



**BULGARIAN
NATIONAL
BANK**

Government Securities Market

www.bnb.bg/fiscal_services

October – December 2006

Primary Market of Government Securities

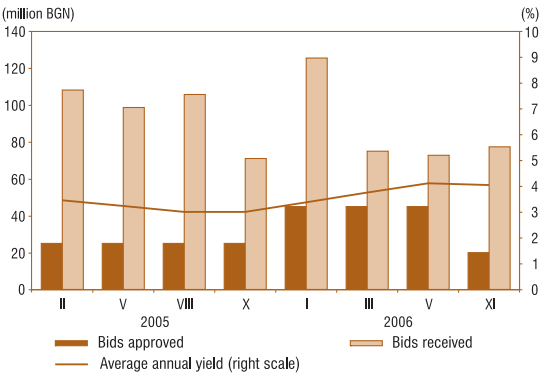
Issues, January – February

Auction date	08.01.2007	15.01.2007	22.01.2007	05.02.2007	19.02.2007
Government securities type	Treasury bonds in BGN	Treasury bills in BGN	Treasury bonds in BGN	Treasury bonds in BGN	Treasury bonds in BGN
Payment date	10-year	3-month	5-year	3-year	10-year
	10.01.2007	17.01.2007	24.01.2007	07.02.2007	21.02.2007

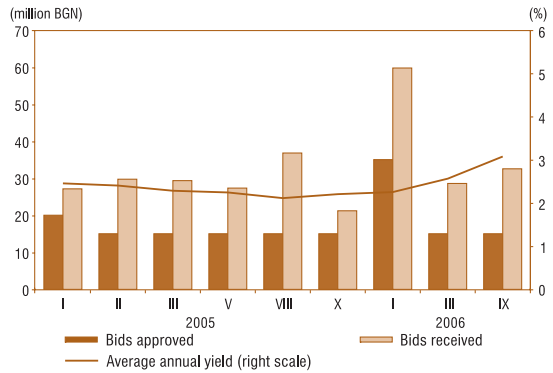
Auctions of BGN-denominated Treasury Bonds between October and December

	3-year	5-year	10-year
Interest coupon (%)	2.75	3.00	3.50
Issue	08.02.2006	25.01.2006	04.01.2006
Maturity	08.02.2009	25.01.2011	04.01.2016
Auction date	23.10.2006	13.11.2006	18.12.2006
Payment date	25.10.2006	15.11.2006	20.12.2006
Bids received (BGN'000)	64 720.00	77 450.00	87 500.00
Bids approved (BGN'000)	20 000.00	20 000.00	20 000.00
Minimum price per BGN 100 nominal value	97.27	95.95	95.18
Average price per BGN 100 nominal value	97.38	96.12	95.36
Average annual yield (%)	4.00	4.05	4.16

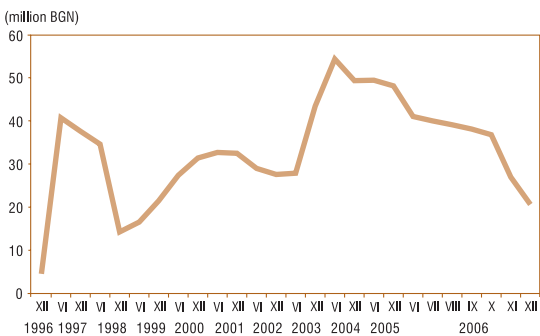
Auctions for Sale of Five-year Treasury Bonds



Auctions for Sale of Three-month Treasury Bills



Investment in Target Government Securities Earmarked for Sale to Individuals



Note: Lev equivalent of EUR-denominated government securities issues is based on BGN/EUR exchange rate of the BNB.

Central Government Securities Debt Issued in Domestic Market

(nominal value in BGN'000)

Debt structure	Debt on government securities issued for budget deficit financing		Debt on government securities issued for structural reform	Debt amount
	total	including target bonds earmarked for individuals		
1997	850 198	86 632	1 971 829	2 822 027
1998	784 959	15 338	1 512 287	2 297 246
1999	881 799	21 546	1 191 928	2 073 727
2000	961 132	31 411	811 162	1 772 294
2001	1 084 703	32 513	776 601	1 861 304
2002	1 476 501	27 641	647 601	2 124 102
2003	1 719 496	43 382	537 204	2 256 700
2004	2 211 159	49 277	469 457	2 680 616
2005	2 375 053	48 109	467 671	2 842 724
2006	2 544 013	20 668	411 796	2 955 809

Note: Lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate quoted for the last business day of corresponding period.

Government Securities Traded in Domestic Market, Circulating as of 31 December 2006

Issue number	Currency	Issue maturity	Total volume of the issue (nominal value)	Interest rate	Pending interest payment
BG 20 300 02112	BGN	09.01.2007	90 000 000.00	7.00	09.01.2007
BG 20 301 04116	BGN	18.02.2007	100 000 000.00	SOFIBOR	18.02.2007
BG 20 302 02118	BGN	10.07.2007	84 750 000.00	6.50	10.01.2007
BG 20 300 03110	BGN	15.01.2008	75 000 000.00	5.625	15.01.2007
BG 20 300 05115	BGN	16.03.2008	150 000 000.00	3.50	16.03.2007
BG 20 302 03116	BGN	09.07.2008	100 000 000.00	4.75	09.01.2007
BG 20 400 01211	BGN	31.10.2008	30 000 000.00	7.50	30.04.2007
BG 20 300 04118	BGN	07.01.2009	100 000 000.00	4.70	07.01.2007
BG 20 400 02219	BGN	16.01.2009	80 000 000.00	7.50	16.01.2007
BG 20 301 06111	BGN	08.02.2009	127 730 000.00	2.75	08.02.2007
BG 20 401 02217	BGN	20.05.2009	90 000 000.00	7.00	20.05.2007
BG 20 403 02213	BGN	17.07.2009	70 000 000.00	7.00	17.01.2007
BG 20 401 03215	BGN	05.02.2010	105 000 000.00	5.875	05.02.2007
BG 20 301 05113	BGN	16.02.2010	100 000 000.00	3.75	16.02.2007
BG 20 402 03213*	EUR	24.05.2010	105 000 000.00	5.75	24.05.2007
lev equivalent			205 362 150.00		
BG 20 001 92224	BGN	01.01.2011	1 375 866.67	BIR +1	01.01.2007
BG 20 300 06113	BGN	25.01.2011	155 000 000.00	3.00	25.01.2007
BG 20 401 04213	BGN	11.02.2011	80 000 000.00	4.75	11.02.2007
BG 20 402 02215	BGN	17.04.2012	84 920 000.00	7.50	17.04.2007
BG 20 400 03217	BGN	08.01.2013	50 000 000.00	7.50	08.01.2007
BG 20 403 03211	BGN	02.07.2013	50 000 000.00	5.75	02.01.2007
BG 20 400 04215	BGN	04.02.2014	80 000 000.00	5.20	04.02.2007
BG 20 400 05212	BGN	12.01.2015	150 000 000.00	4.25	12.01.2007
BG 20 400 06210	BGN	04.01.2016	170 000 000.00	3.50	04.01.2007
BG 20 099 93226	BGN	01.07.2017	1 399 015.97	BIR	01.01.2007
BG 20 098 93228	BGN	01.10.2018	5 167 511.09	BIR	01.04.2007
BG 20 404 03219*	EUR	11.10.2018	100 000 000.00	6.00	11.04.2007
lev equivalent			195 583 000.00		
BG 20 096 93222	BGN	01.12.2018	554 452.98	BIR	01.12.2007
BG 20 097 94228	USD	01.01.2019	128 557 346.25	LIBOR	01.01.2007
lev equivalent			190 915 372.62		
BG 20 400 99223	EUR	01.01.2019	108 590 134.33	EURIBOR	01.01.2007
lev equivalent			212 383 842.43		
in BGN, total			2 935 141 211.76		

* Tap issue. Total volume was not entirely sold.

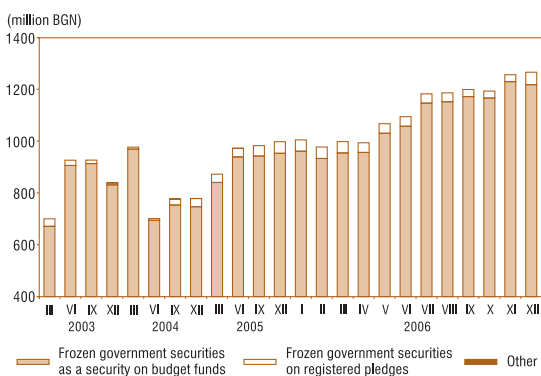
Note: Lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate of foreign currencies against the Bulgarian lev quoted on 31 December 2006.

Government Securities in Foreign Markets as of 29 December 2006

Government securities	Interest rate	Maturity date	Next interest payment	Number of interest payments in the year	Nominal value of the debt equivalent in million		
					EUR	BGN	USD
Issue No. XS0138976385 eurobonds (EUR 250 million)	7.25	01.03.2007	01.03.2007	1	250.0	489.0	329.3
Issue No. XS0145624432 global bonds in EUR (EUR 835.5 million)	7.50	15.01.2013	15.01.2007	1	835.5	1 634.0	1 100.3
Issue No. XS0145623624 global bonds in USD (USD 1270.6 million)	8.25	15.01.2015	15.01.2007	2	964.7	1 886.8	1 270.6
TOTAL					2 050.2	4 009.8	2 700.11

Note: USD and BGN equivalent is based on BNB exchange rate of foreign currencies against the Bulgarian lev quoted on 29 December 2006.

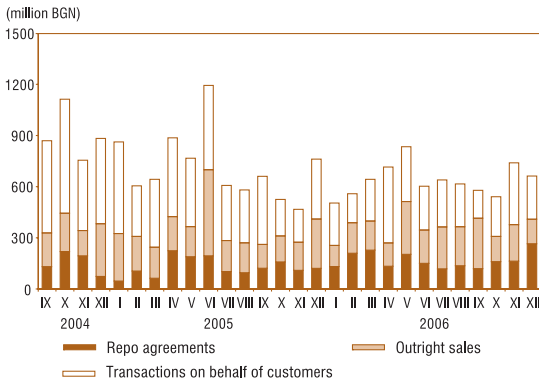
Volume and Structure of Frozen Government Securities



Note: Lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate quoted for the last business day of corresponding period.

Secondary Market of Government Securities

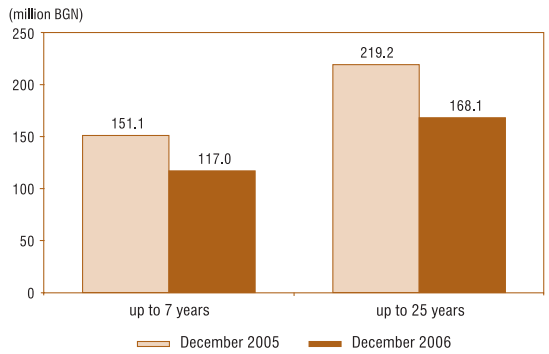
Volume of Transactions in Tradeable Government Securities



Notes:

1. Repo agreements include reverse repo agreements and those concluded during the current day.
2. Transactions in government securities denominated in foreign currency are in BGN at BNB exchange rate of the respective currency on the day of transaction.

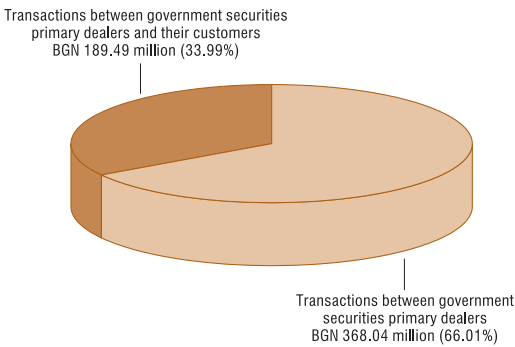
Term Structure of Transactions in Government Securities Interbank Market



Note:

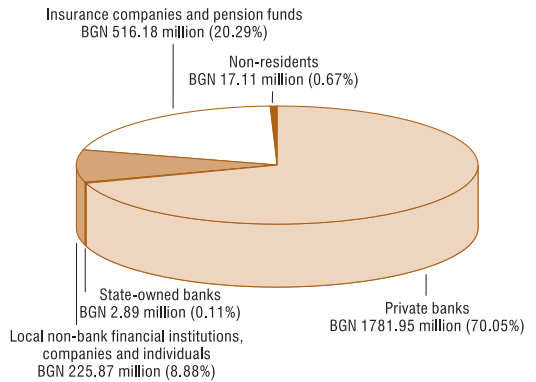
1. Transactions in government securities denominated in foreign currency are in BGN at BNB exchange rate quoted for the last business day of corresponding period.
2. Repo agreements do not include reverse repos.

Volume of Transactions in Government Securities Issued for Budget Deficit Financing in December 2006



Note: Transactions in government securities denominated in foreign currency are in BGN at BNB exchange rate of the respective currency on the day of transaction.

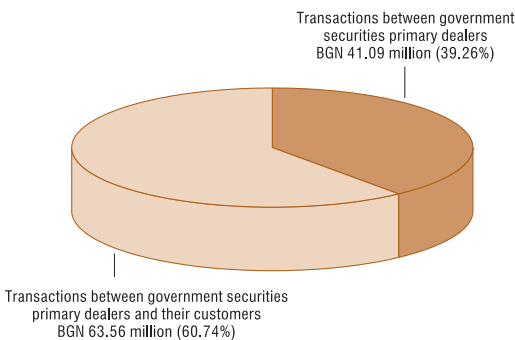
Holders of Government Securities Issued for Budget Deficit Financing as of 31 December 2006



Notes:

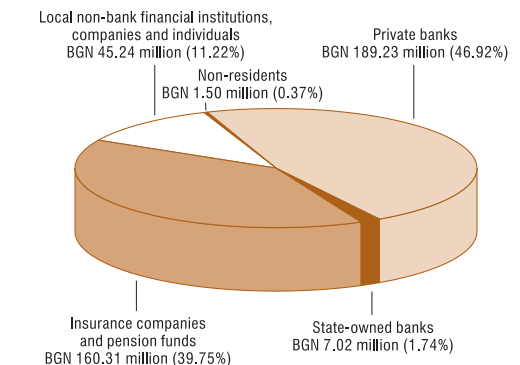
1. Including frozen government securities.
2. Including target issues earmarked for individuals.
3. Preliminary data of the BNB and government securities primary dealers.
4. The lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate of foreign currencies against the Bulgarian lev quoted on 31 December 2006.

Volume of Transactions in Government Securities Denominated in Foreign Currency and Issued for Structural Reform in December 2006



Note: Transactions in government securities denominated in foreign currency are in BGN at BNB exchange rate of the respective currency on the day of transaction.

Holders of Government Securities Denominated in Foreign Currency and Issued for Structural Reform as of 31 December 2006



Notes:

1. Including frozen government securities.
2. The lev equivalent is based on BNB exchange rate quoted on 31 December 2006.
3. Preliminary data of the BNB and government securities primary dealers.

Volume of Government Securities Transactions in the Secondary Market and Securities Transactions in the Bulgarian Stock Exchange and Over-the-counter Market

(BGN)

Date December	Transactions between primary dealers		Transactions between primary dealers and their customers	Privatisation transactions	Transactions in government securities, total	Transactions in securities		
	Repo agreements	Outright sales				Bulgarian Stock Exchange	Over-the-counter market	Total
1	24 008 478.00	5 900 000.00	1 228 197.07	-	31 136 675.07	4 316 647.05	220.00	4 316 867.05
4	1 500 000.00	6 067 490.00	6 686 580.00	-	14 254 070.00	5 131 688.82	420.00	5 132 108.82
5	22 037 806.00	5 600 000.00	19 046 611.41	-	46 684 417.41	15 487 107.97	3 130.70	15 490 238.67
6	2 000 000.00	1 040 781.24	12 578 764.57	-	15 619 545.81	6 034 031.68	44 887.00	6 078 918.68
7	8 500 000.00	738 000.00	6 193 179.69	-	15 431 179.69	13 338 196.88	225.00	13 338 421.88
8	5 200 000.00	1 860 586.02	153 512.16	-	7 214 098.18	10 772 783.40	3 020.46	10 775 803.86
11	-	8 000 000.00	9 182 149.16	-	17 182 149.16	7 313 977.71	1 984.00	7 315 961.71
12	15 167 490.00	150 000.00	12 043 374.50	-	27 360 864.50	8 107 926.00	12 546.14	8 120 472.14
13	2 000 000.00	-	5 930 000.00	-	7 930 000.00	12 419 587.93	10 500.00	12 430 087.93
14	14 120 000.00	10 200 000.00	7 006 355.10	-	31 326 355.10	8 704 774.65	1 562.00	8 706 336.65
15	26 565 899.00	3 200 000.00	81 610.92	-	29 847 509.92	9 354 158.50	12 827.68	9 366 986.18
18	3 060 000.00	1 326 290.16	2 000 000.00	-	6 386 290.16	336 063 588.36	70.00	336 063 658.36
19	32 408 122.00	200 000.00	1 280 000.00	-	33 888 122.00	83 800 696.79	566.82	83 801 263.61
20	3 040 000.00	9 933 332.00	20 546 472.20	-	33 519 804.20	19 338 102.71	704.00	19 338 806.71
21	8 030 000.00	37 308 988.68	76 557 996.68	-	121 896 985.36	81 151 734.60	190.00	81 151 924.60
22	27 023 320.00	15 000 000.00	9 491 488.55	-	51 514 808.55	32 067 856.09	5 791.42	32 073 647.51
27	1 530 000.00	18 656 015.60	4 830 151.76	-	25 016 167.36	26 247 989.20	863 590.00	27 111 579.20
28	56 023 320.00	19 067 490.00	51 998 972.00	-	127 089 782.00	37 581 198.13	14 830.16	37 596 028.29
29	12 667 490.00	-	6 216 794.00	-	18 884 284.00	123 590.28	161.80	123 752.08
Total	264 881 925	144 248 974	253 052 210	-	662 183 108	717 355 637	977 227	718 332 864
Average volume of government securities transactions*					26 487 324			

* Volume calculated on the basis of 25 operating primary dealers.

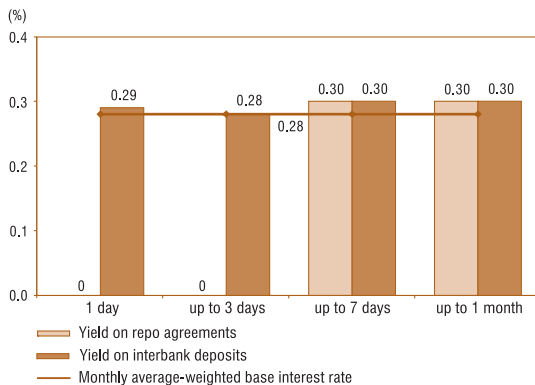
Notes: 1. The volume of repo agreements includes reverse repo agreements and repo agreements concluded during the current day.

2. Transfer transactions of government securities to the MF account used as legal tender in privatisation are considered to be privatisation transactions.

3. Transactions in government securities denominated in foreign currency are in leva at the BNB exchange rate of the respective currency on the day of transaction.

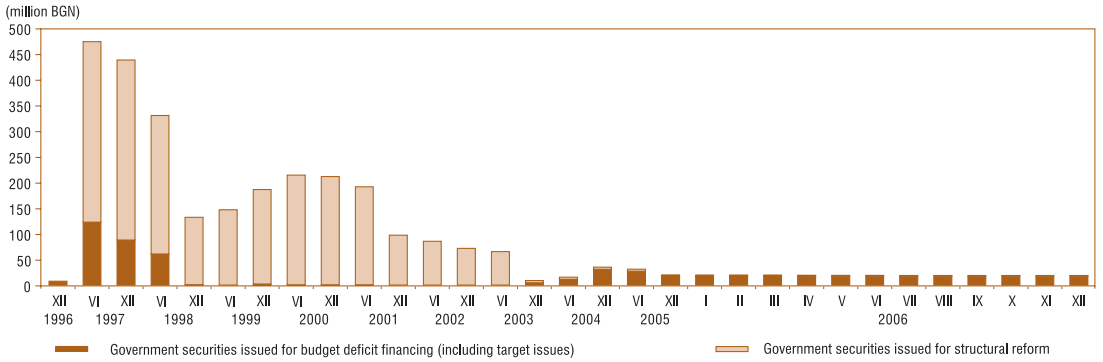
4. Banking Department data on the volume of transactions (at market value) in the Bulgarian Stock Exchange and over-the-counter market.

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



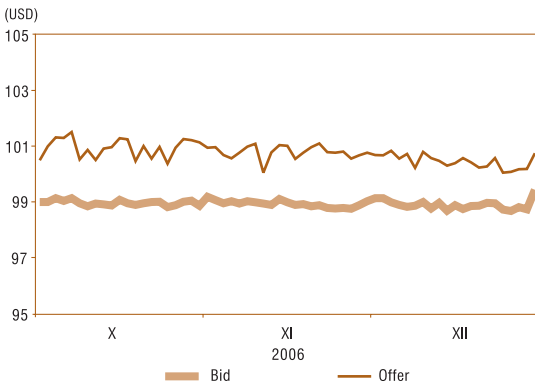
Secondary Market of Government Securities

Government Securities in Foreign Investor Portfolio

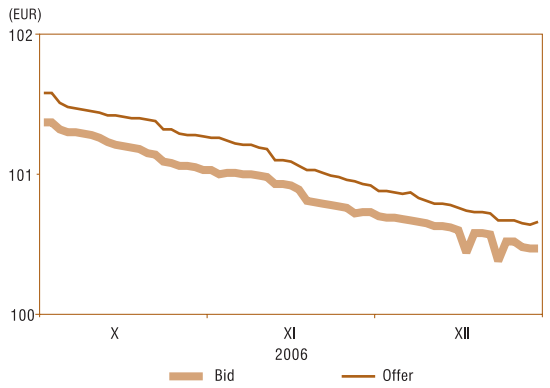


Note: 1. Lev equivalent of government securities denominated in foreign currency is based on BNB exchange rate quoted for the last business day of corresponding period.
 2. BNB data until 15 May 2006; following this date, data submitted by primary dealers in government securities.

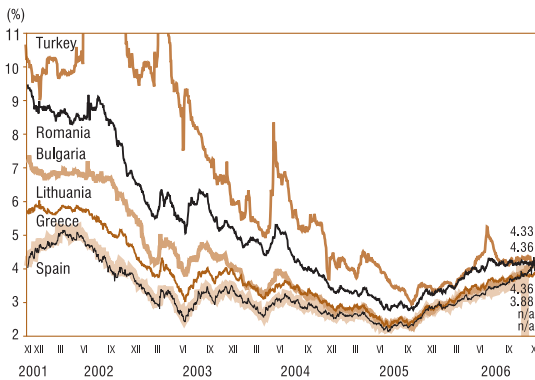
Bid and Offer Quotations of USD-denominated Government Securities Issued under ZUNK



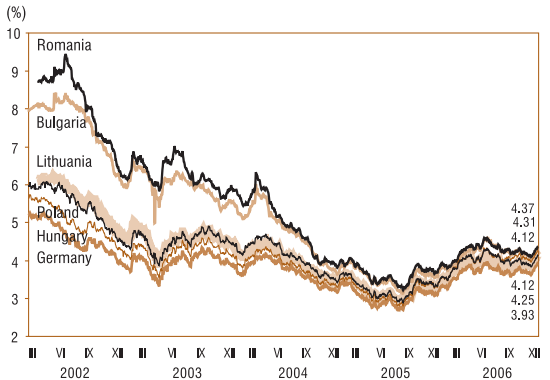
Bid and Offer Quotations of Bulgarian Five-year Eurobonds



Yield on Five-year Eurobonds



Yield on Ten-year Eurobonds



Government Securities Primary Dealers

LIST

of Financial Institutions Approved by the Minister of Finance and the Governor of the Bulgarian National Bank to Act as Government Securities Primary Dealers between 1 January and 30 June 2007

Financial institution	Reuters page of government securities quotations	Website
1. ALLIANZ BULGARIA	BGIN 01-03	www.bank.allianz.bg
2. BNP PARIBAS (BULGARIA)	BSBD 01-03	www.bulgaria.bnpparibas.com
3. BULBANK	BGTB 01-03	www.bulbank.bg
4. BULGARIAN POST BANK	BPBB 01-03	www.postbank.bg
5. CENTRAL COOPERATIVE BANK	SCCB 01-03	www.ccbank.bg
6. CORPORATE COMMERCIAL BANK	BGIB 01-03	www.corpbank.bg
7. D COMMERCIAL BANK	DBBG 01-03	www.dbank.bg
8. DSK BANK	SSBG 01-03	www.dskbank.bg
9. DZI BANK	REBS 01-03	www.dzibank.bg
10. ECONOMIC AND INVESTMENT BANK	RIBB 01-03	www.eibank.bg
11. FIRST INVESTMENT BANK	BFIB 01-03	www.fibank.bg
12. HVB BANK BIOCHIM	CBBB 01-03	www.biochim.com
13. INTERNATIONAL ASSET BANK	EIBG 01-03	www.iabank.bg
14. INVESTBANK	OBBG 01-03	www.ibank.bg
15. MKB UNIONBANK	UNBS 01-03	www.unionbank.bg
16. MUNICIPAL BANK	SMBK 01-03	www.municipalbank.bg
17. PURAEUS BANK BULGARIA	EBSF 01-03	www.eurobank.bg
18. RAIFFEISENBANK (BULGARIA)	RBBS 01-03	www.raiffeisen.bg
19. SOCIETE GENERALE EXPRESSBANK – VARNA	EBVB 01-03	www.sgexpressbank.bg
20. TOKUDA BANK	CRED 01	www.tcebank.com
21. UNITED BULGARIAN BANK	UBBB 01-03	www.ubb.bg
22. BULBROKERS	BULB 01-03	www.bulbrokers.com
23. EUROFINANCE	EUFI 01-03	www.euro-fin.com
24. INVESTMENT INTERMEDIARY ELANA TRADING	ELAN 01-03	www.elana.net

Non-primary Dealers of Government Securities with Registers at the BNB under Article 2, Paragraph 8 of Ordinance No. 5 of the MF and the BNB

CITIBANK N. A. – SOFIA BRANCH	www.citibank.com/bulgaria/
ENCOURAGEMENT BANK	www.nasbank.bg
HEBROS BANK – PLOVDIV	www.hebros.bg
ING BANK N. V. – SOFIA BRANCH	www.ing.bg
TEXIM PRIVATE ENTREPRENEURIAL BANK	www.teximbank.bg

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Primary Market of Government Securities

GOVERNMENT SECURITIES SOLD AT THE AUCTIONS, CIRCULATING AS OF 31 DECEMBER 2006

TREASURY BONDS ISSUED IN BGN

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)		Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN 100 nominal value (BGN)			Average annual yield (%)		Base interest rate as of issue date (payment) (%)	
				amount offered by the MF	bids admitted to the auction				bids approved	Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved	Average price of bids approved		Annual interest rate (%)
*BG 20 300 041116/18.02.2004		18.02.2007	1 096	100 000 000.00	285 540 000.00	100 000 000.00									
First opening	18.02.2004	18.02.2007		20 000 000.00	93 850 000.00	20 000 000.00	47 760.00	100.00	99.40	100.04	99.76	SOFBOR ¹			2.51
Second opening	21.04.2004	18.02.2007		20 000 000.00	48 250 000.00	20 000 000.00	5 640.00	28 489.99	99.60	100.40	100.11	SOFBOR ¹			2.55
Third opening	11.08.2004	18.02.2007		20 000 000.00	46 040 000.00	20 000 000.00	0.00	16 670.01	100.00	100.45	100.08	SOFBOR ¹			2.44
Fourth opening	21.09.2004	18.02.2007		20 000 000.00	43 500 000.00	20 000 000.00	141.67	6 416.66	99.71	100.35	100.03	SOFBOR ¹			2.40
Fifth opening	13.10.2004	18.02.2007		20 000 000.00	53 900 000.00	20 000 000.00	0.00	16 760.00	100.00	100.42	100.08	SOFBOR ¹			2.39
*BG 20 300 051115/16.03.2005		16.03.2008	1 096	150 000 000.00	441 547 000.00	150 000 000.00						3.50			
First opening	16.03.2005	16.03.2008		25 000 000.00	78 870 000.00	25 000 000.00	0.00	265 576.00	100.88	101.70	101.06	3.50	3.31	3.16	1.91
Second opening	06.04.2005	16.03.2008		20 000 000.00	73 120 000.00	20 000 000.00	0.00	206 680.01	100.65	102.00	101.03	3.50	3.30	3.16	1.95
Third opening	13.07.2005	16.03.2008		40 000 000.00	118 207 000.00	40 000 000.00	0.00	757 239.99	101.47	103.09	101.89	3.50	2.95	2.79	2.04
Fourth opening	14.09.2005	16.03.2008		25 000 000.00	58 350 000.00	25 000 000.00	0.00	535 685.00	101.87	102.55	102.14	3.50	2.74	2.63	2.04
Fifth opening	09.11.2005	16.03.2008		20 000 000.00	62 400 000.00	20 000 000.00	0.00	252 175.01	100.88	101.01	102.55	3.50	3.14	2.97	2.04
Sixth opening	07.12.2005	16.03.2008		20 000 000.00	50 600 000.00	20 000 000.00	0.00	225 260.00	100.74	102.25	101.13	3.50	3.19	3.01	2.05
*BG 20 301 061111/08.02.2006		08.02.2009	1 096	140 000 000.00	234 200 000.00	127 730 000.00						2.75			
First opening	08.02.2006	08.02.2009		35 000 000.00	87 800 000.00	35 000 000.00	442 645.00	0.00	98.37	99.24	98.74	2.75	3.36	3.23	2.25
Second opening	12.04.2006	08.02.2009		40 000 000.00	48 950 000.00	40 000 000.00	1 121 435.00	0.00	97.10	96.85	98.42	2.75	3.89	3.85	2.48
Third opening	21.06.2006	08.02.2009		45 000 000.00	32 730 000.00	32 730 000.00	1 247 233.00	0.00	96.19	92.21	97.12	2.75	4.35	4.35	2.56
Fourth opening	25.10.2006	08.02.2009		20 000 000.00	64 720 000.00	20 000 000.00	523 729.00	0.00	97.06	97.27	98.70	2.75	4.16	4.00	2.98
Three-year issues, total				390 000 000.00	961 287 000.00	377 730 000.00	3 388 583.67	2 311 052.67							

* Tap issue

¹ The annual interest rate is based on averaged 3-month SOFBOR effective during 20 business days prior to the beginning of the interest period; its value is to be announced up to three business days after the beginning of the interest period.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

(continued)

Primary Market of Government Securities

TREASURY BONDS ISSUED IN BGN

(continued)

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)			Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN 100 nominal value (BGN)			Annual interest rate (%)	Average annual yield (%)		Base interest rate as of issue date (payment) (%)
				amount offered by the MF	bids admitted to the auction	bids approved				Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved		Average price of bids approved	bids admitted to the auction	
*BG 20 300 02112/09.01.2002		09.01.2007	1 826	90 000 000.00	218 650 000.00	90 000 000.00							7.00			
First opening	09.01.2002	09.01.2007		25 000 000.00	62 850 000.00	25 000 000.00	25 176 905.01	0.00	176 905.01	101.89	101.89	100.71	7.00	6.97	6.83	4.78
Second opening	13.02.2002	09.01.2007		20 000 000.00	72 470 000.00	20 000 000.00	20 530 665.01	0.00	396 665.00	102.48	101.98	101.98	7.00	6.67	6.53	4.54
Third opening	10.04.2002	09.01.2007		25 000 000.00	47 080 000.00	25 000 000.00	25 939 220.01	0.00	501 720.01	101.72	102.62	102.01	7.00	6.62	6.52	4.08
Fourth opening	08.05.2002	09.01.2007		20 000 000.00	36 250 000.00	20 000 000.00	20 870 825.00	0.00	414 825.00	101.83	102.58	102.07	7.00	6.57	6.51	3.92
*BG 20 302 02118/10.07.2002		10.07.2007	1 826	90 000 000.00	174 314 700.00	84 750 000.00							6.50			
First opening	10.07.2002	10.07.2007		25 000 000.00	38 080 000.00	25 000 000.00	24 952 465.52	80 534.48	33 000.00	103.09	103.09	99.81	6.50	6.67	6.55	3.67
Second opening	14.08.2002	10.07.2007		20 000 000.00	19 100 000.00	14 750 000.00	14 612 615.00	228 835.00	0.00	99.10	99.10	98.45	6.50	7.04	6.87	3.79
Third opening	09.10.2002	10.07.2007		25 000 000.00	49 950 000.00	25 000 000.00	25 100 940.00	304 060.00	0.00	98.27	100.04	98.78	6.50	6.92	6.79	3.71
Fourth opening	13.11.2002	10.07.2007		20 000 000.00	67 184 700.00	20 000 000.00	20 352 844.99	102 382.58	7 227.58	99.93	101.44	99.92	6.50	6.73	6.61	3.71
*BG 20 300 03110/15.01.2003		15.01.2008	1 826	75 000 000.00	188 070 000.00	75 000 000.00							5.625			
First opening	15.01.2003	15.01.2008		30 000 000.00	87 720 000.00	30 000 000.00	30 126 598.99	0.00	126 598.99	102.07	102.07	100.42	5.625	5.73	5.53	3.31
Second opening	12.02.2003	15.01.2008		25 000 000.00	50 900 000.00	25 000 000.00	25 244 346.99	0.00	136 847.00	101.39	101.39	100.55	5.625	5.61	5.50	2.50
Third opening	04.06.2003	15.01.2008		20 000 000.00	49 450 000.00	20 000 000.00	20 512 344.99	0.00	80 345.00	100.21	101.02	100.40	5.625	5.62	5.53	2.96
*BG 20 302 03116/09.07.2003		09.07.2008	1 827	100 000 000.00	245 300 000.00	100 000 000.00							4.750			
First opening	09.07.2003	09.07.2008		25 000 000.00	47 300 000.00	25 000 000.00	24 780 405.00	219 595.00	0.00	98.58	100.22	99.12	4.750	5.08	4.95	2.52
Second opening	06.08.2003	09.07.2008		15 000 000.00	37 150 000.00	15 000 000.00	14 803 215.01	250 784.99	0.00	97.69	99.55	98.33	4.750	5.28	5.13	2.52
Third opening	10.09.2003	09.07.2008		20 000 000.00	43 600 000.00	20 000 000.00	19 813 304.99	350 695.00	0.00	97.79	99.10	98.25	4.750	5.26	5.15	2.56
Fourth opening	12.11.2003	09.07.2008		20 000 000.00	56 500 000.00	20 000 000.00	20 171 378.00	156 622.00	0.00	98.62	99.46	99.22	4.750	5.07	4.93	2.60
Fifth opening	03.12.2003	09.07.2008		20 000 000.00	60 750 000.00	20 000 000.00	20 277 570.00	104 430.00	0.00	99.09	100.28	99.48	4.750	4.96	4.87	2.60

* Tap issue.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

Primary Market of Government Securities

TREASURY BONDS ISSUED IN BGN

(continued)

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)			Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN 100 nominal value (BGN)			Average annual yield (%)		Base interest rate as of issue date (payment) (%)	
				amount offered by the MF	bids admitted to the auction	bids approved				Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved	Average price of bids approved	Annual interest rate (%)		bids admitted to the auction
*BG 20 300 04/18/07.01.2004		07.01.2009	1 827	100 000 000.00	349 305 000.00	100 000 000.00							4.700			
First opening	07.01.2004	07.01.2009		20 000 000.00	84 450 000.00	20 000 000.00	19 957 540.00	0.00	99.25	100.35	99.79	4.87	4.700	4.87	4.75	2.83
Second opening	02.03.2004	07.01.2009		20 000 000.00	60 120 000.00	20 000 000.00	20 285 230.00	0.00	100.06	101.51	100.72	4.69	4.700	4.69	4.54	2.41
Third opening	09.06.2004	07.01.2009		20 000 000.00	35 850 000.00	20 000 000.00	19 771 985.00	0.00	95.53	98.38	96.88	5.74	4.700	5.74	5.42	3.83
Fourth opening	15.09.2004	07.01.2009		20 000 000.00	76 600 000.00	20 000 000.00	20 167 245.00	18 670.00	99.17	100.77	99.94	4.89	4.700	4.89	4.71	2.40
Fifth opening	22.12.2004	07.01.2009		20 000 000.00	92 285 000.00	20 000 000.00	21 228 394.51	0.00	103.05	104.82	103.98	3.92	4.700	3.92	3.67	2.36
*BG 20 301 05/113/16.02.2005		16.02.2010	1 826	100 000 000.00	384 110 000.00	100 000 000.00							3.750			
First opening	16.02.2005	16.02.2010		25 000 000.00	108 300 000.00	25 000 000.00	25 357 910.01	0.00	100.58	102.47	101.43	3.65	3.750	3.65	3.46	1.89
Second opening	11.05.2005	16.02.2010		25 000 000.00	98 810 000.00	25 000 000.00	25 804 460.00	0.00	101.32	102.87	102.36	3.43	3.750	3.43	3.24	2.03
Third opening	17.08.2005	16.02.2010		25 000 000.00	105 900 000.00	25 000 000.00	25 794 300.01	0.00	102.45	103.56	103.17	3.19	3.750	3.19	3.01	2.04
Fourth opening	12.10.2005	16.02.2010		25 000 000.00	71 100 000.00	25 000 000.00	25 919 105.00	0.00	102.70	104.05	103.09	3.10	3.750	3.10	3.01	2.04
*BG 20 300 06/113/23.01.2006		25.01.2011	1 826	155 000 000.00	351 130 000.00	155 000 000.00							3.000			
First opening	25.01.2006	25.01.2011		45 000 000.00	125 710 000.00	45 000 000.00	44 267 839.00	0.00	97.84	99.08	98.37	3.50	3.000	3.50	3.38	2.21
Second opening	22.03.2006	25.01.2011		45 000 000.00	75 100 000.00	45 000 000.00	43 774 875.00	1 432 125.00	96.44	98.27	98.75	3.85	3.000	3.85	3.76	2.28
Third opening	31.05.2006	25.01.2011		45 000 000.00	72 870 000.00	45 000 000.00	43 427 757.50	2 040 242.50	94.84	94.97	97.25	4.28	3.000	4.28	4.12	2.57
Fourth opening	15.11.2006	25.01.2011		20 000 000.00	77 450 000.00	20 000 000.00	19 409 160.00	776 840.00	95.68	95.95	98.00	4.17	3.000	4.17	4.05	3.19
Five-year issues, total				710 000 000.00	1 910 879 700.00	704 750 000.00	708 431 445.54	7 464 452.55	5 330 448.11							
Medium-term government securities, total				1 100 000 000.00	2 872 166 700.00	1 082 480 000.00	1 087 412 714.54	10 853 036.22	7 641 500.78							

* Top issue.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

(continued)

Primary Market of Government Securities

TREASURY BONDS ISSUED IN BGN

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)			Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN 100 nominal value (BGN)				Average annual yield (%)		Base interest rate as of issue date (payment) (%)	
				amount offered by the MF	bids admitted to the auction	bids approved				Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved	Average price of bids approved	Annual interest rate (%)	bids admitted to the auction		bids approved
*86 20 400 01211/31.10.2001		31.10.2008	2 557	41 070 000.00	108 287 000.00	30 000 000.00				93.07	94.70	100.00	95.45	7.50	7.50		
First opening	31.10.2001	31.10.2008		30 000 000.00	53 672 000.00	18 330 000.00	861 961.00	0.00						7.50	8.85	8.37	4.63
Second opening	05.12.2001	31.10.2008		11 070 000.00	54 615 000.00	11 070 000.00	200 410.00	0.00						7.50	8.12	7.84	4.65
*86 20 400 02219/16.01.2002		16.01.2009	2 557	60 000 000.00	205 626 000.00	80 000 000.00								7.50			
First opening	16.01.2002	16.01.2009		30 000 000.00	106 295 000.00	30 000 000.00	0.00	139 814.98		99.56	100.20	102.01	100.47	7.50	7.58	7.41	4.78
Second opening	23.01.2002	16.01.2009		30 000 000.00	99 331 000.00	50 000 000.00	0.00	728 218.49		100.98	101.27	102.72	101.46	7.50	7.32	7.23	4.78
*86 20 403 02213/17.07.2002		17.07.2009	2 557	70 000 000.00	189 946 800.00	70 000 000.00								7.00			
First opening	17.07.2002	17.07.2009		20 000 000.00	29 863 500.00	20 000 000.00	321 776.70	0.00		97.64	97.31	99.46	98.39	7.00	7.44	7.30	3.67
Second opening	21.08.2002	17.07.2009		15 000 000.00	24 239 000.00	15 000 000.00	542 620.50	0.00		95.61	95.33	97.96	96.38	7.00	7.83	7.68	3.79
Third opening	16.10.2002	17.07.2009		20 000 000.00	48 880 300.00	20 000 000.00	674 379.15	0.00		95.98	96.35	97.63	96.63	7.00	7.75	7.63	3.71
Fourth opening	20.11.2002	17.07.2009		15 000 000.00	86 964 000.00	15 000 000.00	138 779.38	1 994.37		98.29	98.94	101.00	99.09	7.00	7.32	7.17	3.71
*86 20 401 03215/05.02.2003		05.02.2010	2 557	105 000 000.00	276 590 000.00	105 000 000.00								5.875			
First opening	05.02.2003	05.02.2010		20 000 000.00	77 850 000.00	20 000 000.00	20 084 010.00	0.00	84 010.00	99.51	100.07	103.91	100.42	5.875	5.96	5.80	2.50
Second opening	16.04.2003	05.02.2010		20 000 000.00	49 650 000.00	20 000 000.00	220 875.00	0.00		98.20	98.48	100.09	98.90	5.875	6.20	6.07	2.56
Third opening	09.05.2003	05.02.2010		20 000 000.00	34 800 000.00	20 000 000.00	387 630.00	0.00		97.44	97.43	98.81	98.06	5.875	6.33	6.22	2.95
Fourth opening	23.07.2003	05.02.2010		15 000 000.00	46 260 000.00	15 000 000.00	15 692 444.98	0.00	287 444.99	101.12	101.59	102.85	101.92	5.875	5.68	5.54	2.52
Fifth opening	22.10.2003	05.02.2010		30 000 000.00	68 030 000.00	30 000 000.00	31 059 344.49	0.00	681 344.50	101.51	101.77	103.03	102.27	5.875	5.61	5.48	2.59
*86 20 401 04213/11.02.2004		11.02.2011	2 557	80 000 000.00	303 310 000.00	80 000 000.00								4.750			
First opening	11.02.2004	11.02.2011		20 000 000.00	76 850 000.00	20 000 000.00	19 683 320.01	0.00		97.64	98.20	99.85	98.42	4.750	5.16	5.02	2.51
Second opening	05.05.2004	11.02.2011		20 000 000.00	39 060 000.00	20 000 000.00	645 455.99	0.00		96.07	96.06	99.71	96.77	4.750	5.43	5.31	2.59
Third opening	03.11.2004	11.02.2011		20 000 000.00	90 400 000.00	20 000 000.00	78 430.00	0.00		98.76	99.30	100.10	99.61	4.750	4.96	4.82	2.44
Fourth opening	08.12.2004	11.02.2011		20 000 000.00	97 000 000.00	20 000 000.00	20 646 640.00	0.00	338 640.00	100.78	101.22	102.61	101.69	4.750	4.66	4.48	2.36
Seven-year issues, total				356 070 000.00	1 083 759 800.00	365 000 000.00	4 388 997.71	2 261 467.33									

* Tax issue.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

Primary Market of Government Securities

TREASURY BONDS ISSUED IN BGN

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)		Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN 100 nominal value (BGN)			Annual interest rate as of		Base interest rate as of issue date (payment) (%)			
				amount offered by the MF	bids admitted to the auction				bids approved	Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved	Average price of bids approved		Annual interest rate (%)	Average annual yield (%)	
																bids admitted to the auction	bids approved
*BG 20 401 02217/20.02.2002		20.05.2009	2 646	90 000 000.00	180 482 000.00	90 000 000.00							7.00				
First opening	20.02.2002	20.05.2009		30 000 000.00	63 350 000.00	30 000 000.00	284 335.00	0.00	98.63	98.85	101.12	99.05	7.00	7.26	7.17		
Second opening	20.03.2002	20.05.2009		25 000 000.00	58 812 000.00	25 000 000.00	62 554.20	5 427.40	98.79	99.16	101.10	99.77	7.00	7.21	7.04		
Third opening	15.05.2002	20.05.2009		35 000 000.00	58 300 000.00	35 000 000.00	195 247.01	0.00	99.03	99.15	100.27	99.44	7.00	7.17	7.10		
Seven years and three months issues, total				90 000 000.00	180 462 000.00	90 000 000.00	542 136.21	5 427.40									
*BG 20 402 02215/17.04.2002		17.04.2012	3 653	90 000 000.00	202 867 400.00	84 920 000.00							7.50				
First opening	17.04.2002	17.04.2012		15 000 000.00	72 080 000.00	15 000 000.00	279 334.99	0.00	95.24	96.54	101.40	98.14	7.50	8.21	7.77		
Second opening	24.04.2002	17.04.2012		25 000 000.00	59 589 600.00	25 000 000.00	807 727.49	0.00	95.47	96.94	97.91	96.77	7.50	8.17	7.97		
Third opening	19.06.2002	17.04.2012		25 000 000.00	42 338 500.00	25 000 000.00	1 019 925.00	0.00	94.84	95.33	97.29	95.92	7.50	8.27	8.10		
Fourth opening	24.07.2002	17.04.2012		25 000 000.00	28 859 300.00	19 920 000.00	1 242 683.99	0.00	93.10	92.81	98.16	93.76	7.50	8.54	8.44		
*BG 20 400 03217/08.01.2003		08.01.2013	3 653	50 000 000.00	150 644 800.00	50 000 000.00							7.50				
First opening	08.01.2003	08.01.2013		30 000 000.00	94 289 800.00	30 000 000.00	0.00	1 224 784.99	102.73	103.67	105.17	104.08	7.50	7.11	6.93		
Second opening	02.04.2003	08.01.2013		20 000 000.00	56 355 000.00	20 000 000.00	0.00	1 036 630.01	104.05	104.76	106.02	105.18	7.50	6.93	6.78		
*BG 20 403 03211/02.07.2003		02.07.2013	3 653	50 000 000.00	148 103 000.00	50 000 000.00							5.75				
First opening	02.07.2003	02.07.2013		20 000 000.00	69 350 000.00	20 000 000.00	236 139.99	0.00	97.29	98.20	100.75	98.82	5.75	6.12	5.91		
Second opening	01.10.2003	02.07.2013		30 000 000.00	78 753 000.00	30 000 000.00	685 905.01	0.00	97.06	97.30	98.99	97.71	5.75	6.15	6.06		
*BG 20 400 04215/04.02.2004		04.02.2014	3 653	80 000 000.00	332 118 000.00	80 000 000.00							5.20				
First opening	04.02.2004	04.02.2014		20 000 000.00	85 300 000.00	20 000 000.00	429 499.99	0.00	96.65	97.57	100.48	97.85	5.20	5.64	5.48		
Second opening	14.04.2004	04.02.2014		20 000 000.00	82 680 000.00	20 000 000.00	160 108.50	0.00	98.28	98.93	99.61	99.20	5.20	5.43	5.30		
Third opening	06.10.2004	04.02.2014		20 000 000.00	86 010 000.00	20 000 000.00	50 389.98	0.00	98.66	99.55	100.40	99.75	5.20	5.37	5.23		
Fourth opening	17.11.2004	04.02.2014		20 000 000.00	78 128 000.00	20 000 000.00	0.00	293 255.01	100.30	100.79	102.40	101.47	5.20	5.16	5.01		

* Tax issue.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

Primary Market of Government Securities

TREASURY BONDS ISSUED IN BGN

(continued)

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (BGN)			Amount actually transferred (BGN)	Discount (BGN)	Premium (BGN)	Price per BGN/100 nominal value (BGN)			Average annual yield (%)		Base interest rate as of issue date (payment) (%)	
				amount offered by the MF	bids admitted to the auction	bids approved				Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved	Average price of bids approved	Annual interest rate (%)		bids admitted to the auction
*86 20 400 06212/12.01.2005		12.01.2015	3 652	150 000 000.00	637 757 000.00	150 000 000.00										
First opening	12.01.2005	12.01.2015		25 000 000.00	130 600 000.00	25 000 000.00	25 170 640.00	0.00	170 640.00	98.72	100.16	102.35	100.68	4.46	4.21	2.37
Second opening	09.03.2005	12.01.2015		25 000 000.00	102 150 000.00	25 000 000.00	25 434 249.97	0.00	271 749.96	100.18	100.80	104.27	101.09	4.27	4.16	1.91
Third opening	08.06.2005	12.01.2015		15 000 000.00	86 325 000.00	15 000 000.00	15 817 572.50	0.00	561 072.50	102.25	103.42	104.96	103.74	4.00	3.82	2.06
Fourth opening	06.07.2005	12.01.2015		35 000 000.00	158 625 000.00	35 000 000.00	37 464 134.98	0.00	1 750 135.00	103.88	104.71	106.60	105.00	3.80	3.66	2.04
Fifth opening	21.09.2005	12.01.2015		25 000 000.00	79 707 000.00	25 000 000.00	26 806 635.01	0.00	1 599 135.00	105.59	105.99	107.39	106.40	3.57	3.47	2.04
Sixth opening	05.10.2005	12.01.2015		25 000 000.00	80 350 000.00	25 000 000.00	26 797 595.03	0.00	1 550 095.02	105.60	105.94	107.25	106.20	3.57	3.49	2.04
*86 20 400 06210/04.01.2006		04.01.2016	3 652	170 000 000.00	456 930 000.00	170 000 000.00										
First opening	04.01.2006	04.01.2016		50 000 000.00	96 350 000.00	50 000 000.00	49 132 245.03	877 254.97	9 500.00	97.58	97.65	101.75	98.26	3.83	3.74	2.21
Second opening	22.02.2006	04.01.2016		30 000 000.00	107 905 000.00	30 000 000.00	29 423 549.00	717 451.00	0.00	96.63	97.23	98.75	97.61	3.50	3.83	2.25
Third opening	26.04.2006	04.01.2016		50 000 000.00	97 410 000.00	50 000 000.00	46 546 793.00	3 988 207.00	0.00	90.64	91.25	96.81	92.02	3.50	4.77	4.58
Fourth opening	26.07.2006	04.01.2016		20 000 000.00	67 765 000.00	20 000 000.00	18 242 870.50	1 799 129.50	0.00	88.06	90.15	92.59	91.00	3.50	5.17	4.74
Fifth opening	20.12.2006	04.01.2016		20 000 000.00	87 500 000.00	20 000 000.00	19 396 745.02	927 254.99	0.00	94.37	95.18	96.39	95.36	3.50	4.30	3.26
Ten-year issues, total				590 000 000.00	1 928 420 200.00	584 920 000.00	585 004 898.12	13 220 991.41	8 466 987.49							
Long-term government securities, total				1 036 070 000.00	3 192 642 000.00	1 039 920 000.00	1 041 055 362.95	18 152 125.33	10 733 892.22							
Government securities sold at auctions in BGN, total				2 136 070 000.00	6 064 808 700.00	2 122 400 000.00	2 128 468 077.49	29 005 161.55	18 375 393.00							

(continued)

* Tax issue.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

Primary Market of Government Securities

TREASURY BONDS ISSUED IN EUR

(continued)

Issue number/issue date	Payment date	Issue maturity	Number of days	Nominal value (EUR)			Amount actually transferred (EUR)	Discount (EUR)	Premium (EUR)	Price per EUR 100 nominal value (EUR)			Annual interest rate (%)	Average annual yield (%)		Base interest rate as of issue date (payment) (%)
				amount offered by the MF	bids admitted to the auction	bids approved				Average price of bids admitted to the auction	Minimum price of bids approved	Maximum price of bids approved		Average price of bids approved	bids admitted to the auction	
**BG 20 402 03213/24.02.2003		24.05.2010	2 646	75 000 000.00	216 465 000.00	105 000 000.00				100.27	100.60	103.15	5.75	5.70	5.58	2.50
First opening	24.02.2003	24.05.2010		50 000 000.00	139 990 000.00	50 000 000.00	50 496 505.01	0.00	496 505.01				5.75	5.70	5.58	2.50
Second opening	14.03.2003	24.05.2010		25 000 000.00	76 475 000.00	55 000 000.00	55 458 140.00	0.00	304 140.00	100.28	100.10	101.95	5.75	5.70	5.65	2.52
Seven years and three months issues, total				75 000 000.00	216 465 000.00	105 000 000.00	105 954 645.01	0.00	800 645.01							
**BG 20 404 03219/12.11.2003		11.10.2018	5 447	100 000 000.00	350 871 536.00	100 000 000.00				92.13	93.90	101.97	6.00	6.85	6.55	2.60
First opening	12.11.2003	11.10.2018		20 000 000.00	73 828 536.00	20 000 000.00	18 962 764.79	1 037 235.21	0.00				6.00	6.14	6.06	2.83
Second opening	23.01.2004	11.10.2018		50 000 000.00	124 820 000.00	50 000 000.00	50 305 055.50	285 946.50	1 002.00	98.62	98.74	101.45	6.00	6.06	5.94	2.44
Third opening	06.08.2004	11.10.2018		15 000 000.00	62 878 000.00	15 000 000.00	15 376 060.48	0.00	88 060.47	99.40	100.27	101.91	6.00	6.06	5.94	2.44
Fourth opening	07.01.2005	11.10.2018		15 000 000.00	89 545 000.00	15 000 000.00	16 805 042.50	0.00	1 587 542.50	109.07	110.38	110.91	6.00	5.14	4.99	2.37
Fourteen years and eleven months issues, total				100 000 000.00	350 871 536.00	100 000 000.00	101 448 923.27	1 323 181.71	1 676 604.97							
Long-term government securities, total				175 000 000.00	567 336 536.00	205 000 000.00	207 403 568.28	1 323 181.71	2 477 249.98							
Government securities sold at auctions in EUR, total				175 000 000.00	567 336 536.00	205 000 000.00	207 403 568.28	1 323 181.71	2 477 249.98							

** Tap issue. Total volume was not entirely sold.

Note: Yield on treasury bonds is calculated according to the methodology applied by the MF and the interest convention (ACT/ACT) adopted as of 1 January 2001; the Yield function built into MICROSOFT EXCEL – for government securities issued prior to 22 November 2004 and the ISMA – International Yield formula – for government securities issued after 22 November 2004.

Information

TARGET2-Securities

1. Description

At present, European central securities depositories (CSDs) normally settle the central bank money leg of securities transactions that are denominated in euro through the local real-time gross settlement (RTGS) component of the TARGET system. The forthcoming TARGET2, with its single technical platform replacing the multiplicity of platforms of the current TARGET system, has increased the pressure for a common European platform for the settlement of securities transactions.

Currently, participants in a CSD must also participate in the national RTGS system of the country where the CSD is located. With the introduction of TARGET2, it will be possible for each participant in TARGET2 to settle – through a single TARGET2 account – transactions effected via any CSD that provides for settlement in central bank money in euro.

TARGET2-Securities may be this common securities settlement platform if the ECB's Governing Council decides to implement it. A decision is expected by early 2007. The name „TARGET2-Securities“ reflects the main objective of optimising interactions between TARGET2 and securities settlement systems.

TARGET2-Securities would only provide settlement services while other CSD functions (such as corporate actions, custody functions, safekeeping and administration) would continue to be offered by the CSDs.

The Eurosystem is working in cooperation with CSDs and their participants to determine whether the project is feasible and to identify the market's preferences in relation to the features of TARGET2-Securities. The CSDs and their participants are also in the process of assessing the potential impact of the project with regard to issues such as internal organisation, financing, staff requirements and commercial relationships.

2. Benefits

TARGET2-Securities would represent a major step towards a single Eurosystem interface with the market, whereby the settlement of securities and cash would take place on the same technical platform. The CSDs would continue to carry out the custody-related functions. Implementation of TARGET2-Securities would potentially bring large cost savings as a result of the high level of efficiency and technical harmonisation that it would entail for market participants, particularly in the field of cross-border business.

TARGET2-Securities could, in addition, facilitate the cross-border management of collateral and thereby pan-European liquidity management. Synergies with other systems operated by the Eurosystem – in particular TARGET2 and solutions for the cross-border use of collateral – could be expected.

TARGET2-Securities, fully owned and operated by the Eurosystem, would constitute a guarantee of equal access and a level playing-field for all market participants.

3. Issues Currently under Consideration

In order to evaluate the feasibility of TARGET2-Securities, the Eurosystem is currently consulting market participants, CSDs and other market infrastructure providers on a number of issues, which include, inter alia, the scope of assets and services, the separation of the custody and settlement functions, the account structure and realistic timing for the development and launch of TARGET2-Securities.

4. Milestones and Communication

- 6 July 2006 – Governing Council decision to further explore, in cooperation with CSDs and other market participants, the setting up of a new service – potentially called TARGET2-Securities – for securities settlement in the euro area.

- 7 July 2006 – press release, the Eurosystem is evaluating opportunities to provide settlement services for securities transactions in central bank money, leading to the processing of both securities and cash settlements on a single platform through common procedures to allow the harmonised settlement of securities transactions in euro which are settled in central bank money.

- 19 July 2006 – meeting with market participants on TARGET2-Securities Settlement Systems interactions.

- 20 July 2006 – press conference on TARGET2-Securities Settlement Systems interactions by Ms. Tumpel-Gugerell and J.M. Godeffroy.

- 10 August 2006 – the ECB launches a questionnaire on TARGET2-Securities: initial assumptions and questions.

- 11 and 12 September 2006 – Technical ad hoc meeting on TARGET2-Securities with CSDs.

- 21 September 2006 – publication on the ECB website of the TARGET2-Securities brochure.

- 27 September 2006 – tripartite meeting with banks and CSDs on TARGET2-Securities.

- September 2006 – publication on the ECB website of the preliminary feedback from the market to the ECB questionnaire “TARGET2-Securities: initial assumptions and questions”. Written responses have been received from the banking communities and CSDs of 13 national markets, the two international central securities depositories (ICSDs), two European banking associations (the European Savings Banks Group, ESBG and the European Association of Co-operative banks, EACB) and several central counterparties (CCPs) and stock exchanges.

- Early 2007 – approval by the Governing Council of a feasibility study on the project.