
United Bulgarian Bank
Bulgaria: Macroeconomic Update
May 2021

Chief Economist Department

Probabilities of the Main Scenarios

Bulgaria Outlook 2020-2023

The Economy of Bulgaria

COVID - 19 Status in Bulgaria

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Banking sector

Probability of the Main Scenarios

Baseline scenario increasingly confirmed by recent events –the strong progress in vaccination in EU and the expected improvement of the vaccination in Bulgaria

New APC 2020 Scenarios			
July-August probabilities	15%	45%	40%
September probabilities	15%	50%	35%
October probabilities	10%	55%	35%
November probabilities	10%	55%	35%
December probabilities	10%	55%	35%
Year 2021			
January probabilities	10%	60%	30%
February probabilities	10%	60%	30%
March probabilities	10%	60%	30%
April probabilities	10%	60%	30%
May probabilities	10%	70%	20%

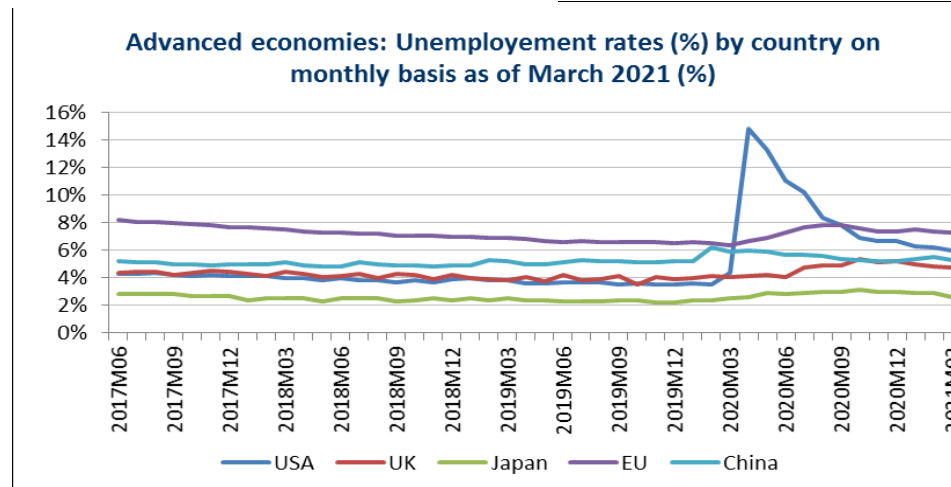
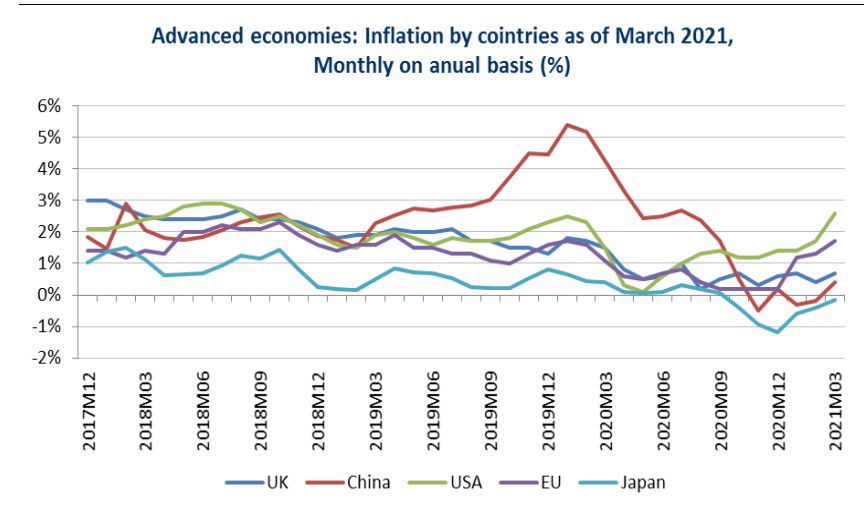
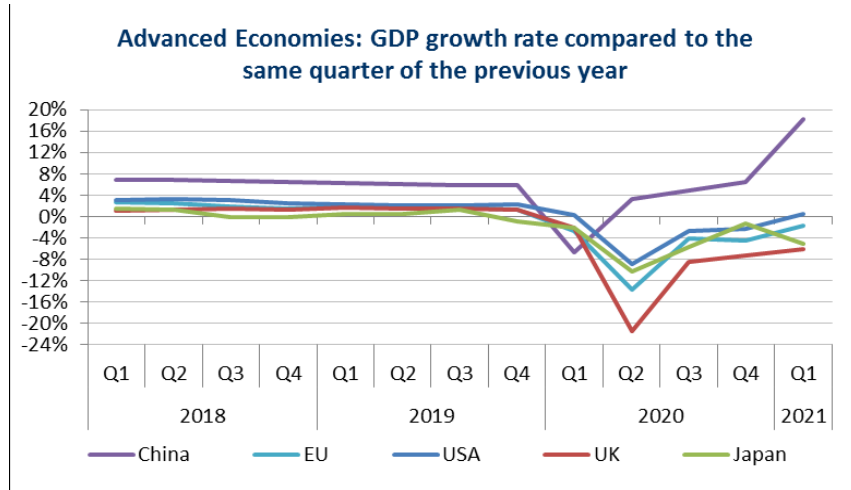
Source: KBC Economics

Arguments for Scenario Probabilities – May 2021

- The baseline scenario for May 2021 takes into account the latest economic and financial developments, as well as the latest information on the efficacy of the vaccine and progress in the introduction of vaccines.
- The baseline scenario involves reducing uncertainty about when to emerge from the pandemic. As the latest wave of pandemics declines across the EU and the rate of vaccination increases, the baseline scenario is expected to gradually open up the EU's economies in the second half of 2021 onwards. Based on recent events confirming this scenario, the probability of a baseline scenario has been changed to 70%, while the probability of a pessimistic scenario has been reduced to 20%, reflecting the declining risks of complete collapse and / or permanent and comprehensive blockages as expected. of collective immunity until the end of the summer. Moreover, countries are also better prepared to deal with new variants of viruses that are unlikely to lead to new blockades.
- However, the baseline scenario also reflects some short-term economic problems due to the second pandemic wave in the fourth quarter of 2021 and there is only a partial economic recovery in 2021. The economic costs of the second wave are significant in the fourth quarter of 2020 and the first quarter. 2021 in terms of growth below normal or negative), but significantly less than in the first wave on the basis of better-than-expected economic resilience and targeted blocking measures. The deployment of vaccination will initiate a comprehensive economic recovery, also supported by fiscal stimulus, increasing consumer and producer confidence in the continued recovery of China and the United States. However, this recovery is expected to gain momentum mainly from the second half of 2021, as the continuation of (partial) blocking measures continues to weigh on the economies in the first part of the year, allowing only partial economic opening.
- As the baseline scenario is increasingly confirmed by recent events, it remains the most likely economic scenario. However, the remaining risk is not symmetrical. Risks remain sloping downwards - with heavier weights in the pessimistic scenario than in the optimistic one - and are associated with the resurgence of severe Covid-19 pandemic waves (including variants), potential refusals to introduce vaccination or efficacy, and delayed fiscal stimulus. An additional fiscal stimulus or strong subdued demand and faster than expected wide open opening of the economy could potentially lead to more positive economic development.

Overview global forecasts

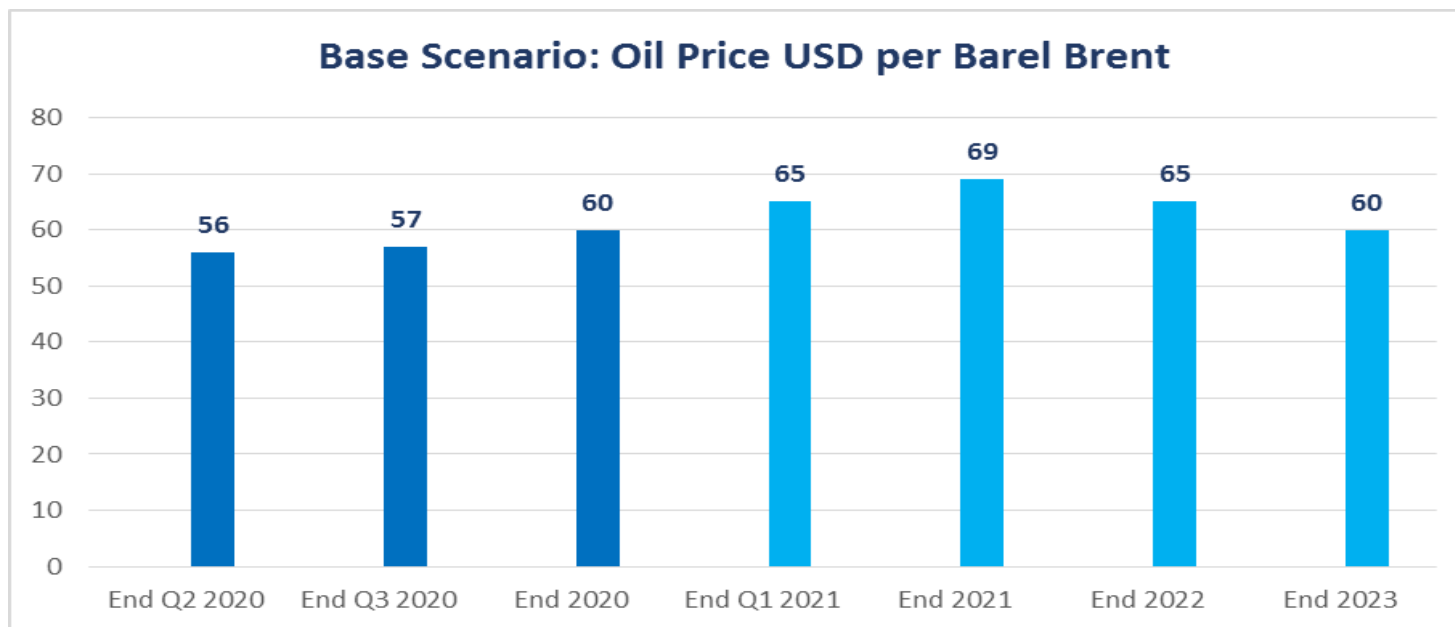
In Q1 2021 advanced economies performed better than initial market expectations as fiscal support impacted strongly, economies adapt to social distancing and the spread of vaccination is gaining momentum.



Base scenario: Oil Prices Projections

Brent crude futures fell almost 5% to an over 3-week low of USD 65.3 a barrel on MAY 18, extending a 1% fall in the previous session as rising coronavirus cases in Asia and signs of progress in the US-Iran nuclear talks spooked investors away from oil markets. Meantime, the EIA weekly report showed US crude inventories rose last week by the most in two months, although at a softer than expected pace. The oil market is still about 30% higher this year, after recovering to pre-pandemic levels in mid-March on expectations that fuel demand would rebound sharply with the rollout of Covid-19 vaccines and the reopening of more economies. However, rising coronavirus cases in India, the world's third-biggest oil importer, and data pointing to an uneven economic upturn threaten the demand recovery while more recent news that Iran may start pumping more oil triggered fears over an oversupplied market.

Brent crude oil is expected to trade at 69 USD/BBL by the end of 2021. Looking forward, we estimate it to trade at 65USD/BB in 2022and to return to 60USD/BB in 2023.



Base scenario: Metal Prices Projections (1)

Copper futures fell for the third session on May 21, trading at 2-week lows of \$4.5 per pound, after China said it will strengthen its management of commodity supply and demand to curb any “unreasonable” increases in prices. On the supply side, miner Glencore will restart operations at the currently idled Mutanda copper mine in the Democratic Republic of Congo in 2022 while in top producer Chile a possible strike at the world's largest Chile's Escondida mine threatens output. In spite of the price adjustment from a record high of \$4.9 per pound reached on May 11th the copper cost is set to remain elevated given how crucial the metal is in the transition to a carbon-free world and as supply is constrained due to lack of investment by large miners. Meantime, the world’s top producer Chile passed a measure that would introduce progressive taxes on copper sales starting in 2024 and with the highest bracket set at 75%, pending the approval by the senate and the government.

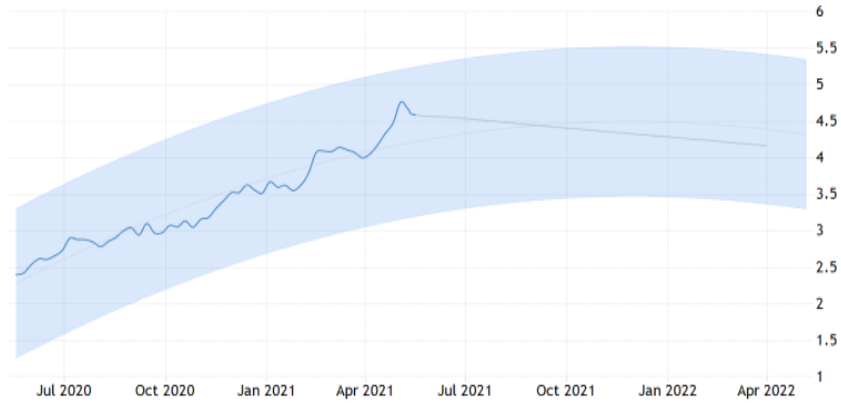
Shanghai steel futures fell to below 5,500 yuan a tonne from a record-high of 5,887 reached on May 12th and are expected to further decline in the coming weeks due to lower demand from the construction sector during the summer months and as the inventories were filled up. Nevertheless, steel prices remain up more than 30% this year and are likely to stay elevated, amid high cost of steelmaking ingredient iron ore and as China’s steel capital Tangshan instructed most mills to cut production by 30%-50% until the end of the year to reduce carbon emissions.

Prices for iron ore cargoes with a 63.5% iron content for delivery into Tianjin traded below \$220 a tonne, after rallying to an all-time high of \$229 on May 13th as demand for the steel is expected to ease from the construction sector as the summer season gets underway. Further pressuring prices, Chinese Premier Li Keqiang announced more measures to curb surging commodity prices, promising more domestic supply to ease prices, tougher oversight on spot and future markets and vowing to punish speculation and hoarding. On the supply front, BHP’s South Flank iron ore project in Western Australia announced the start of production of 80 million tons a year.

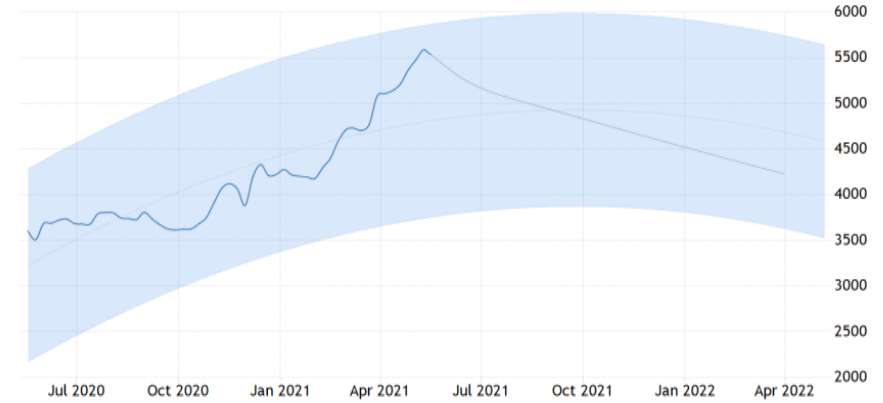
Tin prices fell towards \$29,000 per tonne in mid May, moving further away from a decade high of \$30,000 hit earlier in the month, as a rebound in the US dollar capped recent gains. Tin has been supported by high demand for consumer electronics, a hot housing market, and worldwide scarcity of the metal. Shipments from Indonesia, the world’s largest exporter, fell 24% in the first quarter of 2021, weighed down by a month-long shortage of shipping containers and delays.

Base scenario: Metal Prices Projection (2)

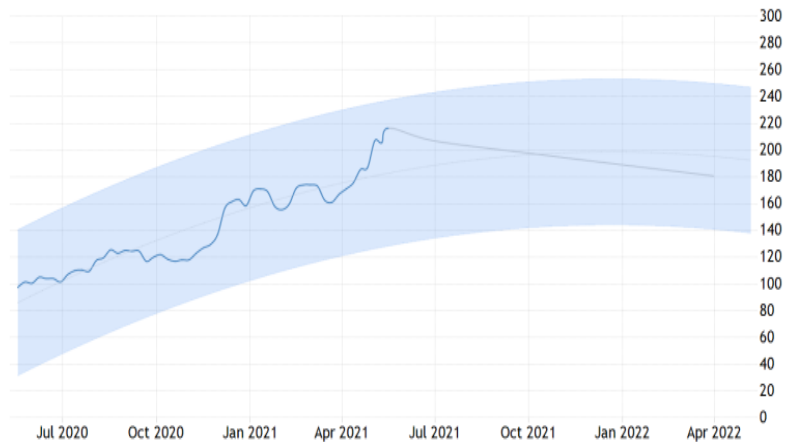
Copper



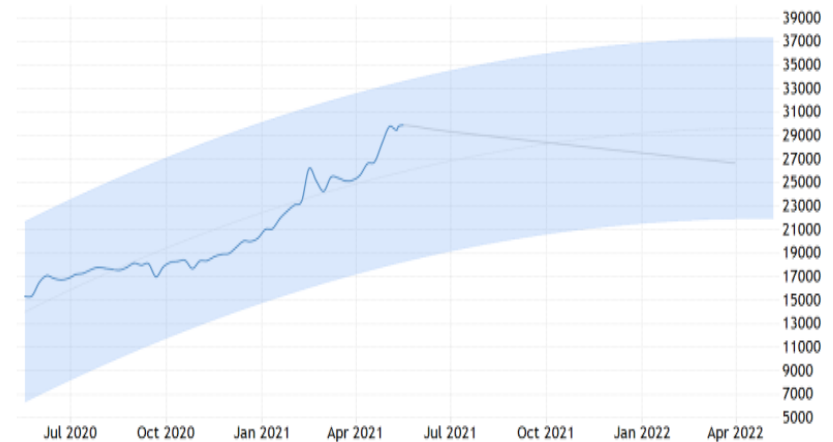
Steel



Iron ore



Tin



Base scenario: Agriculture products Prices Projections (1)

Chicago wheat futures traded around \$7 per bushel, almost 10% lower than an over 8-year high of \$7.8 hit on May 7, moving in tandem with corn and soybeans after the USDA increased production estimates for the 2021/22 marketing. At the same time, commodity traders weighed reports of rainfalls across the American Great Plains and Europe, which has supported crop expectations for this year. A surge in demand in livestock feed in China, which has recently driven imports of grains supported prices. According to the USDA, American farmers planted 70% of the planned wheat acres, ahead of both the average estimates of 69% and the 5-year average of 51%. The Department added that winter wheat was rated 49% good-to-excellent, up 1% from prior estimates. On top of that, wheat stocks were seen falling to 774 million bushels by June 2022, down 11.2% from a year earlier and the lowest since 752 million bushels in 2015.

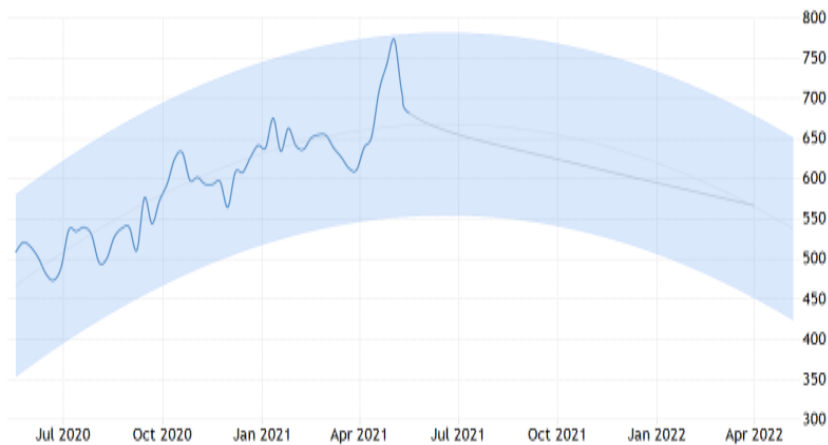
Chicago soybean futures traded below \$16 per bushel, about 5% below an over 8-1/2-year high of \$16.6 hit on May 12, tracking losses in corn and wheat on a bearish USDA stocks forecast. In addition, vegetable oil demand from India diminished sharply as most restaurants, hotels and bars remain under restrictions due to Covid-19. Strong Chinese demand and rising use of soy oil in biodiesel limited losses. Chinese soybean imports hit 7.45 million tonnes in April, an annual increase of 11%, boosted by robust demand from the livestock sector. This positive demand outlook is still expected to keep US stockpiles near seven-year lows, with the US Agriculture Department projecting that soybean stocks would increase 20 million bushels from 120 million bushels forecast for 2021, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.

Oat decreased 5 USd/BU or 1.39% since the beginning of 2021.

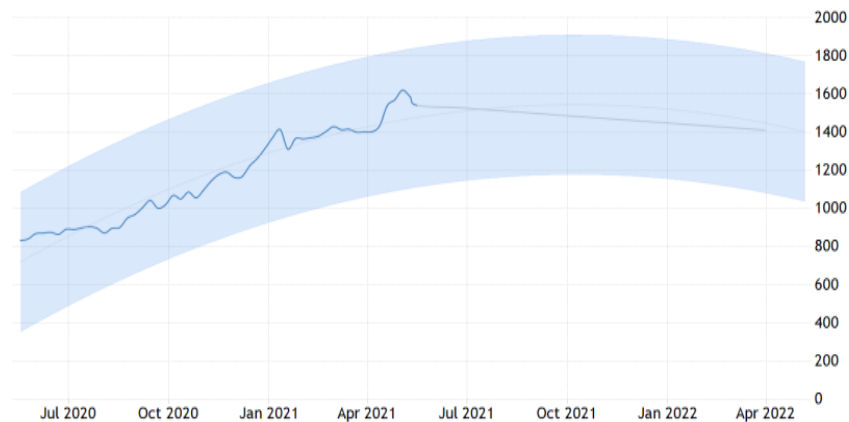
Chicago corn futures traded around \$6.5 a bushel, a decline of more than 15% from a near 8-year high of \$7.7 hit on May 7, as fears over tight supplies eased following the USDA's stocks forecast. The USDA projected that US corn stocks would stand at 1.507 billion bushels by September 1, 2022, up from 1.257 billion bushels expected on September 1, 2021 and above market expectations. Still, China's requirement for US corn remains strong, helped by a surge in demand for livestock feed.

Base scenario: Agriculture products Prices Projections (2)

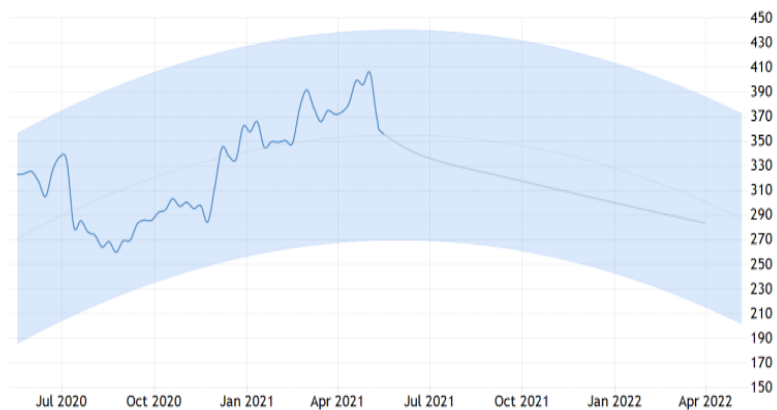
Wheat



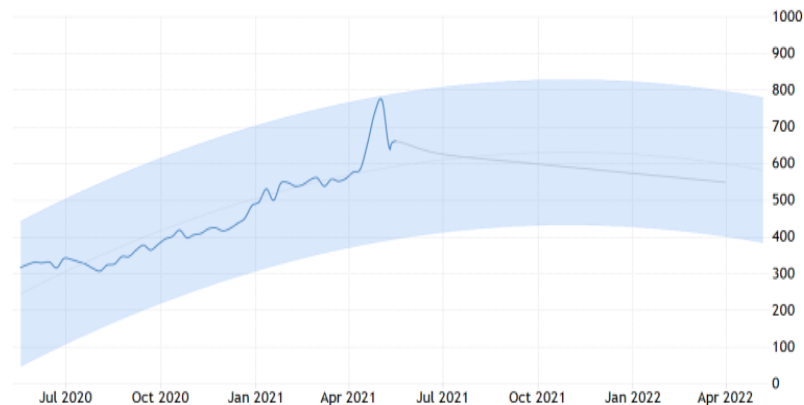
Soya



Oat



Corn



Overview global forecasts

Weak Q1 2021 figure in Euro area together with expected growth acceleration in H2 2021, leads to a higher overhang effect for growth in 2022.

The main driver for the global forecast is the much larger-than-expected fiscal stimulus package recently adopted in the United States. slightly stronger than expected growth dynamics in Q1 2021, which is expected to further accelerate in Q2.

	Real GDP growth							Headline inflation (US CPI)						
	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023
EMU	2.7	1.9	1.3	-6.8	4.0 (4.1)	4.1	2.2	1.5	1.8	1.3	0.3	1.6	1.4	1.5
US	2.4	2.9	2.3	-3.5	6.2 (6.0)	3.8 (3.7)	2.2	2.1	2.4	1.8	1.1	2.6	2.2	2.2
China	6.9	6.6	6.1	2.3	8.5	5.2	5	1.6	2.1	2.9	2	1.7 (2.5)	2.5	2.5
Changes are in Bold. Projections from previous month are in brackets.														

Source: KBC Economics

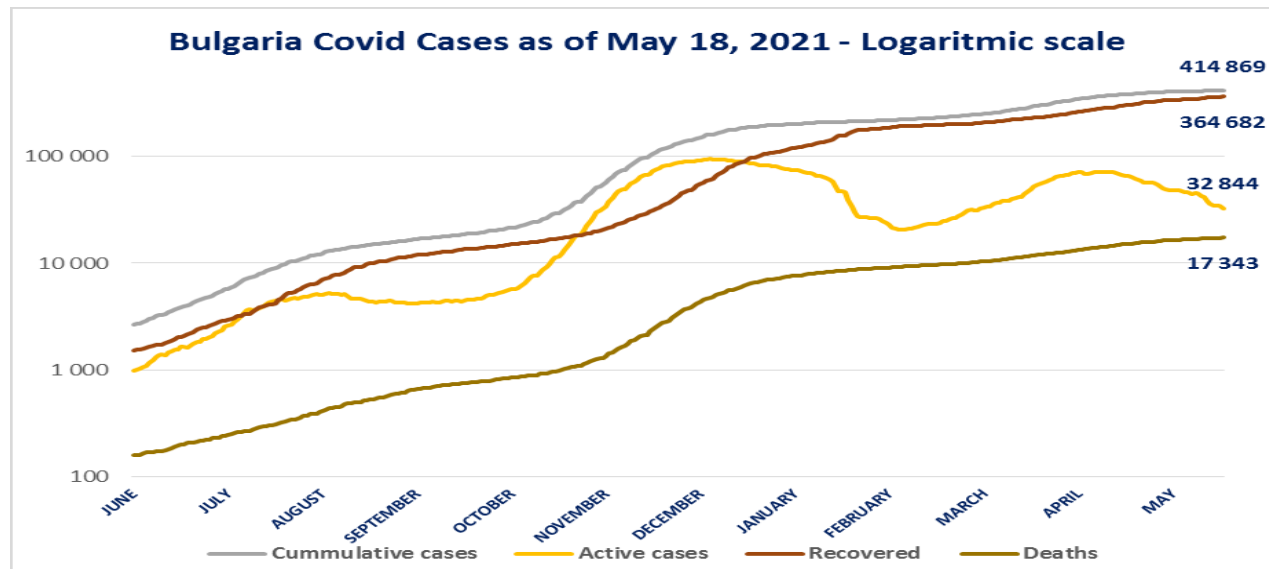
Our projections are for rising yields on 10-year bonds short and medium-term interest rates in negative territory.

Advanced economies	Indicators	End 2020	Current 07.05.2021	Q2 2021	Q3 2021	End 2021	End 2022	End 2023
US	Fed policy rate (middle target range)	0.125	0.125	0.125	0.125	0.125	0.125	0.125
	10y Bond yield	0.9	1.74	1.9	2.15	2.15	2.25	2.4
Eurozone	ECB deposit rate	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
	ECB refi rate	0	0	0	0	0	0	0
Germany	10y Bond yield	-0.5	-0.27	-0.15	-0.15	0	0.25	0.5
	USD per EUR	1.21	1.206	1.17	1.17	1.19	1.27	1.3
Changes are in Bold. Projections from previous month are in brackets.								

Source: KBC Economics

Status of pandemic COVID-19 in Bulgaria

- In Bulgaria, the number of newly slaughtered people is beginning to decline slightly, but their total since the beginning of the pandemic exceeds 414 thousand.** The danger has not yet passed for either the population or the economy. The danger has not yet passed for either the population or the economy. 19,200 doses of the Johnson and Johnson COVID-19 vaccine arrived in Bulgaria on May 18, 2021. The delivered quantities were immediately distributed to regional health inspections in the country. The next delivery of vaccines against COVID-19 is expected on 20.05.2021, from their manufacturer Moderna - 36,000 doses.
- In the coming weeks and months, there will be a higher proportion of RNA vaccines than vector vaccines. 1,300,000 vaccines are part of the 10 million for which the EC managed to reach an agreement with Pfizer / Biontech for accelerated delivery in the second quarter. The rest will be delivered in the fourth quarter. The expected quantities of RNA vaccines in the next 3 months should allow reaching a 50 percent level of vaccination of the population, which is the goal set by the EC. The expected quantities of RNA vaccines in the next 3 months should allow reaching a 50 percent level of vaccination of the population, which is the goal set by the EC.



Bulgaria – Outlook 2021 - 2023 (1)

Bulgaria	Optimistic scenario					Base scenario					Pessimistic scenario				
May 8, 2021	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Real GDP growth (in %)	3.4	-4.2	4	4	3	3.4	-4.2	3	4	3	3.4	-4.2	-1	2.1	3
Inflation (in %, harmonised CPI, average)	2.5	1.2	2.6	2.5	2.5	2.5	1.2	1.9	2.2	2	2.5	1.2	1.5	1.8	1
Unemployment rate (end of year, Eurostat definition)	4.2	4.8	4.8	4.6	4.2	4.2	4.8	5	4.8	4.6	4.2	4.8	8	9	9
Government budget balance (in % of GDP)	-1	-3	-1	-1	0	-1	-3	-3.9	-2	-1.8	-1	-3	-4.9	-3	-2.5
Gross public debt (in % of GDP)	20.4	24.3	24	25	26	20.4	24.3	26.9	28	29.1	20.4	24.3	28.7	30.7	32.5
Current account balance (in % of GDP)	1.2	0.4	4	3.8	2.6	4	0.4	2	3	1	4	0.4	0	0.3	0.4
Long-term interest rate, 10Y Government Bond Yield	1.2	0.4	0.9	1.4	2.1	1.2	0.4	0.4	0.8	1.1	1.2	0.4	0.75	1	1.25
House prices (annual %-change, existing and new dwellings, Eurostat def.)	6	5.4	3	3.5	3.5	6	5.4	2.5	3.2	3.2	6	5.4	2	3	3
Source: KBC, UBB															

Bulgaria – Outlook 2021 - 2023 (2)

- **Our forecast remains for growth of 3% for GDP in 2021, 4% for 2022. and 3% for 2023.** Domestic demand is also expected to contribute to economic growth. The gradual easing of restrictive measures will encourage consumer demand in the second half of 2021, and the positive development of the labor market will support consumption in 2022. A key factor for the growth of investments will be the successful implementation of the National Recovery and Sustainability Plan.
- **The labor market situation is assessed as stable** as a result of the implementation of employment retention measures and expects labor market indicators to improve further. The unemployment rate is expected to fall to 5% in 2021, and to fall to 4.8% in 2022 and to 4.6% in 2023.
- **After the reported slowdown in inflation in the country in 2020, due to lower energy prices and lower prices for food and services, it is expected to accelerate to 2% in 2021** (2% HIPC in April 2021). Among the factors for this will be the projected rise in energy prices and side effects due to higher fuel prices. In 2022 the total HICP will be at the level of 2.1%, in 2023 at the level of 2%.
- **The risks for this forecast are balanced.** The positive side effects of the Recovery and Sustainability Plan on private consumption and investment could be greater, but delays and inefficiencies in its implementation may hamper the acceleration of economic activity. Regardless of the results of the forthcoming early parliamentary elections (scheduled for July 11, 2021), political parties will be guided in their policies, complying with the regulatory requirements of the Currency Board, Bulgaria's membership in the EU and NATO, and Bulgaria's membership in the ERM-II waiting room.

Bulgaria – Outlook 2021-2023 (2)

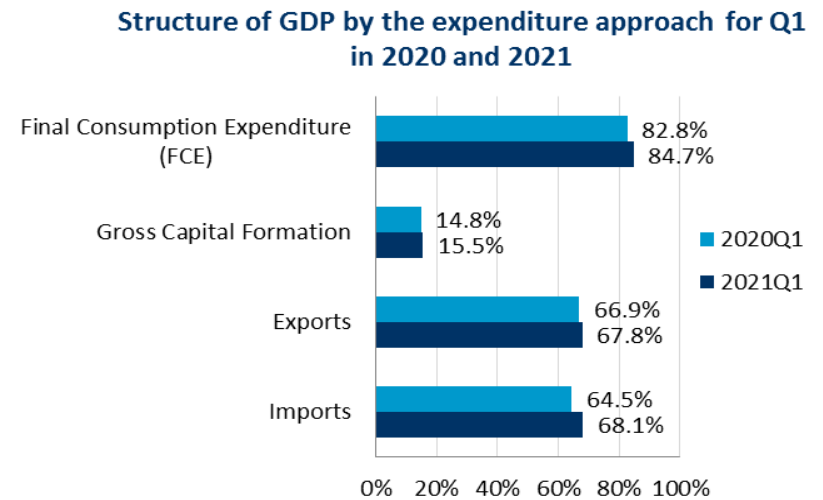
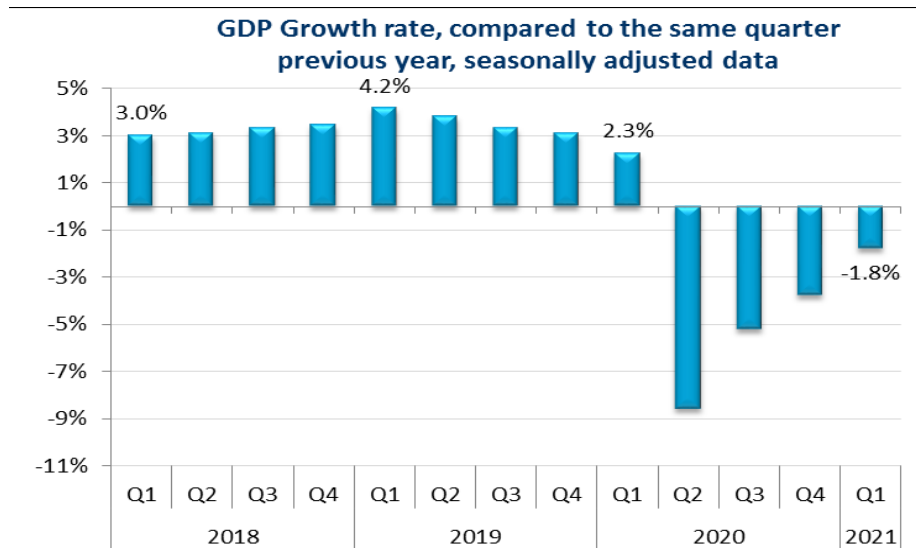
Most leading public and private institutions have upgraded their predictions for the Bulgaria's economic recovery in 2021. **In terms of forecasts, the European Commission (EC) has raised its forecast for Bulgaria's GDP growth this year from 2.7% to 3.5%. For 2022, the EC expects growth of 4.7%.** The main contribution to GDP growth in 2021 will be made by exports of goods, supported by higher external demand. The export of services will depend on the development of tourism, and this year there will be some improvement compared to the crisis year 2020, but the level will remain about 25% lower than in 2019, and the recovery will continue in 2022.

Bulgaria GDP Growth (%): International Institutions Projections	2019	2020	2021	2022	2023
EC	3.4	-5.1	3.5	4.7	n.a
IMF	3.4	-4	4.4	n.a	n.a
BNB	3.4	-4	3.8	3.9	3.2
MF	3.4	-3	2.5	3	3.2
KBC	3.4	-4.2	4	3	3
Bulgaria CPI Inflation rate (%): International Institutions Projections	2019	2020	2021	2022	2023
EC	2.5	1.2	1.6	2	n.a
IMF	2.5	1.2	1.7	n.a	n.a
BNB	2.5	0.3	3	0.7	1.3
MF	2.5	1.4	2.1	2.6	2.5
KBC	2.5	1.2	1.9	2.2	2

Source: EC, IMF, BNB, MF, KBC

Bulgaria: Main Macroeconomic Indicators (1)

- According to NSI express data, the Bulgarian economy contracted by 1.8% yoy in Q1 of 2021.** This is the fourth consecutive decline, but also the weakest since the beginning of the pandemic, which shows that the economy is beginning to recover to pre-crisis levels. The decline on an annual basis in Q4 of 2020 was 3.8%. On a quarterly basis, GDP grew by 2.5%, due to an increase in exports of goods and services by 6.5% and final consumption by 1.6%. Thus, the growth accelerated compared to the previous quarter, when the increase was 2.2%.
- By elements of final use** in Q1 2021 the largest share in GDP is occupied by final consumption by 84.8%, and increases by 2.6% on an annual basis. In the previous reporting period, the growth was only 0.9%. In Q1 of 2021, gross capital formation reached a growth of 1.2% yoy (down 7.4% in the Q4 of 2020). It occupies a relative share of 15.5% of GDP. The foreign trade balance is negative, with exports of goods and services declining by 6% and imports increasing by 0.6%.

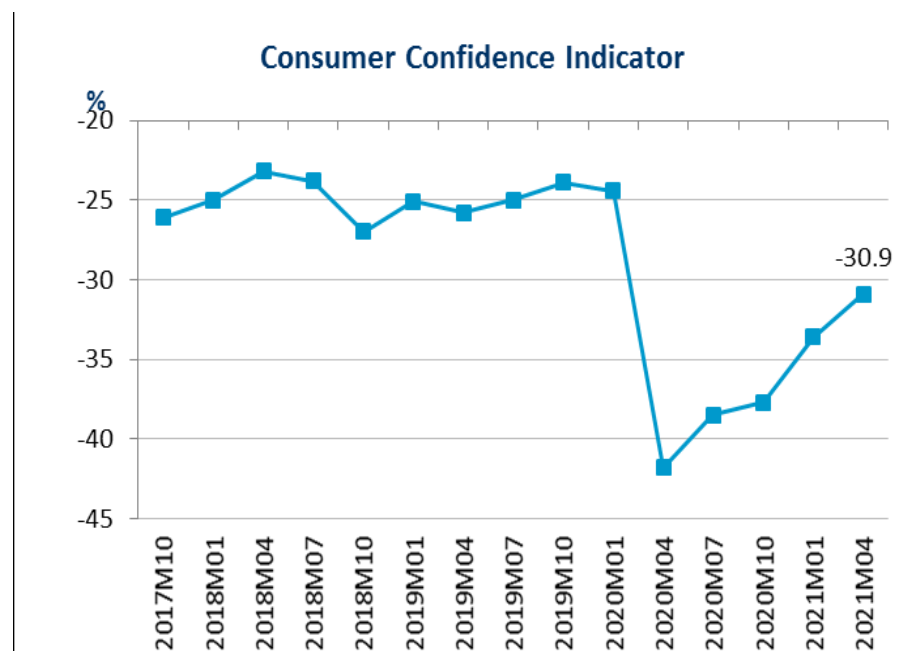
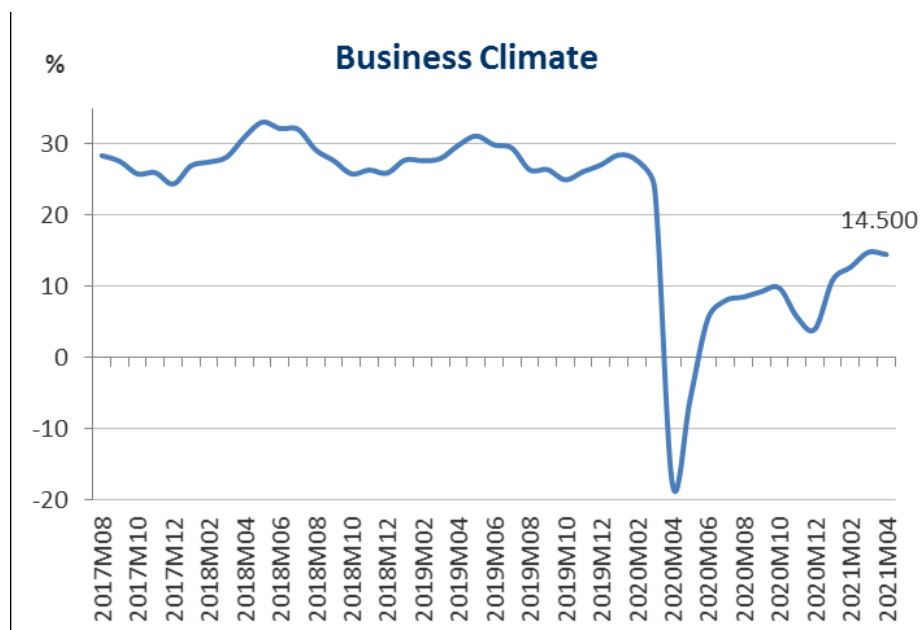


Source: EC, IMF, BNB, MF, KBC

Bulgaria: Main Macroeconomic Indicators (2)

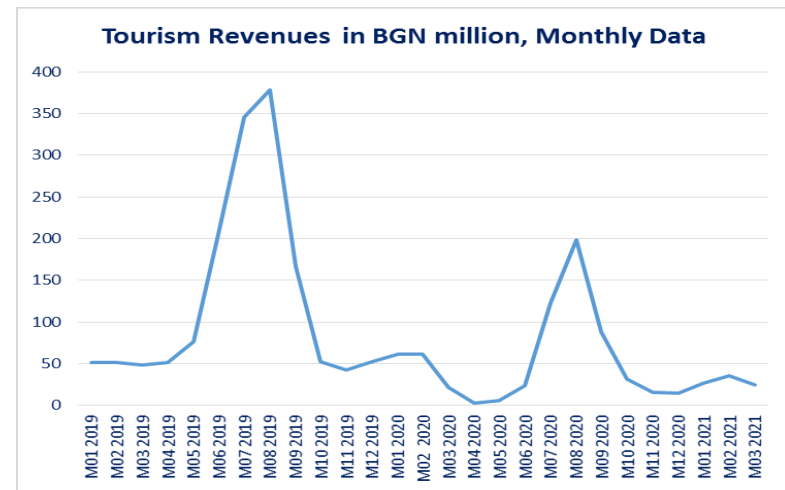
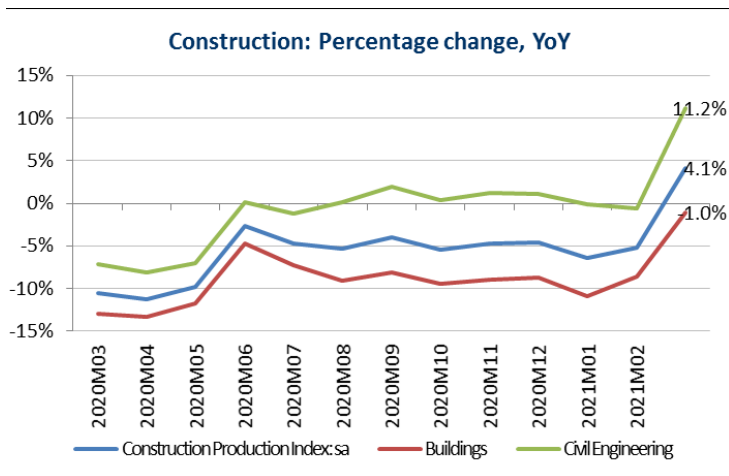
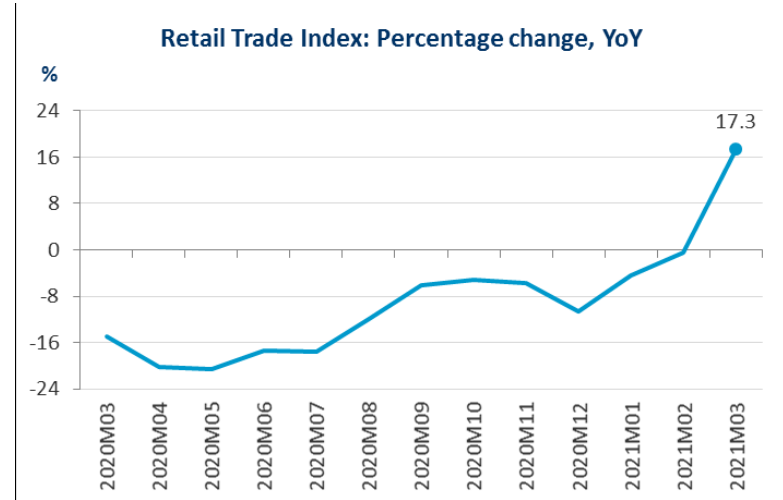
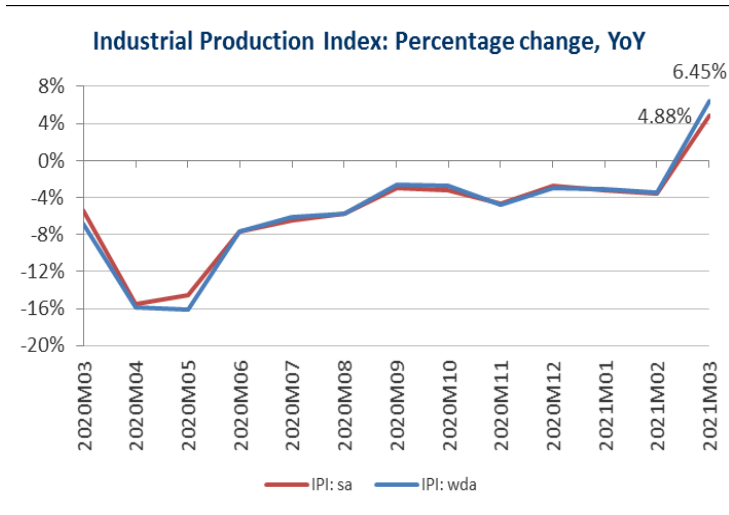
In April 2021, the **total business climate indicator decreases** by 0.3 percentage points compared to March to 14.5 index points. A reduction of the indicator is observed in industry and construction, in retail trade preserves its level from March, and in service sector, an increase is registered.

In April 2021, the total consumer confidence indicator increased by 2.7 percentage points in comparison with January 2021. An increase of consumer confidence among both urban and rural inhabitants by 2.4 and 2.7 percentage points respectively is reported.



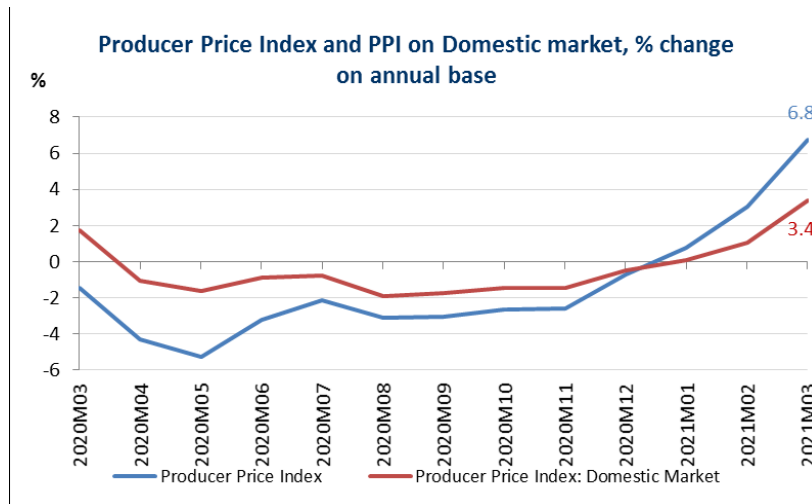
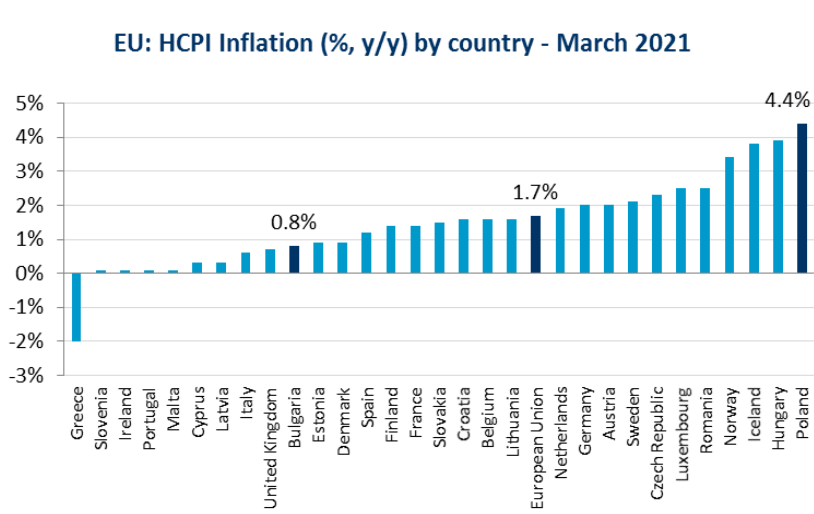
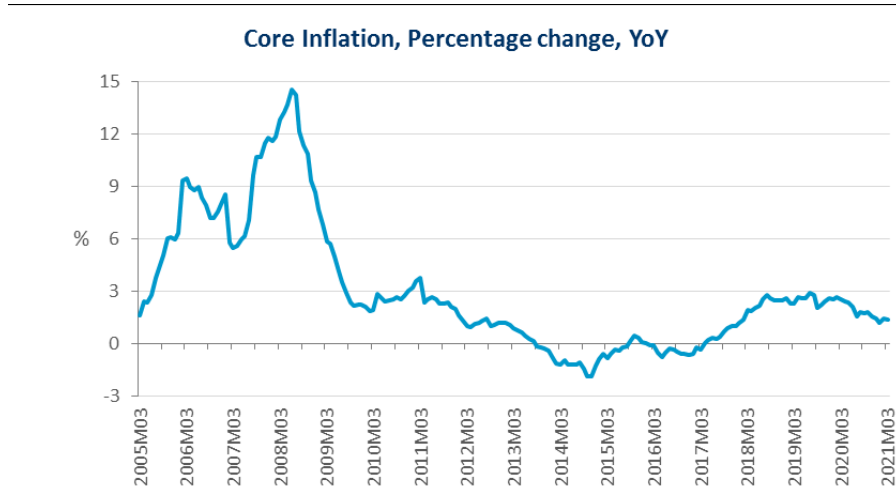
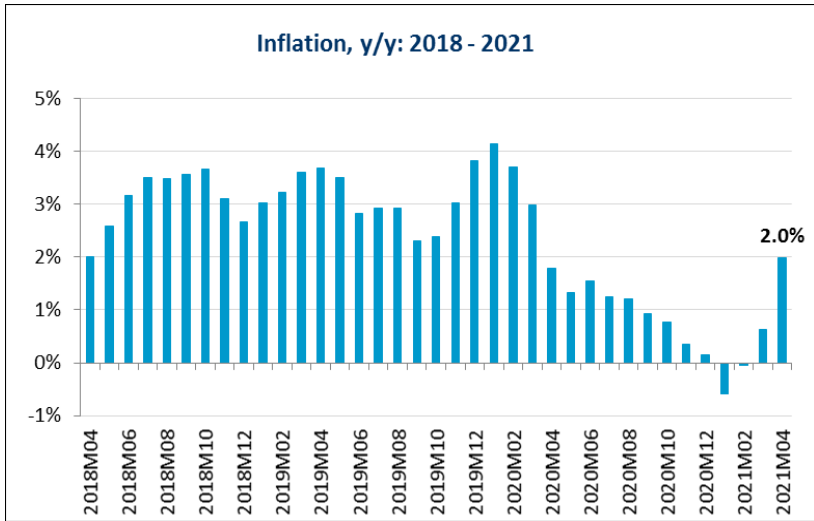
Bulgaria: Main Macroeconomic Indicators (3)

High Frequency Indicators slightly improved yoy in March 2021 even more of them is still in negative territory. Tourism sector is deeply affected as contracted by 16.5% yoy compared to March 2020.



Bulgaria: Main Macroeconomic Indicators (4)

CPI and PPI declined following the trends Oil prices on the international markets.

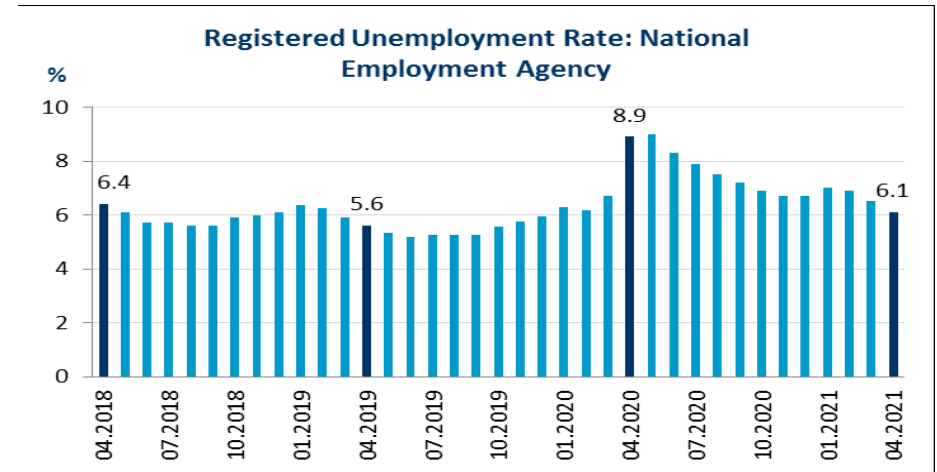
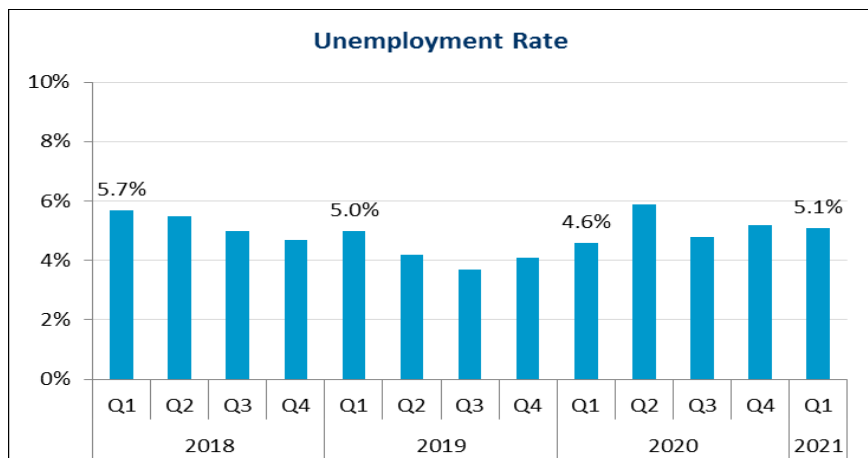


Source: NSI

Bulgaria: Main Macroeconomic Indicators, Labor market (5)

According to the NSI data in Q1 2021 the harmonized unemployment rate in Bulgaria is 5.1% and reported an decrease by 0.1 pps compared to Q4 2020, while on an annual basis the increase is with 0.5 pps.

According to Agency of employment in April the rate of registered unemployment is 6.1% and reported decrease by 0.4 pps compared to previous month, and decreased by 0.6 pps compared to April 2020.



Note:

According to the definition of the NSI, unemployed are persons aged 15 - 74 years who: 1) do not have a job during the observed period; 2) actively looking for work for a period of four weeks, incl. observed week, or have already found a job that they expect to start within three months after the end of the observation period, 3) have the opportunity to start work within two weeks after the end of the observed period.

The NSI assessment is based on a sample "Labor Force Survey", in which Bulgarian households are interviewed on a rotating basis. The labor force survey is performed on a two-stage nesting sample, including about 19.6 thousand households each quarter (about 0.65% of the households in the country). The definition of unemployment of the NSI is according to Regulation of the European Commission (EC) № 1897/2000.

The Employment Agency considers unemployed only persons who have registered with the labor offices.

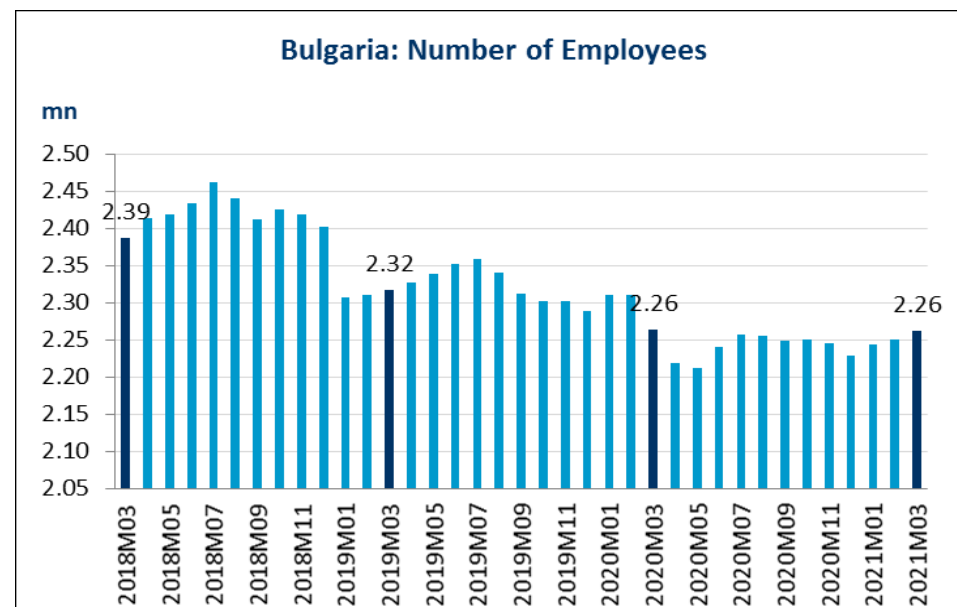
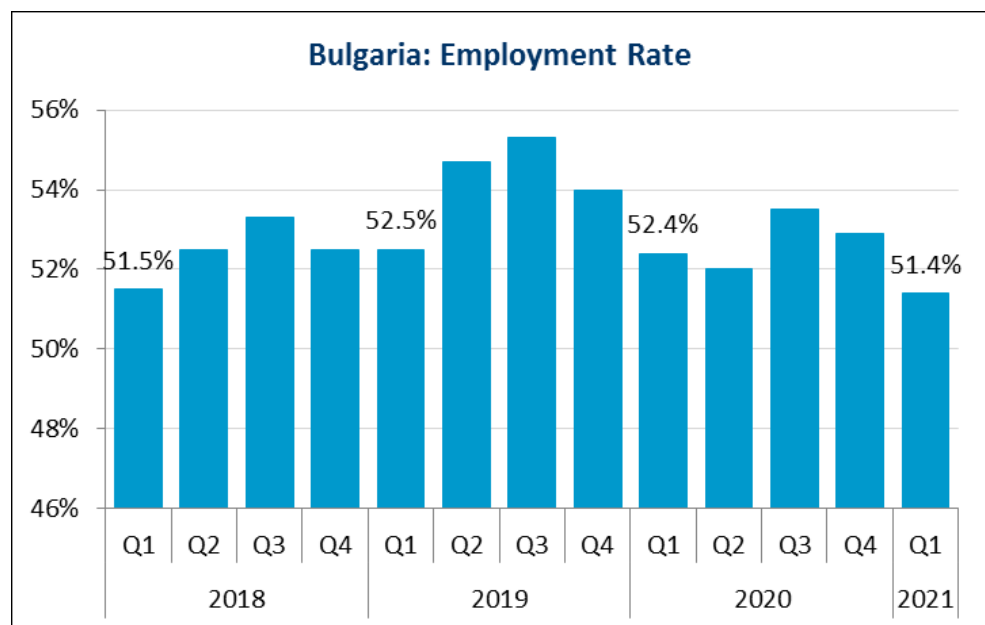
Source: NSI, AE

Bulgaria: Main Macroeconomic Indicators, Labor market (5a)

Since the beginning of 2021 the Labor Force Survey in all EU Member States, incl. in Bulgaria, is carried out in compliance with the Regulation (EU) 2019/1700 of the European Parliament and of the Council establishing a common framework for European statistics relating to persons and households, based on data at individual level collected from samples and subsequent mission implementing regulations in the field of labor force statistics. These regulations implied changes in the methodology of the Labor Force Survey, primarily related to the definitions of employment and unemployment, and in consequence, the data for the first quarter of 2021 are not fully comparable to that for previous quarters.

In Q1 2021 the employment rate was 51.4% (57.7% for men and 45.6% for women).

In Q1 2021 of 2021 there were 2.26 million employed persons, 1.16 million men and 1.10 million women



Source: MF

These changes concern mainly employment and unemployment definitions, in particular:

- Persons on leave for looking after a child of one to two years of age who are receiving fixed compensation for the duration of the leave, are considered employed (they used to be considered economically inactive persons up to the end of 2020);
- Persons on an unpaid parental leave for looking after a child of two to eight years of age are considered employed only if the one time duration of using that leave is at most three months, i. e. they do not use all the leave they are entitled to (six months for each parent). These persons used to be considered employed up to 2020;
- Persons who are absent from work due to different reason than holidays, illness, accident or maternity and parental leave are considered employed only if the duration of their absence is up to 3 months (even they are being partially compensated)
- Persons who produce agricultural products for self-consumption are excluded from the employed person's category even if they satisfy their household's main consumption needs by that production. Employed are considered only persons growing agricultural produce, intended mainly for sale or barter;
- Persons on a seasonal job are defined as employed out of the active work season if they regularly continue to do tasks and activities connected with their work or business, not including execution of legal or administrative tasks;
- Persons receiving social benefits who are obliged to do free community services are not considered employed. They used to be considered employed if they worked during the reference week up to the end of 2020.

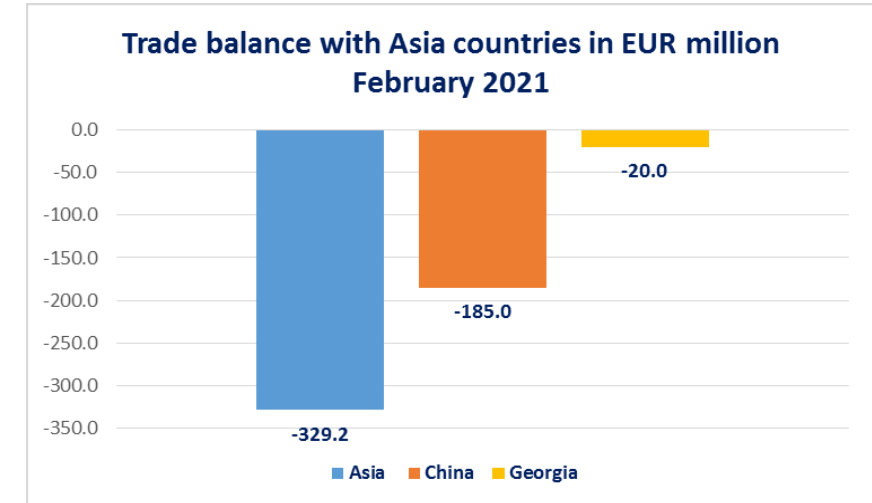
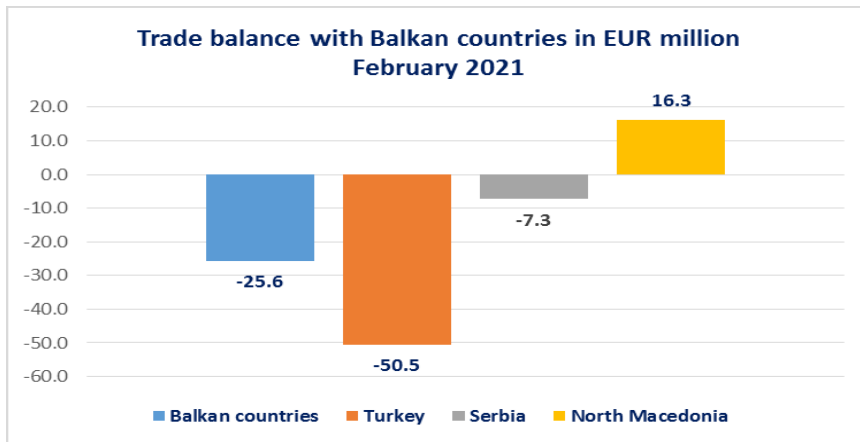
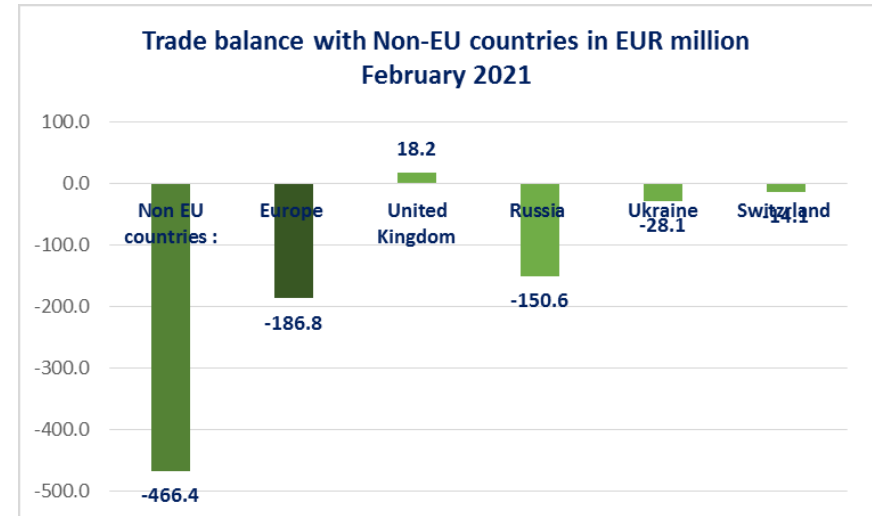
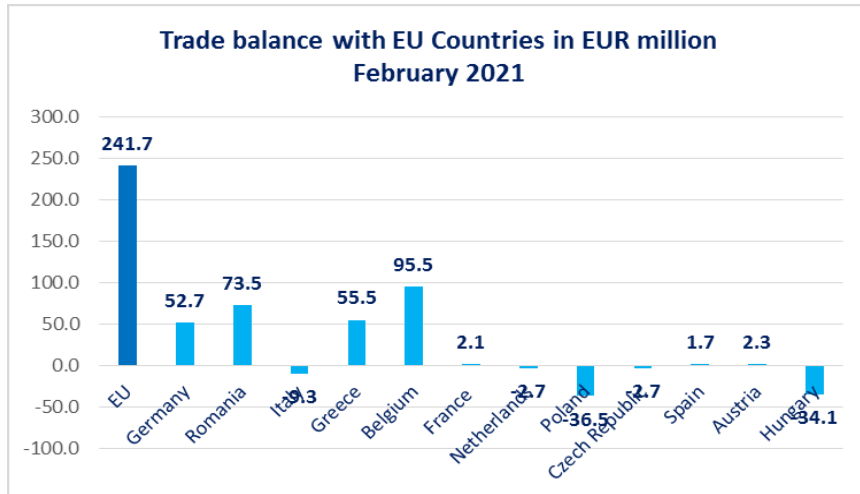
Employed are persons aged 15 to 89 who, during the reference period: -did some work for at least one hour for salary or other form of payment; -did not work but had a job or an enterprise, a business from which they were temporarily absent due to illness, annual leave, maternity leave, parental leave, etc.

Unemployed are persons aged 15 to 74 who: -did not work at all during the reference period; were actively looking for work during the preceding four weeks, including the reference one, or have found a new job, or established a business that is expected to start within 3 months following the reference period; Were available to start working within two weeks following the reference period.

Long-term unemployed are persons who have been unemployed for at least one year or longer.

Bulgaria: Main Macroeconomic Indicators (6)

In February 2021 Bulgaria's Trade balance is negative at EUR 224.8 million with positive value only with EU countries at EUR 241.7 million. The trade balance is negative with Non –EU countries at EUR 446.4 million, with Balkan countries at EUR 25.6 million and with Asia countries at EUR 329.2 million.



Source: MF

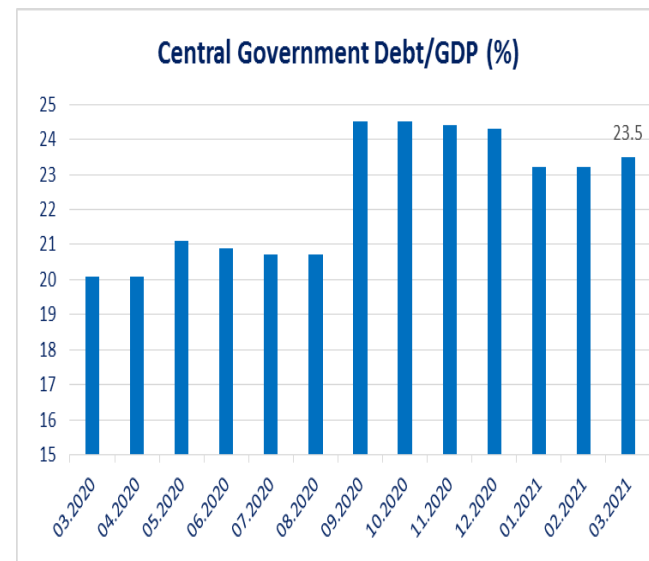
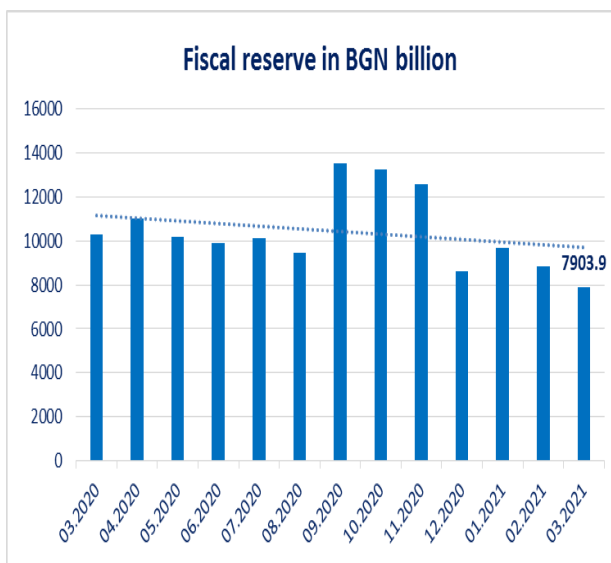
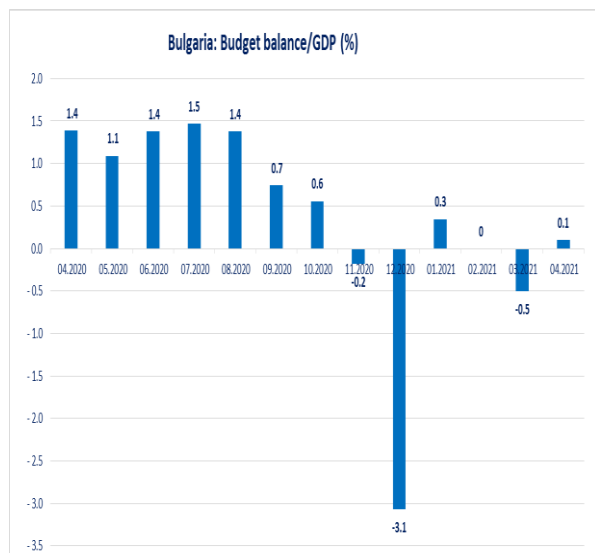
Bulgaria: Main Macroeconomic Indicators (7)

Bulgaria's Fiscal position

Based on preliminary data and estimates, the budget balance under the Consolidated Fiscal Program (CFP) for the first four months of 2021 is expected to be positive at BGN 115.4 million (0.1% of projected GDP). In April alone, a surplus of about BGN 735 million is expected to be reported on a monthly basis.

The fiscal reserve as of 31.03.2021 is BGN 7.9 billion, including BGN 7.8 billion of fiscal reserve deposits in the BNB and in banks and BGN 0.1 billion of receivables under the EU Funds for certified expenditures, advance payments, etc.

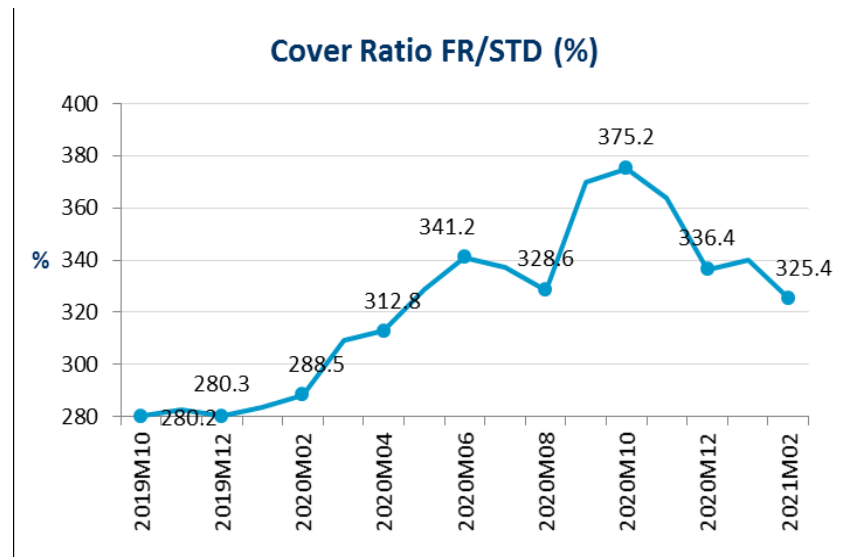
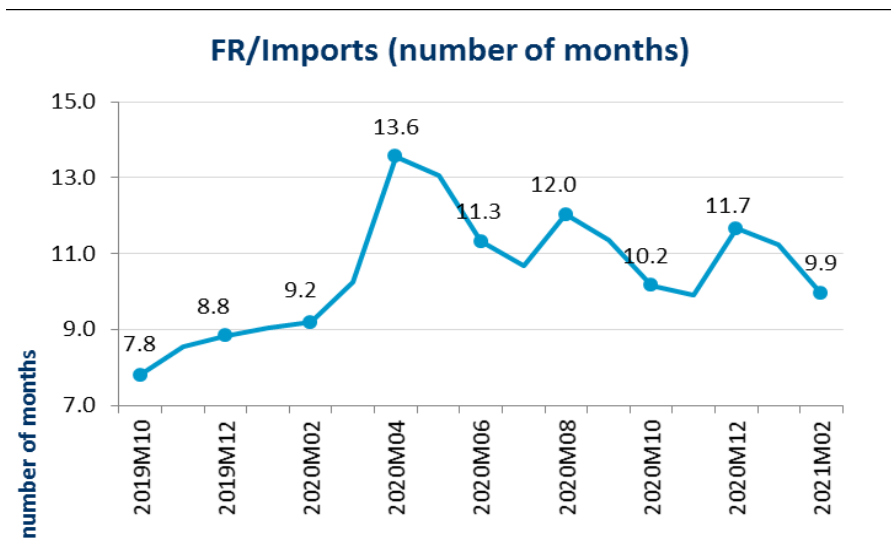
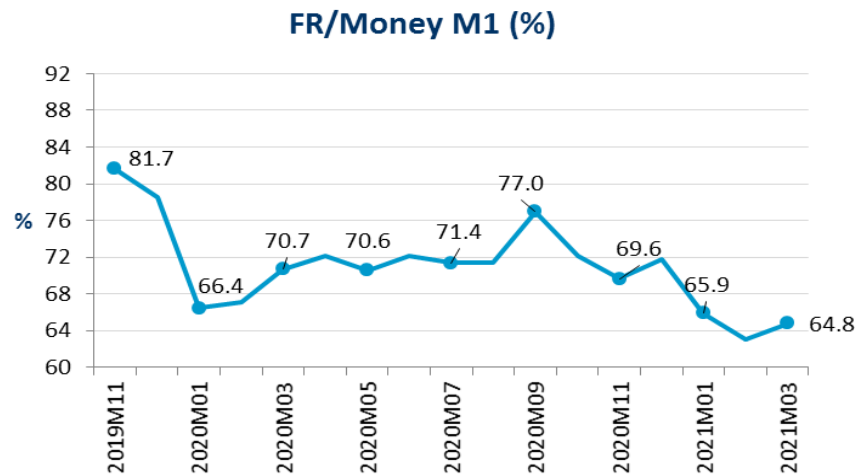
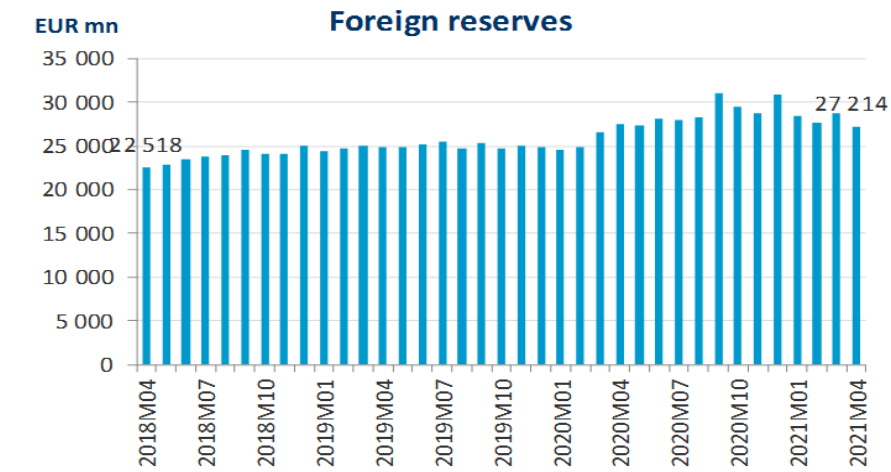
The central government debt as at end-March 2021 amounted to BGN 29,208.3 million, increasing by around BGN 273.0 million as compared to end-February 2021. Domestic debt amounted to BGN 6,279.6 million and external debt –to BGN 22,928.7 million. It's relative share to GDP is 23.5%.



Source: MF

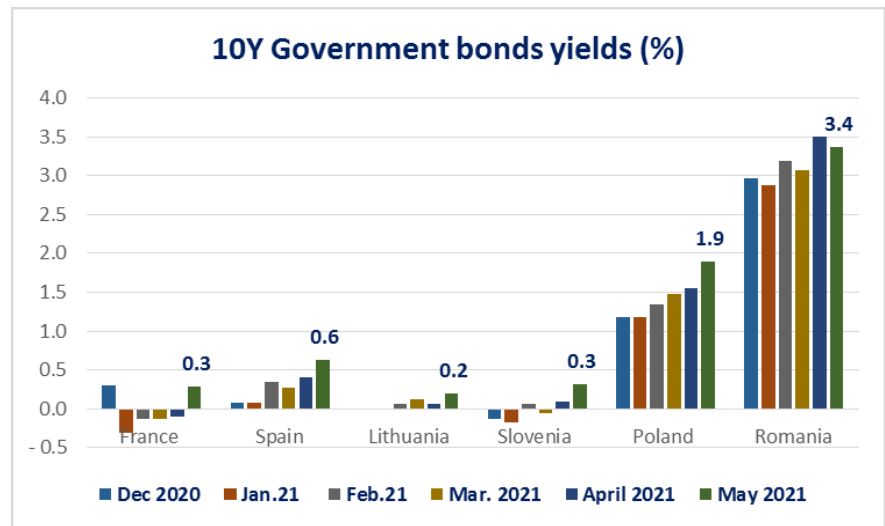
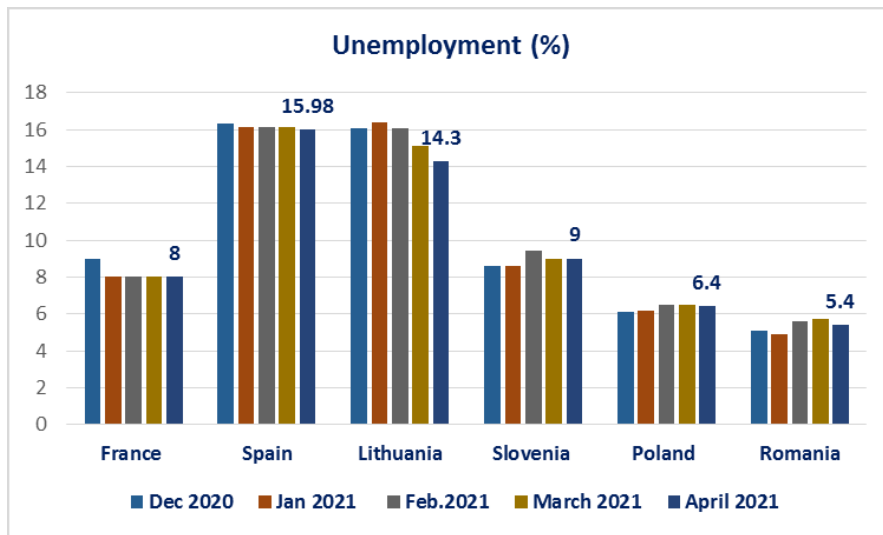
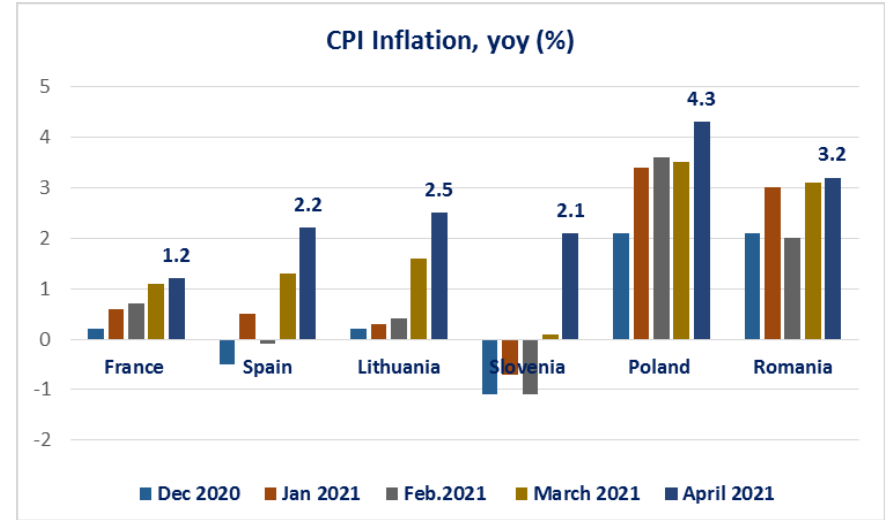
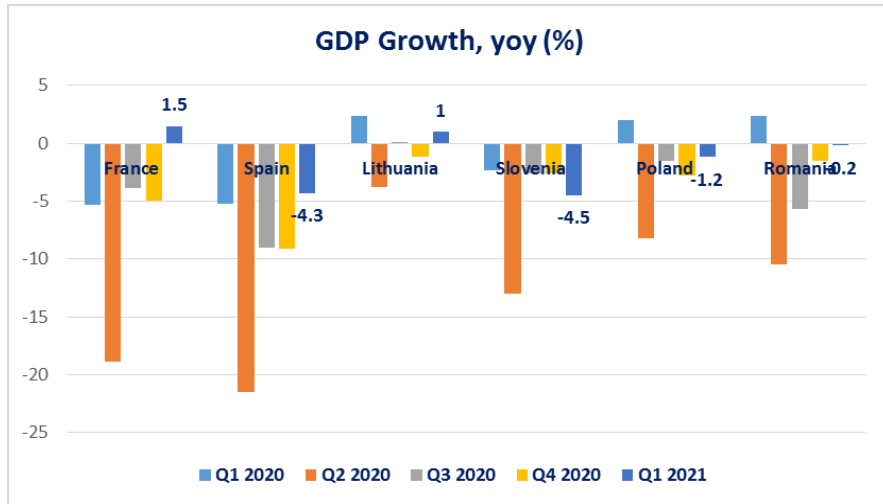
Bulgaria: Main Macroeconomic Indicators (8)

Currency Board Indicators



SELECTED COUNTRIES BOND MARKETS BRIEF REVIEW

According Eurostat preliminary data for Q12021 all countries reported GDP improvement. France and Lithuania go to positive territory with 1.5% and 1%, respectively. Spain, Slovenia, Poland and Romania reported contraction, but lower compared to market expectations.



FRANCE

The France 10Y Government Bond has a 0.288% yield.

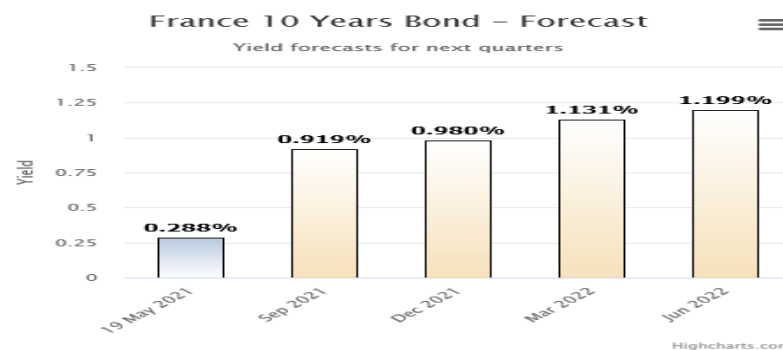
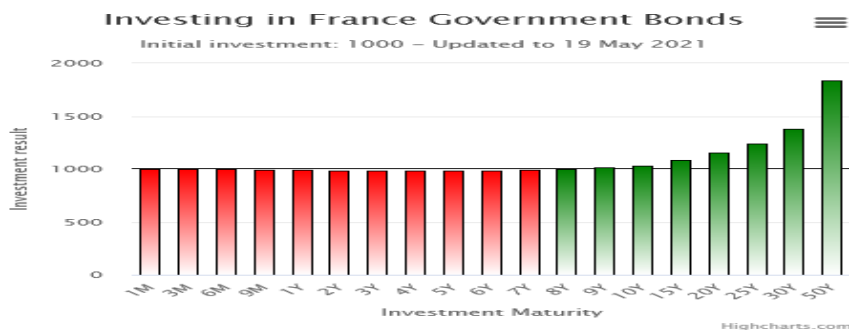
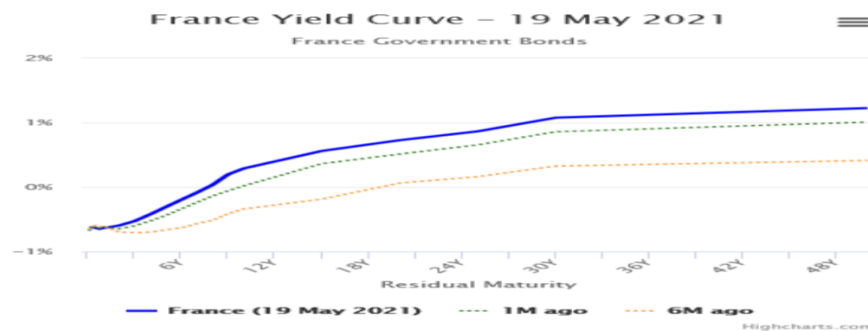
- 10 Years vs 2 Years bond spread is 88.6 bp.

Normal Convexity in Long-Term vs Short-Term Maturities.

- Central Bank Rate is 0.00% (last modification in March 2016).
- The France credit rating is AA, according to Standard & Poor's agency.
- Current 5-Years Credit Default Swap quotation is 24.2% and implied probability of default is 0.40%.

Chief economist comment: Relatively low risk on Investment type government bonds. In environment under COVID-19, the French economy performed better than the market expectations. It is worth focusing on investments in bonds with positive yields with maturity over 8 - 15 years, with imperative assessment of duration of the bonds and the liquidity position of the Bank. Negative yield bonds can be purchased for the need of asset restructuring mainly.

Credit Ratings	Agency	Raiting	Outlook	Date
France	Fitch	AA	Negative	May 15, 2020
	DBRS	AAA	Negative	April 17, 2020
	Moody's	Aa2	Stable	February 21, 2020



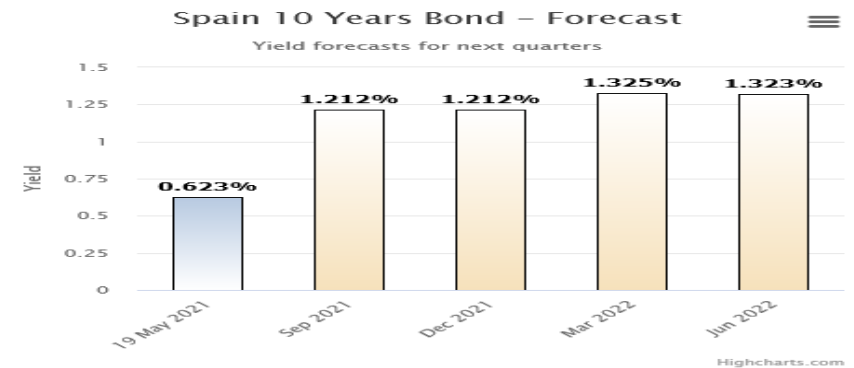
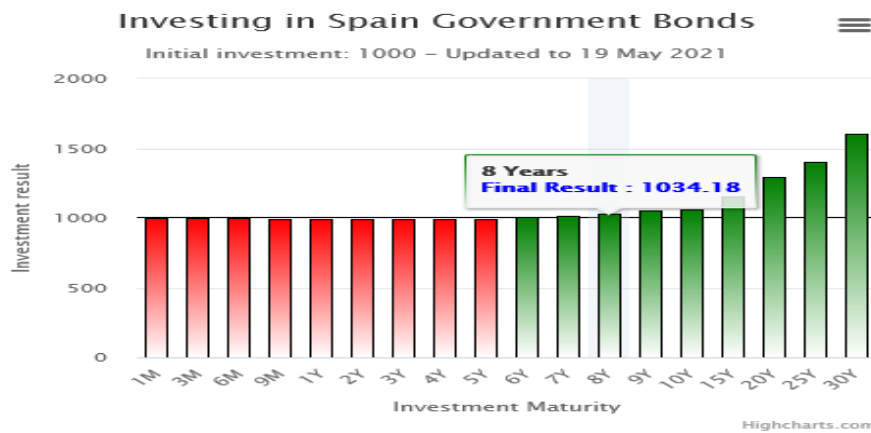
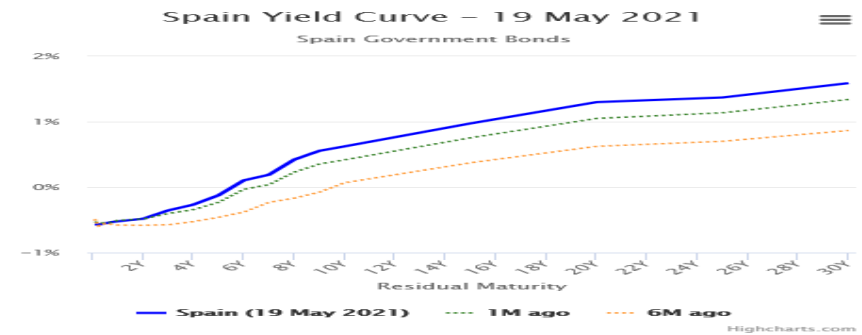
SPAIN

The Spain 10Y Government Bond has a 0.623% yield.

- 10 Years vs 2 Years bond spread is 110.6 bp. Normal Convexity in Long-Term vs Short-Term Maturities.
- Central Bank Rate is 0.00% (last modification in March 2016).
- The Spain credit rating is A, according to Standard & Poor's agency.
- Current 5-Years Credit Default Swap quotation is 38.1 and implied probability of default is 0.64%.

Chief economist comment: Relatively low risk on Investment type government bonds. In environment under COVID -19, the Spain economy performed better than the market expectations. It is worth focusing on investments in bonds with positive yields with maturity over 6 years, with imperative assessment of duration of the bonds and the liquidity position of the Bank. Negative yield bonds can be purchased for the need of asset restructuring mainly

Credit Ratings	Agency	Rating	Outlook	Date
Spain	DBRS	A	Stable	May 29, 2020
	S&P	A	Stable	September 20, 2019
	Moody's	Baa1	Stable	April 13, 2018

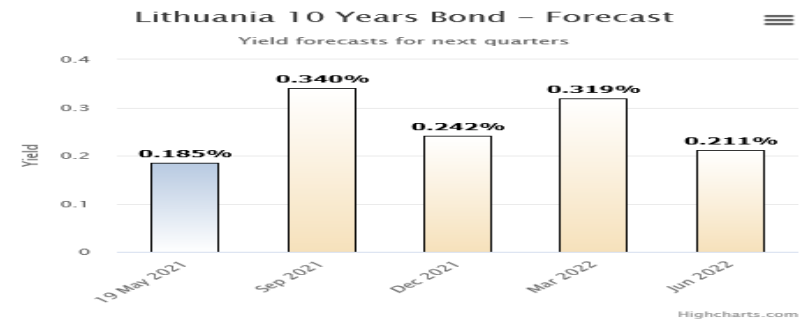
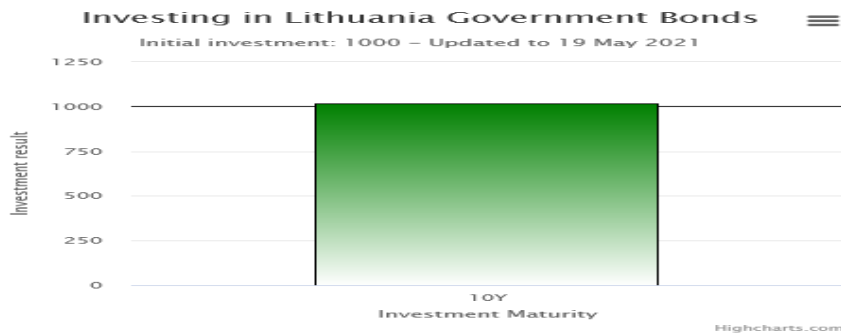


Lithuania's 10Y Government Bond has a 0.185% yield.

- Central Bank Rate is 0.00% (last modification in March 2016).
- The Lithuania credit rating is A+, according to Standard & Poor's agency.

Chief economist comment: Relatively low risk on Investment type government bonds. In environment under COVID -19, the Lithuanian economy performed better than the market expectations. It is worth focusing on investments in bonds with positive yields with maturity over 10 years, with imperative assessment of duration of the bonds and the liquidity position of the Bank. Smoothing the yields curve shows expectations that the economy will slow down.

Credit Ratings	Agency	Raiting	Outlook	Date
Lithuania	DBRS	A	Stable	May 22,2020
	S&P	A+	Stable	February 21, 2020
	Fitch	A	Stable	January 31, 2020

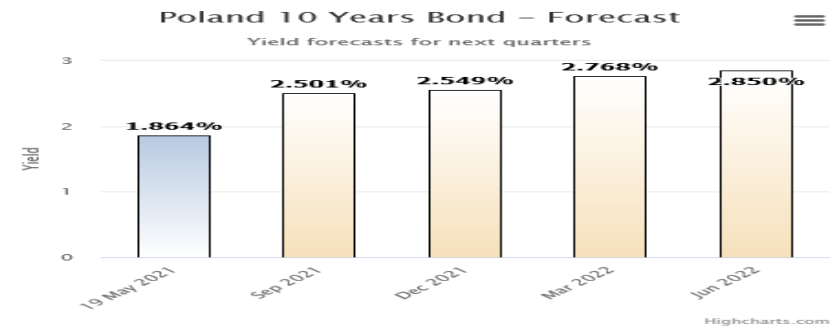
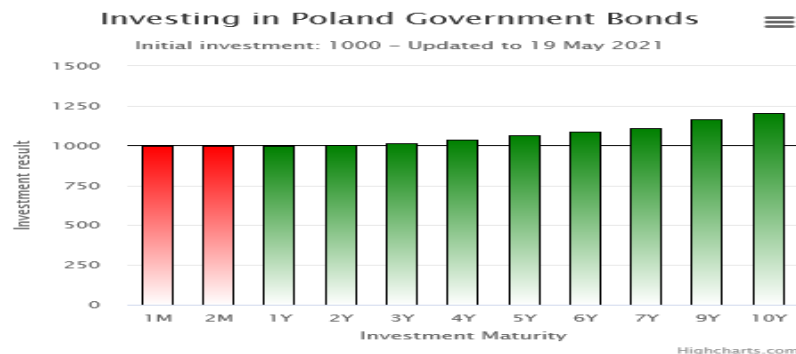
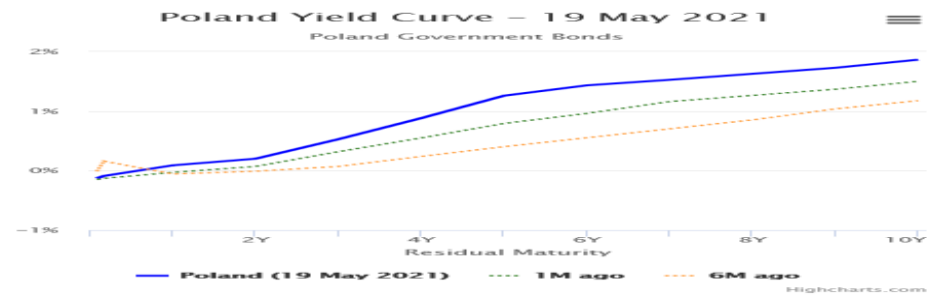


POLAND

The Poland 10Y Government Bond has a 1.864% yield

- 10 Years vs 2 Years bond spread is 166.4 bp.
- Normal Convexity in Long-Term vs Short-Term Maturities.
- Central Bank Rate is 0.10% (last modification in May 2020).
- The Poland credit rating is A-, according to Standard & Poor's agency.
- Current 5-Years Credit Default Swap quotation is 47.4% and implied probability of default is 0.79%.
- **Chief economist comment:** Relatively low risk on Investment type government bonds. In environment under COVID -19, the Polish economy performed better than the market expectations. It is worth focusing on investments in bonds with positive yields with maturity from 2 to 10Y with imperative assessment of duration of the bonds and the liquidity position of the Bank.

Credit Ratings	Agency	Rating	Outlook	Date
Poland	S&P	A-	Stable	October 12, 2018
	DBRS	A-	Stable	June 9, 2017
	Moody's	A2	Stable	May 12, 2017

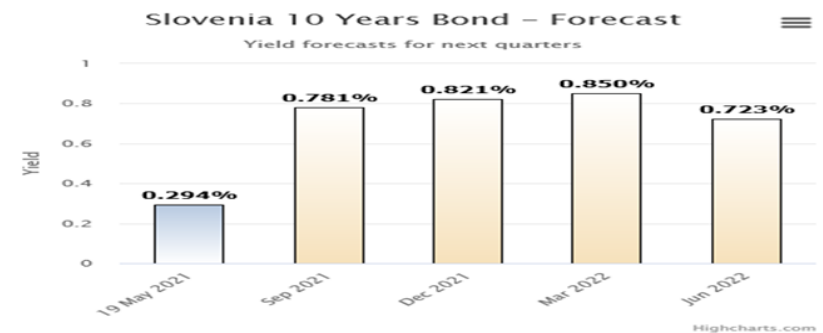
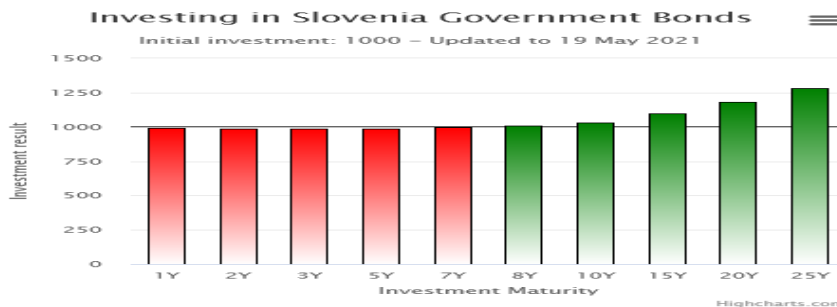
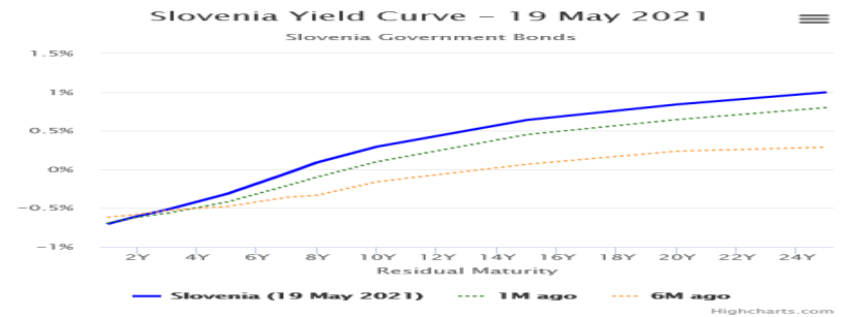


Slovenia's 10Y Government Bond has 0.294% yield.

- 10 Years vs 2 Years bond spread is 90.0 bp.
- Normal Convexity in Long-Term vs Short-Term Maturities.
- Central Bank Rate is 0.00% (last modification in March 2016).
- The Slovenia credit rating is AA-, according to Standard & Poor's agency.

Chief economist comment: Relatively low risk on Investment type government bonds. In environment under COVID -19, the Slovenian economy performed better than the market expectations. It is worth focusing on investments in bonds with positive yields with maturity over 7-25 years, with imperative assessment of duration of the bonds and the liquidity position of the Bank. Negative yield bonds can be purchased for the need of asset restructuring mainly.

Country	Rating agency	Rating	Outlook	Date
Slovenia	Standart&Poors	AA-	Stable	June 14, 2019
	Moodys Investoors Service	A3	Positive	October 20, 2020
	Fitch Ratings	A	Stable	July 19, 2019
	DBRS	A (high)	Stable	February 21, 2020

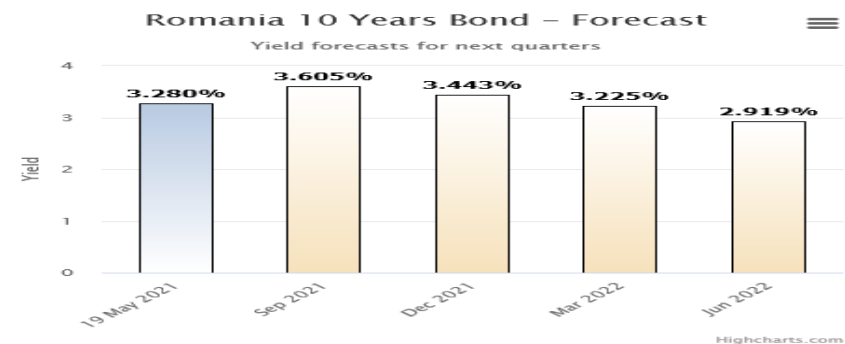
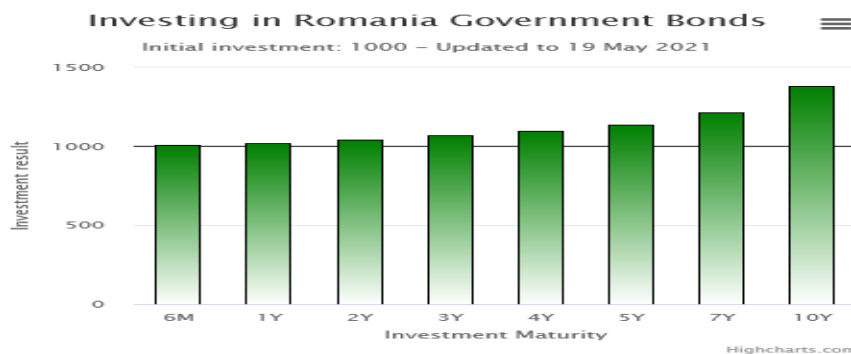
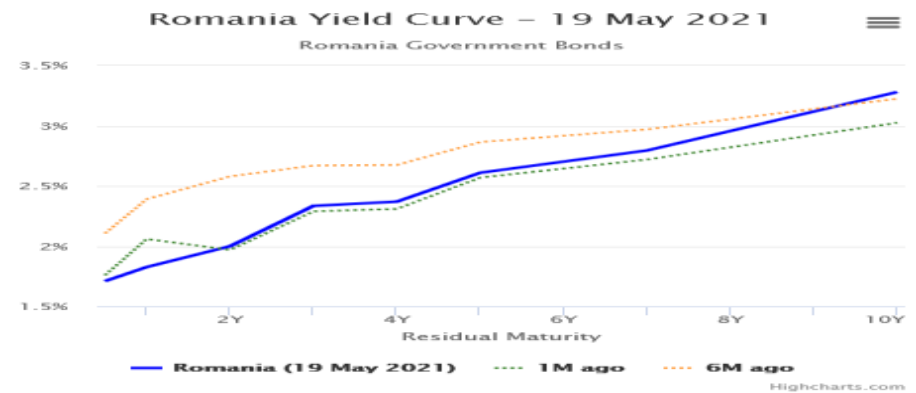


Romania's 10Y Government Bond has a 3.280% yield.

- 10 Years vs 2 Years bond spread is 128 bp. Normal Convexity in Long-Term vs Short-Term Maturities.
- Central Bank Rate is 1.25% (last modification in August 2020).
- The Romania credit rating is BBB-, according to Standard & Poor's agency.

Chief economist comment: Relatively high risk on High-yielding government bonds. In environment under COVID -19, the Romanian economy performed better than the market expectations. The downward yield curve gives indications for deepening the recession. In practice, however, Romania reports one of the lowest values of negative GDP for Q1 2021 of – 0.2%. The price for this is the higher values of inflation and the significant volume of fiscal stimulus. Its worth focusing on investments in bonds with positive yields with maturity from 6M to 10Y with imperative assessment of duration of the bonds and the liquidity position of the Bank, as well as credit rating progress of Romania.

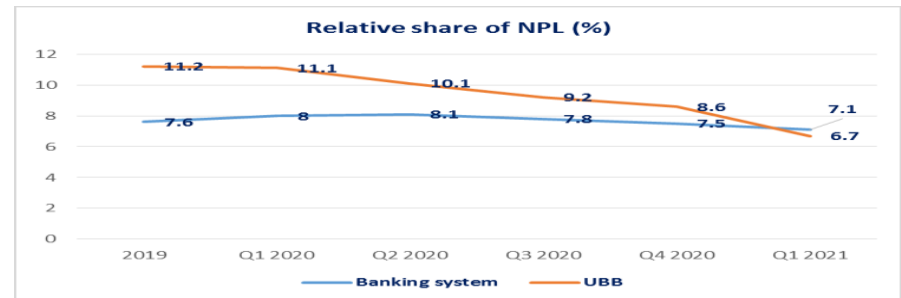
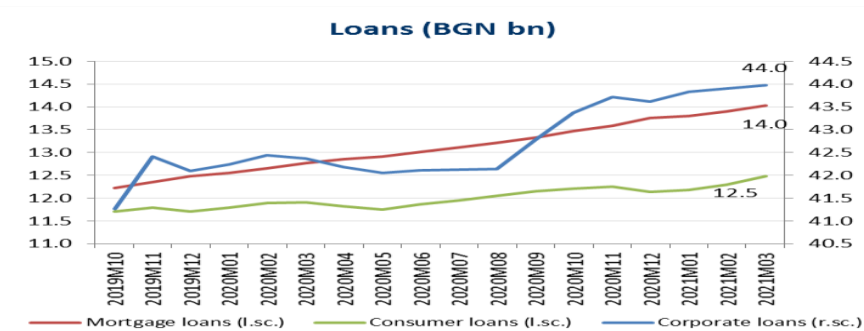
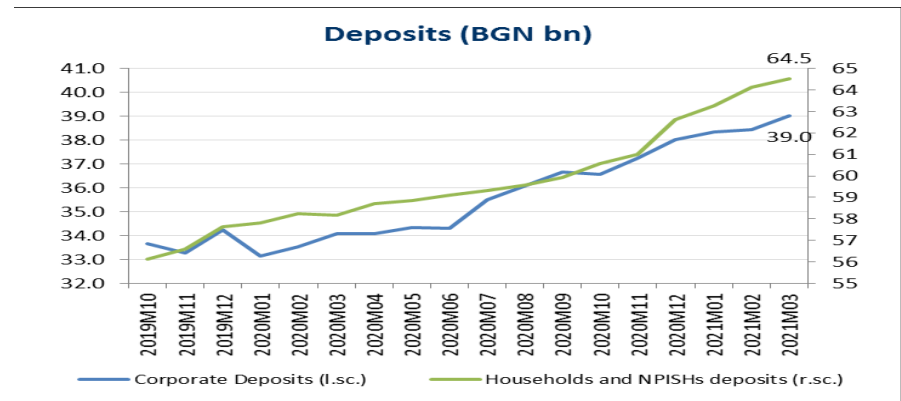
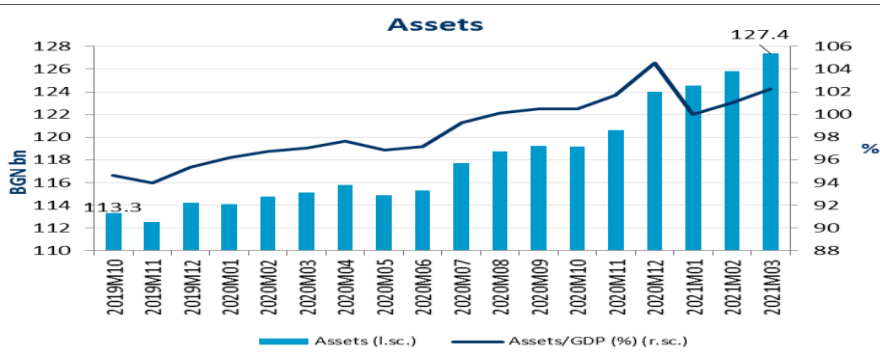
Credit Ratings	Agency	Rating	Outlook	Date
Romania	Moody's	Baa3	Negative	April 24, 2020
	Fitch	BBB-	Negative	April 17, 2020
	S&P	BBB-	Negative	December 10, 2019



BULGARIA: BANKING SECTOR

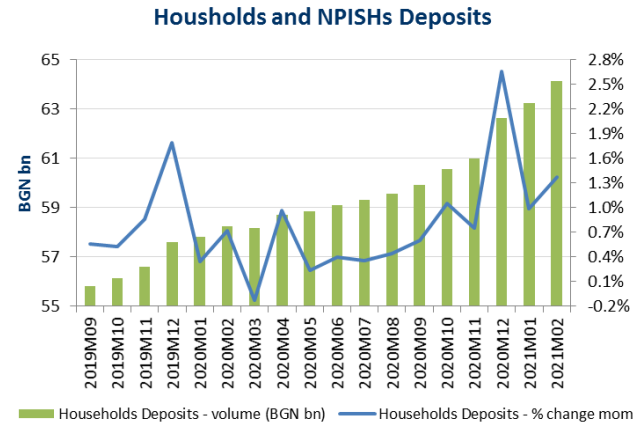
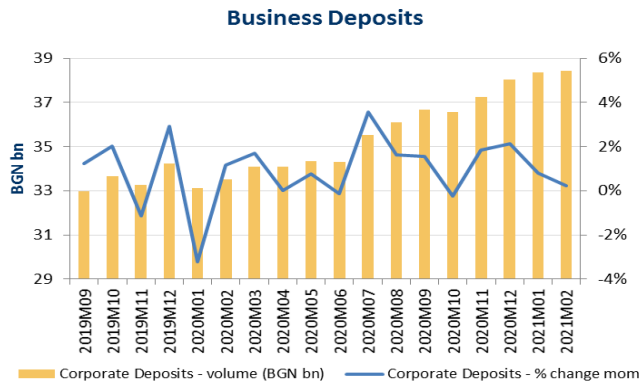
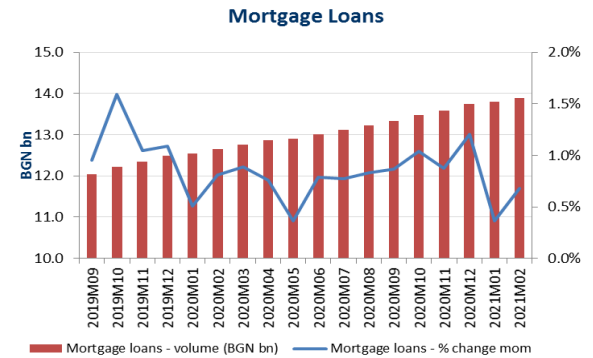
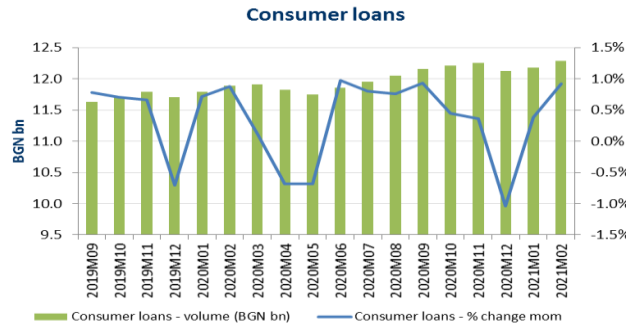
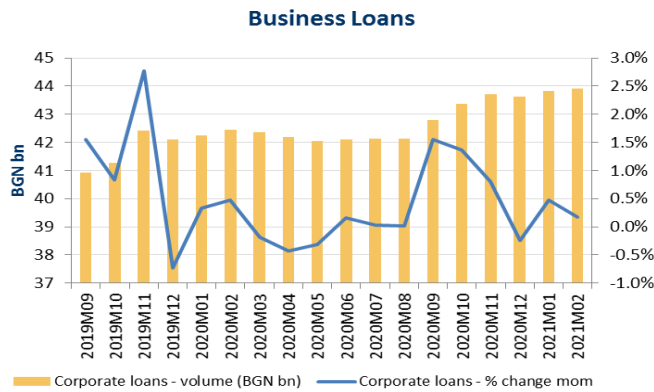
Banking Sector (1)

- At the end of March 2021, the assets of the banking system reached BGN 127.4 billion and increased by 1.2% on a monthly basis and by 10.6% on an annual basis. Their relative share in GDP is 101.9%. In the structure of balance sheet assets, the share of the item “loans and advances” reached 60.2% as a result of the increase in receivables from credit institutions and the loan portfolio. The gross amount of non-performing loans and advances at the end of March was BGN 5.698 billion and their share in the total amount of gross loans and advances was 7.10%. Gross loans and advances to customers as of end-March 2021 increased by 0.6% on a monthly basis and 5.2% on an annual basis to BGN 70.4 billion. Their relative share in GDP is 56.4%. At the end of March, deposits from customers in the banking system amounted to BGN 103.5 billion, increasing by 15 on a monthly basis and by 20.5% on an annual basis. Their relative share in GDP is 82.8%.
- Note for NPL: The reporting reference date of 30 June 2020 was amended by Commission Implementing Regulation (EU) 2020/429 of 14 February 2020 amending Implementing Regulation (EU) № 680/2014 on the granting of information from the institutions of the supervisory authorities. Some of the changes relate to changes in the scope of reported gross loans and advances. According to the amendments, in contrast to the period June 2015 - March 2020, cash balances with central banks and other demand deposits should not be included in the scope of gross loans and advances, but should be reported separately.



Banking Sector (2)

- In March **loans to households** increased by 1.2% on a monthly basis and by 7.4% on an annual basis to BGN 26.5 billion. **Mortgage loans increased** by 0.9% on a monthly basis and by 9.9% on an annual basis to BGN 14 billion. **Consumer loans** increased by 0.9% on a monthly basis and by 4.4% on an annual basis to BGN 13.2 billion. **Loans to non-financial corporations** increased by 3.8% on an annual basis, maintaining their previous month level of BGN 38.3 billion. **Loans to other financial corporations** increased by 2.3% on a monthly basis and by 5.5% on an annual basis to BGN 4.8 billion. **Loans to general government** increased by 0.9% on a monthly basis with a decrease of 3.5% on an annual basis to BGN 898 million.
- Household deposits** increased by 0.6% on a monthly basis and by 18.2% on an annual basis to BGN 64.5 billion. Government deposits of non-financial corporations increased by 1.3% on a monthly basis and 24.7% on an annual basis to BGN 3.5 billion. Deposits of other financial corporations decreased by 10.4% on a monthly basis and by 13.6% on an annual basis to BGN 3.1 billion. **Deposits of non-financial corporations** increased by 2.9% on a monthly basis and by 28.4% on an annual basis to BGN 32.5 billion



Banking Sector: Methodological Note (2a)

In the report “Data on debt securities, loans and advances and deposits” the line Households is not a mechanical sum of the items Consumer loan and Loans secured by residential property.

The reason is that household loans are presented in different breakdowns - 1) by purpose and 2) by collateral (as defined in Annex V, paragraphs 86, 87 and 88 of Regulation (EU) No 680/2014) link: <https://eur-lex.europa.eu/legal-content/BG/TXT/PDF/?uri=CELEX:02014R0680-20200601&from=BG>

86. Loans and advances are classified according to the collateral received as follows:

(a) "Loans secured by real estate" includes loans and advances that are officially secured by residential or commercial real estate, regardless of the outstanding credit / collateral ratio (commonly referred to as the "loan-to-collateral ratio" ratio) and the legal form of the security;

b) 'Other secured loans' includes loans and advances that are officially secured, regardless of the outstanding credit / collateral ratio (commonly referred to as the 'loan-to-collateral ratio') and the legal form of the collateral, such as other secured loans are not "Loans secured by real estate". This collateral includes mobilized securities, cash and other collateral, regardless of the legal form of the collateral.

87. Loans and advances are classified according to the collateral received, regardless of the purpose of the loan. The carrying amount of loans and advances secured by more than one collateral is classified and reported as secured by real estate, if this is the case, regardless of whether these loans and advances are secured by other types of collateral.

88. Loans and advances are classified according to their purpose as follows:

(a) 'Consumer credit' means credit granted mainly for personal use in the consumption of goods and services as defined in the table in Part 2 of Annex II to the ECB Regulation on balance sheets;

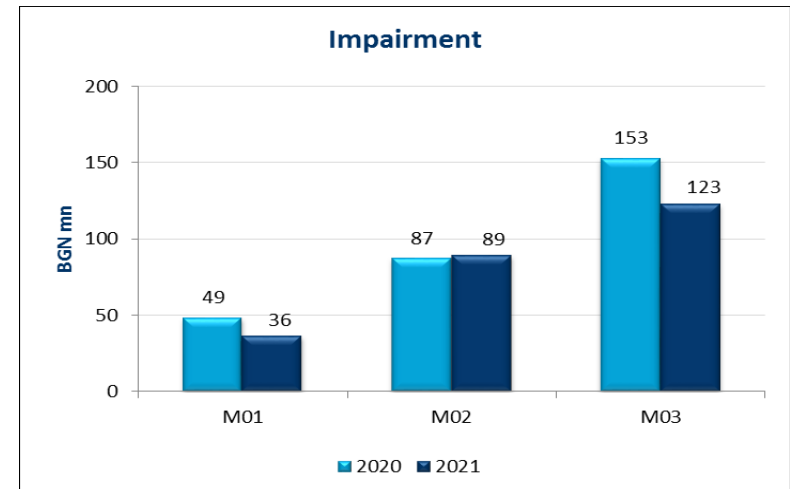
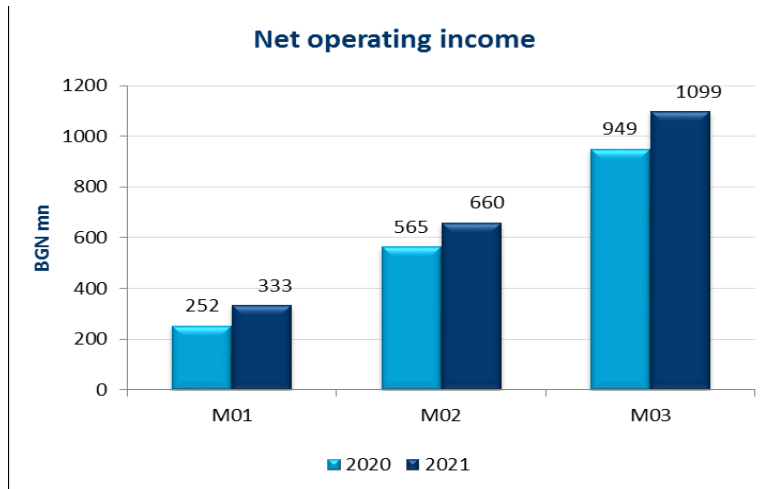
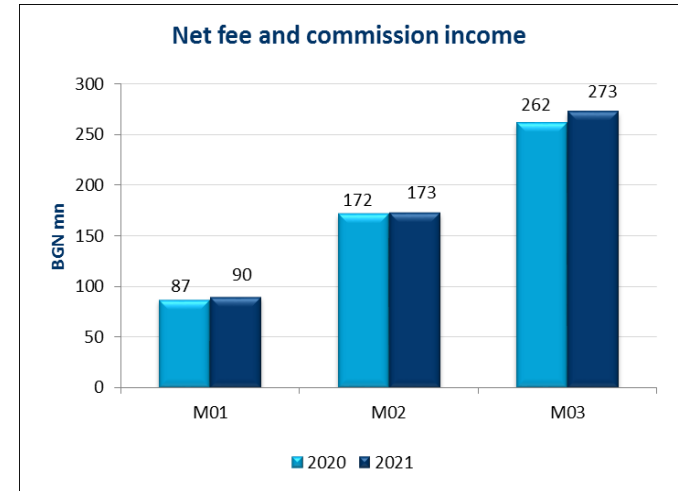
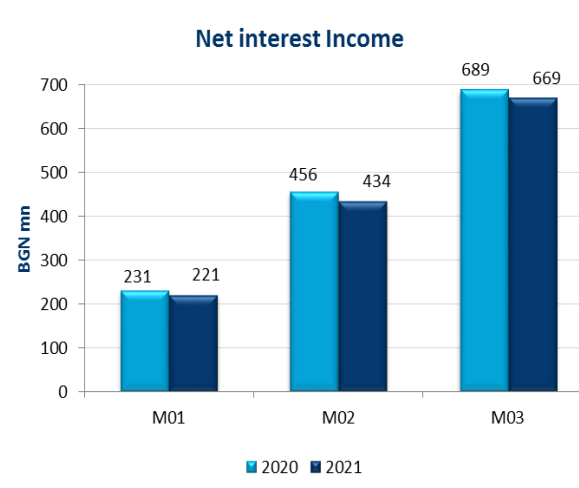
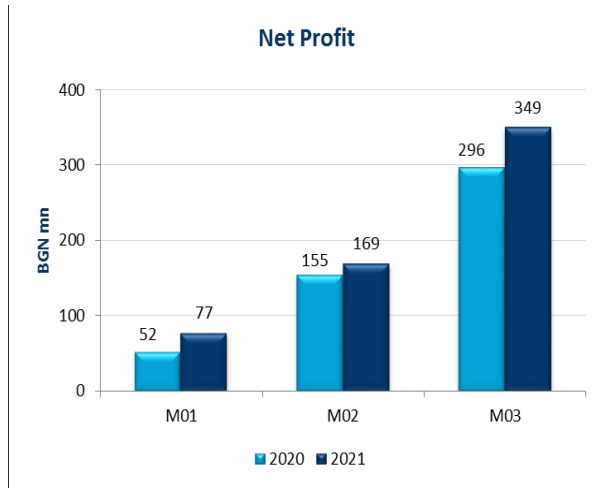
(b) "Housing loan" means the loan granted to households for the purpose of investing in dwellings for their own use or rent, including construction and repairs as defined in the table in Part 2, Annex II to the ECB Regulation on balance sheet indicators.

The differences in the two forms of information from the BNB Banking Supervision and the BNB Statistics Directorate arise from the scope of borrowers - only for residents in banking statistics and in total (for residents and non-residents) in the balance sheets and reports of banks provided by the Banking Supervision Department.

March 2021	BNB Supervision Department	BNB Statistical Department
Households Loans (yoy, %)	7.4	7.1
Mortgage Loans (yoy,%)	9.9	11.9
Consumer Loans (yoy,%)	4.4	5.5
Source: BNB		

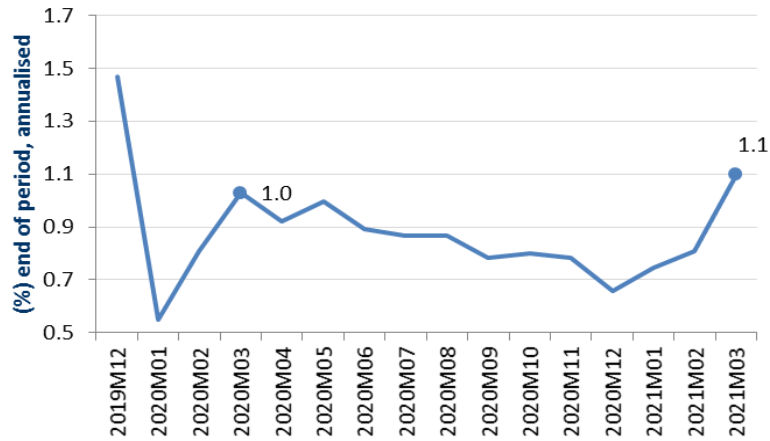
Banking Sector (3)

- According to BNB data at the end of March 2021 was BGN 349 million and increased by 13.1% on an annual basis. Expenses for impairment of financial assets, **whthe net profit of the banking system** which are not reported at fair value in profit or loss, as of March 31, 2021 are BGN 123 million and decrease by BGN 30 million (19.3%) compared to the reported for the first three months of 2020 (BGN 153 million).

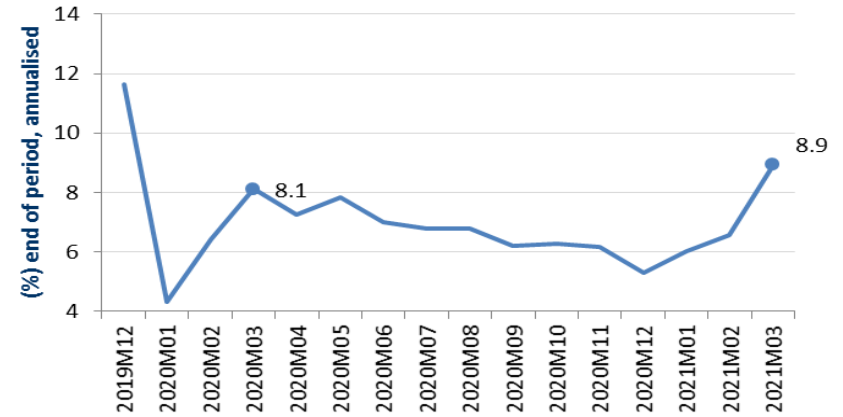


Banking Sector (4)

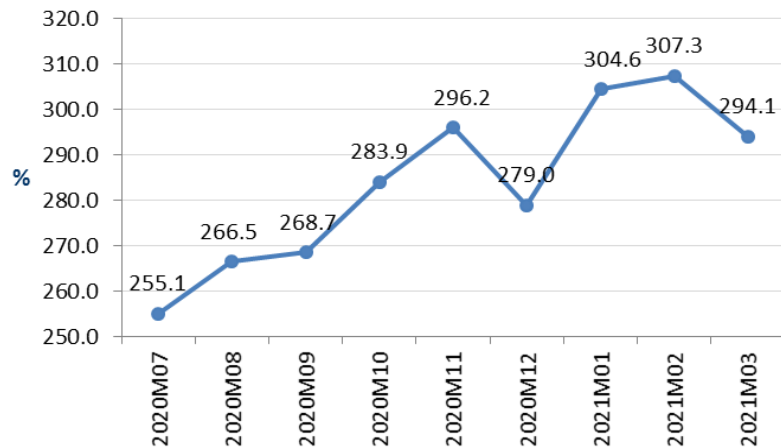
ROA



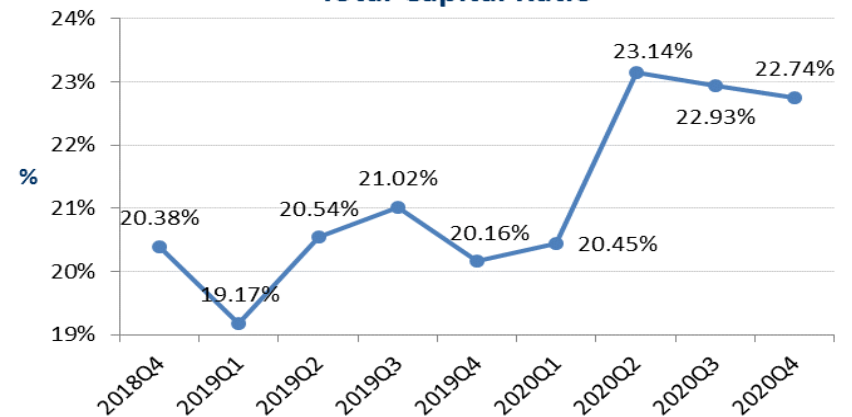
ROE



Liquidity Cover Ratio (LCR), %

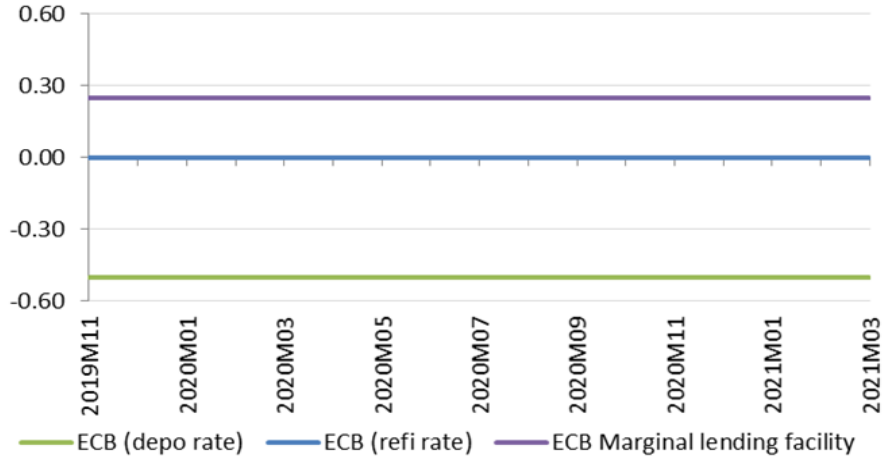


Total Capital Ratio

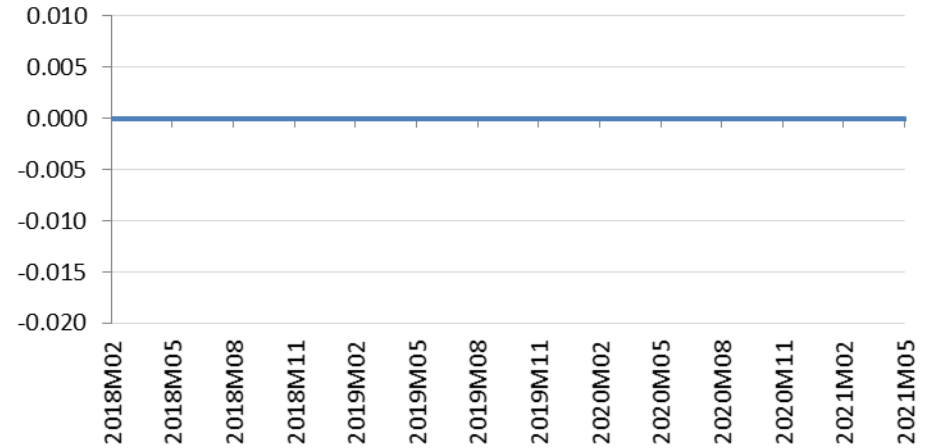


Banking sector: Indexes and Interest Rates (5)

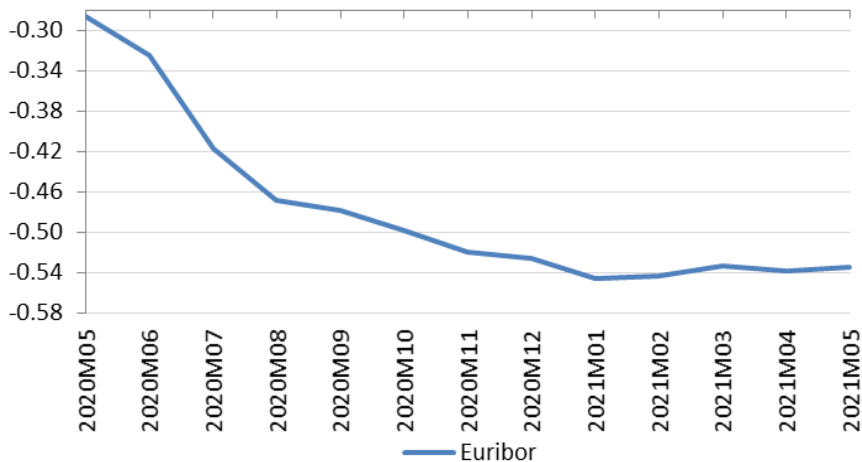
Policy Rates (in %)



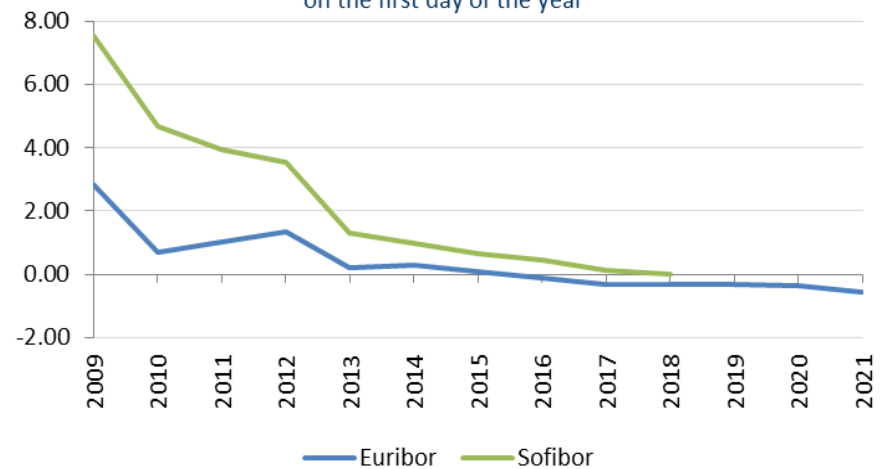
Base Interest Rate of the BNB (in %)



Euribor Index 3-months on the first day of the month



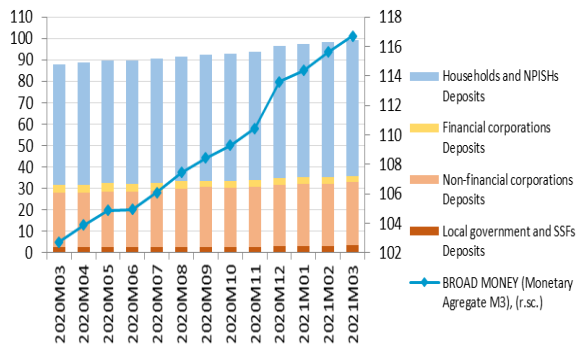
Indexes 3-months on the first day of the year



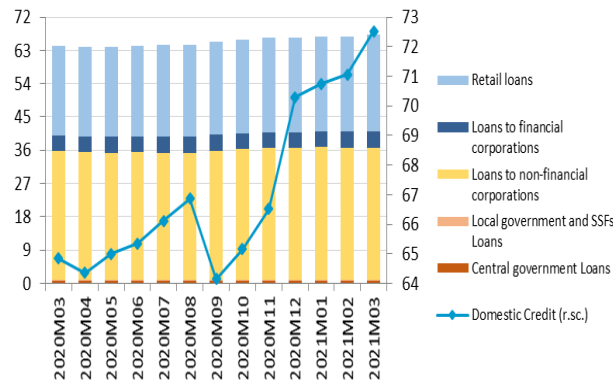
Banking sector: Monetary Survey (6)

- At the end of March 2021, **deposits of the non-government sector** were BGN 95.670 billion (75.9% of GDP), increasing annually by 12.2%. **Deposits of Non-financial corporations** were BGN 29.971 billion (23.8% of GDP) at the end of March 2021. Compared to the same month of 2020 they increased by 16.1%. **Deposits of Financial corporations** decreased by 14.2% annually in March 2021 (13.9% annual growth in February 2021) and at the end of the month they were BGN 2.846 billion (2.3% of GDP). **Deposits of Households and NPISHs** were BGN 62.852 billion (49.9% of GDP) at the end of March 2021. They increased by 12% compared to the same month of 2020.
- At the end of March 2021, **claims on loans to the non-government sector** amounted to BGN 66.285 billion (52.6% of GDP). They increased annually by 4.6% in March 2021. In March 2021, **loans to Non-financial corporations** increased by 2.7% annually and at the end of the month amounted to BGN 35.765 billion (28.4% of GDP). **Loans to Households and NPISHs** were BGN 26.085 billion (20.7% of GDP) at the end of March 2021. They increased by 7.1% compared to the same month of 2020. At the end of March 2021 **loans for house purchases** were BGN 12.367 billion and increased by 11.9% annually. **Consumer loans** amounted to BGN 12.170 billion and compared to March 2020 they rose by 5.5%. On an annual basis other loans decreased by 24.6% and reached BGN 378.5 million. In March 2021, **loans to Sole proprietorships** and partnerships without legal status decreased annually by 7.4%. Loans granted to financial corporations were BGN 4.435 billion at the end of March 2021 (3.5% of GDP). Compared to March 2020, they increased by 6.1%.
- At the end of March 2021 the **relative share of Bad and restructured loans decreased by 0.2pps to 7.8%** compared to previous month, and below 8.8% reported in March 2020.

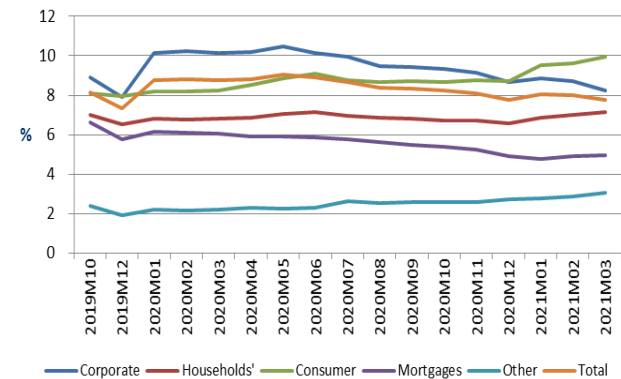
Deposits and Broad Money (M3), (BGN bn)



Loans and Domestic Credit (BGN bn)



Banking sector: Bad and restructured loans (%)



Banking sector: Interest Rates of New Business Loans (7)

- In March 2021 **Interest rates on new credits for enterprises decreased** compared to previous month in BGN, increased in EUR and USD.
- In March 2021 **Interest rates of the new credits for households decreased their level** compared to previous month in BGN, EUR and USD.

BGN

%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	3.14	2.80	2.87	2.75	2.54
loans up to 1 year	3.26	2.81	3.19	2.94	2.57
loans over 1 up to 5 years	3.13	2.96	2.98	2.86	2.73
loans over 5 years	3.09	2.74	2.60	2.58	2.37
households	5.56	5.71	6.00	5.76	5.56
loans up to 1 year	20.17	22.32	24.87	26.03	25.91
- consumer loans	21.08	22.66	25.34	26.55	26.37
- mortgages	0.00	3.25	4.02	0.00	0.00
- other loans	3.80	4.36	4.34	4.34	3.99
loans over 1 up to 5 years	10.34	13.46	11.32	10.25	11.95
- consumer loans	11.72	14.65	12.19	10.72	12.82
- mortgages	3.33	2.75	2.99	3.07	2.82
- other loans	2.20	3.05	3.07	5.36	3.20
loans over 5 years	4.33	3.80	4.25	4.21	4.00
- consumer loans	5.75	5.43	5.67	5.49	5.39
- mortgages up to 10 years	2.89	2.99	3.02	2.93	2.85
- mortgages over 10 yrsrs	2.91	2.80	2.81	2.79	2.74
- other loans	3.89	3.31	4.73	4.12	3.36

Source : BNB

EUR

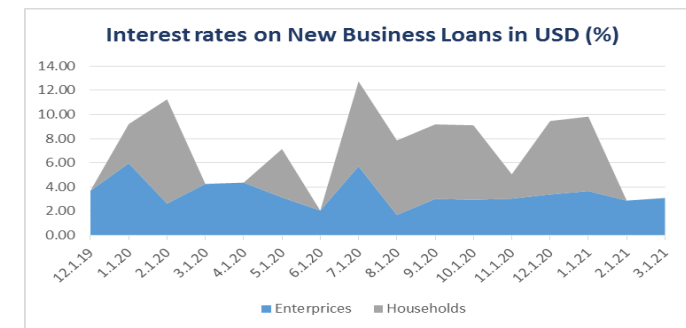
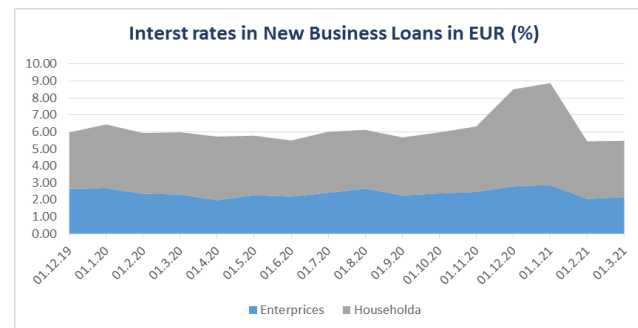
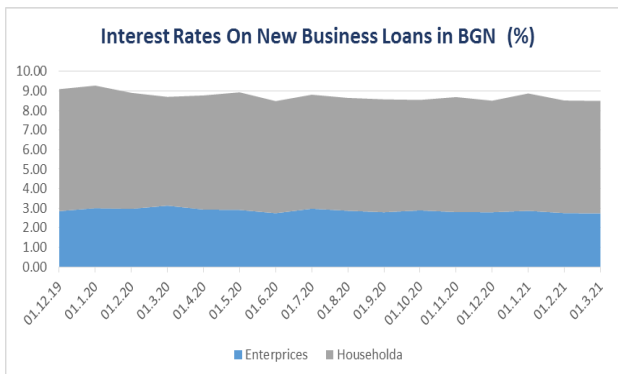
%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	2.32	2.15	2.76	2.06	2.17
loans up to 1 year	0.53	1.28	0.26	0.52	0.95
loans over 1 up to 5 years	2.72	1.99	3.25	2.29	2.63
loans over 5 years	3.04	2.30	2.85	2.28	2.17
households	3.65	3.38	3.67	3.39	3.31
loans up to 1 year	10.91	4.94	3.82	0.00	0.00
- consumer loans	10.91	4.94	3.82	-	-
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 1 up to 5 years	3.97	4.32	2.94	3.70	4.23
- consumer loans	4.26	4.54	3.48	3.87	4.82
- mortgages	3.23	3.01	3.82	3.95	2.91
- other loans	0.00	0.00	1.81	2.44	0.00
loans over 5 years	3.64	3.37	3.70	3.35	3.29
- consumer loans	4.47	3.57	3.26	3.07	3.35
- mortgages up to 10 years	3.03	2.73	3.44	3.11	3.07
- mortgages over 10 yrsrs	3.55	3.52	3.76	3.54	3.34
- other loans	4.44	2.84	5.31	6.43	2.78

Source : BNB

USD

%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	4.25	3.38	3.65	2.88	3.99
loans up to 1 year	3.94	0.00	0.00	0.00	1.60
loans over 1 up to 5 years	4.40	3.59	2.36	0.00	5.03
loans over 5 years	4.15	3.36	5.25	2.88	1.58
households	0.00	6.07	6.17	0.00	0.00
loans up to 1 year	0.00	0.00	0.00	0.00	0.00
- consumer loans	0.00	0.00	0.00	0.00	0.00
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 1 up to 5 years	0.00	0.00	0.00	0.00	0.00
- consumer loans	0.00	0.00	0.00	0.00	0.00
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 5 years	0.00	6.07	6.17	0.00	0.00
- consumer loans	0.00	3.09	0.00	0.00	0.00
- mortgages up to 10 years	0.00	0.00	0.00	0.00	0.00
- mortgages over 10 yrsrs	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	6.17	6.17	0.00	0.00

Source : BNB



Banking sector: Interest Rates of New Business Deposits (8)

- In March 2021 Interest Rates of New Business on Deposits of Enterprises maintained the level compared to previous month in BGN, EUR and declined in USD.
- In March 2021 Interest Rates of Deposits of Households remained unchanged compared to previous month in EUR and USD, increased in BGN.

BGN

%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	0.00	0.02	0.02	0.01	0.01
Overnight deposits	0.00	0.02	0.02	0.01	0.01
Time deposits	0.03	-0.10	-0.11	-0.06	0.01
Up to 1 month	0.02	-0.21	-0.15	-0.12	0.01
Up to 3 months	0.02	0.04	0.00	0.04	0.02
Up to 6 months	0.01	0.03	0.02	0.01	0.00
Up to 1 year	0.11	0.19	0.15	0.13	0.01
Up to 2 years	0.16	0.00	0.00	0.00	0.00
Over 2 years	0.00	0.00	0.00	0.35	0.00
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	0.02	0.01	0.01	0.01	0.03
Overnight deposits	0.01	0.01	0.01	0.01	0.03
Time deposits	0.12	0.15	0.13	0.12	0.07
Up to 1 month	0.02	0.01	0.01	0.01	0.01
Up to 3 months	0.03	0.02	0.01	0.01	0.01
Up to 6 months	0.10	0.08	0.09	0.09	0.04
Up to 1 year	0.26	0.24	0.24	0.18	0.14
Up to 2 years	0.58	0.40	0.28	0.28	0.18
Over 2 years	0.48	0.75	0.63	1.03	0.99
Redeemable at notice	0.38	0.27	0.26	0.26	0.25

Source: BNB

EUR

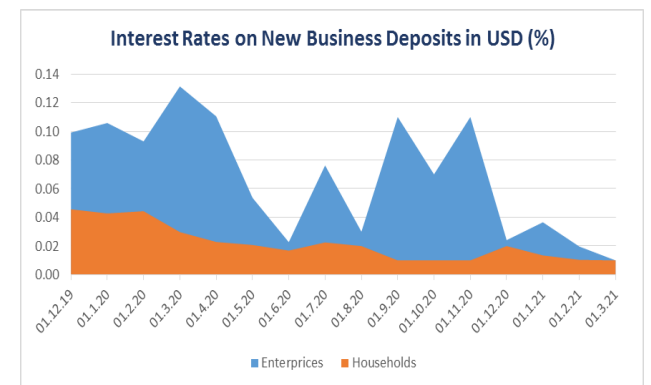
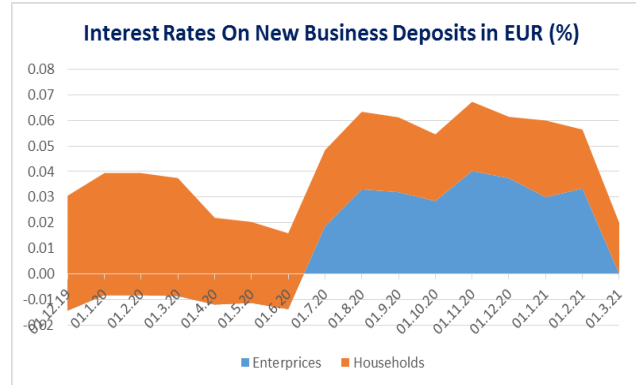
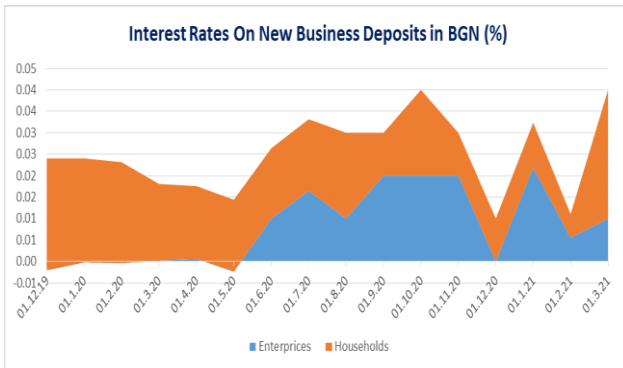
%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	-0.01	0.03	0.03	0.00	0.00
Overnight deposits	-0.01	0.03	0.03	0.00	0.00
Time deposits	-0.07	0.04	0.01	0.01	0.01
Up to 1 month	-0.17	0.01	0.00	0.00	0.01
Up to 3 months	0.01	0.09	-0.32	0.00	0.01
Up to 6 months	0.01	0.00	0.09	0.01	0.00
Up to 1 year	0.15	0.11	0.10	0.17	0.00
Up to 2 years	0.25	-0.09	0.00	0.00	0.15
Over 2 years	0.25	0.00	0.00	0.00	0.30
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	0.03	0.03	0.02	0.02	0.02
Overnight deposits	0.01	0.01	0.01	0.00	0.00
Time deposits	0.11	0.16	0.12	0.09	0.06
Up to 1 month	0.01	0.01	0.01	0.01	0.01
Up to 3 months	0.03	0.02	0.02	0.01	0.00
Up to 6 months	0.08	0.09	0.09	0.06	0.04
Up to 1 year	0.24	0.20	0.20	0.13	0.09
Up to 2 years	0.40	0.37	0.23	0.20	0.16
Over 2 years	0.49	0.83	0.60	0.78	0.92
Redeemable at notice	0.65	0.55	0.55	0.54	0.54

Source: BNB

USD

%	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	0.13	0.02	0.04	0.02	0.01
Overnight deposits	0.09	0.02	0.04	0.02	0.01
Time deposits	0.99	0.12	0.08	0.16	0.17
Up to 1 month	1.07	0.03	0.02	0.01	0.00
Up to 3 months	0.75	0.05	0.10	0.00	0.00
Up to 6 months	0.33	0.00	0.00	0.15	0.15
Up to 1 year	0.86	0.19	0.20	0.10	0.17
Up to 2 years	0.00	0.00	0.00	0.00	0.00
Over 2 years	0.00	0.00	0.00	0.50	0.00
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	0.03	0.02	0.01	0.01	0.01
Overnight deposits	0.01	0.01	0.00	0.00	0.00
Time deposits	0.30	0.07	0.11	0.09	0.05
Up to 1 month	0.06	0.02	0.02	0.02	0.02
Up to 3 months	0.08	0.04	0.02	0.01	0.01
Up to 6 months	0.16	0.15	0.11	0.08	0.06
Up to 1 year	0.67	0.05	0.21	0.12	0.07
Up to 2 years	0.70	0.25	0.17	0.35	0.22
Over 2 years	0.74	0.49	0.49	0.60	0.10
Redeemable at notice	0.55	0.40	0.38	0.38	0.36

Source: BNB



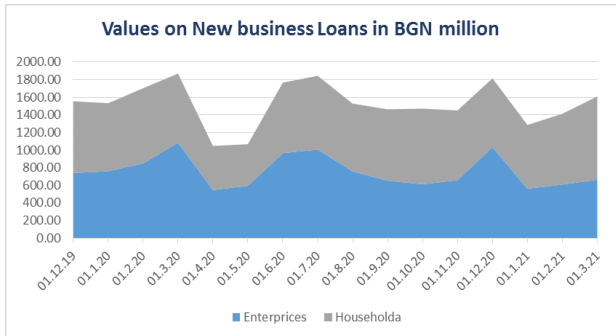
Banking sector: Volumes Dynamics New Business Loans (9)

- In March **New credit volumes for enterprises** increased compared to previous month in BGN, decreased in EUR and USD.
- In March 2021 **New credit volumes for Households** increased compared to previous month in BGN and EUR.

BGN

(million BGN)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	1085.00	1032.20	561.14	608.38	664.42
loans up to 1 year	217.60	134.50	119.79	188.36	105.95
loans over 1 up to 5 years	335.72	240.88	220.95	132.74	253.28
loans over 5 years	531.68	656.82	220.39	287.29	305.19
households	784.23	783.21	724.44	803.82	945.11
loans up to 1 year	14.98	24.54	16.07	15.18	15.95
- consumer loans	14.20	24.07	15.72	14.82	15.62
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.79	0.46	0.36	0.36	0.33
loans over 1 up to 5 years	121.64	107.40	132.53	151.32	141.19
- consumer loans	103.78	96.47	119.91	138.68	128.54
- mortgages	1.73	2.29	2.04	1.43	1.57
- other loans	16.13	8.64	10.58	11.21	11.07
loans over 5 years	647.61	651.27	575.84	637.32	787.98
- consumer loans	320.61	244.72	285.80	333.14	371.88
- mortgages up to 10 years	21.82	20.55	15.03	15.46	19.33
- mortgages over 10 yrs	295.75	378.88	270.23	285.02	390.68
- other loans	9.43	7.13	4.77	3.70	6.08

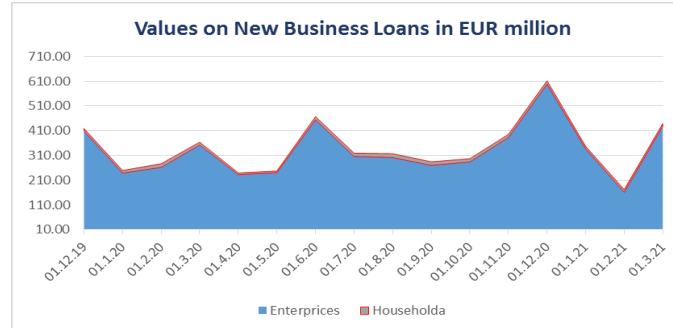
Source: BNB



EUR

(million EUR)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	352.42	598.11	337.42	161.10	428.17
loans up to 1 year	91.23	30.25	15.88	20.20	20.22
loans over 1 up to 5 years	71.30	192.24	25.28	43.64	50.01
loans over 5 years	189.89	375.62	296.27	97.27	357.94
households	11.47	13.65	9.82	11.15	10.75
loans up to 1 year	0.00	0.01	0.01	0.00	0.00
- consumer loans	0.00	0.01	0.01	0.00	0.00
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 1 up to 5 years	0.51	0.14	0.35	1.19	0.27
- consumer loans	0.37	0.12	0.19	0.24	0.18
- mortgages	0.14	0.02	0.04	0.76	0.08
- other loans	0.00	0.00	0.12	0.19	0.00
loans over 5 years	10.96	13.50	9.46	9.96	10.48
- consumer loans	1.34	1.02	1.66	3.31	2.39
- mortgages up to 10 years	1.17	2.55	0.38	1.10	1.28
- mortgages over 10 yrs	8.04	9.73	7.17	5.49	6.53
- other loans	0.41	0.20	0.26	0.06	0.27

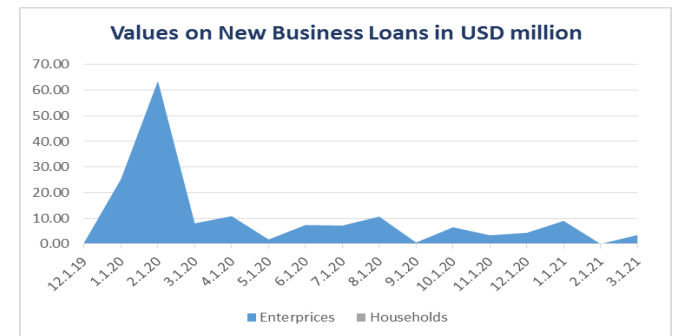
Source: BNB



USD

(million USD)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	8.07	4.38	9.04	0.04	3.52
loans up to 1 year	0.35	0.00	0.00	0.00	0.46
loans over 1 up to 5 years	3.54	0.42	5.00	0.00	2.45
loans over 5 years	4.18	3.96	4.05	0.04	0.61
households	0.00	0.02	0.03	0.00	0.00
loans up to 1 year	0.00	0.00	0.00	0.00	0.00
- consumer loans	0.00	0.00	0.00	0.00	0.00
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 1 up to 5 years	0.00	0.00	0.00	0.00	0.00
- consumer loans	0.00	0.00	0.00	0.00	0.00
- mortgages	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.00	0.00	0.00	0.00
loans over 5 years	0.00	0.02	0.03	0.00	0.00
- consumer loans	0.00	0.00	0.00	0.00	0.00
- mortgages up to 10 years	0.00	0.00	0.00	0.00	0.00
- mortgages over 10 yrs	0.00	0.00	0.00	0.00	0.00
- other loans	0.00	0.02	0.03	0.00	0.00

Source: BNB



Banking sector: Volumes Dynamic of New Business Deposits (10)

- In March 2021 the volumes of new business deposits for enterprises increased compared to previous month in BGN and \EUR, decreased in USD.
- In March 2021 the volumes of new business deposits of Households increased in BGN and USD, decreased in EUR.

BGN

(million BGN)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	13756.27	16971.78	16668.11	16543.62	17225.18
Overnight deposits	13683.55	16855.72	16563.52	16405.76	17019.13
Time deposits	72.72	116.07	104.59	137.86	206.04
Up to 1 month	43.08	64.93	86.39	111.73	24.59
Up to 3 months	11.60	28.86	2.54	6.93	7.33
Up to 6 months	8.36	15.88	7.42	3.26	124.48
Up to 1 year	9.32	3.68	8.12	4.96	49.60
Up to 2 years	0.35	2.64	0.04	0.05	0.00
Over 2 years	0.00	0.07	0.08	10.93	0.03
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	21661.04	25438.38	25795.62	26327.48	26624.58
Overnight deposits	21112.58	24808.26	25226.66	25753.04	26017.15
Time deposits	245.06	311.55	254.05	255.62	283.88
Up to 1 month	96.58	113.20	99.04	91.28	94.13
Up to 3 months	30.58	40.73	34.88	51.44	68.56
Up to 6 months	36.27	33.36	21.83	22.48	34.39
Up to 1 year	70.31	90.59	71.40	70.23	71.81
Up to 2 years	6.36	15.68	12.79	8.71	9.79
Over 2 years	4.97	17.98	14.11	11.48	5.19
Redeemable at notice	303.39	318.57	314.91	318.81	323.56

Source: BNB

EUR

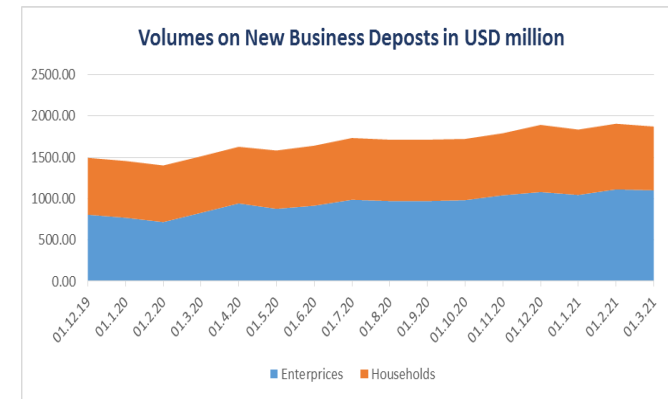
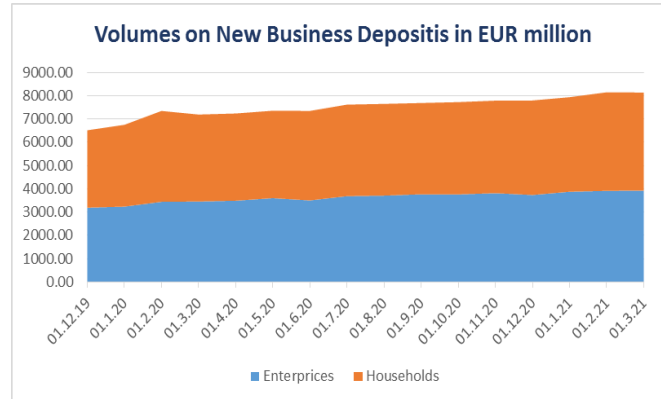
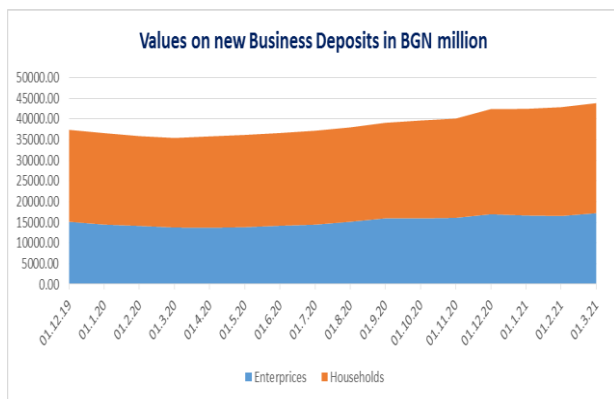
(million EUR)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	3458.68	3738.03	3877.57	3916.13	3929.15
Overnight deposits	3429.95	3679.24	3851.36	3833.69	3858.20
Time deposits	28.73	58.79	26.21	82.44	70.96
Up to 1 month	16.28	33.00	3.87	68.59	8.22
Up to 3 months	1.75	18.17	4.93	10.42	23.10
Up to 6 months	6.64	0.58	0.49	0.87	16.13
Up to 1 year	3.99	5.97	16.92	2.53	23.41
Up to 2 years	0.00	1.07	0.00	0.02	0.10
Over 2 years	0.06	0.00	0.00	0.00	0.00
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	3730.67	4055.94	4055.54	4227.28	4206.34
Overnight deposits	3454.16	3827.11	3855.44	4007.49	3944.79
Time deposits	168.37	113.25	84.72	103.68	145.35
Up to 1 month	74.24	37.13	29.23	30.20	42.78
Up to 3 months	17.41	13.30	16.42	24.17	33.81
Up to 6 months	22.49	11.65	7.10	6.09	13.20
Up to 1 year	45.17	35.98	21.98	34.00	42.92
Up to 2 years	4.71	6.88	4.37	5.42	9.57
Over 2 years	4.35	8.31	5.62	3.80	3.07
Redeemable at notice	108.13	115.57	115.37	116.11	116.20

Source: BNB

USD

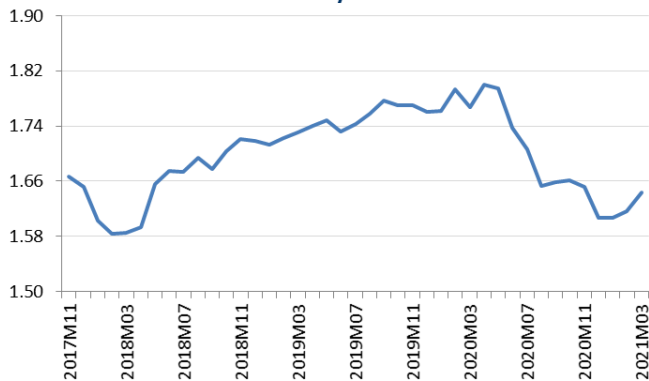
(million USD)	3.31.20	12.31.20	1.31.21	2.28.21	3.31.21
enterprises	829.37	1080.43	1045.14	1112.69	1101.36
Overnight deposits	791.45	1074.74	1042.90	1091.58	1085.16
Time deposits	37.92	5.70	2.23	21.11	16.19
Up to 1 month	32.30	0.08	0.30	0.11	0.00
Up to 3 months	0.35	2.61	1.56	0.00	0.06
Up to 6 months	3.64	0.00	0.22	0.25	0.20
Up to 1 year	1.63	3.01	0.15	17.66	15.93
Up to 2 years	0.00	0.00	0.00	0.00	0.00
Over 2 years	0.00	0.00	0.00	3.09	0.00
Redeemable at notice	0.00	0.00	0.00	0.00	0.00
households	683.20	813.00	791.16	794.48	772.27
Overnight deposits	647.38	765.51	762.47	764.69	725.05
Time deposits	21.37	32.59	13.68	14.69	31.56
Up to 1 month	8.61	6.82	5.97	5.94	5.82
Up to 3 months	2.41	2.27	2.24	3.00	9.42
Up to 6 months	2.24	1.67	0.79	0.96	2.10
Up to 1 year	6.90	19.57	3.27	3.51	9.86
Up to 2 years	0.52	1.05	0.44	0.37	0.45
Over 2 years	0.68	1.22	0.96	0.91	3.91
Redeemable at notice	14.45	14.90	15.02	15.10	15.66

Source: BNB

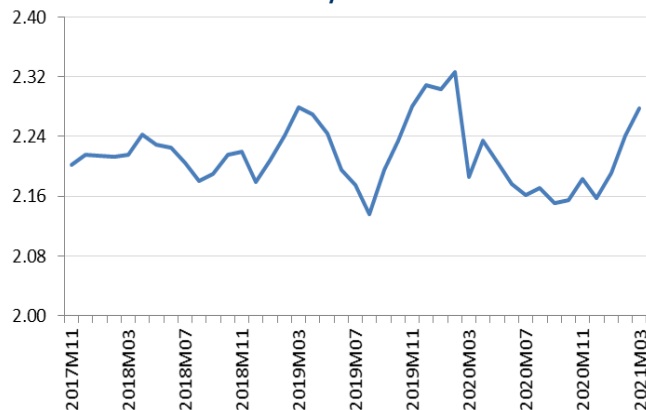


Banking sector: FX Rates (11)

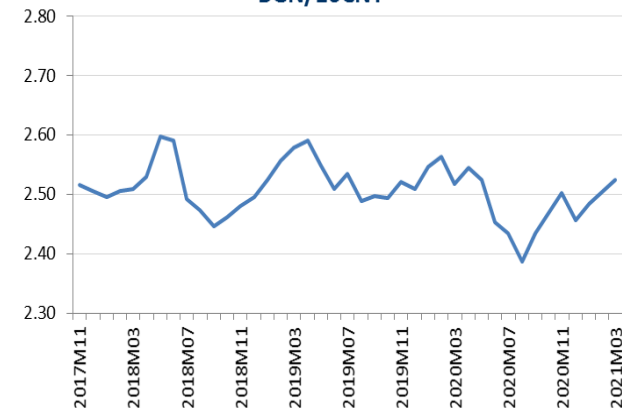
BGN/USD



BGN/GBP



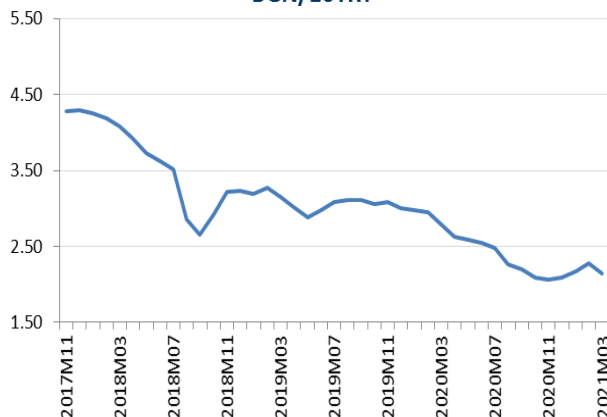
BGN/10CNY



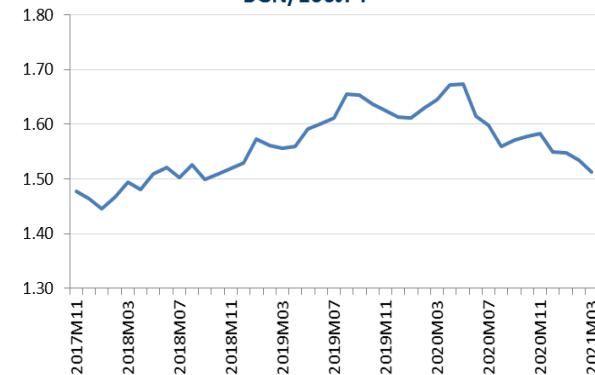
BGN/100RUB



BGN/10TRY



BGN/100JPY



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