



OCTOBER

**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.

As of September 2001 *Computerized Book-entry System for Registration of and Trade in Government Securities* was published in Bulgarian and English on BNB Internet website under the heading of Fiscal Services.

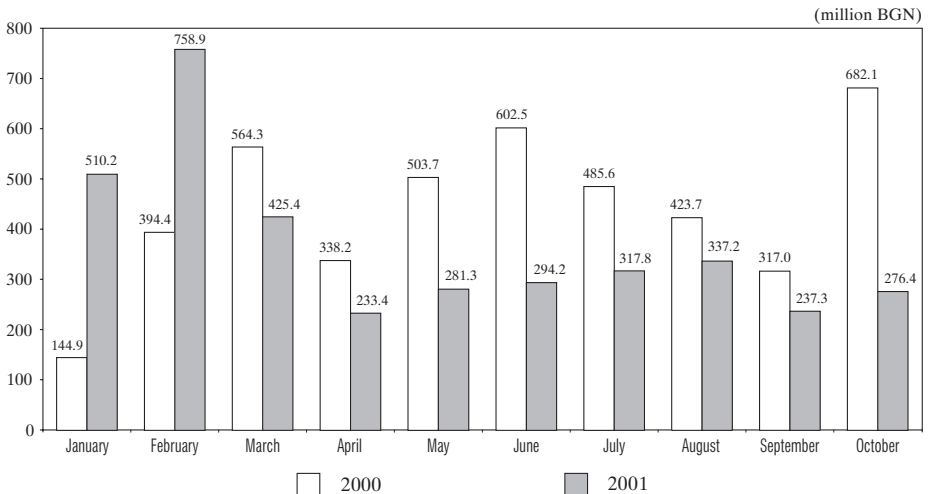
Interbank Market of Government Securities Issued under Regulation No. 5

In October 2001 financial institutions concluded 308 transactions in government securities (including the number and volume of reverse repurchase agreements) issued for budget deficit financing, totaling BGN 276,352.7 thousand nominal value, a decrease of 59.49% from the same period of the previous year and an increase of 16.43% from the previous month (Chart 1).

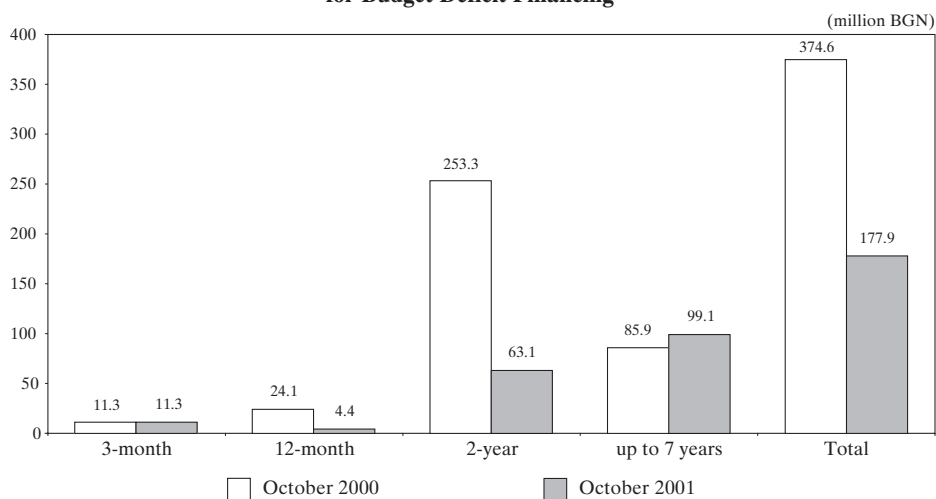
The total volume of secondary market transactions in government securities issued under Regulation No. 5 (reverse repo agreements volume excluded) amounted to BGN 177,899.2 thousand, a decrease of 52.51% on October 2000. Structurally, government securities transactions included three-month treasury bills of BGN 11,273.2 thousand, twelve-month of BGN 4,426.9 thousand, two-year of BGN 63,116.5 thousand and up to seven years of BGN 99,082.6 thousand. This suggests that treasury bonds of up to seven years term were most preferred in October (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 6,391.1 thousand, a decrease of 56.76% from September. Transactions registered under Article 21 accounted for BGN 2,000 thousand, a decrease of 13.05% on the previous month. The volume of transactions concluded between primary and nonprimary dealers under Article 14 increased to BGN 71,837.9 thousand (2.87%), including bids of BGN 4,920 thousand approved at government securities auctions on behalf of nonprimary dealers.

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

In October financial institutions con-

cluded 48 transactions in USD-denominated government securities issued as a result of structural reform, totaling USD 22.4 million nominal value. Thirty-five outright transactions of USD 15.6 million and 13 transactions of USD 6.8 million on behalf of clients (under Articles 14, 20 and 21) were concluded.

Ten transactions in EUR-denominated government securities of EUR 1.9 million, including eight outright transactions of EUR 1.5 million and two transactions on behalf of clients of EUR 0.4 million, were reported.

Pursuant to Article 14, para. 6 of Regulation No. 5 34 transactions of USD 13.75 million and three transactions of EUR 0.3 million were concluded in the review period.

In October traded volumes in USD-denominated ZUNK bonds stood at the

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



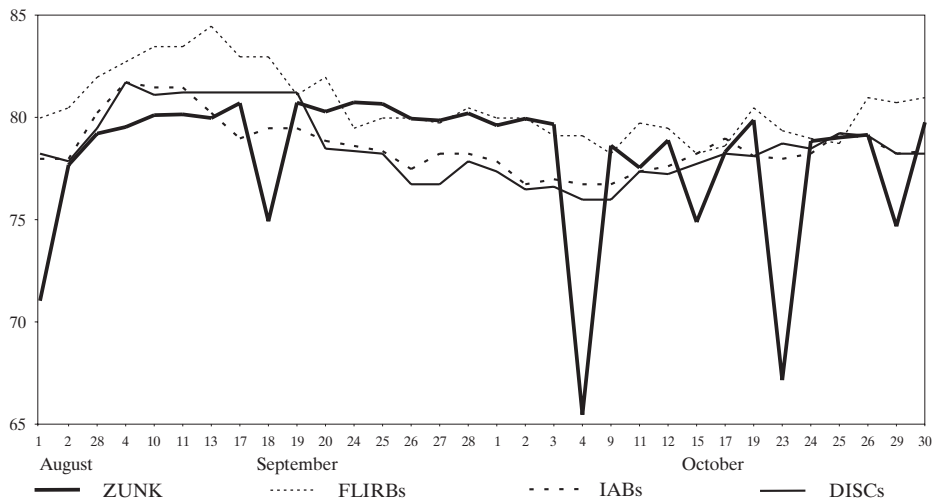
level of the previous month. Outright transactions rose by BGN 5.7 million (57.6%) and transactions on behalf of clients fell by USD 5.7 million (45.6%). No repo agreements were concluded in October. The average daily trade turnover totaled USD 1.2 million. The average-weighted price for October was USD 78.06 per USD 100 nominal value, a decrease of USD 2.19 on September.

Government Securities Repo Agreements in the Interbank Market

In October the volume of repo agreements traded in the secondary interbank market was uneven (Chart 5). It hit highs on 31 October, coupled with increased interbank deposit volumes on this date.

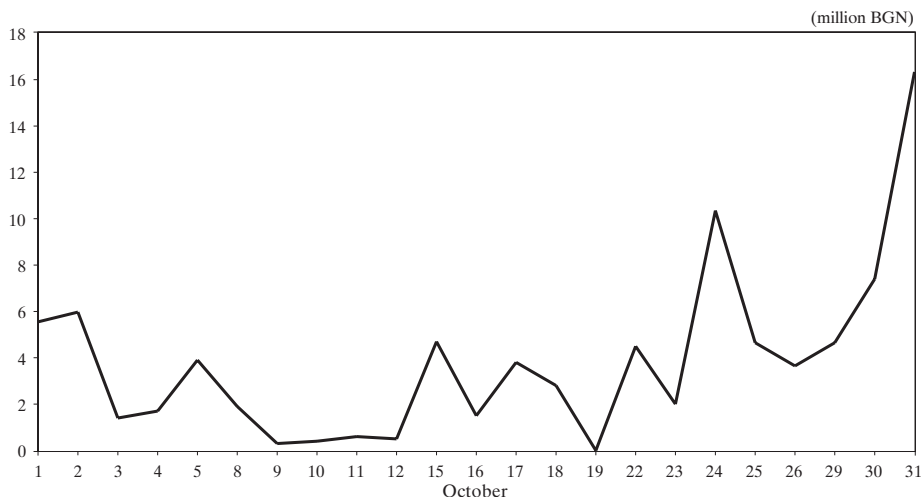
In October the yield on repo agreements in government securities significantly fluctuated. Their average term (in days) decreased compared with the previous month and outright transactions volume rose in October. The yield on repo agreements in government securities with one-day, three-day, seven-day and up to one month terms (0.44%, 0.34%, 0.50%, 0.51% respectively) was higher than the yield on interbank deposits with the same terms (0.40%, 0.30%, 0.45% and 0.43% respectively). In the review period the yield on repo agreements with one-day, seven-day and up to one month terms was higher than the average-weighted base interest rate for October (Chart 6).

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



* Reuters offer quotations for Brady bonds.

Volume of Repo Agreements in the Secondary Interbank Market



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

(USD)

Date October	Price		
	Minimum	Maximum	Average-weighted
1	70.30	81.09	79.64
2	79.55	80.05	79.97
3	79.69	81.60	79.69
4	65.45	65.45	65.45
5	-	-	-
9	78.37	79.64	78.47
10	-	-	-
11	76.29	78.84	77.57
12	78.91	78.91	78.91
15	74.90	74.90	74.90
16	-	-	-
17	78.00	79.27	78.33
18	-	-	-
19	79.90	79.90	79.90
23	67.15	67.15	67.15
24	78.86	78.86	78.86
25	78.97	79.12	79.05
26	77.00	79.76	79.18
29	74.69	74.69	74.69
30	79.79	79.79	79.79
31	-	-	-
Monthly	65.45	81.60	78.06

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 October	DISCs		FLIRBs		IABs	
	Offer	Bid	Offer	Bid	Offer	Bid
1	77.88	77.38	81.00	80.00	78.75	77.88
2	77.25	76.50	81.00	80.00	77.75	76.75
3	77.75	76.63	79.88	79.13	77.75	77.00
4	76.88	76.00	79.50	79.13	77.13	76.75
5	76.88	76.00	79.50	79.13	76.75	75.75
8	77.00	75.25	80.88	78.25	78.25	76.00
9	77.25	76.00	80.88	78.25	78.25	76.75
10	77.25	76.75	79.50	78.88	77.50	77.00
11	77.88	77.38	81.50	79.75	78.50	77.38
12	78.38	77.25	81.00	79.50	78.38	77.63
15	78.25	77.75	81.00	78.25	78.75	78.25
16	79.00	78.25	78.63	78.13	79.38	78.88
17	78.75	78.25	79.13	78.63	79.38	79.00
18	78.38	77.88	78.63	78.13	78.75	78.13
19	78.38	78.13	81.50	80.50	78.63	78.13
22	79.00	78.38	79.63	79.13	79.50	78.63
23	79.25	78.75	81.63	79.38	79.75	78.00
24	78.88	78.50	79.50	79.00	78.75	78.25
25	79.75	79.25	79.25	78.75	79.75	79.25
26	79.63	79.13	81.88	81.00	79.50	79.00
29	79.13	78.25	81.38	80.75	78.75	78.25
30	78.88	78.25	81.88	81.00	78.75	78.38
31	79.25	78.75	81.50	81.00	80.00	78.50

* Reuters quotations.

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

1. Volume of transactions in government securities denominated in levs (million BGN nominal value)	177.90
- repo agreements*	88.55
- outright sales	89.35
- privatization transactions	-
2. Volume of transactions in government securities denominated in US dollars and euro (million BGN nominal value)	37.43
- repo agreements*	-
- outright sales	37.42
- privatization transactions	0.01
3. Number of secondary interbank market transactions	244
- repo agreements**	74
- outright sales	169
- privatization transactions	1
4. Average term of secondary interbank market repo agreements (days)	3.00
5. Average monthly yield (simple interest) on secondary interbank market repo agreements depending on the term (%)	
1 day	0.44
from 2 to 3 days	0.34
from 4 to 7 days	0.50
up to 1 month	0.51

* 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 (October)

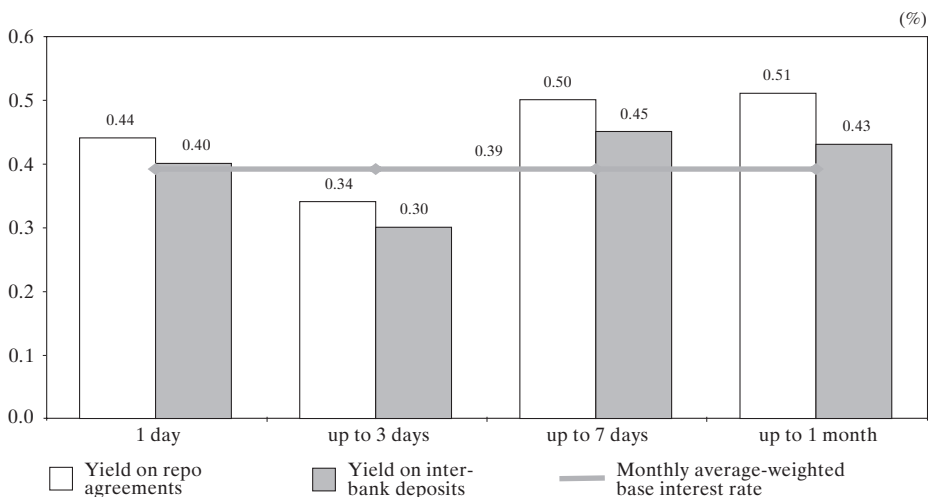


Chart 7

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

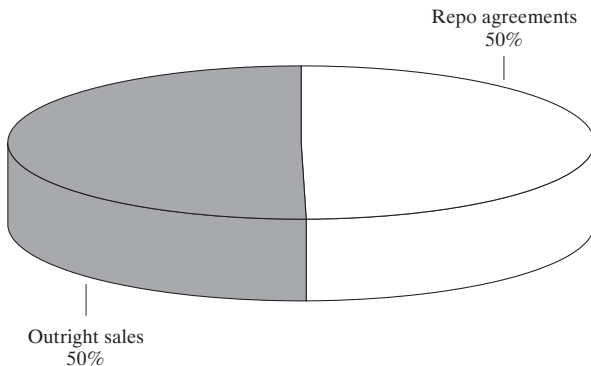
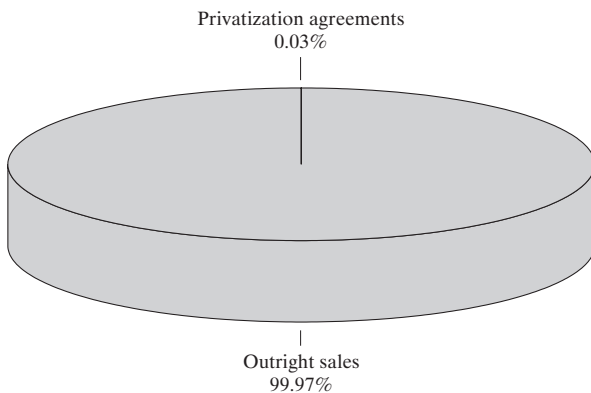


Chart 8

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



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
01.10.2001											
Deposits	88 300	2.68			8 205	4.42			2 000	5.00	98 505
Repo agreements	5 200	2.93	350	3.35							5 550
02.10.2001											
Deposits	71 450	2.94	4 000	2.75	1 500	4.70			1 650	3.47	78 600
Repo agreements	5 600	3.32			368	4.97					5 968
03.10.2001											
Deposits	66 050	1.86	1 000	5.25	9 600	4.32			2 000	4.85	78 650
Repo agreements	1 400	1.52									1 400
04.10.2001											
Deposits	55 800	3.02					1 600	4.81	1 000	5.20	58 400
Repo agreements	1 700	3.19									1 700
05.10.2001											
Deposits			66 750	2.66	4 200	4.77	2 000	4.75			72 950
Repo agreements			1 900	2.74	2 000	4.46					3 900
08.10.2001											
Deposits	85 950	2.22	150	2.10	8 055	4.59					94 155
Repo agreements			1 900	2.43							1 900
09.10.2001											
Deposits	70 700	2.14	3 000	2.20	3 500	4.64	2 000	4.92			79 200
Repo agreements	300	2.43									300
10.10.2001											
Deposits	70 850	2.63	3 880	4.36	17 100	4.65	1 000	5.30	1 000	5.60	93 830
Repo agreements	400	3.04									400
11.10.2001											
Deposits	74 450	3.14			4 100	4.91	1 000	4.90	1 000	5.40	80 550
Repo agreements	600	3.55									600
12.10.2001											
Deposits			89 650	3.54	6 300	4.94					95 950
Repo agreements	500	3.85									500
15.10.2001											
Deposits	79 000	3.87	1 800	4.47	17 205	5.19					98 005
Repo agreements	700	4.26	2 000	4.16	2 000	5.37					4 700
16.10.2001											
Deposits	71 263	7.83	300	12.00	4 500	5.23					76 063
Repo agreements	1 500	7.22									1 500
17.10.2001											
Deposits	73 810	21.79	1 000	36.00	14 900	7.05	1 000	5.10			90 710
Repo agreements	800	35.49			3 000	6.93					3 800
18.10.2001											
Deposits	67 800	5.43			3 350	7.82					71 150
Repo agreements	800	5.07			2 000	7.86					2 800
19.10.2001											
Deposits			61 372	4.22	4 000	5.60	1 000	7.50	1 000	5.90	67 372
Repo agreements											-

(continued)

(continued)

	1 day		from 2 to 3 days		from 4 to 7 days		from 8 to 30 days		over 30 days		Total
	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume	Yield	Volume
22.10.2001											
Deposits	62 100	4.08	3 000	4.10	15 205	5.66					80 305
Repo agreements	2 000	4.66			2 500	5.84					4 500
23.10.2001											
Deposits	69 323	3.88			4 500	5.82					73 823
Repo agreements					2 000	5.88					2 000
24.10.2001											
Deposits	69 819	4.59	800	5.50	16 900	5.11					87 519
Repo agreements	2 650	4.61	1 700	5.03	5 000	6.00	1 000	6.29			10 350
25.10.2001											
Deposits	68 863	5.97	1 000	5.50	6 800	6.74					76 663
Repo agreements	650	5.88			4 000	6.34					4 650
26.10.2001											
Deposits			63 750	3.59	7 300	5.22					71 050
Repo agreements			3 650	4.07							3 650
29.10.2001											
Deposits	71 405	3.28	4 000	4.45	9 455	5.90			500	6.00	85 360
Repo agreements	3 650	3.78			1 000	6.49					4 650
30.10.2001											
Deposits	70 173	3.90	360	4.00	3 500	5.71					74 033
Repo agreements	3 400	4.99	2 000	5.88	2 000	5.58					7 400
31.10.2001											
Deposits	68 070	5.89	2 000	6.50	10 772	6.07					80 842
Repo agreements	10 500	6.97			5 454	5.89	374	5.48			16 328
Monthly, total											
Deposits	1 355 176		307 812		180 947		9 600		10 150		1 863 685
Repo agreements	42 350		13 500		31 322		1 374		-		88 546

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 October

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
1	325	1999	100 000	BGN	104.02
	327	1999	200 000	BGN	103.02
	300	2001	500 000	BGN	103.20
	309	2000	145 000	BGN	110.38
	301	2001	500 000	BGN	111.99
2	153	2000	980 000	BGN	99.35
	103	2001	1 450 000	BGN	98.54
3	97	1994	800	USD	81.60
	121	2001	500 000	BGN	98.89
	121	2001	329 909	BGN	98.87
	121	2001	1 425 000	BGN	98.88
	121	2001	1 425 000	BGN	98.88
	121	2001	324 121	BGN	98.87
4	300	2000	140 000	BGN	102.67
	301	2001	880 000	BGN	112.10
	305	2001	250 000	BGN	102.11
5	116	2001	1 200 000	BGN	99.68
	306	2000	50 000	BGN	103.00
	302	2001	2 000 000	BGN	100.08
	304	2001	348 000	BGN	102.01
	309	2000	500 000	BGN	112.96
	309	2000	500 000	BGN	112.97
	309	2000	500 000	BGN	112.97
8	300	2001	3 000 000	BGN	100.07
9	97	1994	1 000 000	USD	78.37
	97	1994	1 000 000	USD	78.37
10	301	2000	2 000 000	BGN	100.08
	307	2000	200 000	BGN	105.66
11	304	2001	250 000	BGN	102.16
	304	2001	250 000	BGN	102.17
	301	2001	500 000	BGN	110.78
12	300	2001	450 000	BGN	103.09
	300	2001	550 000	BGN	103.06
15	307	2000	800 000	BGN	105.68
16	-	-	-	-	-
17	122	2001	953 992	BGN	98.87
	122	2001	937 255	BGN	98.87
	300	2000	300 000	BGN	102.82
	304	2001	900 000	BGN	100.00
	306	2001	1 000 000	BGN	100.76
	306	2001	1 000 000	BGN	100.00
	310	2000	1 000 000	BGN	103.44
	305	2001	1 000 000	BGN	101.67
	305	2001	1 000 000	BGN	101.67
18	303	2000	975 000	BGN	103.64
	302	2001	2 000 000	BGN	100.00
	304	2001	250 000	BGN	102.26
	301	2001	500 000	BGN	110.05
	301	2001	1 000 000	BGN	110.52

(continued)

(continued)

Date	Issue		Nominal value	Currency	Price 100/1000
	No.	Year			
19	120	2001	200 000	BGN	99.23
22	309	2000	1 000 000	BGN	112.02
	305	2001	1 000 000	BGN	101.92
23	328	1999	293 100	BGN	103.69
	305	2001	100 000	BGN	101.93
24	97	1994	250 000	USD	78.86
	302	2001	2 000 000	BGN	100.03
	301	2001	500 000	BGN	110.97
	305	2001	1 000 000	BGN	102.54
	307	2001	2 000 000	BGN	101.21
25	300	2001	2 000 000	BGN	100.10
	306	2001	1 000 000	BGN	100.82
	306	2001	100 000	BGN	101.16
	305	2001	500 000	BGN	102.07
	305	2001	1 000 000	BGN	101.73
26	97	1994	1 000 000	USD	79.76
	301	2000	1 000 000	BGN	105.63
	305	2001	1 000 000	BGN	102.57
29	304	2001	900 000	BGN	100.19
	306	2001	1 100 000	BGN	100.19
	301	2000	1 200 000	BGN	106.11
	309	2000	1 000 000	BGN	108.98
30	325	1999	100 000	BGN	105.00
	327	1999	200 000	BGN	104.00
	309	2000	100 000	BGN	110.00
	305	2001	100 000	BGN	102.02
31	303	2001	1 000 000	BGN	110.15
	303	2001	1 000 000	BGN	105.90
	400	2001	1 000 000	BGN	97.34
	400	2001	1 000 000	BGN	95.59

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

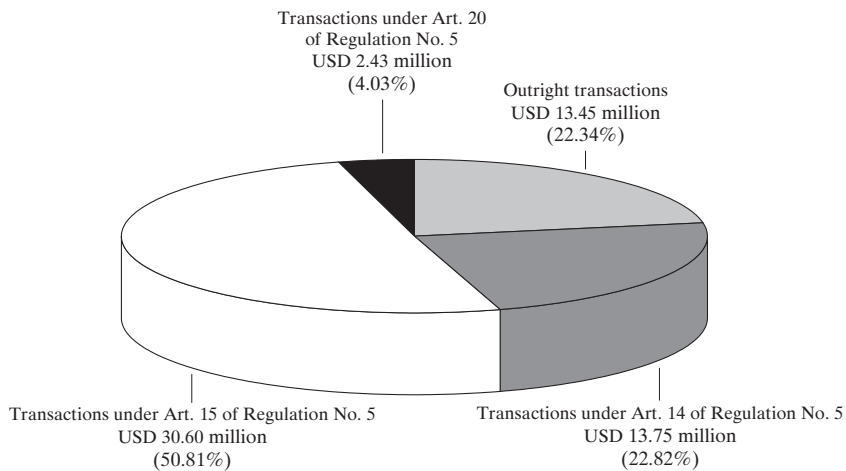
(BGN)

Date October	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	13 050 000	9 694 253	6 541 660	20 196 888	-	2 000 000	-	51 482 800	23 866	-	23 866
2	16 527 040	3 716 028	3 721 924	1 666 830	-	-	-	25 631 822	4 366 258	-	4 366 258
3	13 450 000	7 834 164	9 418 169	14 595 057	563 854	-	1 703	45 862 946	1 579 883	-	1 579 883
4	3 100 000	2 989 274	1 340 000	8 465 184	150 000	-	-	16 044 458	10 126	-	10 126
5	6 993 100	4 598 000	2 200 000	5 386 117	-	-	-	19 177 217	25 491	-	25 491
8	3 800 000	6 330 420	3 531 854	3 158 311	-	-	-	16 820 585	260 599	-	260 599
9	668 040	5 837 343	3 166 987	720 000	-	-	-	10 392 370	109 147	-	109 147
10	2 600 000	4 315 252	1 897 820	11 571 387	-	-	-	20 384 460	82 631	33 710	116 341
11	1 500 000	8 778 585	3 540 712	8 160 388	-	-	-	21 979 686	949 534	131 757	1 081 291
12	3 100 000	1 539 570	2 348 925	991 080	194 169	-	-	8 173 744	259 382	-	259 382
15	5 200 000	1 665 412	4 833 702	10 253 338	800 000	-	-	22 752 452	7 991	-	7 991
16	2 579 242	741 549	2 502 987	3 145 357	-	-	-	8 969 136	54 027	-	54 027
17	7 300 000	15 413 904	1 487 248	13 378 915	1 171 956	-	-	38 752 022	1 739 019	-	1 739 019
18	3 600 000	5 760 000	3 912 540	7 086 580	-	-	-	20 359 120	166 647	-	166 647
19	800 000	838 457	2 000 000	4 319 037	-	-	-	7 957 494	843 387	1 234	844 621
22	6 500 000	3 650 000	7 668 117	10 714 881	-	-	-	28 532 998	36 541	0	36 541
23	4 000 000	2 648 278	2 079 745	3 090 009	290 569	-	-	12 108 602	33 323	0	33 323
24	13 350 000	8 429 437	9 325 293	14 016 786	640 000	-	-	45 761 515	189 580	0	189 580
25	9 300 000	6 872 317	2 296 604	10 963 330	4 346 900	-	-	33 779 150	1 025 719	0	1 025 719
26	6 000 000	5 400 000	9 260 924	4 362 361	-	-	-	25 023 285	151 309	0	151 309
29	10 800 000	5 443 897	2 500 000	7 412 247	898 451	-	-	27 054 595	481 672	0	481 672
30	13 050 000	1 608 376	5 893 600	5 834 608	3 457 910	-	-	29 844 494	54 566	4 584	59 149
31	24 727 874	7 030 905	9 535 175	22 187 606	-	-	-	63 481 560	48 363	693	49 056
TOTAL	171 995 296	121 135 421	101 003 985	191 676 298	12 513 808	2 000 000	1 703	600 326 511	12 499 062	171 977	12 671 040
Average volume of government securities transactions*								26 101 152.64			

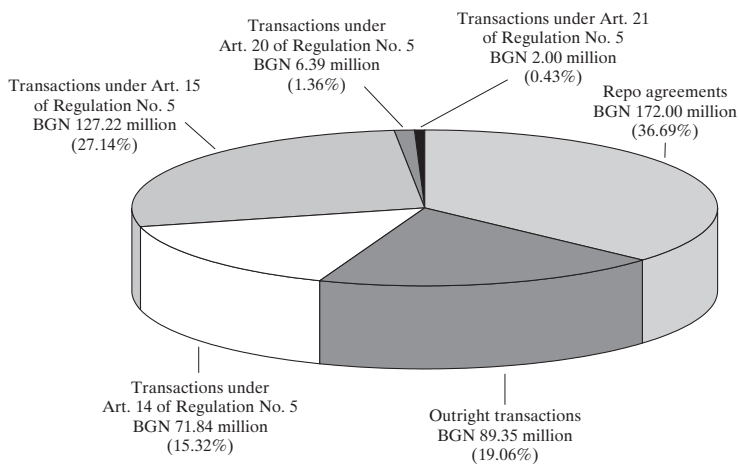
* Volume calculated on the basis of 23 operating primary dealers.

- Notes:**
1. The amount of approved competitive and noncompetitive bids on behalf of companies and individuals of BGN 4,920,000 is included.
 2. The amount of approved bids for participation in government securities auctions on behalf of nonprimary dealers of BGN 13,820,817 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 October Secondary Market Transactions in USD-denominated Government Securities Issued for Structural Reform



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





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

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

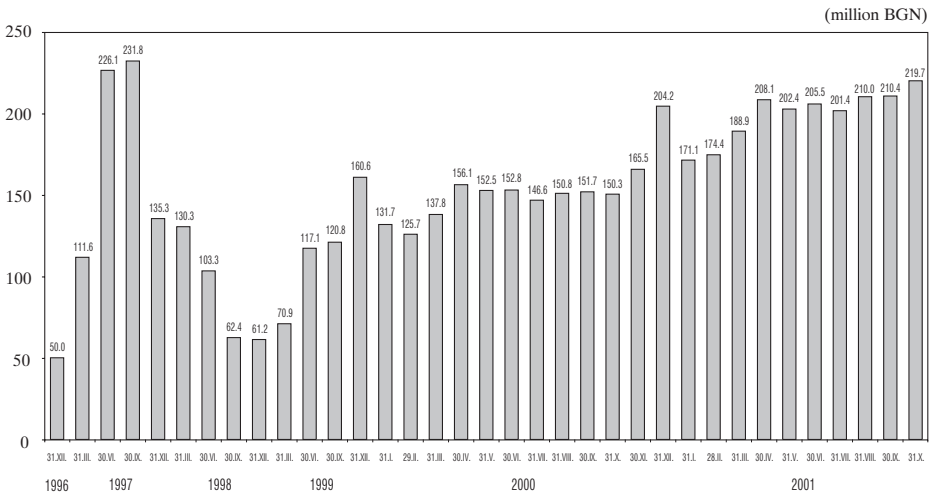
The volume of government securities issued for budget deficit financing and sold to nonbank financial institutions, companies and individuals increased during the period under review. As of 31 October 2001 these government securities issued under Regulation No. 5 accounted for BGN 219,720 thousand (Chart 11), an increase of BGN 9,351

thousand, or 4.44% on the previous month. Sales of target government securities earmarked for physical persons accounted for BGN 32,560 thousand (Chart 12), a decrease of BGN 133 thousand, or 0.4% on September.

In October sales of government securities issued under Regulation No. 5 included three-month treasury bills of BGN 1,981.5 thousand, two-year treasury bonds of BGN 6,427.7 thousand, five-year treasury bonds of BGN 4,807.7 thousand and seven-year of BGN 3,904

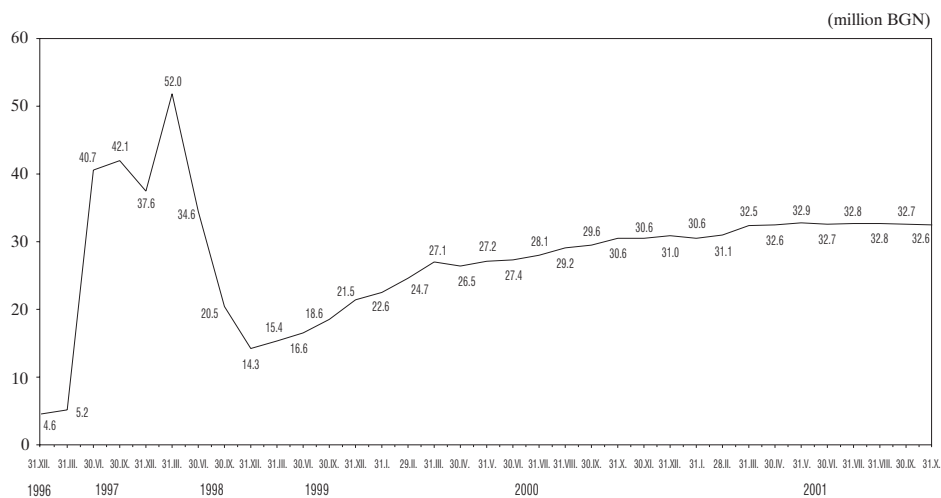
Chart 11

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



Note: Preliminary data for October 2001.

Investments in Target Government Securities Earmarked for Individuals



Note: Preliminary data for October 2001.

thousand. Two-year treasury bonds occupied the largest share in total government securities sales in October: 37.54%.

Target Issues of Government Securities Earmarked for Physical Persons

Between 26 September and 23 October 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

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.

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 government securities. The annual interest rate 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 October was BGN 864 thousand nominal value, including BGN 418.8 thousand sold by the BNB (Chart 13). The de-

creased share of government securities earmarked for physical persons and 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

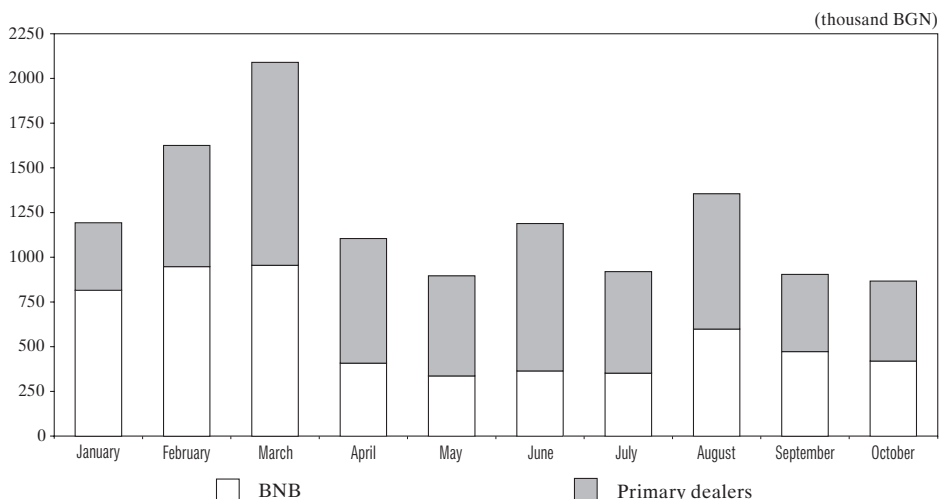
nonbank financial institutions and issued for structural reform decreased in October. As of 31 October 2001 total sales of government securities accounted for BGN 344,098.3 thousand (including sales to foreign investors), a decrease of BGN 7,481.5 thousand, or 2.13%, on September (Chart 15).

The bulk of government securities issued for structural reform was sold by commercial banks (81.81%) and other financial institutions (18.19%).

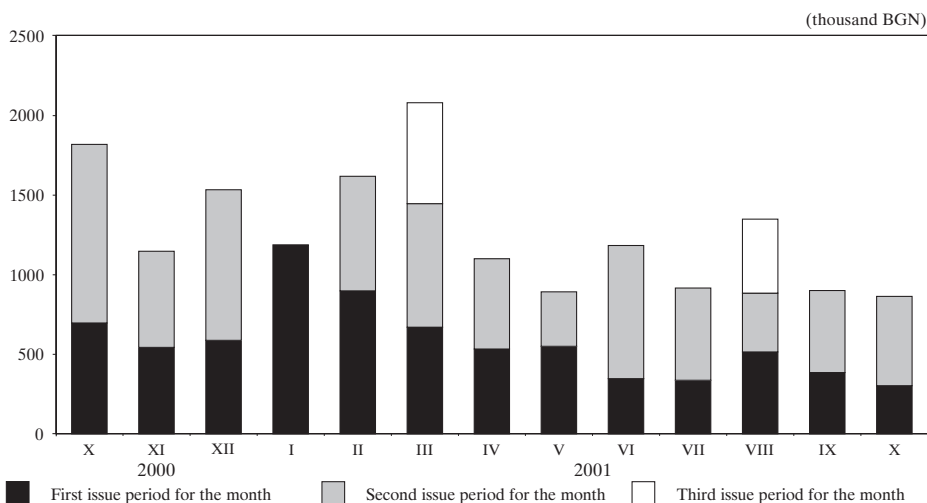
Lev-denominated government securities held by individuals, companies and nonbank financial institutions totaled BGN 7,153.80 thousand, while USD-denominated government securities issued under ZUNK accounted for BGN 260,980.44 thousand (USD 120.65 million), and EUR-denominated govern-

Chart 13

Amount 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 75,964.04 thousand (EUR 38.84 million).

Foreign Investments in Government Securities

In October government securities acquired by foreign investors fell by BGN 10,194.22 thousand (6.91%) on the previous month. As of 31 October total volume of foreign investments in government securities was BGN 137,256.60 thousand (Chart 16).

Sales of government securities issued under Regulation No. 5 for budget deficit financing accounted for BGN 714.7 thousand. By end-October sales of target government securities (earmarked for di-

rect sale to physical persons) to foreign persons totaled BGN 0.1 thousand.

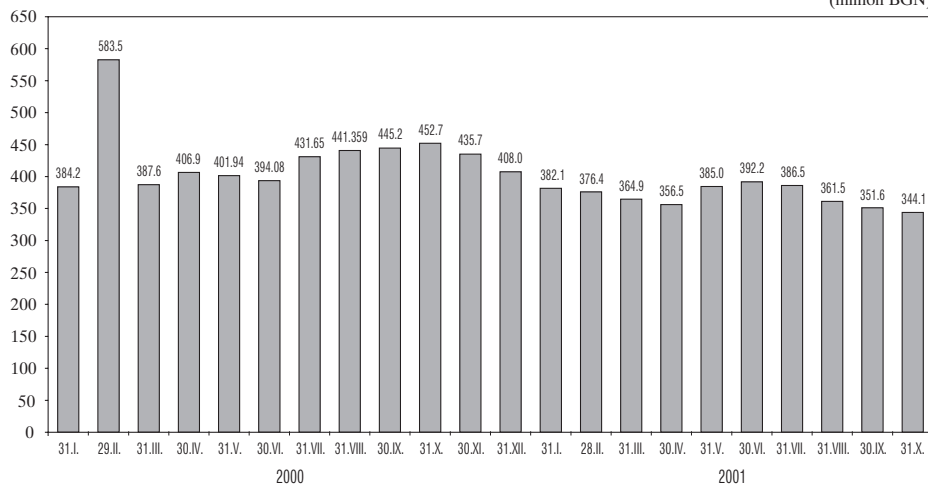
As of 31 October USD-denominated long-term government securities owned by foreign investors decreased by BGN 5,690.25 thousand from September, reaching USD 60.70 million (BGN 131.29 million lev equivalent, Chart 17), a decrease of BGN 10.91 million, or 7.67%, on the previous month.

These government securities continued to occupy the highest share in foreign investors' portfolios: 95.66% (Chart 18).

In October the volume of EUR-denominated government securities held by foreign investors remained unchanged: EUR 2.68 million (3.83%) as of 31 October 2001.

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

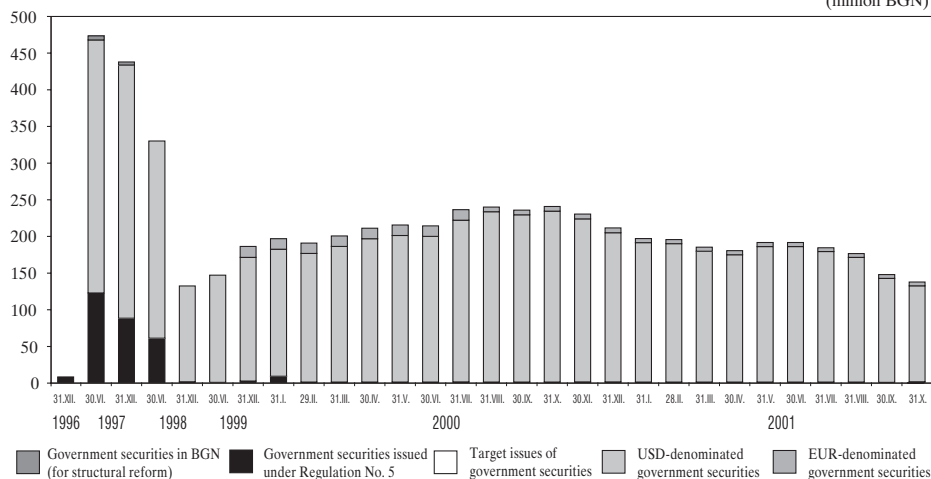
(million BGN)



- 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 October 2001.

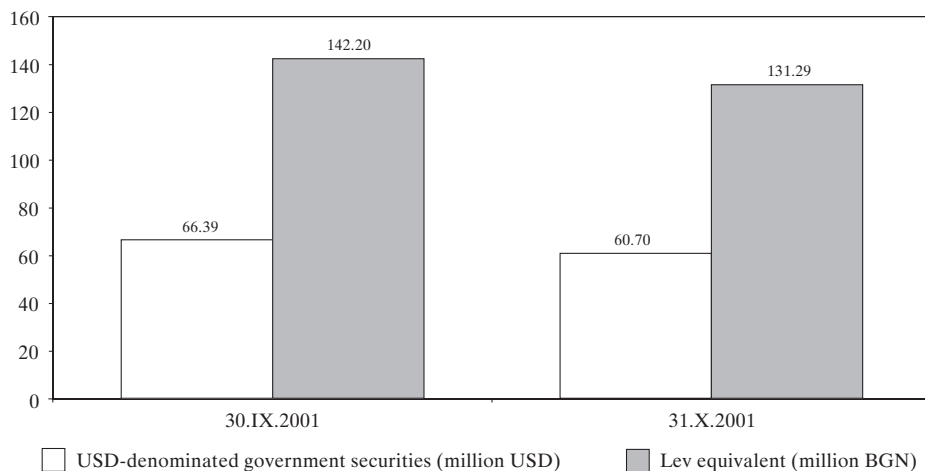
Government Securities in Foreign Investors' Portfolios

(million BGN)



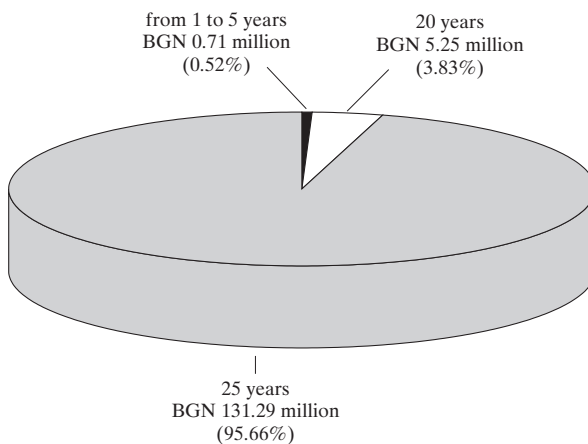
Note: Preliminary data for October 2001.

USD-denominated Government Securities Held by Foreign Investors



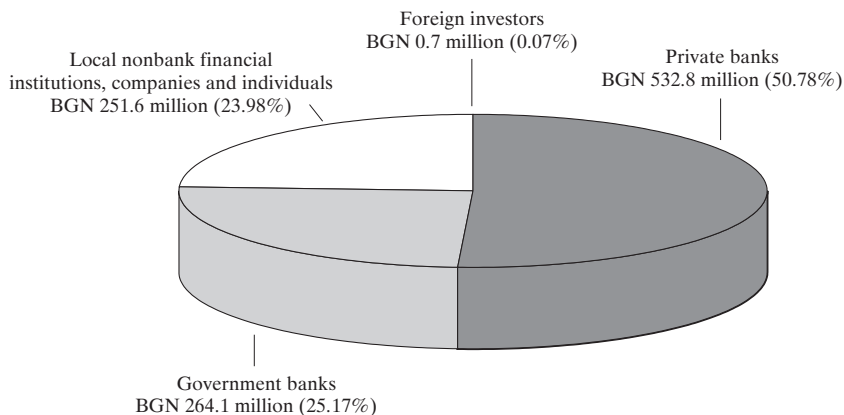
- Notes:** 1. The lev equivalent of USD-denominated government securities is based on BNB exchange rate at the end of month.
2. Preliminary data for October 2001.

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



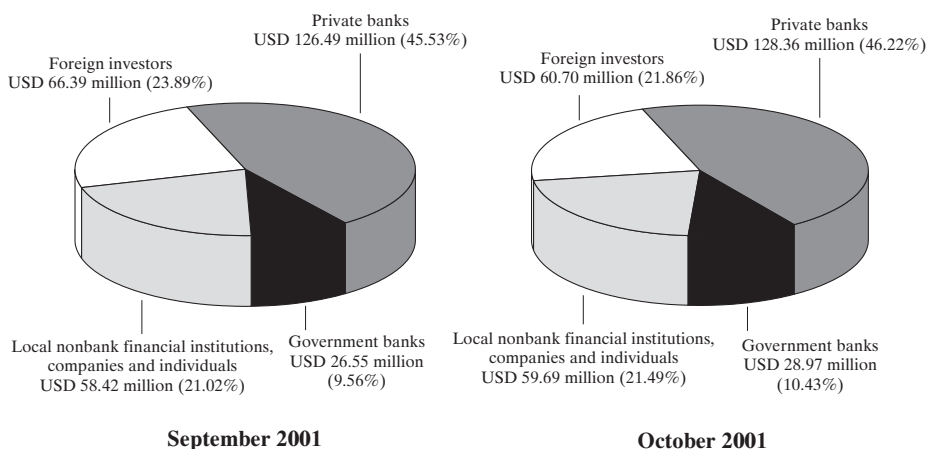
Note: Preliminary data.

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



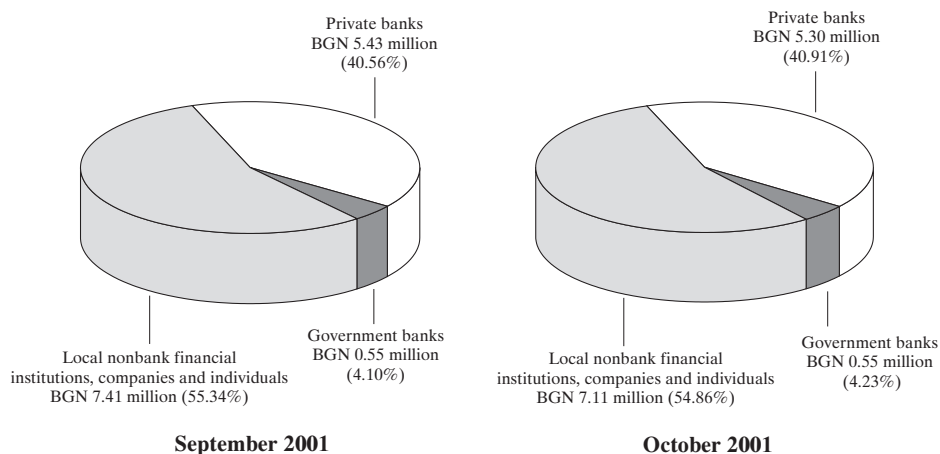
Notes: 1. Including frozen government securities by financial institutions.
 2. Including target issues earmarked for individuals.
 3. Preliminary data.

Holders of USD-denominated Government Securities Issued under ZUNK



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

Holders of Lev-denominated Government Securities Issued for Structural Reform



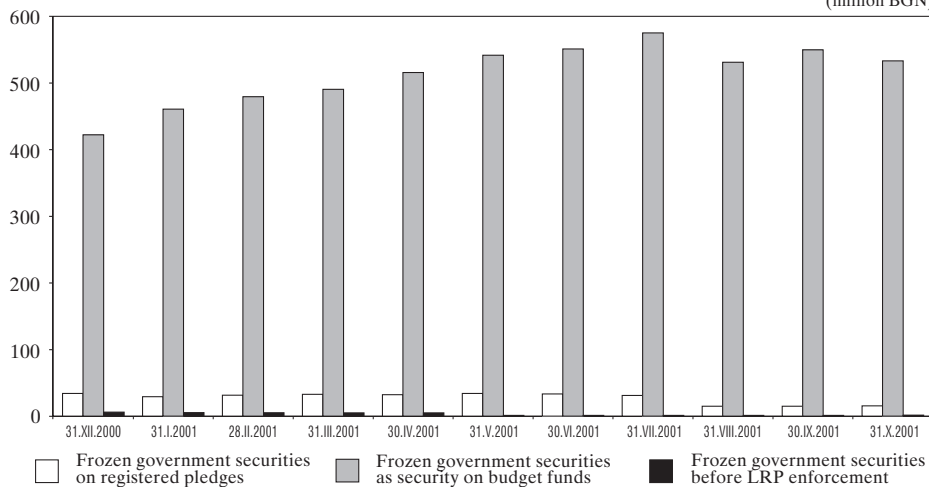
Notes: 1. Including frozen government securities by financial institutions.
2. Preliminary data for October 2001.

Volume of Frozen Government Securities as of 31 October 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	3 738 348	2 097 579		3 618 545
Frozen government securities as security on budget funds	377 844 117	65 260 408	305 000	7 250 000
Frozen government securities under contracts concluded before enforcement of the Law on Registered Pledges	1 333 000		130 400	
TOTAL	382 915 465	67 357 987	435 400	10 868 545

Volume and Structure of Frozen Government Securities

(million BGN)



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	BG3011601005	BG3011701003	BG3011801001	BG3011901009	BG3012001007
Issue date	29.11.2000	14.02.2001	09.05.2001	01.08.2001	08.08.2001	15.08.2001	05.09.2001	19.09.2001
Maturity date	28.11.2001	14.02.2002	09.05.2002	01.11.2001	08.08.2002	15.11.2001	05.12.2001	19.12.2001
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)	32 755.00	61 610.00	52 400.00	16 175.05	39 000.00	15 355.00	18 600.00	13 898.00
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 (%)	94.89	95.29	95.28	98.84	95.14	98.80	98.83	98.81
Average discount per BGN 100 (%)	5.11	4.71	4.72	1.16	4.86	1.20	1.17	1.19
Average annual yield (%)	5.40	4.88	4.89	4.59	5.04	4.75	4.68	4.76
Effective annual yield (%)	5.40	4.87	4.88	4.67	5.04	4.84	4.77	4.85
Coverage coefficient	1.64	3.08	2.62	1.62	1.95	1.54	1.86	1.39

(continued)

(continued)

Issue No.	BG3012101005	BG3012201003
Issue date	03.10.2001	17.10.2001
Maturity date	03.01.2002	17.01.2002
Nominal value of the offer (thousand BGN)	10 000.00	10 000.00
Total nominal value of the bids received (thousand BGN)	25 137.95	20 975.00
Total nominal value of the bids approved (thousand BGN)	10 000.00	10 000.00
Average price of the bids approved per BGN 100 (%)	98.83	98.83
Average discount per BGN 100 (%)	1.17	1.17
Average annual yield (%)	4.63	4.63
Effective annual yield (%)	4.71	4.71
Coverage coefficient	2.51	2.10

Source: BNB and MF.

Treasury Bonds

Issue No.	BG2034797121	BG2030798115	BG2030998111	BG2031198117	BG2032198116	BG2030699115	BG2030999119	BG2032599115
Issue date	16.05.1997	30.04.1998	28.05.1998	02.07.1998	03.12.1998	31.03.1999	29.04.1999	10.11.1999
Maturity date	10.05.2002	24.04.2003	22.05.2003	26.06.2003	29.11.2001	24.03.2004	22.04.2004	07.11.2001
Nominal value of the offer (thousand BGN)	20 000.00	1 000.00	2 000.00	2 000.00	500.00	2 000.00	1 190.00	10 000.00
Total nominal value of the bids received (thousand BGN)	20 000.00	3 605.00	3 440.00	2 070.00	1 250.00	2 795.00	1 190.00	24 059.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	1 000.00	2 000.00	2 000.00	500.00	2 000.00	1 190.00	10 000.00
Average price of the bids approved per BGN 100 (%)	100.00	87.14	84.78	76.20	95.55	86.35	78.39	98.80
Average discount per BGN 100 (%)		12.86	15.22	23.80	4.45	13.65	21.61	1.20
Interest rate	BIR+4	8.00	8.00	7.00	9.00	9.00	9.00	9.00
Coverage coefficient	1.00	3.61	1.72	1.04	2.50	1.40	1.00	2.41

(continued)

(continued)

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

(continued)

(continued)

Issue No.	BG2030500115 ²	BG2030600113 ²	BG2030700111 ²	BG2030800119 ²	BG2030900117 ²	BG2031000115 ²	BG2030001114 ³	BG2030101112 ²
Issue date	19.04.2000	05.07.2000	19.07.2000	04.10.2000	11.10.2000	18.10.2000	10.01.2001	24.01.2001
Maturity date	16.04.2003	03.07.2002	16.07.2003	02.10.2002	05.10.2005	15.10.2003	10.01.2003	24.01.2006
Nominal value of the offer (thousand BGN)	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	120 312.85	135 755.00	131 450.00	126 512.50	113 365.10	110 383.00	121 965.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	30 000.00	50 000.00	30 000.00	50 000.00	40 000.00	30 000.00	50 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	100.61	101.16	102.09	101.88	100.35	102.15	101.61	105.02
Average discount per BGN 100 (%)								
Interest rate	8.00	7.00	8.00	7.00	9.00	7.50	6.50	9.00
Coverage coefficient	4.01	2.72	4.38	2.53	2.83	3.68	2.44	4.23

(continued)

(continued)

Issue No.	BG2030201110 ³	BG2030301118 ²	BG2030401116 ⁵	BG2030501113 ²	BG2030601111 ⁴	BG2030701119 ⁵	BG2040001211 ⁶
Issue date	11.04.2001	25.04.2001	11.07.2001	25.07.2001	10.10.2001	24.10.2001	31.10.2001
Maturity date	11.04.2003	25.04.2006	11.07.2003	25.07.2006	10.10.2003	24.10.2006	31.10.2008
Nominal value of the offer (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	25 000.00	20 000.00	30 000.00
Total nominal value of the bids received (thousand BGN)	95 565.00	165 396.00	87 163.00	140 070.00	38 600.00	43 400.00	53 672.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	60 000.00	50 000.00	60 000.00	25 000.00	20 000.00	18 930.00
Average price of the bids approved per BGN 100 (%)	102.34	104.91	101.24	101.01	100.62	100.22	95.45
Average discount per BGN 100 (%)							4.55
Interest rate	6.50	8.00	6.00	7.00	6.00	7.00	7.50
Coverage coefficient	1.91	2.76	1.74	2.33	1.54	2.17	2.84

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.

⁶ The total volume of the issue is BGN 30,000 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	12 677.91	1398.31	4555.87	6209.87
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 October 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)	7339.74 (BGN)	277 721.76 (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 October 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 October 2001.

Source: BNB and MF.

Government Securities Issued in 2001

Discount Government Securities Issued under Regulation No. 5 of the MF and BNB (Treasury Bills)

ISSUES				Amount offered by the MF (thousand BGN)	BIDS RECEIVED						BIDS APPROVED					
No.	Auction date	Issue date	Maturity date		Nominal value (thousand BGN)	Average price per BGN 100 nominal value	Average yield			Nominal value (thousand BGN)	Price per BGN 100 nominal value			Average yield		
							Up to maturity %	Annual %	Effective annual %		Minimum	Maximum	Average	Up to maturity %	Annual %	Effective annual %
BG 30 100 01009	02.01.2001	03.01.2001	03.04.2001	10 000.00	21 375.00	98.87	1.14	4.57	4.65	10 000.00	98.87	98.93	98.88	1.13	4.53	4.61
BG 30 101 01007	15.01.2001	17.01.2001	17.04.2001	10 000.00	19 500.00	98.92	1.09	4.37	4.44	10 000.00	98.90	98.99	98.94	1.07	4.29	4.35
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
BG 30 119 01009	03.09.2001	05.09.2001	05.12.2001	10 000.00	18 600.00	98.81	1.20	4.76	4.85	10 000.00	98.79	98.88	98.83	1.18	4.68	4.77
BG 30 120 01007	17.09.2001	19.09.2001	19.12.2001	10 000.00	13 898.00	98.76	1.26	4.97	5.06	10 000.00	98.75	98.85	98.81	1.20	4.76	4.85
BG 30 121 01005	01.10.2001	03.10.2001	03.01.2002	10 000.00	25 137.95	98.81	1.20	4.71	4.80	10 000.00	98.82	98.88	98.83	1.18	4.63	4.71
BG 30 122 01003	15.10.2001	17.10.2001	17.10.2002	10 000.00	20 975.00	98.80	1.21	4.75	4.84	10 000.00	98.82	98.88	98.83	1.18	4.63	4.71
Three-month issues, total				200 000.00	369 800.79					200 000.00						

(continued)

(continued)

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	Up to maturity %	Annual %		
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				260 000.00	522 810.79					260 000.00						

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

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

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.

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

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

October 2001

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-	Maxi-	Average		
BG 20 300 01114	08.01.2001	10.01.2001	10.01.2001	10.01.2003	10.07.2001 10.01.2002 10.07.2002 10.01.2003	6.5	50 000.00	25 000.00	57 800.00	100.56	25 000.00	100.71	101.17	100.86	6.04
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
BG 20 304 01116*	10.09.2001	11.07.2001	12.09.2001	11.07.2003			25 000.00	32 363.00	101.51	25 000.00	101.37	101.94	101.62		
BG 20 306 01111	08.10.2001	10.10.2001	10.10.2001	10.10.2003	10.04.2002 10.10.2002 10.04.2003 10.10.2003	6.0	50 000.00	25 000.00	38 600.00	100.51	25 000.00	100.47	100.85	100.62	5.67
Two-year issues, total								200 000.00	175 000.00	343 293.00		175 000.00			
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	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 annual effective yield (%)	
												Mini-mum	Maxi-mum		Average
					24.01.2004										
					24.07.2004										
					24.01.2005										
					24.07.2005										
					24.01.2006										
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	106.46		
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	7.13	
					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	6.81	
					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		
BG 20 305 01113*	24.09.2001	25.07.2001	26.09.2001	25.07.2006			20 000.00	46 470.00	100.98	20 000.00	101.08	102.83	101.61		

(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	Price per BGN 100 nominal value		Average effective annual yield (%)		
											Mini-mum	Maxi-mum		Average	
BG 20 307 0119	22.10.2001	24.10.2001	24.10.2001	24.10.2006	24.04.2002 24.10.2002 24.04.2003	7.0	60 000.00	20 000.00	45 400.00	99.74	20 000.00	99.86	100.88	100.22	6.95
Five-year issues, total							240 000.00	200 000.00	602 496.14		200 000.00				
BG 20 400 01211**	29.10.2001	31.10.2001	31.10.2001	31.10.2008	30.04.2002 31.10.2002	7.5	30 000.00	30 000.00	53 672.00	93.07	18 930.00	94.70	100.00	95.45	8.37
					30.04.2003 31.10.2003										
					30.04.2004										
					31.10.2004										
					30.04.2005										
					31.10.2005										
					30.04.2006										
					31.10.2006										
					30.04.2007										
					31.10.2007										
					30.04.2008										
					31.10.2008										
Seven-year issues, total							30 000.00	30 000.00	53 672.00		18 930.00				
Total							470 000.00	405 000.00	999 461.14		393 930.00				

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.

** Government securities offered for sale by the MF from issue BG 20 400 01211 totaled BGN 30,000 thousand.



SALES OF GOVERNMENT SECURITIES FOR PARTICIPATION IN PRIVATIZATION TRANSACTIONS

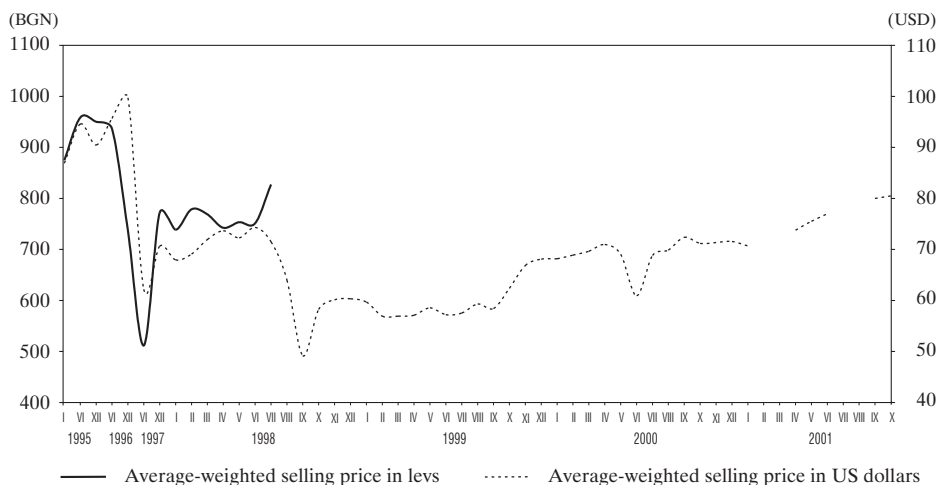
In October one transfer transaction in government securities to the MF account, issued for structural reform, totaling USD 800, to be used as legal tender in privatization transactions, was registered.

Long-term government bonds issued under Article 5 of ZUNK pursuant to

Article 1 of the Regulation on the procedure for utilization of long-term government bonds issued under ZUNK for repayment of debts to the government arising under the same law (published in the State Gazette, issue 12 of 3 February 1995), totaling USD 125,000, were sold and matured in October.

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													
	1996	0.18	0.23	0.32	2.22	0.04	2.47	0.20	2.21	0.22	4.29	1.22	0.76	14.37
	1997	4.96	0.68	4.10	0.11	1.54	1.41	6.22	1.73	3.86	2.63	2.15	10.26	39.64
	1998	31.50	4.79	11.00	13.00	13.15	10.59	5.18	13.78	4.77	3.60	4.55	2.81	118.72
	1999	9.50	1.61	5.34	0.67	0.61	0.21	0.66	0.03	0.04	2.00	0.03	0.04	20.74
	2000	0.02	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	-	-	0.002	0.001	-	-	0.08
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.



GOVERNMENT SECURITIES PRIMARY DEALERS AND REUTERS PAGES FOR GOVERNMENT SECURITIES QUOTATIONS

LIST

of government securities primary dealers approved by the Minister of Finance
and the Governor of the Bulgarian National Bank pursuant to
Article 4, para. 1 of Regulation No. 5 of the MF and BNB
until 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
ECONOMIC AND INVESTMENT BANK	RIBB 01-03
ELANA	ELAN 01-03
EVROBANK	EBSF 01-03
EUROFINANCE	EUFI 01-03
FIRST INVESTMENT BANK	BFIB 01-03
ING BANK	INBS 01-03
MUNICIPAL BANK	SMBK 01-03
NEFTINVESTBANK	OBGG 01-03
RAIFFEISENBANK (BULGARIA)	RBBS 01-03
ROSEXIMBANK	REBS 01
SG EXPRESSBANK	EBVB 01
SII INVEST	SIIB 01
UNIONBANK	UNBS 01-03
UNITED BULGARIAN BANK	UBBB 01-03

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

HEBROS COMMERCIAL BANK AGBG 01-03
ENCOURAGEMENT BANK

SUMMARIZED QUOTATION PAGES BGTSY=
BGZUNK=
BGTSYM=

BNB pages containing information on the government
securities interbank market BGBNB 5
BGBNB 6
BGBNB 9

BNB pages containing information on average-weighted prices
of traded government securities issues BGBNB 10
BGBNB 11
BGBNB 12
BGBNB 13

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