



PRESS RELEASE

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**INTEREST RATES STATISTICS^{1,2}
October 2021**

Key Interest Rates and LTIR

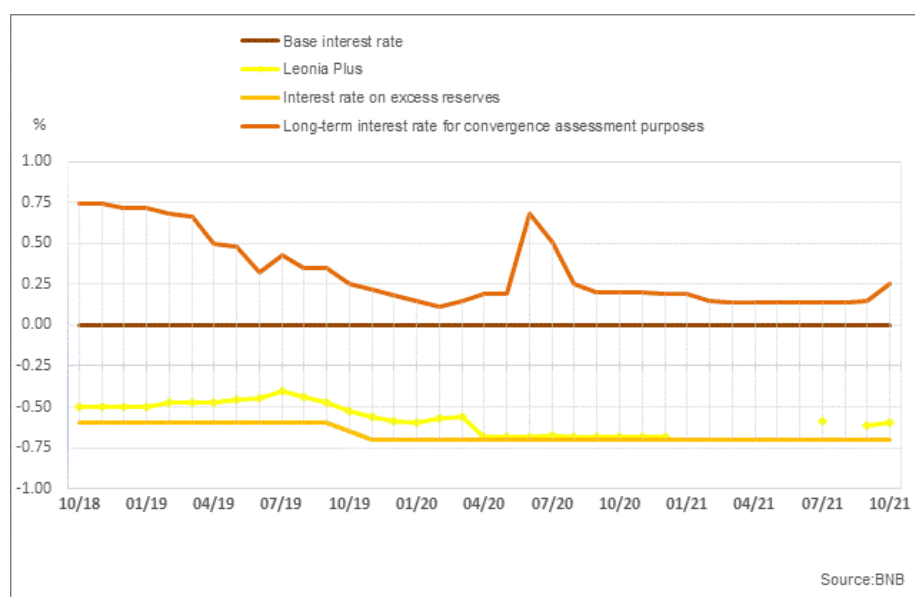
In October 2021 the *Base Interest Rate (BIR)*³ was 0.00%, retaining its level in comparison with September 2021.

In October 2021 the *LEONIA Plus*⁴ index was -0.60% increasing by 0.01 percentage points in comparison with September 2021.

The *Interest Rate on Excess Reserves* remained unchanged at -0.70%.

The *long-term interest rate for convergence assessment purposes (LTIR)* was 0.25% in October 2021 increasing by 0.10 percentage points in comparison with September 2021.

FIGURE 1: INTEREST RATES ON SELECTED INSTRUMENTS*



*Breaks in the series indicate the non-availability of the LEONIA Plus reference rate.

¹ The complete set of tables of interest rate statistics on deposits and loans to *Non-financial corporations* and *Households* sectors and the methodological notes are available on the website of the Bulgarian National Bank under section *Statistics/ Monetary and Interest Rate Statistics/ Interest Rate Statistics*. Based on additional information provided by banks, the data on loans for September 2021 have been revised. The revisions are indicated in the explanatory notes of the respective data tables.

² Cited changes refer to the previous period. Changes of less than 0.01 percentage points are not cited.

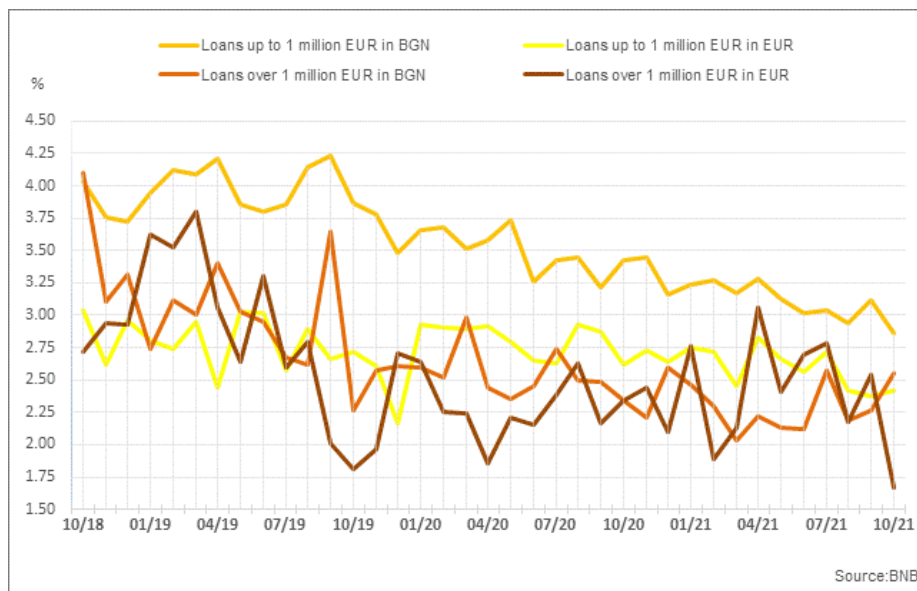
³ The *BIR* for the current month equals the simple average of the values of the index *LEONIA Plus* for the business days of the preceding calendar month, and when this simple average amounts to a value less than zero, the *BIR* is set to a value equal to zero.

⁴ A reference rate of concluded and effected BGN unsecured overnight deposit transactions in the interbank market in Bulgaria. Monthly values are calculated as a simple average of daily values. The *LEONIA Plus* reference rate is not available (n/a) in the cases in which no overnight unsecured deposit transactions have been effected in Bulgarian lev on the interbank market during the reporting period. Effective as of 1 July 2017 *LEONIA* was replaced by the *LEONIA Plus* reference rate as the basis for the calculation of the *Base Interest Rate*.

Loans

Non-financial corporations sector. In October 2021, the average interest rate on *loans up to 1 million EUR* agreed in BGN decreased by 0.25 percentage points to 2.86% while that on *loans over 1 million EUR* increased by 0.29 percentage points to 2.56%. The average interest rate on *loans up to 1 million EUR* agreed in EUR rose by 0.05 percentage points to 2.42% while that on *loans over 1 million EUR* declined by 0.87 percentage points to 1.67%. In October 2021, the average interest rates on both BGN and EUR overdraft decreased by 0.04 percentage points respectively to 2.50% and 1.90%.

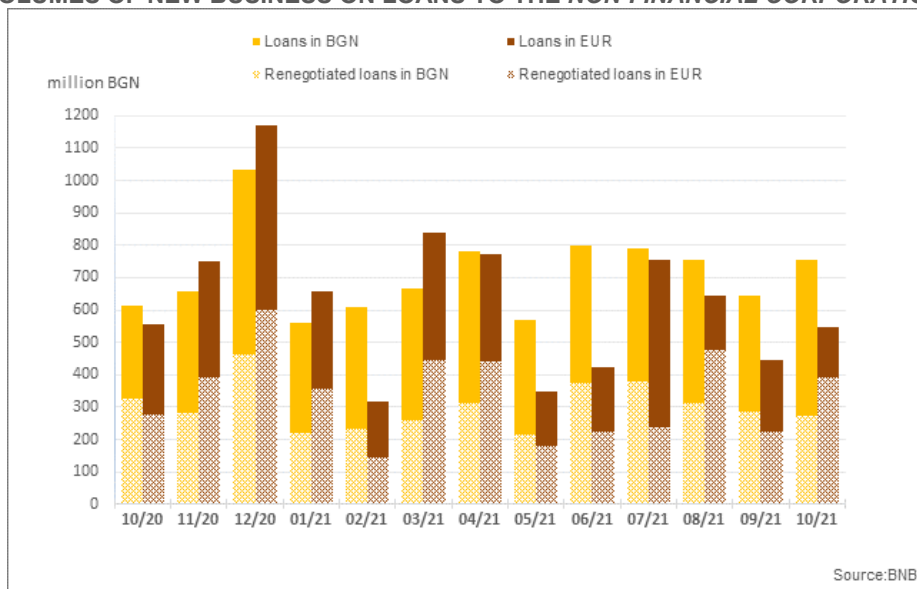
FIGURE 2: INTEREST RATES ON NEW BUSINESS ON LOANS TO THE NON-FINANCIAL CORPORATIONS SECTOR



The new business volume on *loans up to 1 million EUR* agreed in BGN increased by 5.7% (BGN 18 million) to BGN 332.9 million and that on *loans over 1 million EUR* – by 27.7% (BGN 91.5 million) to BGN 421.6 million. The volume of *renegotiated loans and loans for refinancing* agreed in BGN decreased by 4.4% (BGN 12.7 million) to BGN 273.5 million.

The new business volume on *loans up to 1 million EUR* agreed in EUR rose by 2.7% (BGN 1.8 million) to BGN 69.2 million and that on *loans over 1 million EUR* – by 27.2% (BGN 102.5 million) to BGN 480.2 million. The volume of *renegotiated loans and loans for refinancing* agreed in EUR increased by 76.4% (BGN 170.6 million) to BGN 394 million.

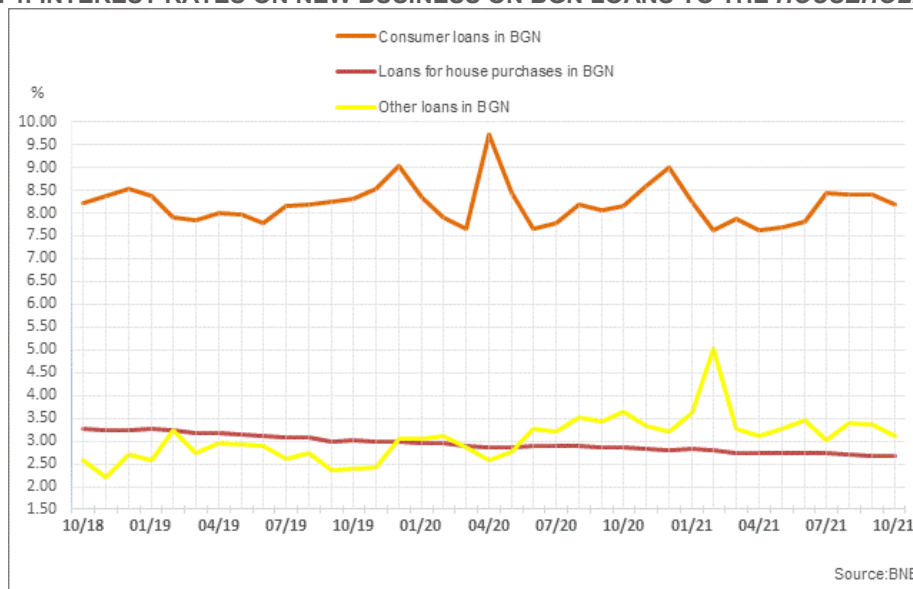
FIGURE 3: VOLUMES OF NEW BUSINESS ON LOANS TO THE NON-FINANCIAL CORPORATIONS SECTOR*



*The renegotiated loans include loans for refinancing.

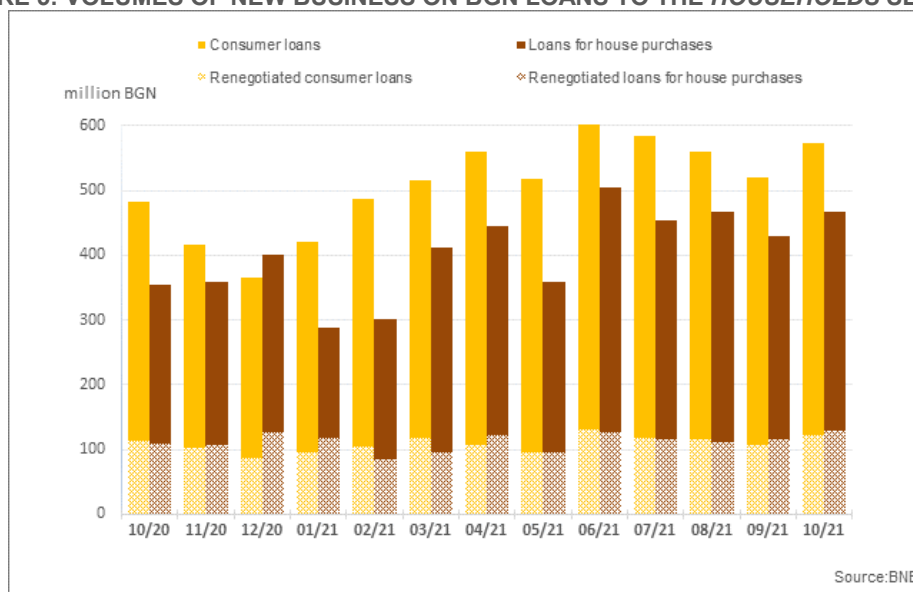
Households sector⁵. In October 2021 the average interest rate on BGN *consumer loans* decreased by 0.21 percentage points to 8.19% and the *Annual Percentage Rate of Charge (APRC)* on these loans – by 0.22 percentage points to 8.72%. The average interest rate on BGN *loans for house purchases* declined by 0.01 percentage points to 2.67% and the respective *APRC* changed insignificantly to 2.94%. The average interest rate on BGN *other loans*⁶ declined by 0.24 percentage points to 3.11%. The average interest rate on BGN *other loans* to *Sole Proprietors* rose by 0.10 percentage points to 3.24%. In October 2021 the average interest rate on BGN *overdraft* decreased by 0.01 percentage points to 14.81% while that on BGN *extended credit card credit* increased by 0.05 percentage points to 20.34%.

FIGURE 4: INTEREST RATES ON NEW BUSINESS ON BGN LOANS TO THE HOUSEHOLDS SECTOR



The new business volume on BGN *consumer loans* increased by 10.1% (BGN 52.7 million) to BGN 574.1 million of which the volume of *renegotiated loans and loans for refinancing* – by 13.6% (BGN 14.6 million) to BGN 121.6 million. The volume of new business on BGN *loans for house purchase* rose by 8.4% (BGN 36.2 million) to BGN 466.9 million of which the volume of *renegotiated loans and loans for refinancing* – by 11.9% (BGN 13.7 million) to BGN 129.4 million. The new business volume of BGN *other loans* was BGN 14.3 million increasing by 19% (BGN 2.3 million) of which the volume of *renegotiated loans and loans for refinancing* – by 62.2% (BGN 0.6 million) to BGN 1.5 million. The volume of new business on *other loans* to *Sole Proprietors* rose by 9.4% (BGN 1 million) to BGN 11.2 million.

FIGURE 5: VOLUMES OF NEW BUSINESS ON BGN LOANS TO THE HOUSEHOLDS SECTOR*



*The renegotiated loans include loans for refinancing.

⁵ The *Households* sector also includes the *Non-profit institutions serving households (NPISHs)* sector. Data on *consumer loans* and *loans for house purchases* refer to the *Households* sector only.

⁶ The *other loans* indicator also includes loans granted to associations of owners in accordance with the *National Programme for Energy Efficiency of Multi-family Residential Buildings*.

Deposits

Non-financial corporations sector. In October 2021 compared to September 2021 the average interest rate on BGN *deposits with agreed maturity* increased by 0.04 percentage points to -0.15% while that on EUR *deposits with agreed maturity* decreased by 0.01 percentage points to 0.01%. The average interest rate on BGN *overnight deposits* remained unchanged at 0.00% while that on EUR *overnight deposits* declined by 0.01 percentage points to 0.00%.

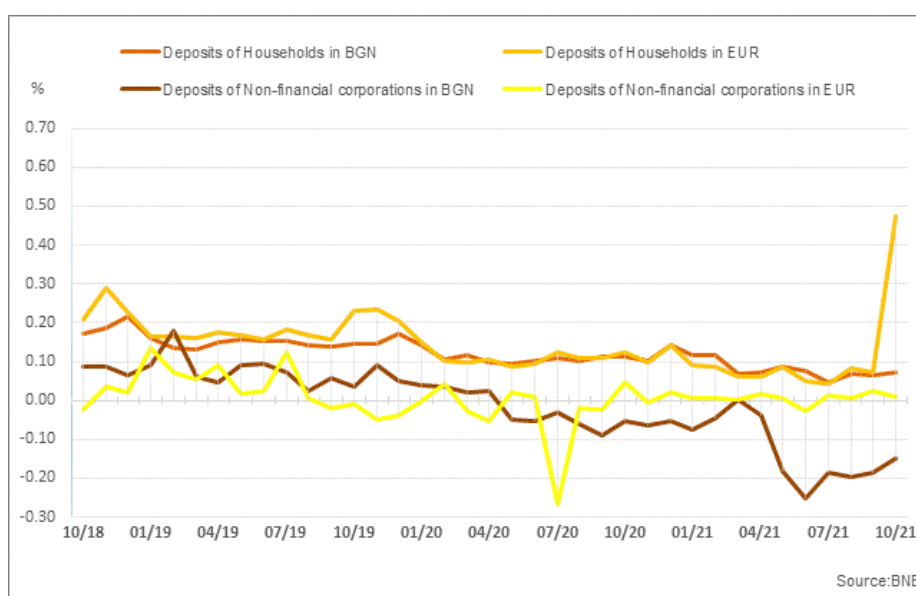
The new business volume on BGN *deposits with agreed maturity* rose by 73.5% (BGN 36.5 million) to BGN 86.1 million and that on EUR *deposits with agreed maturity* – by 250% (BGN 66.4 million) to BGN 93 million.

Households sector⁵. In October 2021, the average interest rate on BGN *deposits with agreed maturity* increased by 0.01 percentage points to 0.07% and that on EUR *deposits with agreed maturity* – by 0.40 percentage points to 0.47%. The average interest rates on both BGN and EUR *overnight deposits* remained unchanged at 0.00%.

The average interest rate on BGN *deposits redeemable at notice* remained unchanged at 0.15% while that on EUR *deposits redeemable at notice* changed insignificantly to 0.20%.

The volume of new business on BGN *deposits with agreed maturity* decreased by 6.2% (BGN 7.8 million) to BGN 117.3 million. The volume of new business on EUR *deposits with agreed maturity* rose by 17.8% (BGN 18.7 million) to BGN 123.8 million.

FIGURE 6: INTEREST RATES ON NEW BUSINESS ON DEPOSITS WITH AGREED MATURITY OF THE NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS SECTORS



INTEREST RATE STATISTICS

Selected Indicators

Key Interest Rates and LTIR					
	2020 October	2021 September	2021 October	Annual change	Monthly change
Base Interest Rate (<i>BIR</i>) ¹	0.00	0.00	0.00	0.00	0.00
LEONIA Plus ²	-0.68	-0.61	-0.60	0.08	0.01
Interest rates on Excess Reserves ³	-0.70	-0.70	-0.70	0.00	0.00
Long-term interest rate for convergence assessment purposes (<i>LTIR</i>) ⁴	0.20	0.15	0.25	0.05	0.10

¹ The *BIR* for the current month equals the simple average of the values of the index *LEONIA Plus* for the business days of the preceding calendar month, and when this simple average amounts to a value less than zero, the *BIR* is set to a value equal to zero.

² A reference rate of the concluded and effected BGN unsecured overnight deposits transactions in the interbank market in Bulgaria. Monthly values are calculated as the simple average of daily values. The index is not available (n/a) in the cases in which no overnight unsecured deposit transactions have been effected in Bulgarian leva on the interbank market during the reporting period. Effective as of 1 July 2017 *LEONIA* is replaced by the *LEONIA Plus* reference rate as the basis for the calculation of the *BIR*. Data up to June 2017 are for the *LEONIA* reference rate. As of July 2017 data are for *LEONIA Plus* reference rate.

³ The reporting period corresponds to the maintenance period, according to art. 8 (2) of Ordinance № 21 of the BNB of 26 November 2015 on the required minimum reserves that banks maintain with the BNB.

⁴ The *LTIR* is determined on the basis of the secondary market yield to maturity of a long-term government bond (benchmark bond) issued by the Ministry of Finance (*Central Government* sector) and denominated in the national currency. Monthly values are calculated as a simple average of daily values.

Loans ¹					
Non-financial corporations					
	2020 October	2021 September	2021 October	Annual change*	Monthly change*
New business on loans other than overdraft agreed in BGN					
Loans up to 1 million EUR, interest rates	3.42	3.12	2.86	-0.56	-0.25
Loans up to 1 million EUR, volumes in million BGN	312.3	314.9	332.9	6.6	5.7
Loans over 1 million EUR, interest rates	2.34	2.27	2.56	0.21	0.29
Loans over 1 million EUR, volumes in million BGN	300.3	330.1	421.6	40.4	27.7
renegotiated loans and loans for refinancing agreed in BGN, volumes	324.3	286.2	273.5	-15.7	-4.4
New business on loans other than overdraft agreed in EUR					
Loans up to 1 million EUR, interest rates	2.62	2.37	2.42	-0.19	0.05
Loans up to 1 million EUR, volumes in million BGN	82.2	67.4	69.2	-15.9	2.7
Loans over 1 million EUR, interest rates	2.34	2.54	1.67	-0.67	-0.87
Loans over 1 million EUR, volumes in million BGN	473.0	377.7	480.2	1.5	27.2
renegotiated loans and loans for refinancing agreed in EUR, volumes	278.3	223.4	394.0	41.6	76.4
Interest rates on outstanding amounts on overdraft and credit card credits					
Overdraft ² in BGN	2.62	2.54	2.50	-0.12	-0.04
Overdraft ² in EUR	2.21	1.93	1.90	-0.31	-0.04
Households ³					
	2020 October	2021 September	2021 October	Annual change*	Monthly change*
New business on loans other than overdraft agreed in BGN					
consumer loans, interest rates	8.17	8.40	8.19	0.02	-0.21
consumer loans, APRC	8.70	8.93	8.72	0.02	-0.22
consumer loans, volumes in million BGN	482.7	521.4	574.1	18.9	10.1
o/w renegotiated loans and loans for refinancing, volumes	112.99	107.03	121.58	7.6	13.6
loans for house purchases, interest rates	2.86	2.68	2.67	-0.19	-0.01
loans for house purchases, APRC	3.09	2.95	2.94	-0.15	0.00
loans for house purchases, volumes in million BGN	355.4	430.8	466.9	31.4	8.4
o/w renegotiated loans and loans for refinancing, volumes	110.08	115.68	129.43	17.6	11.9
other loans, interest rates	3.66	3.35	3.11	-0.55	-0.24
other loans, volumes in million BGN	20.7	12.0	14.3	-30.8	19.0
o/w renegotiated loans and loans for refinancing, volumes	4.2	0.9	1.5	-64.3	62.2
o/w loans other than overdraft to Sole Proprietors, interest rates	3.85	3.14	3.24	-0.60	0.10
o/w loans other than overdraft to Sole Proprietors, volumes in million BGN	17.17	10.27	11.23	-34.6	9.4
Interest rates on overdraft and credit card credits, outstanding amounts					
Overdraft ²	14.85	14.82	14.81	-0.04	-0.01
of which credit card credit ³	20.21	20.30	20.34	0.14	0.05

¹ The interest rates are effective annual rates. They are average weighted with the volumes of new business throughout the reporting period or the outstanding amounts as of the end of the reporting period. Based

on additional information provided by banks, the data on loans for September 2021 have been revised. The revisions are indicated in the explanatory notes of the respective data tables.

² Interest rates and volumes on new business and on outstanding amounts for overdraft coincide.

³ The *Households* sector also includes the *Non-profit institutions serving households (NPISHs)* sector. Data on *consumer loans* and *loans for house purchases* refer to the *Households* sector only.

⁴ The APRC comprises all the interest payments on a loan, as well as all fees, commissions and other charges a client must pay in order to obtain the loan.

⁵ Extended Credit Card Credit.

* Changes in volumes are expressed in percentage.

Source: BNB

Deposits¹

Non-financial corporations					
	2020 October	2021 September	2021 October	Annual change*	Monthly change*
Deposits with agreed maturity in BGN, new business					
interest rates	-0.05	-0.19	-0.15	-0.09	0.04
volumes in million BGN	188.69	49.65	86.15	-54.3	73.5
Deposits with agreed maturity in EUR, new business					
interest rates	0.05	0.03	0.01	-0.03	-0.01
volumes in million BGN	118.60	26.57	93.00	-21.6	250.0
Interest rates on overnight deposits, outstanding amounts					
Overnight ² deposits in BGN	0.02	0.00	0.00	-0.02	0.00
Overnight ² deposits in EUR	0.04	0.01	0.00	-0.04	-0.01
Households ³					
	2020 October	2021 September	2021 October	Annual change*	Monthly change*
Deposits with agreed maturity in BGN, new business					
interest rates	0.11	0.06	0.07	-0.04	0.01
volumes in million BGN	342.24	125.02	117.26	-65.7	-6.2
Deposits with agreed maturity in EUR, new business					
interest rates	0.12	0.07	0.47	0.35	0.40
volumes in million BGN	257.48	105.11	123.79	-51.9	17.8
Interest rates on overnight deposits, outstanding amounts					
Overnight deposits ² in BGN	0.01	0.00	0.00	-0.01	0.00
Overnight deposits ² in EUR	0.01	0.00	0.00	0.00	0.00
Interest rates on deposits redeemable at notice, outstanding amounts					
Deposits redeemable at notice ² in BGN	0.30	0.15	0.15	-0.15	0.00
Deposits redeemable at notice ² in EUR	0.56	0.21	0.20	-0.36	0.00

¹ The interest rates are effective annual rates. They are average weighted with the volumes of new business throughout the reporting period or the outstanding amounts as of the end of the reporting period.

² Interest rates and volumes on new business and on outstanding amounts coincide for overnight deposits and deposits redeemable at notice.

³ The *Households* sector also includes the *Non-profit institutions serving households (NPISHs)* sector.

* Changes in volumes are expressed in percentage.

Source: BNB.