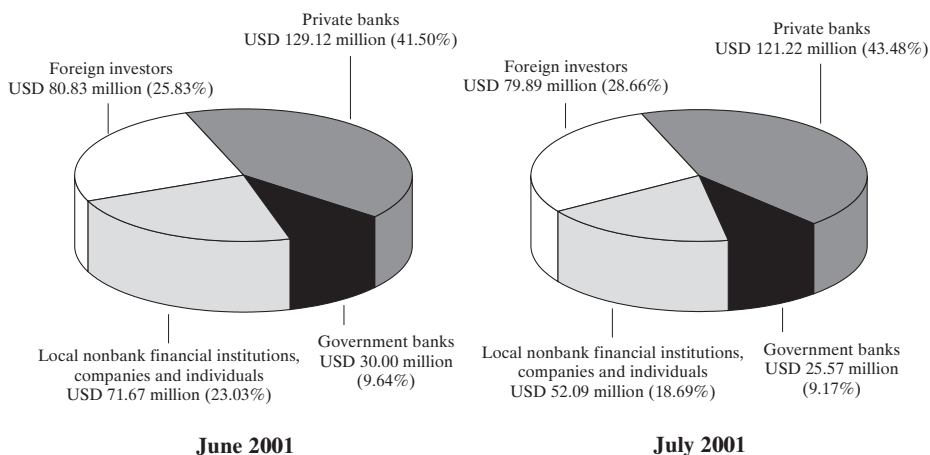
Note: Preliminary data.

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



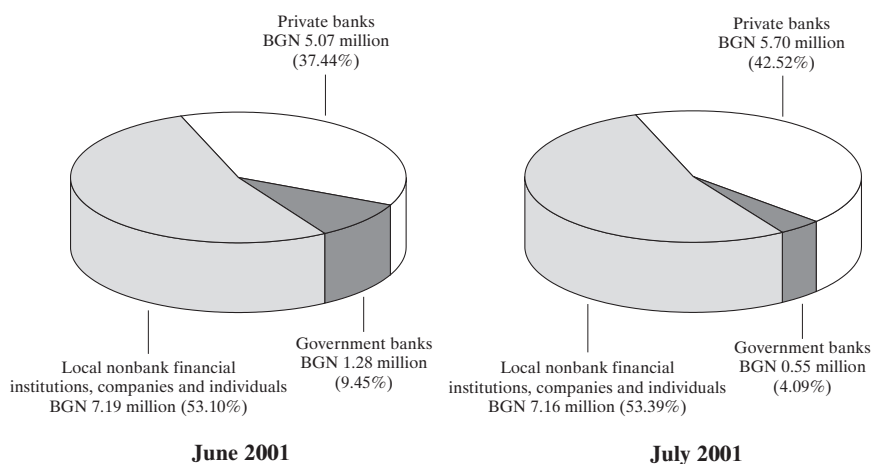
- Notes:**
1. Including frozen government securities by financial institutions.
 2. Including target issues earmarked for individuals.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



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

Holders of Lev-denominated Government Securities Issued for Structural Reform

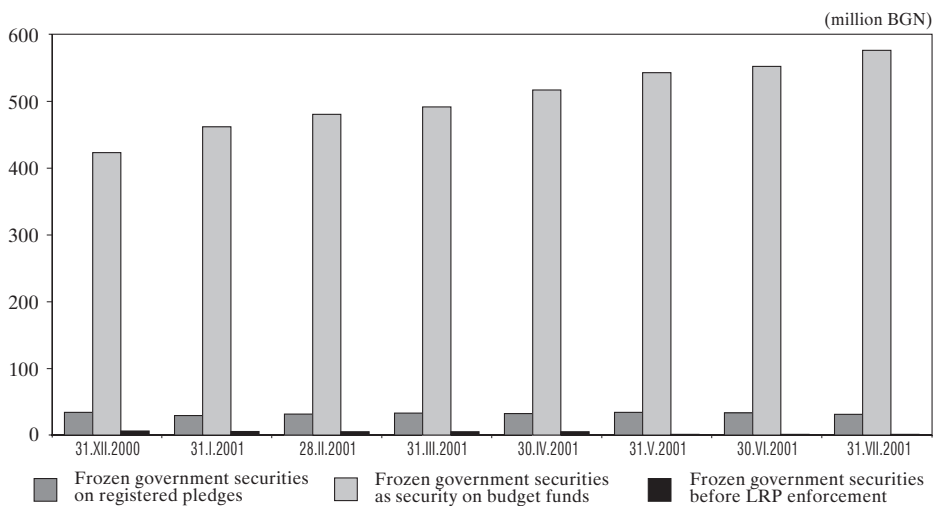


Notes: 1. Including frozen government securities by financial institutions.
2. Preliminary data for July 2001.

Volume of Frozen and Pledged Government Securities as of 31 July 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	4 448 348	8 729 158		3 618 545
Frozen government securities as security on budget funds	425 149 270	63 201 145	1 019 000	4 148 898
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	1 026 000		130 400	
TOTAL	430 623 618	71 930 303	1 149 400	7 767 443

Volume and Structure of Frozen Government Securities



Note: Government securities denominated in foreign currency are recalculated in BGN at end-of-month exchange rate for the respective currency.

Outstanding Government Securities

Discount Treasury Bills

Issue No.	BG3013900009	BG3015300000	BG3010301003	BG3010901000	BG3011001008	BG3011101006	BG3011201004	BG3011301002
Issue date	30.08.2000	29.11.2000	14.02.2001	02.05.2001	09.05.2001	16.05.2001	06.06.2001	20.06.2001
Maturity date	29.08.2001	28.11.2001	14.02.2002	02.08.2001	09.05.2002	16.08.2001	06.09.2001	20.09.2001
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	20 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	41 530.00	32 755.00	61 610.00	18 400.00	52 400.00	17 087.81	18 650.00	15 025.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	10 000.00	20 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	95.07	94.89	95.29	98.89	95.28	98.87	98.87	98.87
Average discount per BGN 100 (%)	4.93	5.11	4.71	1.11	4.72	1.13	1.13	1.13
Average annual yield (%)	5.20	5.40	4.88	4.39	4.89	4.47	4.47	4.47
Effective annual yield (%)	5.20	5.40	4.87	4.46	4.88	4.55	4.55	4.55
Coverage coefficient	2.08	1.64	3.08	1.84	2.62	1.71	1.87	1.50

(continued)

(continued)

Issue No.	BG3011401000	BG3011501007
Issue date	04.07.2001	18.07.2001
Maturity date	04.10.2001	18.10.2001
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	20 175.00	18 400.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.87	98.85
Average discount per BGN 100 (%)	1.13	1.15
Average annual yield (%)	4.47	4.55
Effective annual yield (%)	4.55	4.63
Coverage coefficient	2.02	1.84

Source: BNB and MF.

Treasury Bonds

Issue No.	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2031598118	BG2031798114	BG2031998110	BG2032198116
Issue date	16.05.1997	30.04.1998	28.05.1998	02.07.1998	03.09.1998	01.10.1998	29.10.1998	03.12.1998
Maturity date	10.05.2002	24.04.2003	22.05.2003	26.06.2003	30.08.2001	27.09.2001	25.10.2001	29.11.2001
Nominal value of the offer (thousand BGN)	20 000.00	1 000.00	2 000.00	2 000.00	1 000.00	1 500.00	1 500.00	500.00
Total nominal value of the bids received (thousand BGN)	20 000.00	3 605.00	3 440.00	2 070.00	1 400.00	1 155.00	700.00	1 250.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	1 000.00	2 000.00	2 000.00	1 000.00	1 055.00	250.00	500.00
Average price of the bids approved per BGN 100 (%)	100.00	87.14	84.78	76.20	87.85	86.89	83.48	95.55
Average discount per BGN 100 (%)		12.86	15.22	23.80	12.15	13.11	16.52	4.45
Interest rate	BIR+4	8.00	8.00	7.00	6.50	6.50	6.50	9.00
Coverage coefficient	1.00	3.61	1.72	1.04	1.40	0.77	0.47	2.50

(continued)

(continued)

Issue No.	BG2030699115	BG2030999119	BG2031999118	BG2032099116	BG2032199114	BG2032299112	BG2032399110	BG2032499118
Issue date	31.03.1999	29.04.1999	11.08.1999	25.08.1999	08.09.1999	24.09.1999	13.10.1999	27.10.1999
Maturity date	24.03.2004	22.04.2004	08.08.2001	22.08.2001	05.09.2001	21.09.2001	10.10.2001	24.10.2001
Nominal value of the offer (thousand BGN)	2 000.00	1 190.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	11 325.00	9 080.63	16 600.00	34 781.00	39 093.50	28 485.05
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	8 000.00	8 000.00	8 000.00	8 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	86.35	78.39	92.59	91.92	91.05	94.71	98.02	98.53
Average discount per BGN 100 (%)	13.65	21.61	7.41	8.08	8.95	5.29	1.98	1.47
Interest rate	9.00	9.00	8.00	8.00	8.00	9.00	9.00	9.00
Coverage coefficient	1.40	1.00	1.13	1.14	2.08	4.35	4.89	2.85

(continued)

	BG2032599115	BG2032699113	BG2032799111	BG2032899119	BG2030000116	BG2030100114 ¹	BG2030200112	BG2030300110
Issue No.								
Issue date	10.11.1999	24.11.1999	08.12.1999	22.12.1999	19.01.2000	09.02.2000	16.02.2000	15.03.2000
Maturity date	07.11.2001	21.11.2001	05.12.2001	19.12.2001	16.01.2002	05.02.2003	13.02.2002	13.03.2002
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00
Total nominal value of the bids received (thousand BGN)	24 059.00	29 786.00	40 252.00	37 050.00	87 580.00	192 244.60	84 094.00	61 368.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00	10 000.00	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00
Average price of the bids approved per BGN 100 (%)	98.80	99.04	99.60	100.12	99.74	101.20	100.34	100.10
Average discount per BGN 100 (%)	1.20	0.96	0.40		0.26			
Interest rate	9.00	9.00	9.00	9.00	8.00	9.00	7.00	7.00
Coverage coefficient	2.41	2.98	4.03	3.71	3.13	3.84	3.00	2.19

(continued)

(continued)

Issue No.	BG2030400118 ²	BG20305000115 ²	BG2030600113 ²	BG20307000111 ²	BG2030800119 ²	BG20309000117 ²	BG2031000115 ²	BG203000114 ³
Issue date	05.04.2000	19.04.2000	05.07.2000	19.07.2000	04.10.2000	11.10.2000	18.10.2000	10.01.2001
Maturity date	03.04.2002	16.04.2003	03.07.2002	16.07.2003	02.10.2002	05.10.2005	15.10.2003	10.01.2003
Nominal value of the offer (thousand BGN)	50 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	151 083.50	120 312.85	135 755.00	131 450.00	126 512.50	113 365.10	110 383.00	121 965.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.83	100.61	101.16	102.09	101.88	100.35	102.15	101.61
Average discount per BGN 100 (%)								
Interest rate	7.00	8.00	7.00	8.00	7.00	9.00	7.50	6.50
Coverage coefficient	3.02	4.01	2.72	4.38	2.53	2.83	3.68	2.44

(continued)

(continued)

Issue No.	BG2030101112 ²	BG2030201110 ³	BG2030301118 ²	BG2030401116 ⁴	BG2030501113 ⁵
Issue date	24.01.2001	11.04.2001	25.04.2001	11.07.2001	25.07.2001
Maturity date	24.01.2006	11.04.2003	25.04.2006	11.07.2003	25.07.2006
Nominal value of the offer (thousand BGN)	60 000.00	50 000.00	60 000.00	25 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	253 630.14	95 565.00	165 396.00	54 800.00	51 650.00
Total nominal value of the bids approved (thousand BGN)	60 000.00	50 000.00	60 000.00	25 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	105.02	102.34	104.91	100.85	100.79
Average discount per BGN 100 (%)					
Interest rate	9.00	6.50	8.00	6.00	7.00
Coverage coefficient	4.23	1.91	2.76	2.19	2.58

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 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.

⁴ The total volume of the issue is BGN 50,000 thousand; the MF will sell the remaining portion on an auction principle.

⁵ The total volume of the issue is BGN 60,000 thousand; the MF will sell the remaining portion on an auction principle.

Source: BNB and MF.

Guaranty Government Securities

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)	1714.29	1811.06	226.59	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

In compliance with Article 8 and Article 9, para. 1, item 1 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 guaranty government securities. These are issued under the following conditions:

- 7-year redemption term;
- interest – BIR for the respective period, payable semiannually;
- redemption schedule – equal annual installments.

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 July 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)	2034.93 (BGN)	7790.05 (BGN)	278 771.36 (USD)	831.68 (BGN)	3106.76 (BGN)
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
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 July 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
Issue date	01.07.1999
Maturity date	01.01.2019
Principal (thousand EUR)	60 606.27
Interest rate	EURIBOR*
Interest payments dates	semiannual
Repayments	20 equal annual installments

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.

* 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.

EUR-denominated issue BG 2040099223 has the same status as the 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 July 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)

No.	ISSUES			Amount offered by the MF (thousand BGN)	BIDS RECEIVED						BIDS APPROVED					
	Auction date	Issue date	Maturity date		Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Average yield			Nominal value (thousand BGN)	Price per BGN 100 nominal value			Average yield		
							Up to maturity %	Annual %	Effective annual %		Minimum	Maximum	Average	Up to maturity %	Annual %	Effective annual %
BG 30 100 01009	02.01.2001	03.01.2001	03.04.2001	10 000.00	21 375.00	98.87	1.14	4.57	4.65	10 000.00	98.87	98.93	98.88	1.13	4.53	4.61
BG 30 101 01007	15.01.2001	17.01.2001	17.04.2001	10 000.00	19 500.00	98.92	1.09	4.37	4.44	10 000.00	98.90	98.99	98.94	1.07	4.29	4.35
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
BG 30 107 01004	02.04.2001	04.04.2001	04.07.2001	10 000.00	17 440.05	98.92	1.09	4.32	4.39	10 000.00	98.91	98.98	98.94	1.07	4.24	4.31
BG 30 108 01002	17.04.2001	18.04.2001	18.07.2001	10 000.00	15 835.00	98.87	1.14	4.52	4.60	10 000.00	98.87	98.95	98.91	1.10	4.36	4.43
BG 30 109 01000	27.04.2001	02.05.2001	02.08.2001	10 000.00	18 400.00	98.87	1.14	4.47	4.55	10 000.00	98.86	98.96	98.89	1.12	4.39	4.46
BG 30 111 01006	14.05.2001	16.05.2001	16.08.2001	10 000.00	17 087.81	98.85	1.16	4.55	4.63	10 000.00	98.86	98.94	98.87	1.14	4.47	4.55
BG 30 112 01004	04.06.2001	06.06.2001	06.09.2001	10 000.00	18 650.00	98.86	1.15	4.51	4.59	10 000.00	98.86	98.92	98.87	1.14	4.47	4.55
BG 30 113 01002	18.06.2001	20.06.2001	20.09.2001	10 000.00	15 025.00	98.86	1.15	4.51	4.59	10 000.00	98.85	98.90	98.87	1.14	4.47	4.55
BG 30 114 01000	02.07.2001	04.07.2001	04.10.2001	10 000.00	20 175.00	98.86	1.15	4.51	4.59	10 000.00	98.86	98.90	98.87	1.14	4.47	4.55
BG 30 115 01007	16.07.2001	18.07.2001	18.10.2001	10 000.00	18 400.00	98.81	1.20	4.71	4.80	10 000.00	98.80	98.88	98.85	1.16	4.55	4.63
Three-month issues, total				140 000.00	259 659.79					140 000.00						
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
BG 30 110 01008	07.05.2001	09.05.2001	09.05.2002	20 000.00	52 400.00	95.13	5.12	5.05	5.05	20 000.00	95.19	95.40	95.28	4.95	4.89	4.88
One-year issues, total				40 000.00	114 010.00					40 000.00						
Total				180 000.00	373 669.79					180 000.00						

Note: According to the methodology applied by the MF, the yield on 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)

ISSUES						Interest rate offered by the MF	Amount offered by the MF		BIDS RECEIVED		BIDS APPROVED				
No.	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			Average effective annual yield (%)
												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		
BG 20 302 01110	09.04.2001	11.04.2001	11.04.2001	11.04.2003	11.10.2001 11.04.2002 11.10.2002 11.04.2003	6.5	50 000.00	25 000.00	54 800.00	101.54	25 000.00	101.51	102.63	101.88	5.49
BG 20 302 01110*	11.06.2001	11.04.2001	13.06.2001	11.04.2003			25 000.00	40 765.00	102.53	25 000.00	102.48	103.35	102.79		
BG 20 304 01116	09.07.2001	11.07.2001	11.07.2001	11.07.2003	11.01.2002 11.07.2002 11.01.2003 11.07.2003	6.0	50 000.00	25 000.00	54 800.00	100.64	25 000.00	100.66	101.31	100.85	5.55
Two-year issues, total								150 000.00	125 000.00	272 330.00		125 000.00			
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

(continued)

(continued)

No.	ISSUES						Interest rate offered by the MF	Amount offered by the MF		BIDS RECEIVED		BIDS APPROVED		
	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		Average effective annual yield (%)
												Mini-mum	Maxi-mum	
BG 20 301 01112*	26.02.2001	24.01.2001	28.02.2001	24.01.2006	25.10.2002	20 000.00	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	25.10.2002	20 000.00	20 000.00	70 430.00	106.81	20 000.00	107.28	109.62	107.95	
BG 20 303 01118	23.04.2001	25.04.2001	25.04.2001	25.04.2006	25.10.2001	60 000.00	20 000.00	55 846.00	102.16	20 000.00	102.55	104.37	103.61	
BG 20 303 01118*	21.05.2001	25.04.2001	23.05.2001	25.04.2006	25.10.2005									
BG 20 303 01118*	25.06.2001	25.04.2001	27.06.2001	25.04.2006	25.04.2006									
BG 20 305 01113	23.07.2001	25.07.2001	25.07.2001	25.07.2006	25.01.2002	60 000.00	20 000.00	51 650.00	100.24	20 000.00	100.38	102.20	100.79	
					25.07.2002								6.81	
					25.01.2003									
					25.07.2003									
					25.01.2004									
					25.07.2004									
					25.01.2005									
					25.07.2005									
					25.01.2006									
					25.07.2006									
Five-year issues, total						180 000.00	140 000.00	470 676.14		140 000.00				
Total						330 000.00	265 000.00	743 006.14		265 000.00				

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

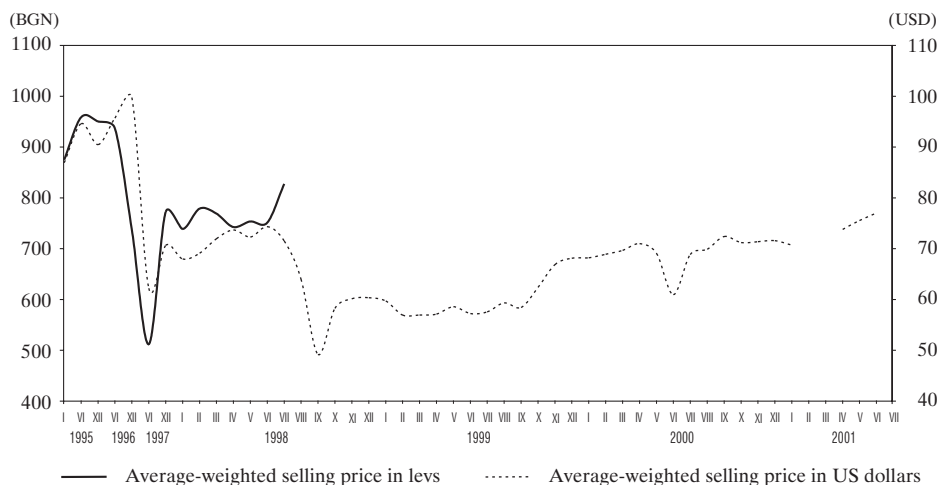
In July no transfer transactions in government securities on the MF account issued for structural reform were concluded for participation in privatization transactions as legal tender.

Long-term government bonds issued under Articles 4 and 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 BGN 1.5 thousand and USD 500 thousand, were sold and matured in July.

Chart 23

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



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	0.00	0.00	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	0.18	0.23	0.32	2.22	0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1996	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
	1997	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
	1998	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
	1999	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
	2000	0.003	0.000	0.015	0.044	0.009	0.004	0.000						0.075
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	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

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 JULY – 31 DECEMBER 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
CENTRAL COOPERATIVE BANK	SCCB 01-03
CITIBANK N. A.	CSOF
DSK BANK	SSBG 01-03
ELANA	ELAN 01-03
EUROFINANCE	EUFI 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
UNIONBANK	UNBS 01-03
UNITED BULGARIAN BANK	UBBB 01-03

FOR THE PERIOD 1 JULY – 30 SEPTEMBER 2001

ECONOMIC AND INVESTMENT BANK	RIBB 01-03
EVROBANK	EBSF 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

HEBROS COMMERCIAL BANK	AGBG 01-03
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SUMMARIZED QUOTATION PAGES	BGTSY= BGZUNK= BGTSYM=
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BNB pages containing information on the government securities interbank market	BGBNB 5 BGBNB 6 BGBNB 9
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BNB pages containing information on average-weighted prices of traded government securities issues	BGBNB 10 BGBNB 11 BGBNB 12 BGBNB 13
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