



AUGUST

**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) 9145 1795 or 9145 1551.

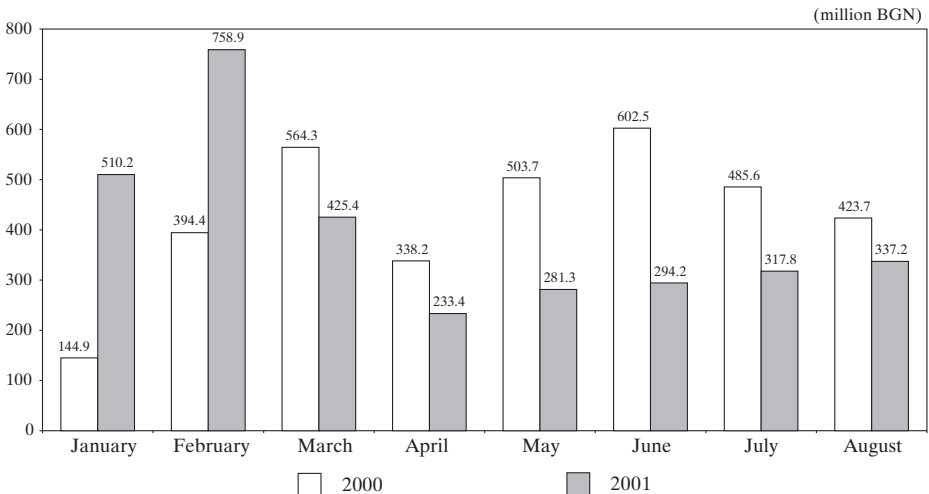
Interbank Market of Government Securities Issued under Regulation No. 5

In August 2001 financial institutions concluded 279 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 337,244.5 thousand nominal value, a decrease of 20.42% compared with the same period of the previous year and an increase of 6.10% on the previous month (Chart 1).

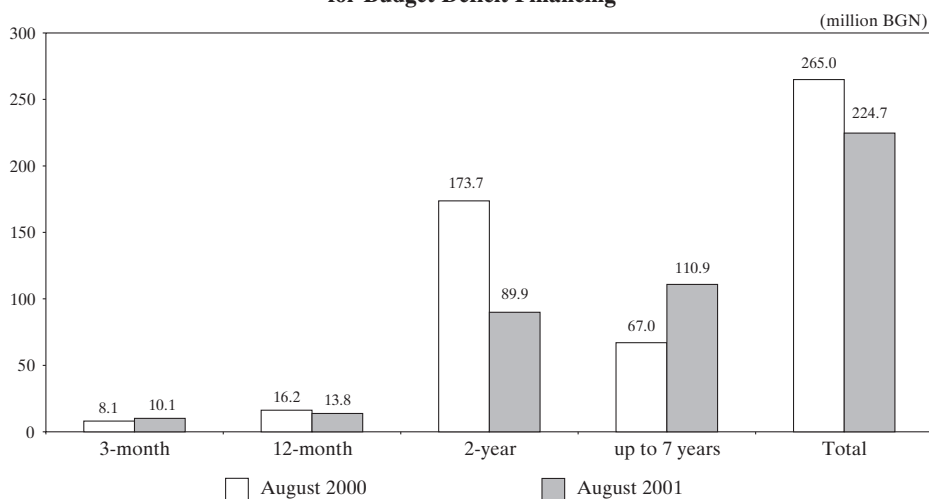
The total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse repo agreements volume excluded) amounted to BGN 224,704.4 thousand, a decrease of 15.21% on August 2000. Structurally, government securities transactions included three-month treasury bills of BGN 10,083.8 thousand, twelve-month of BGN 13,823.7 thousand, two-year of BGN 89,923.6 thousand and up to seven years of BGN 110,873.3 thousand. This suggests that treasury bonds with up to seven years maturity were most preferred (Chart 2).

Chart 1

Volume of Transactions in Government Securities Issued for Budget Deficit Financing



Structure of Transactions in Government Securities Issued for Budget Deficit Financing



Over the review period the volume of transactions concluded on behalf of clients (under Article 20) totaled BGN 7,444 thousand, a three-fold increase from the previous month. Transactions registered under Article 21 accounted for BGN 107.5 thousand, a considerable decline on July (95.51%). The volume of transactions concluded between primary and nonprimary dealers under Article 14 decreased to BGN 54,269 thousand (49.24%) in August, including bids of BGN 5,100 thousand approved at government securities auctions on behalf of nonprimary dealers.

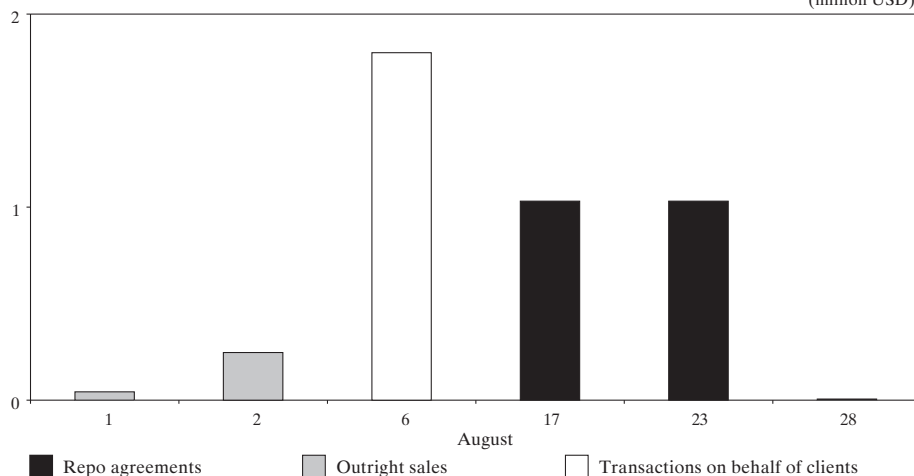
Interbank Market of Government Securities Issued as a Result of Structural Reform

In August financial institutions concluded six transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 4.16 million nominal value. Three outright transactions of USD 0.30 million, two repo agreements of USD 2.06 million and one transaction of USD 1.80 million on behalf of clients (under Articles 14, 20 and 21) were concluded.

Twenty-one transactions in EUR-denominated government securities of EUR 5.04 million, including 11 outright

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

(million USD)



transactions of EUR 1.42 million and ten transactions on behalf of clients of EUR 3.63 million, were concluded. One transaction in lev-denominated government securities, totaling BGN 0.02 million, was registered in August.

Pursuant to Article 14, para. 6 of Regulation No. 5 24 transactions of USD 10.70 million and five transactions of EUR 0.55 million were concluded in August.

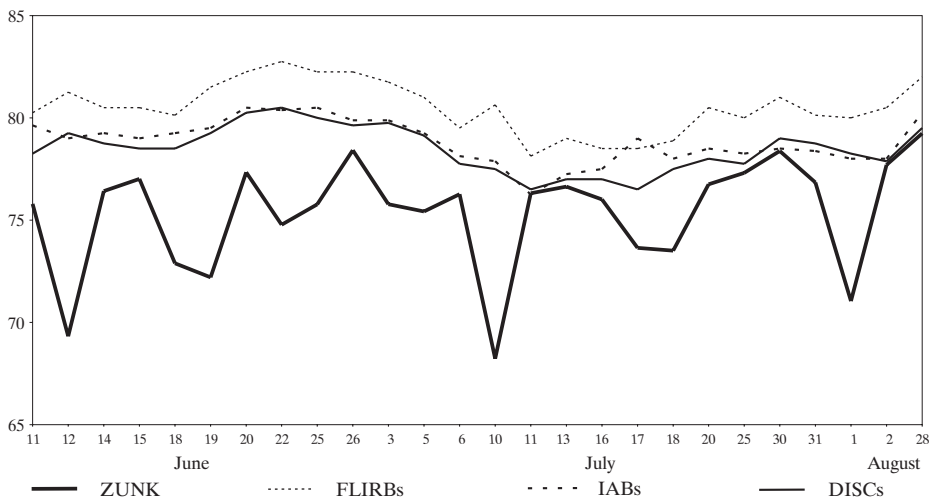
In the review period traded volumes in USD-denominated ZUNK bonds dramatically decreased (66.78%). The average-weighted price for August was USD 77.31 per USD 100 nominal value.

Government Securities Repo Agreements in the Interbank Market

In August the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). It hit highs on 1 and 17 August, coupled with increased interbank deposit volumes on these dates.

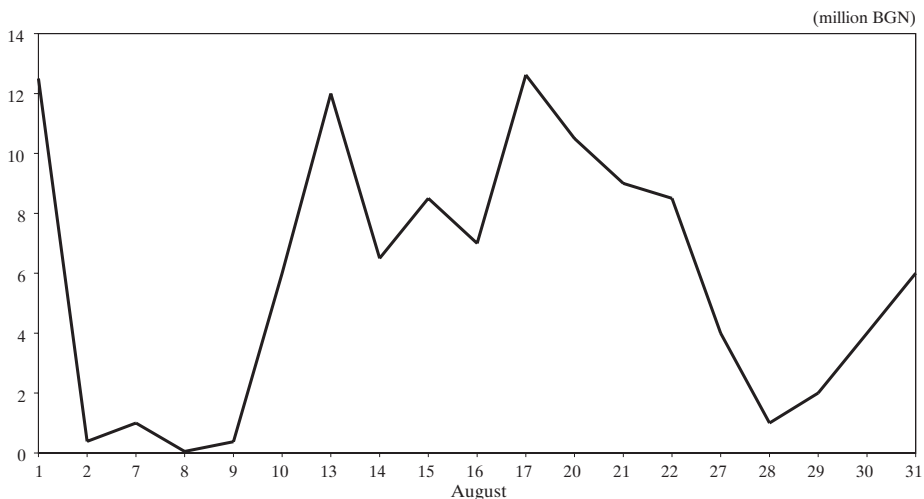
In August the yield of repo agreements in government securities significantly fluctuated. Their average term (in days) decreased compared with the previous month. The yield of repo agreements in government securities with one-day, three-day, seven-day and up to one month terms (0.66%, 0.76%, 0.71%, and 0.48% respectively) was higher than the yield of interbank deposits with the same terms and higher than the average-weighted base interest rate for August (0.46%, 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



(million BGN)

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

(USD)

Date August	Price		
	Minimum	Maximum	Average-weighted
1	71.04	71.04	71.04
2	77.70	77.70	77.70
3	-	-	-
6	-	-	-
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-
13	-	-	-
14	-	-	-
15	-	-	-
16	-	-	-
17	-	-	-
20	-	-	-
21	-	-	-
22	-	-	-
23	-	-	-
24	-	-	-
27	-	-	-
28	79.24	79.24	79.24
29	-	-	-
30	-	-	-
31	-	-	-
Monthly	71.04	79.24	77.31

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 August	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	78.25	77.38	80.00	78.88	78.00	76.75
2	77.88	77.25	80.50	79.13	78.00	77.00
3	78.38	77.88	80.13	79.63	78.63	77.63
6	77.88	77.38	79.50	79.00	78.50	77.50
7	78.38	77.88	80.50	80.00	78.75	77.50
8	78.50	78.00	81.00	80.50	79.75	78.75
9	79.75	79.25	81.75	81.25	80.38	79.38
10	79.75	79.25	81.38	80.75	80.00	79.00
13	79.75	79.25	81.50	79.00	79.88	78.50
14	80.38	79.13	81.25	80.50	79.75	78.88
15	80.38	79.13	81.13	80.63	79.88	79.00
16	79.50	79.00	80.00	79.50	79.75	78.75
17	79.63	78.75	81.50	79.75	79.50	78.50
20	79.00	78.00	80.75	79.00	79.00	78.00
21	79.25	78.00	80.88	80.00	79.38	78.38
22	79.50	79.00	80.50	80.00	79.75	78.50
23	79.63	78.50	81.50	81.00	79.63	78.63
24	79.88	78.50	82.00	81.50	80.13	79.13
27	79.00	78.50	82.00	81.50	80.00	79.00
28	79.50	79.00	82.00	81.50	80.25	79.25
29	80.88	79.63	83.00	81.25	81.25	80.25
30	80.75	80.25	83.75	82.25	81.75	80.50
31	80.75	80.25	83.75	82.25	81.25	80.25

* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	224.73
- repo agreements*	111.72
- outright sales	113.01
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	5.64
- repo agreements*	2.21
- outright sales	3.43
- privatization transactions	-
3. Number of secondary interbank market transactions	206
- repo agreements**	71
- outright sales	135
- privatization transactions	-
4. Average term of secondary interbank market repo agreements (days)	4.00
5. Average monthly yield (simple interest) on secondary interbank market repo agreements depending on the term (%)	
1 day	0.66
from 2 to 3 days	0.76
from 4 to 7 days	0.71
up to 1 month	0.48

* 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 (August)

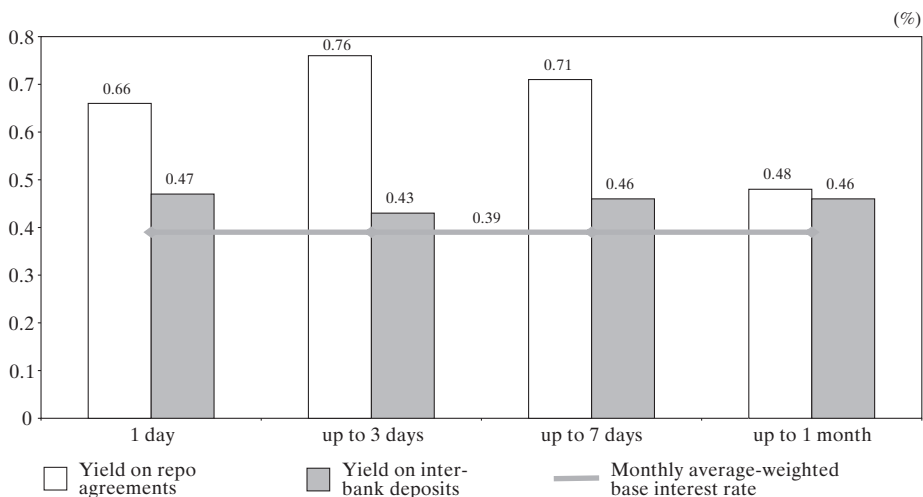


Chart 7

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

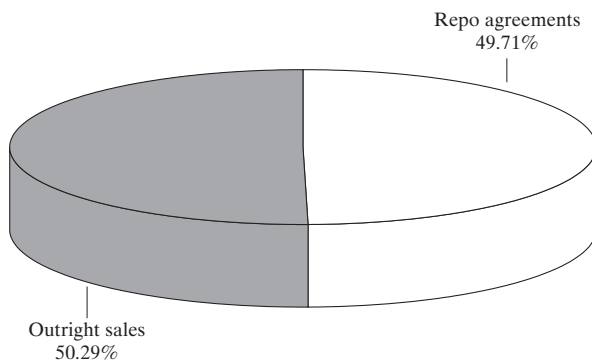
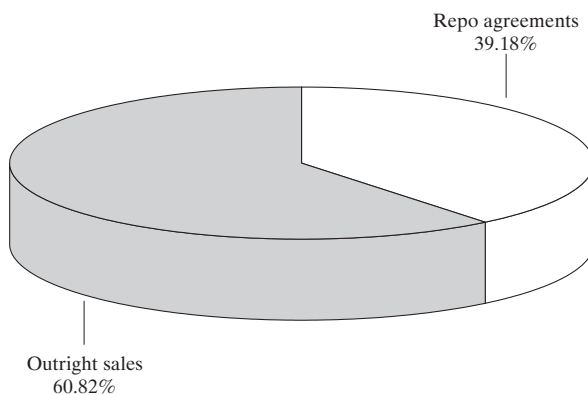


Chart 8

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



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
01.08.2001											
Deposits	48 150	5.84			7 000	4.59					55 150
Repo agreements	11 500	7.87			1 000	6.08					12 500
02.08.2001											
Deposits	49 512	5.12			1 000	4.90			2 000	5.95	52 512
Repo agreements					390	6.08					390
03.08.2001											
Deposits	3 000	2.33	29 900	2.57	1 500	4.87			1 000	5.55	35 400
Repo agreements											-
06.08.2001											
Deposits	46 950	3.54	2 000	3.60	4 300	4.63			5 000	5.78	58 250
Repo agreements											-
07.08.2001											
Deposits	48 800	3.39			13 000	4.58	1 000	4.85	2 000	5.90	64 800
Repo agreements							1 000	4.63			1 000
08.08.2001											
Deposits	36 300	3.75	1 500	4.00	3 000	4.60	500	5.90	5 000	5.87	46 300
Repo agreements							55	6.13			55
09.08.2001											
Deposits	33 903	3.51			14 000	4.41			3 080	5.70	50 983
Repo agreements									379	5.63	379
10.08.2001											
Deposits			44 581	4.00	8 990	4.91	500	4.49	2 000	5.80	56 071
Repo agreements			4 000	4.16	2 000	4.56					6 000
13.08.2001											
Deposits	56 393	4.91			3 000	5.03	1 300	5.90			60 693
Repo agreements	6 500	5.19			4 000	6.39	1 500	6.59			12 000
14.08.2001											
Deposits	75 016	7.50	1 000	9.00	4 700	6.14					80 716
Repo agreements	5 500	5.79			1 000	5.98					6 500
15.08.2001											
Deposits	65 250	16.31			5 000	5.67					70 250
Repo agreements	8 500	15.98									8 500
16.08.2001											
Deposits	42 310	12.12	1 250	6.20	7 300	7.36					50 860
Repo agreements	5 000	12.57			2 000	12.67					7 000
17.08.2001											
Deposits			44 900	10.86	1 000	7.50	1 000	11.50	4 000	8.25	50 900
Repo agreements			7 500	12.34	7 106	9.37					14 606
20.08.2001											
Deposits	40 250	9.16			7 000	9.57			1 000	6.75	48 250
Repo agreements	5 500	9.35			5 000	13.61					10 500
21.08.2001											
Deposits	26 000	5.69			7 000	9.55					33 000
Repo agreements	4 000	5.60	2 000	7.10	3 000	9.63					9 000

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
22.08.2001											
Deposits	29 850	4.46			5 040	5.11			1 000	7.00	35 890
Repo agreements	7 000	5.46			1 500	6.08					8 500
23.08.2001											
Deposits	33 262	3.60			8 800	4.89					42 062
Repo agreements											-
24.08.2001											
Deposits			47 490	3.22							47 490
Repo agreements											-
27.08.2001											
Deposits	47 820	2.67			4 450	4.99					52 270
Repo agreements					4 000	5.73					4 000
28.08.2001											
Deposits	36 729	2.11	7 000	2.24	6 500	5.54			500	5.20	50 729
Repo agreements					1 000	4.16					1 000
29.08.2001											
Deposits	43 100	2.05	4 500	2.00	1 100	3.88					48 700
Repo agreements					2 000	4.06					2 000
30.08.2001											
Deposits	43 397	2.01			6 100	3.97			2 520	5.12	52 017
Repo agreements	4 000	2.18									4 000
31.08.2001											
Deposits	44 100	2.18	2 000	2.50	500	1.95	3 000	3.77			49 600
Repo agreements	4 000	2.59			2 000	3.04					6 000
Monthly, total											
Deposits	850 092		186 121		120 280		7 300		29 100		1 192 893
Repo agreements	61 500		13 500		35 995		2 555		379		113 930

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 August

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
1	116	2001	675 000	BGN	98.91
	116	2001	750 000	BGN	98.92
	153	2000	18 000	BGN	98.35
	300	2001	46 600	BGN	101.71
	301	2000	1 315 000	BGN	108.07
	301	2001	1 330 000	BGN	106.85
2	400	1999	30 000	EUR	73.39
	327	1999	320 000	BGN	103.24
	301	2000	300 000	BGN	105.98
	301	2000	570 000	BGN	108.06
	301	2000	120 000	BGN	107.78
	309	2000	299 000	BGN	110.50
	305	2001	250 000	BGN	101.19
3	303	2001	1 000 000	BGN	107.99
6	112	2001	500 000	BGN	99.63
	113	2001	1 100 000	BGN	99.48
7	98	1993	24 600	BGN	665.14
	110	2001	250 000	BGN	96.47
	323	1999	250 000	BGN	103.69
	326	1999	250 000	BGN	103.16
	302	2001	1 260 000	BGN	103.47
	305	2001	250 000	BGN	101.29
	305	2001	90 000	BGN	101.50
	8	400	1999	48 000	EUR
111		2001	450 000	BGN	99.92
9	400	1999	210 000	EUR	77.09
	301	2000	2 550 000	BGN	104.90
	301	2001	1 000 000	BGN	104.24
	301	2001	1 330 000	BGN	106.96
	301	2001	1 000 000	BGN	106.96
10	306	2000	2 000 000	BGN	101.37
	347	1997	2 185 000	BGN	103.36
	301	2001	820 000	BGN	109.27
	301	2001	580 000	BGN	106.97
	305	2001	300 000	BGN	101.61
13	400	1999	190 000	EUR	77.16
	308	2000	800 000	BGN	104.48
15	118	2001	893 838	BGN	98.84
	139	2000	2 020 000	BGN	99.37
	305	2001	1 000 000	BGN	101.64
16	112	2001	1 200 000	BGN	99.80
	113	2001	500 000	BGN	99.80
	114	2001	1 100 000	BGN	99.60
	116	2001	715 000	BGN	99.00
	153	2000	980 000	BGN	98.80
	103	2001	1 450 000	BGN	98.00
	302	2001	2 000 000	BGN	100.00

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
17	139	2000	3 000 000	BGN	99.87
	320	1999	2 000 000	BGN	103.89
	309	1998	1 100 000	BGN	105.15
21	301	2001	1 400 000	BGN	106.55
22	306	2000	2 000 000	BGN	100.19
	302	2001	2 000 000	BGN	100.17
	307	2000	500 000	BGN	105.12
	301	2001	300 000	BGN	109.58
	305	2001	200 000	BGN	101.15
23	307	2000	1 500 000	BGN	104.95
	301	2001	150 000	BGN	107.22
	301	2001	500 000	BGN	108.61
24	139	2000	3 000 000	BGN	100.00
	302	2001	2 000 000	BGN	100.00
27	112	2001	1 200 000	BGN	99.96
28	97	1994	6 000	USD	79.24
30	327	1999	320 000	BGN	103.13
	304	2000	500 000	BGN	104.10
	304	2000	250 000	BGN	104.13
	309	2000	300 000	BGN	110.00
	303	2001	500 000	BGN	106.80
	305	2001	1 000 000	BGN	101.30
31	303	2001	500 000	BGN	107.50
	303	2001	1 000 000	BGN	107.52
	303	2001	500 000	BGN	106.80

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 August	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	29 300 000.00	10 241 660.28	5 471 565.20	7 707 600.00	3 095 077.04	-	-	55 815 902.52	1 169 053.57	-	1 169 053.57
2	14 268 742.00	2 465 614.50	4 678 402.50	1 669 242.00	-	-	-	23 082 001.00	13 004.92	-	13 004.92
3	-	2 000 000.00	-	5 612 680.00	-	-	-	7 612 680.00	388 232.94	-	388 232.94
6	-	1 600 000.00	1 824 973.68	7 326 884.84	-	-	-	10 751 858.52	697 571.84	-	697 571.84
7	1 000 000.00	2 374 600.00	1 214 450.75	819 581.45	-	-	-	5 408 632.20	48 539.07	-	48 539.07
8	2 555 000.00	7 888 672.29	2 825 340.50	15 223 816.45	685 300.00	-	-	29 178 129.24	750 555.43	-	750 555.43
9	768 742.00	6 486 307.30	8 142 194.40	9 551 795.53	2 226 295.30	-	-	27 175 334.53	624 475.46	-	624 475.46
10	6 000 000.00	5 885 000.00	1 700 000.00	2 652 254.30	410 724.30	-	-	16 647 978.60	118 287.94	-	118 287.94
13	16 000 000.00	1 235 275.83	990 274.50	2 654 365.77	371 607.70	-	-	21 251 523.80	47 501.35	25 312.80	72 814.15
14	13 000 000.00	293 374.50	1 282 821.50	611 500.00	-	-	-	15 187 696.00	330 047.30	-	330 047.30
15	15 000 000.00	5 053 857.83	7 876 171.00	4 564 579.33	90 000.00	-	-	32 584 608.15	105 169.39	-	105 169.39
16	19 520 000.00	10 108 436.66	2 982 884.40	3 119 894.68	1 938 958.02	-	-	37 670 173.76	284 370.50	-	284 370.50
17	23 505 868.20	8 300 000.00	2 200 000.00	5 164 466.00	-	-	-	39 170 334.20	44 235.69	10 804.50	55 040.19
20	24 000 000.00	-	1 552 230.50	9 696 808.00	-	107 532.00	-	35 356 570.50	48 232.39	-	48 232.39
21	15 500 000.00	1 400 000.00	1 401 993.75	648 132.00	-	-	-	18 950 125.75	321 595.79	-	321 595.79
22	15 000 000.00	10 000 000.00	11 942 787.90	4 085 300.00	333 334.00	-	-	41 361 421.90	36 348.81	-	36 348.81
23	9 188 635.17	5 150 000.00	6 209 659.70	2 177 830.51	1 255 600.00	-	-	23 981 725.38	1 686 119.25	-	1 686 119.25
24	5 900 000.00	5 000 000.00	1 195 583.00	716 120.00	-	-	-	12 811 703.00	22 451.12	-	22 451.12
27	9 000 000.00	1 200 000.00	1 093 600.00	2 250 000.39	-	-	-	13 543 600.39	71 313.74	-	71 313.74
28	4 000 000.00	12 909.78	1 737 187.25	366 749.13	-	-	-	6 116 846.16	21 304.41	5 530.00	26 834.41
29	3 500 000.00	385 720.00	3 800 328.50	2 716 602.00	2 183 101.36	-	-	12 585 751.86	30 203.64	-	30 203.64
30	4 000 000.00	4 381 000.00	5 068 506.24	4 140 235.00	-	-	-	17 589 741.24	25 154.14	-	25 154.14
31	10 000 000.00	4 977 915.00	3 755 822.50	7 509 003.00	1 618 683.00	-	-	27 861 423.50	26 443.96	-	26 443.96
TOTAL	241 006 987.37	96 440 343.97	78 946 777.77	100 985 440.35	14 208 680.72	107 532.00	-	531 695 762.19	6 910 212.65	41 647.30	6 951 859.95
Average volume of government securities transactions*								23 117 207.05			

* 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 5,100,000 is included.

2. The amount of approved bids for participation in government securities auctions on behalf of nonprimary dealers of BGN 4,697,946 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 and EUR-denominated government securities are in levs at the fixed exchange rate.

6. Banking Department data on the volume of transactions (at market value) in the Bulgarian Stock Exchange and OTC market.

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

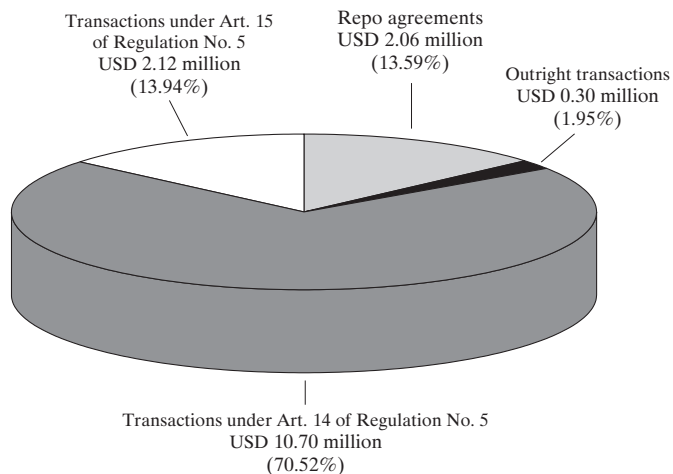
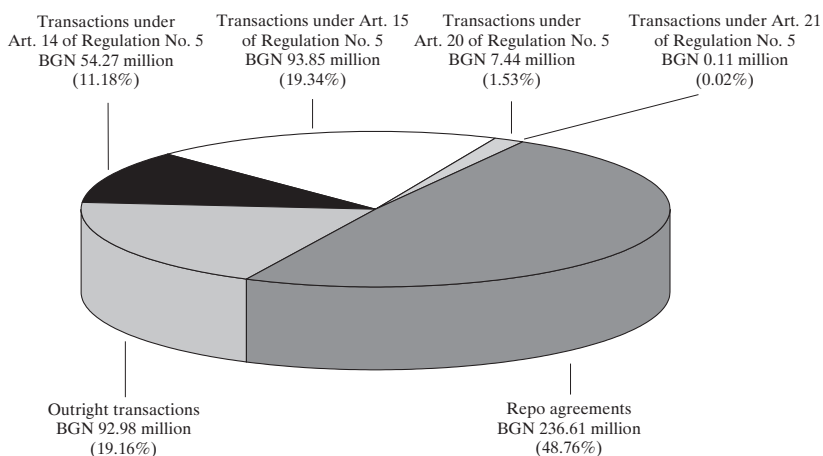


Chart 10

Volume of August 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

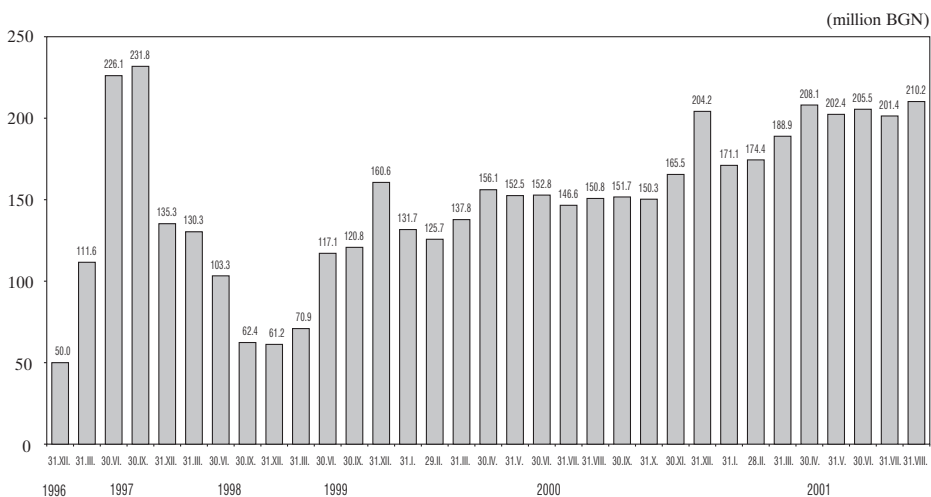
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals decreased during the period under review. As of 31 August 2001 these government securities accounted for BGN 210,177 thousand (Chart 11), an increase of BGN 9,825 thousand, or 4.68% on the

previous month. Sales of target government securities earmarked for physical persons amounted to BGN 32,824 thousand (Chart 12), an increase of BGN 27 thousand, or 0.01% on July.

In August sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 5,946.6 thousand and five-year treasury bonds of BGN 8,559.9 thousand. Five-year treasury bonds occupied the largest share in total government securities sales in August: 45.01%.

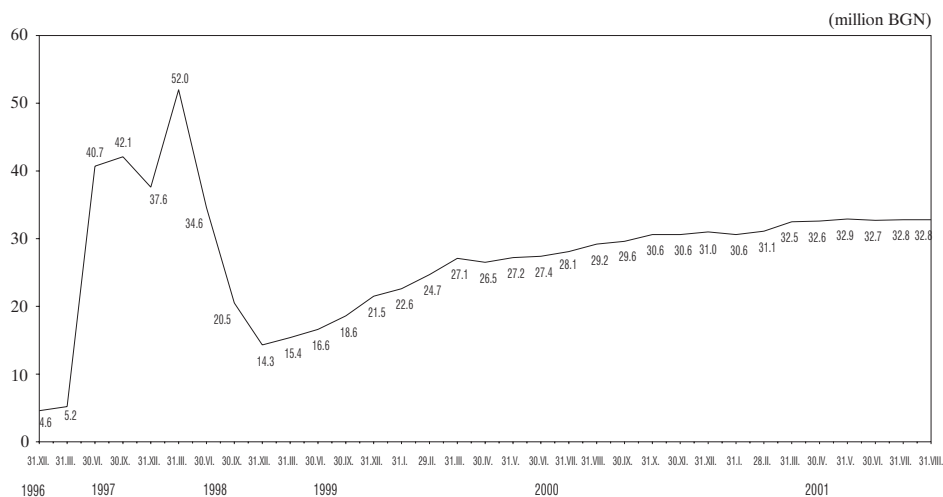
Chart 11

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



Note: Preliminary data for August 2001.

Investments in Target Government Securities Earmarked for Individuals



Note: Preliminary data for August 2001.

Target Issues of Government Securities Earmarked for Physical Persons

Between 18 July and 28 August 2001¹ 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 interest payment is effected at maturity to

gether with the nominal value of government securities. The annual interest rates of the first interest coupon is 5.5%, the second 6.0%, the third 6.5%, and the fourth 7.0%. 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 August was BGN 1,349.7 thousand nominal value, including BGN 596.6 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

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 three issue periods or six weeks.

centers (branches): Varna, Plevn, 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 August. As of 31 August 2001 total sales of

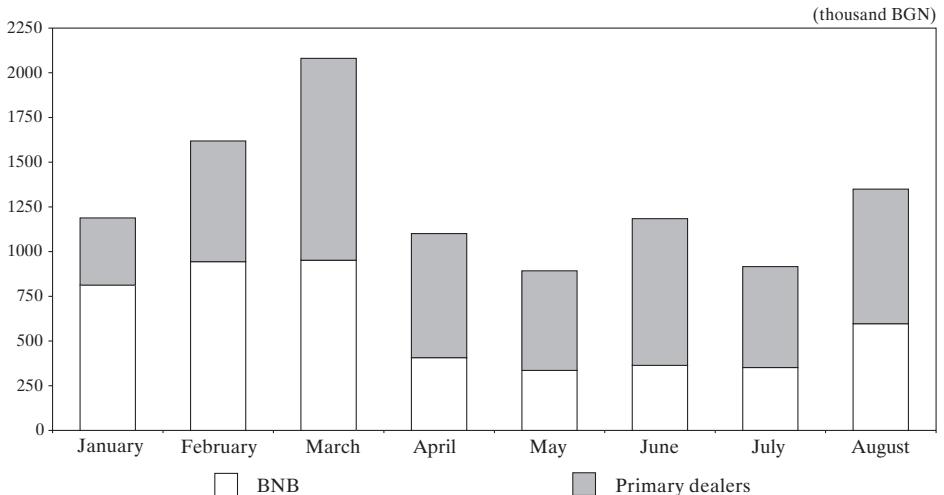
government securities accounted for BGN 361,512.2 thousand (including sales to foreign investors), a decrease of BGN 15,184.9 thousand, or 4%, on July (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (82.19%) and other financial institutions (17.81%).

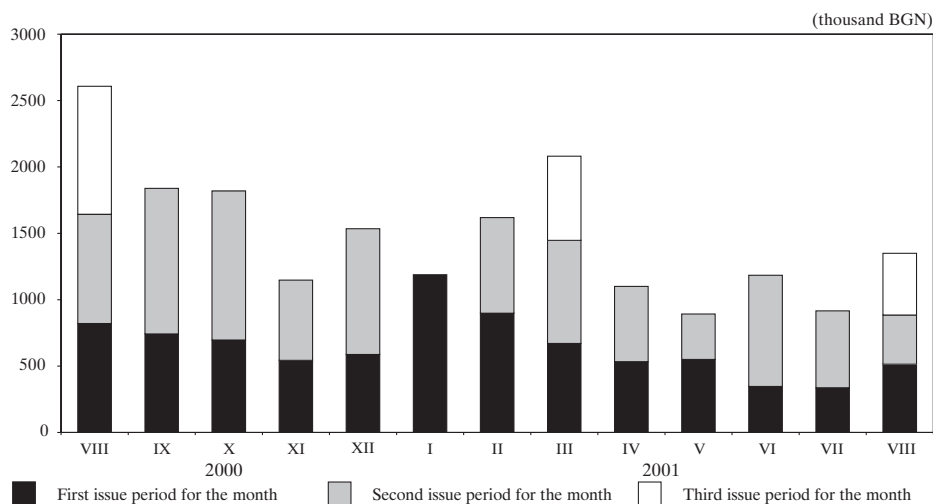
Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 7,214.26 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 279,181.72 thousand (USD 130.72 million), and EUR-denominated government securities issued for structural reform amounted to BGN 75,116.27 thousand (EUR 38.4 million).

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



Foreign Investments in Government Securities

In August the volume of government securities held by foreign investors decreased by BGN 7,892.46 thousand, or 4.29% on July. As of 31 August foreign investments in government securities totaled BGN 176,261.67 thousand (Chart 16).

Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 400.1 thousand. By end-August the volume of target government securities (earmarked for direct sale to physical persons) totaled BGN 0.1 thousand.

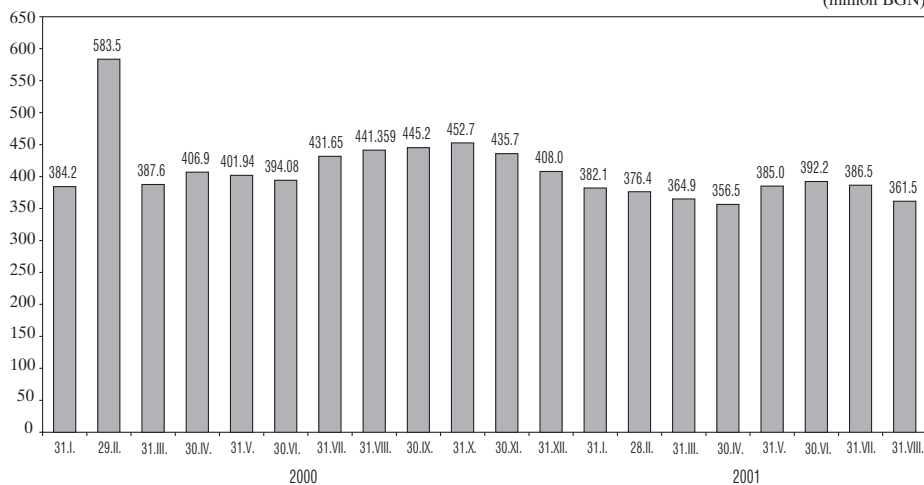
As of 31 August 2001 USD-denominated long-term government bonds held by foreign investors remained unchanged compared with July: USD 79.89 million (BGN 170.61 million lev equivalent, Chart 17), a decrease of BGN 7.86 million on July (4.40%).

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

In August the volume of EUR-denominated government securities held by foreign investors remained unchanged, accounting for EUR 2.68 million as of 31 August 2001 (3% of foreign investors' portfolio).

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

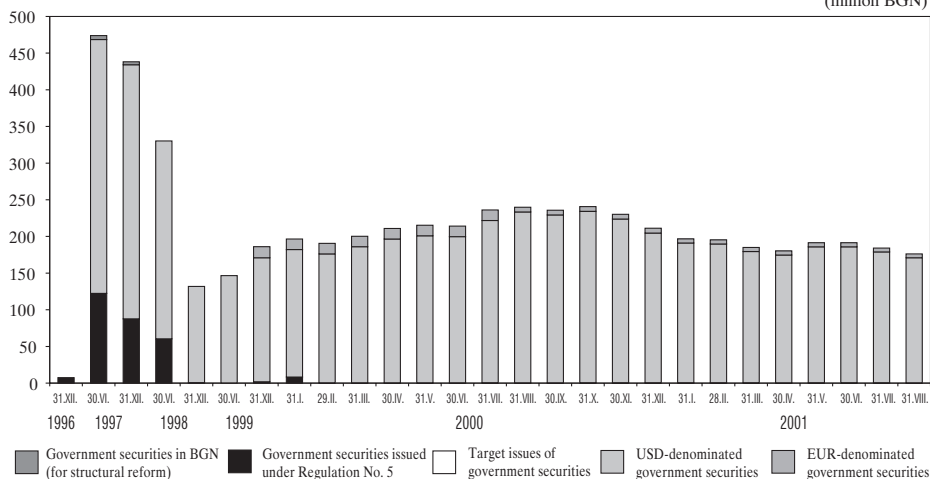
(million BGN)



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

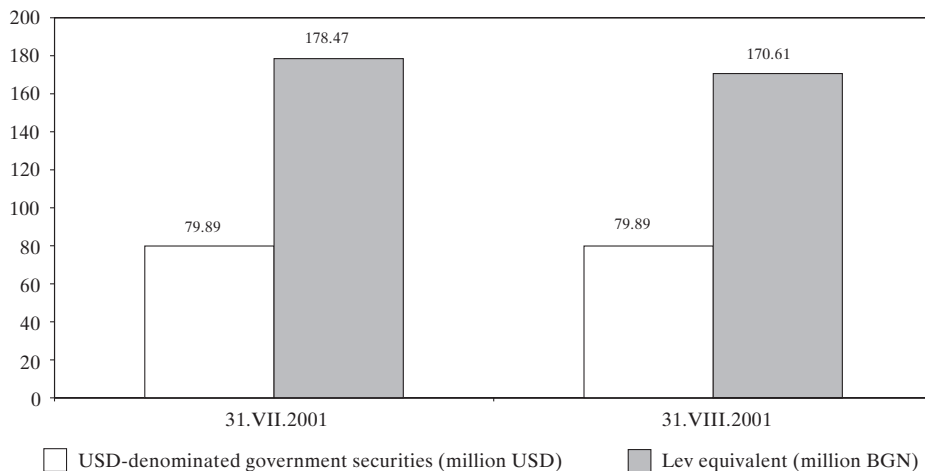
Government Securities in Foreign Investors' Portfolios

(million BGN)



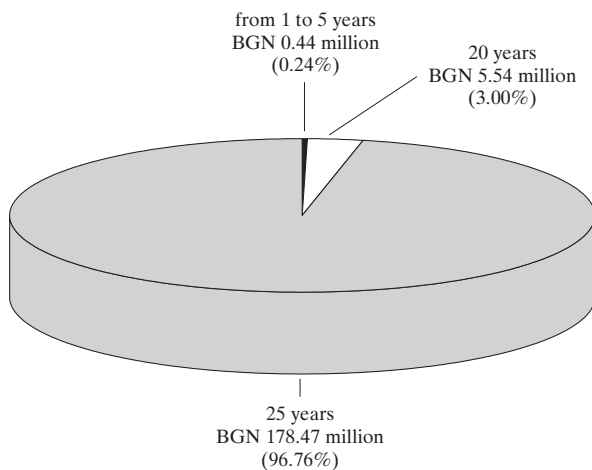
Note: Preliminary data for August 2001.

USD-denominated Government Securities Held by Foreign Investors



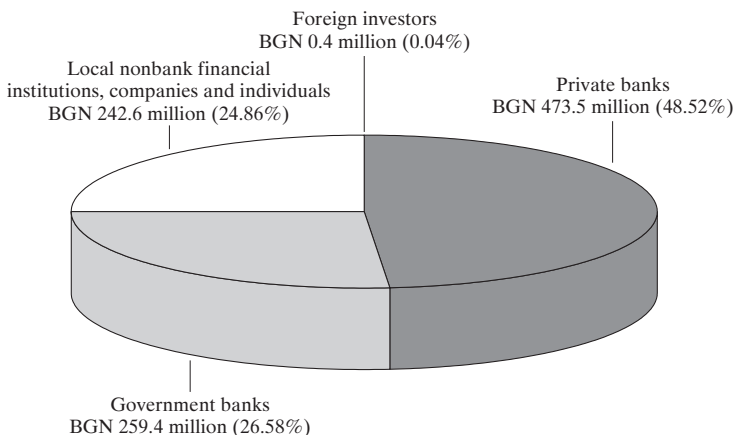
- Notes:**
1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
 2. Preliminary data for August 2001.

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



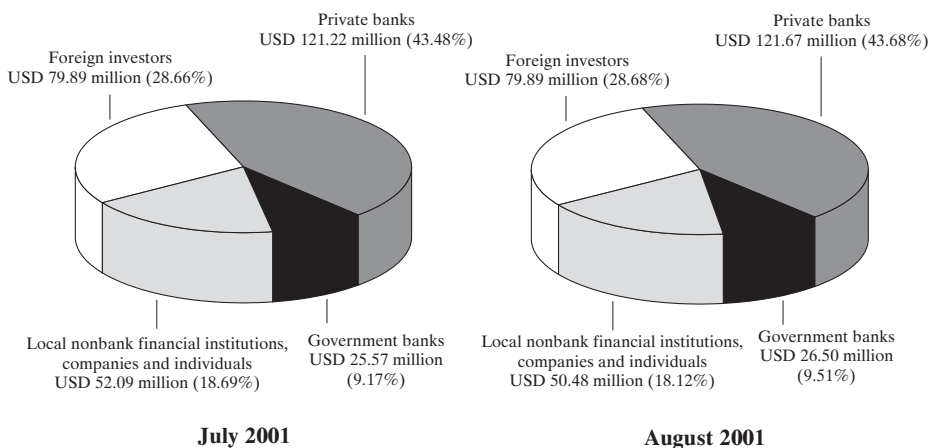
Note: Preliminary data.

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



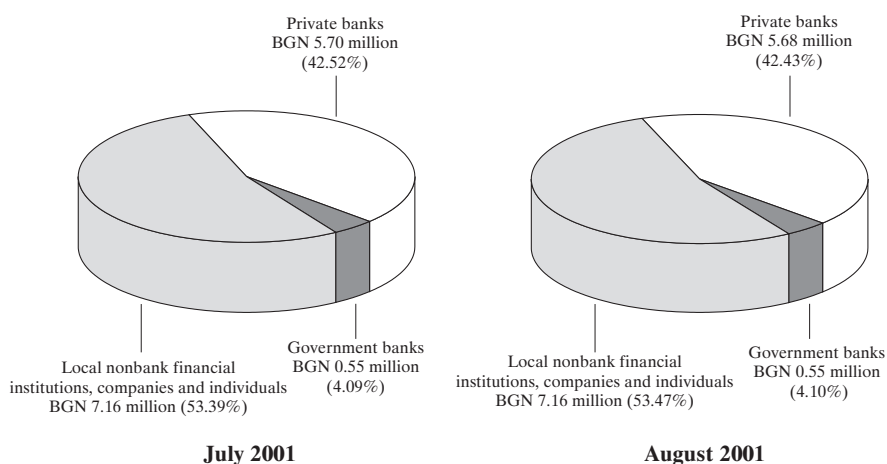
- Notes:**
1. Including frozen government securities by financial institutions.
 2. Including target issues earmarked for individuals.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



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

Holders of Lev-denominated Government Securities Issued for Structural Reform

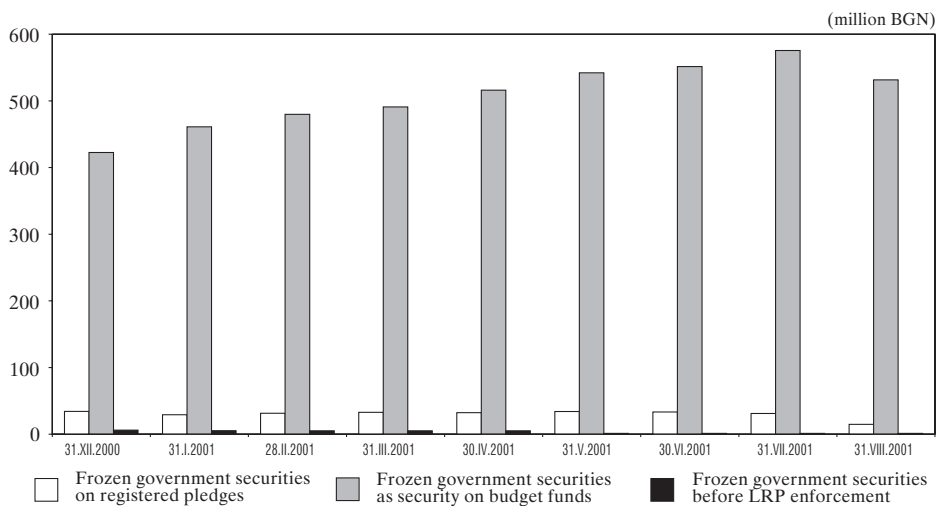


Notes: 1. Including frozen government securities by financial institutions.
2. Preliminary data for August 2001.

Volume of Frozen Government Securities as of 31 August 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	3 248 348	2 097 579		3 618 545
Frozen government securities as security on budget funds	379 139 709	67 471 145	1 415 704	3 500 000
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	1 026 000		130 400	
TOTAL	383 414 057	69 568 725	1 546 104	7 118 545

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.	BG3015300000	BG3010301003	BG3011001008	BG3011201004	BG3011301002	BG3011401000	BG3011501007	BG3011601005
Issue date	29.11.2000	14.02.2001	09.05.2001	06.06.2001	20.06.2001	04.07.2001	18.07.2001	01.08.2001
Maturity date	28.11.2001	14.02.2002	09.05.2002	06.09.2001	20.09.2001	04.10.2001	18.10.2001	01.11.2001
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	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	32 755.00	61 610.00	52 400.00	18 650.00	15 025.00	20 175.00	18 400.00	16 175.05
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	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	94.89	95.29	95.28	98.87	98.87	98.87	98.85	98.84
Average discount per BGN 100 (%)	5.11	4.71	4.72	1.13	1.13	1.13	1.15	1.16
Average annual yield (%)	5.40	4.88	4.89	4.47	4.47	4.47	4.55	4.59
Effective annual yield (%)	5.40	4.87	4.88	4.55	4.55	4.55	4.63	4.67
Coverage coefficient	1.64	3.08	2.62	1.87	1.50	2.02	1.84	1.62

(continued)

Issue No.	BG3011701003	BG3011801001
Issue date	08.08.2001	15.08.2001
Maturity date	08.08.2002	15.11.2001
Nominal value of the offer (thousand BGN)	20 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	39 000.00	15 355.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	95.14	98.80
Average discount per BGN 100 (%)	4.86	1.20
Average annual yield (%)	5.04	4.75
Effective annual yield (%)	5.04	4.84
Coverage coefficient	1.95	1.54

Source: BNB and MF.

Treasury Bonds

Issue No.	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2031798114	BG2031998110	BG2032198116	BG2030699115
Issue date	16.05.1997	30.04.1998	28.05.1998	02.07.1998	01.10.1998	29.10.1998	03.12.1998	31.03.1999
Maturity date	10.05.2002	24.04.2003	22.05.2003	26.06.2003	27.09.2001	25.10.2001	29.11.2001	24.03.2004
Nominal value of the offer (thousand BGN)	20 000.00	1 000.00	2 000.00	2000.00	1 500.00	1 500.00	500.00	2 000.00
Total nominal value of the bids received (thousand BGN)	20 000.00	3 605.00	3 440.00	2070.00	1 155.00	700.00	1 250.00	2 795.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	1 000.00	2 000.00	2000.00	1 055.00	250.00	500.00	2 000.00
Average price of the bids approved per BGN 100 (%)	100.00	87.14	84.78	76.20	86.89	83.48	95.55	86.35
Average discount per BGN 100 (%)		12.86	15.22	23.80	13.11	16.52	4.45	13.65
Interest rate	BIR+4	8.00	8.00	7.00	6.50	6.50	9.00	9.00
Coverage coefficient	1.00	3.61	1.72	1.04	0.77	0.47	2.50	1.40

(continued)

(continued)

Issue No.	BG2030999119	BG2032199114	BG2032299112	BG2032399110	BG2032499118	BG2032599115	BG2032699113	BG2032799111
Issue date	29.04.1999	08.09.1999	24.09.1999	13.10.1999	27.10.1999	10.11.1999	24.11.1999	08.12.1999
Maturity date	22.04.2004	05.09.2001	21.09.2001	10.10.2001	24.10.2001	07.11.2001	21.11.2001	05.12.2001
Nominal value of the offer (thousand BGN)	1 190.00	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	1 190.00	16 600.00	34 781.00	39 093.50	28 485.05	24 059.00	29 786.00	40 252.00
Total nominal value of the bids approved (thousand BGN)	1 190.00	8 000.00	8 000.00	8 000.00	10 000.00	10 000.00	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	78.39	91.05	94.71	98.02	98.53	98.80	99.04	99.60
Average discount per BGN 100 (%)	21.61	8.95	5.29	1.98	1.47	1.20	0.96	0.40
Interest rate	9.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Coverage coefficient	1.00	2.08	4.35	4.89	2.85	2.41	2.98	4.03

(continued)

(continued)

Issue No.	BG2032899119	BG2030000116	BG2030100114 ¹	BG2030200112	BG2030300110	BG2030400118 ²	BG2030500115 ²	BG2030600113 ²
Issue date	22.12.1999	19.01.2000	09.02.2000	16.02.2000	15.03.2000	05.04.2000	19.04.2000	05.07.2000
Maturity date	19.12.2001	16.01.2002	05.02.2003	13.02.2002	13.03.2002	03.04.2002	16.04.2003	03.07.2002
Nominal value of the offer (thousand BGN)	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00	30 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	37 050.00	87 580.00	192 244.60	84 094.00	61 368.00	151 083.50	120 312.85	135 755.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	28 000.00	50 000.00	28 000.00	28 000.00	50 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.12	99.74	101.20	100.34	100.10	100.83	100.61	101.16
Average discount per BGN 100 (%)		0.26						
Interest rate	9.00	8.00	9.00	7.00	7.00	7.00	8.00	7.00
Coverage coefficient	3.71	3.13	3.84	3.00	2.19	3.02	4.01	2.72

(continued)

(continued)

Issue No.	BG2030700111 ¹	BG2030800119 ²	BG2030900117 ²	BG2031000115 ²	BG2030001114 ³	BG2030101112 ²	BG2030201110 ³	BG2030301118 ²
Issue date	19.07.2000	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001	11.04.2001	25.04.2001
Maturity date	16.07.2003	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006	11.04.2003	25.04.2006
Nominal value of the offer (thousand BGN)	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	131 450.00	126 512.50	113 365.10	110 383.00	121 965.00	253 630.14	95 565.00	165 396.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00	50 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	102.09	101.88	100.35	102.15	101.61	105.02	102.34	104.91
Average discount per BGN 100 (%)								
Interest rate	8.00	7.00	9.00	7.50	6.50	9.00	6.50	8.00
Coverage coefficient	4.38	2.53	2.83	3.68	2.44	4.23	1.91	2.76

(continued)

(continued)

Issue No.	BG2030401116 ¹	BG2030501113 ⁵
Issue date	11.07.2001	25.07.2001
Maturity date	11.07.2003	25.07.2006
Nominal value of the offer (thousand BGN)	25 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	54 800.00	93 600.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	40 000.00
Average price of the bids approved per BGN 100 (%)	100.85	100.72
Average discount per BGN 100 (%)		
Interest rate	6.00	7.00
Coverage coefficient	2.19	2.34

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. 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

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	12 677.91	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 August 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)	7775.39 (BGN)	278 540.36(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 August 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 August 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 %		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
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
BG 30 116 01005	30.07.2001	01.08.2001	01.11.2001	10 000.00	16 175.05	98.81	1.20	4.71	4.80	10 000.00	98.79	98.88	98.84	1.17	4.59	4.67
BG 30 118 01001	13.08.2001	15.08.2001	15.11.2001	10 000.00	15 355.00	98.79	1.22	4.79	4.88	10 000.00	98.79	98.84	98.80	1.21	4.75	4.84
Three-month issues, total				160 000.00	291 189.84						160 000.00					
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
BG 30 117 01003	06.08.2001	08.08.2001	08.08.2002	20 000.00	39 000.00	94.94	5.33	5.26	5.25	20 000.00	94.97	95.32	95.14	5.11	5.04	5.04
One-year issues, total				60 000.00	153 010.00						60 000.00					
Total				220 000.00	444 199.84						220 000.00					

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			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	
BG 20 303 01118	23.04.2001	25.04.2001	25.04.2001	25.04.2006	25.10.2001	8.0%	60 000.00	55 846.00	102.16	20 000.00	102.55	104.37	103.61	
					25.04.2002									
					25.10.2002									
					25.04.2003									
					25.10.2003									
					25.04.2004									
					25.10.2004									
					25.04.2005									
					25.10.2005									
					25.04.2006									
BG 20 303 01118*	21.05.2001	25.04.2001	23.05.2001	25.04.2006			20 000.00	60 050.00	104.54	20 000.00	104.83	105.91	105.09	
BG 20 303 01118*	25.06.2001	25.04.2001	27.06.2001	25.04.2006			20 000.00	49 500.00	105.60	20 000.00	105.77	106.51	106.02	
BG 20 305 01113	23.07.2001	25.07.2001	25.07.2001	25.07.2006	25.01.2002	7.0%	60 000.00	51 650.00	100.24	20 000.00	100.38	102.20	100.79	
					25.07.2002									
					25.01.2003									
					25.07.2003									
					25.01.2004									
					25.07.2004									
					25.01.2005									
					25.07.2005									
					25.01.2006									
					25.07.2006									
BG 20 305 01113*	20.08.2001	25.07.2001	22.08.2001	25.07.2006			20 000.00	41 950.00	99.42	20 000.00	99.78	101.36	100.64	
Five-year issues, total							180 000.00	512 626.14		160 000.00				
Total							330 000.00	784 956.14		285 000.00				

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 August 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 14.7 thousand and USD 231 thousand, were sold and matured in August.

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	-	11.47	-	-	4379.23
	1999	-	-	-	-	-	-	-	-	-	-	-	-	-
	2000	-	-	6.90	-	-	-	-	-	-	-	-	-	6.90
	2001	2.79	-	-	-	-	-	-	-	-	-	-	-	2.79
II. Government securities in USD (million USD)	1994						0.80	0.10	0.10	0.90	1.70	-	3.90	7.50
	1995				2.22	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	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1997	4.96	0.68	4.10	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1998	31.50	4.79	11.00	13.00	13.15	10.59	5.18	13.78	4.77	3.60	4.55	2.81	118.72
	1999	9.50	1.61	5.34	0.67	0.61	0.21	0.66	0.03	0.04	2.00	0.03	0.04	20.74
	2000	0.02	0.01	0.01	0.01	0.03	0.01	0.04	0.01	-	0.01	-	0.003	0.14
	2001	0.003	-	0.02	0.04	0.01	0.004	-	-	-	-	-	-	0.07
III. Government securities in EUR (thousand EUR)	1999							-	2.79	-	-	-	-	2.79
	2000	-	4.05	-	-	-	-	-	-	-	-	-	-	4.05
	2001	-	-	-	-	-	-	-	-	-	-	-	-	-

- 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	OBBS 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

BNB pages containing information on the government securities interbank market

BGTSY=
BGZUNK=
BGTSYM=

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

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