

<h2>Republic of Bulgaria</h2> <h3>October 2020</h3>	Radostina Stamenova Lead economic analyst stamenova@bcra-bg.com
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SOVEREIGN RATING	Initial rating	Review	Review
Date of public disclosure:	12 Sept 2014	17 Apr 2020	16 Oct 2020
Date of Rating Committee:	05 Sept 2014	15 Apr 2020	14 Oct 2020
Long-term sovereign rating:	BBB- (ns)	BBB (ns)	BBB (ns)
Outlook:	Negative	Stable	Stable
Short term sovereign rating:	A-3 (ns)	A-3 (ns)	A-3 (ns)

• (ns) – not solicited rating

* The full rating history is available at: <https://www.bcra-bg.com/en/ratings/bulgaria-rating>

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The report has been prepared and the rating – assigned, based on public information, made available by the National Statistical Institute, Bulgarian National Bank, Ministry of Finance, the World Bank, the International Monetary Fund, the European Commission, BCRA's database etc. BCRA uses sources of information, which it considers reliable, however, it cannot guarantee the accuracy, adequacy and completeness of the information used.

BCRA - CREDIT RATING AGENCY AD **affirms** the **unsolicited** long-term and short-term sovereign rating of the Republic of Bulgaria and **maintains** the outlook related to them:

Long-term rating: **BBB(ns)**

Short-term rating: **A-3(ns)**

Outlook: **Stable**

BCRA's officially adopted **Sovereign Rating Methodology** has been applied: https://www.bcra-bg.com/files/Sovereign_Methodology_2019_en.pdf

Notes:

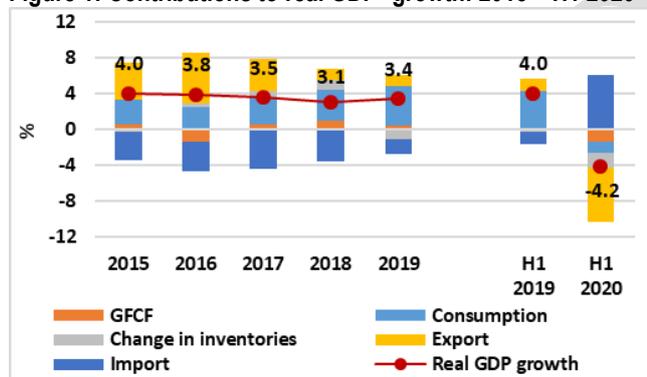
- 1) Prior to the present publication, the credit rating and the rating outlook were disclosed to the rated entity. Following those disclosure amendments in the credit rating and the rating outlook have not been executed;
- 2) During the last two years, BCRA Credit Rating Agency AD has not provided ancillary services to the rated entity or a related third party;
- 3) The users of the rating can find information on the meaning of each rating category in the Global Scale (https://www.bcra-bg.com/files/global_scale_en.pdf). The definition of default can be found in the Sovereign rating Methodology (https://www.bcra-bg.com/files/Sovereign_Methodology_2019_en.pdf).

Overview of rating factors

The emergence of the worldwide COVID-19 pandemic has turned the issue into one of the main priorities to address in Bulgaria as well as in all its political and economic partners. The country was in a state of emergency from the 13th of March to the 13th of May 2020 due to the unprecedented crisis, and the government took a number of legislative measures to curb the negative economic impact. The state of emergency was thereafter replaced by an *emergency epidemic situation* by the end of November 2020 at least, along with new socio-economic measures.

Against this background, daily civil protests arose demanding the resignation of senior government officials and the entire government for disregarding fundamental democratic principles. There are internal political and institutional confrontation, but also a lack of dialogue with those opposing the government. In addition, a number of challenges facing Bulgaria as well as some recent improvements are mentioned in the first annual Rule of law report of the European Union.

Figure 1: Contributions to real GDP¹ growth: 2015 – H1 2020



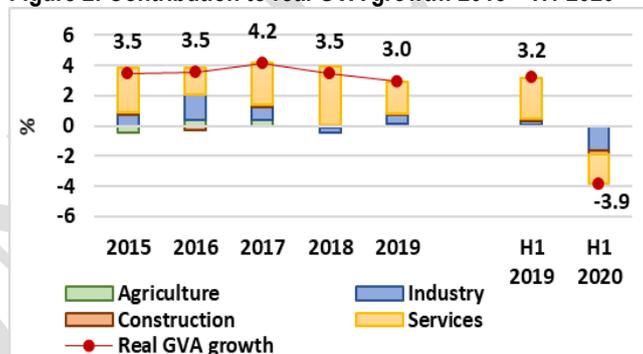
Source: National Statistical Institute

The COVID-19 pandemic and the measures taken to limit the infection have adversely impacted the economic activity in the country. The unprecedented shock undermined the positive dynamics of **GDP** at the beginning of the year, as real growth slowed to 1.2% on an annual basis in the first quarter, and even more pronounced within the second quarter with a decline of 8.2%. Thus, Bulgaria's GDP fell by 4.2% on average for the first half of 2020, compared to a 4% rise for the same period in 2019. In terms of expenditure components, the decline was due to the negative contribution of private consumption, investment and exports. Household consumption

¹ Growth is calculated in constant 2015 prices, unadjusted data.

expenditures decreased by 2.4% on an annual basis on average for the first six months of 2020 as a result of the introduced measures for social distance, rising unemployment and declining disposable income. Collective consumption reported real growth of 3.8% positively contributing to the GDP dynamics during the analysed period. Concurrently, uncertainty and limited demand impacted the investment decisions of companies, hence, gross fixed capital formation decreased by 8.2% and inventories shrank significantly. Despite the 9.3% decline in real exports of goods and services, the net exports reported a weak positive contribution to the economic activity in the first half of 2020 due to the parallel decline of 9.6% in imports.

Figure 2: Contribution to real GVA growth: 2015 – H1 2020



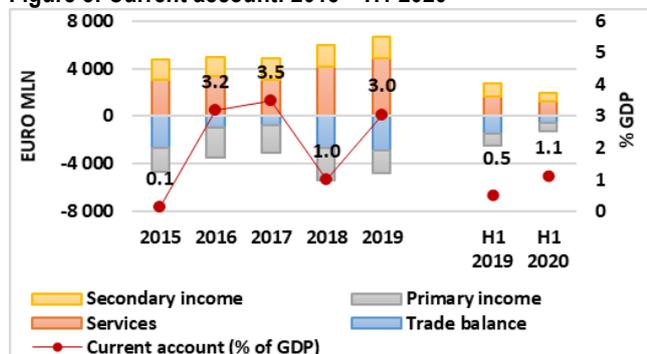
Source: National Statistical Institute

On the supply side, **gross value added** decreased by 3.9% on an annual basis. This was mostly attributed to the collapse in the aggregate sector of trade, transport, accommodation and food service activities by 9.9%. The industry, which fell by 7.4% in the first half of 2020, also made a significant contribution to the overall decline in the GVA. Arts, entertainment and recreation as well as real estate activities have been also among the most affected activities, while positive changes have been observed in the ICT, finance and professional activities sectors.

International trade and global financial flows were among the first to be affected by the spread of the pandemic. The nominal exports of Bulgarian goods decreased by 6.9% on an annual basis in the first half of 2020, and imports - by 12.2%. The overall decline was mainly attributable to the trade with EU countries by destination and energy resources and capital goods by commodity structure.

The initial effects of the pandemic led to an increase in the **current account** surplus in the first half of 2020 - up to EUR 659 million, compared to EUR 319 million for the same prior-year period.

Figure 3: Current account: 2015 – H1 2020



Source: National Statistical Institute

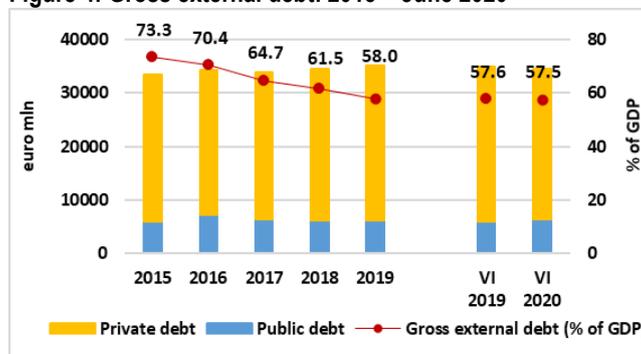
The reduction of foreign trade flows was leading, as the trade deficit reduced by 63.8% on an annual basis due to the larger decline in nominal imports of goods compared to exports. Concurrently, the 25% decrease in the primary income deficit contributed positively to the growth of the current account surplus, partly due to the measures taken by the BNB to capitalise the full amount of banks' last year profits. On the other hand, adverse changes have been observed in the balances of services and secondary income. Containment measures have had a strong negative impact on the export of tourist and transport services. As a result, the surplus in trade in services shrank by 23.1% on an annual basis. The balance on secondary income also remained positive, but reported a decrease of 42.5% compared to the first half of 2019, mainly due to the decrease in remittances of Bulgarians employed abroad resulting from the economic crisis.

Uncertainty and declining companies' revenues also have a limiting effect on global FDI flows. According to preliminary data, the net flow of FDI² in the country for the period January - June 2020 was positive. It amounted to EUR 449 million decreasing by 12.5% compared to the same period in 2019. Reinvested earnings of EUR 332 million had a dominant share in the structure of capital flows.

The country's **gross external debt** amounted to EUR 34 472 million (57.5% of GDP) as of June 2020. The size of debt decreased by EUR 706 million (2%) compared to the end of 2019, mainly due to the reduction of banks' external liabilities and loans to *other sectors*. Concurrently, public debt increased by EUR 249 million (4.6%) due to new tranches released under government loan agreements. The long-term debt remained predominant in the maturity structure with a share of 77.4%, and the coverage of short-term

external debt by international reserves increased to 359.5%.

Figure 4: Gross external debt: 2015 – June 2020



Source: Bulgarian National Bank

Net external debt at the end of June 2020 was negative at EUR 3 654 million or 6.1% of projected GDP. The decrease of EUR 2 531 million as compared to the end of the previous year owed to the faster growth of gross external assets (+5%) than of the gross external debt. The improved external sustainability of the country was also evident by the continued improvement in the **net international investment position**, the negative balance of which fell to 29.1% of GDP from 31.4% at the end of 2019.

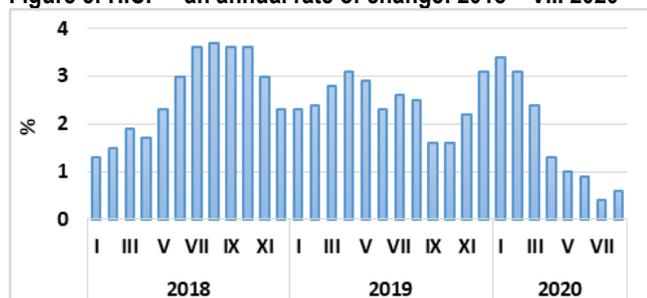
The **BNB's international reserves** increased by EUR 3 204 million over the period of January - June 2020 (+12.9% compared to the end of 2019), reaching EUR 28 040 million. The measures taken to increase liquidity in the banking system were the main driver. Reserve adequacy indicators have traditionally maintained high levels. The reserve coverage of the average imports of goods and non-factor services rose to 9.7 months, and the coverage of the monetary base amounted to 150%. This is a solid buffer guaranteeing the stability of the fixed exchange rate until the adoption of the euro.

In 2019, the **labour market** reported record low unemployment (4.2% of the active population over 15 years) and record high employment (54.2%) for the last 15 years. However, market conditions expectedly deteriorated in the course of 2020 mainly as a result of restrictive anti-epidemic measures. In the second quarter of 2020, the unemployment rate was 5.9% (compared to 4.2% a year earlier). According to the data of the Employment Agency, the number of registered unemployed in the age group 15-64 was 63% higher in the quarter compared to the same period of the previous year, reaching 287 thousand people.

² Reported in accordance with the directional principle.

Labour income, however, retains its upward trend. The average monthly gross wage reached BGN 1 327 (EUR 679) on average in the first half of 2020, rising by 8.9% on an annual basis. Among the economic activities that marked a nominal decline in wages, the most significant was that in tourism, followed by the aggregate sector of arts, entertainment and recreation. Measured by GDP in PPP per capita, purchasing power reached 52.4% and 49.7% of the EU and EA averages, respectively in 2019.

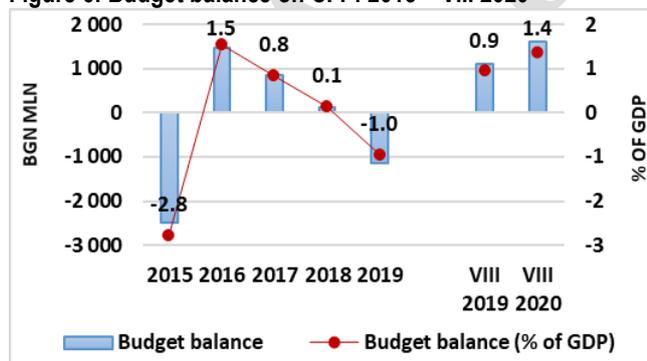
Figure 5: HICP – an annual rate of change: 2018 – VIII 2020



Source: National Statistical Institute

The HICP average annual **inflation** slowed sharply in the course of 2020, falling from 3.4% in January to 0.4% in July. In August, for the first time since the beginning of the year, it reported a slight increase to 0.6%. The main contributors to the downward dynamics have been the collapse in international oil prices and the contraction of private consumption due to the unprecedented health crisis. Concurrently, foods have been consolidating their role as a major inflationary engine, although it has also seen a decline in their price growth.

Figure 6: Budget balance on CFP: 2015 – VIII 2020



Source: Ministry of Finance

Bulgaria has entered the current crisis with a stable **fiscal position**, accumulated reserves and low government debt. The initial budgetary target for 2020 was achieving a balance but the unprecedented COVID-19 crisis necessitated an extraordinary

revision due to the expected revenue shortfalls and the need to incur additional costs. With the April revision, the projected CFP balance was changed to a deficit of BGN 3.5 billion or 3% of the projected GDP. The anti-crisis package of measures and its impact on the economy has been secured by increasing the budget expenditure by BGN 1 070 million compared to the initial estimates and additional capitalisation of the Bulgarian Development Bank by BGN 700 million.

Spending policy focuses primarily on supporting employment and the most affected sectors of the economy, as well as the urgent strengthening of the health system. The initial package of anti-crisis measures covered higher costs for medical equipment and staff, subsidised employment at the labour market, tax deferral and liquidity support through government guarantees. Subsequently, the design and scope of some of the measures were expanded, and additional measures were approved for the most affected sectors, including temporary reduction of the VAT rate.

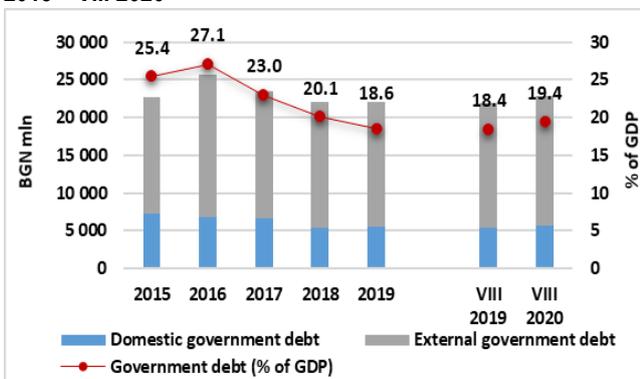
The revenues and grants under the Consolidated Fiscal Program (CFP) in the period January - August 2020 declined nominally by 1.7% on an annual basis, with the largest contribution of the 15.5% lower non-tax revenues against the background of limited economic activity and the impact of some of the anti-crisis measures. The total amount of tax revenues decreased by 1% compared to the same period of the previous year. A decrease was observed in almost all major tax items with the exception of social security contributions and personal income tax revenues, whose growth, however, slowed significantly. On the other hand, the overall decline in CFP revenues was limited by the 28.3% increase in aid and donations received, mainly through redirected funds from the EU budget to deal with the effects of the pandemic.

The decrease in revenues in the first eight months of 2020 was accompanied by a decrease in expenditures of 3.5%. The reduction in total expenditures compared to the same period in 2019 was mainly due to the fall in capital expenditures largely reflecting the effect of the one-time payment made in 2019 for the purchase of new fighter jets. Current expenditures, subsidies and interests also decreased, while personnel costs increased by 11.8% and social expenditures - by 7.6%.

The CFP budget balance at the end of August 2020 was positive at BGN 1 616 million (1.4% of the projected GDP), following a surplus of BGN 1 113 million (0.9% of GDP) for the same period of 2019.

The higher surplus is attributed to the traditionally low absorption of expenditures in the first half of the year and the proper execution of revenues in the first months of the year before the crisis outbreak. The expansion of the scope and volume of anti-crisis measures is expected to boost expenditures till the end of the year. Concurrently, the re-imposition of some restrictive measures during of the second wave of the infection may cause a stronger-than-expected decline in GDP and an increase in the fiscal deficit above the set threshold of 3% of GDP, accordingly.

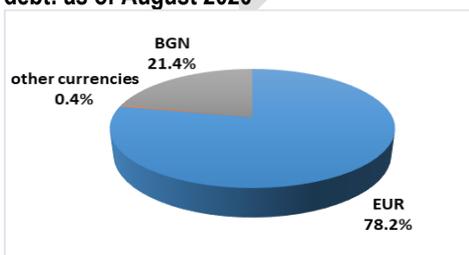
Figure 7: Government debt of the Republic of Bulgaria: 2015 – VIII 2020



Source: Ministry of Finance

We expect the **government debt**-to-GDP ratio to rise to approximately 25% in 2020 due to financial needs arising from the anti-crisis fiscal measures and the decline in GDP. Over the first eight months of 2020, the size of government debt increased by BGN 790 million, reaching BGN 22 023 million (19.6% of projected GDP). The revised 2020 budget envisages an increase in the limit for new debt from BGN 2.2 billion to BGN 10 billion. By the end of August, government securities with a total nominal value of BGN 1 200 million were issued on the domestic market as well as BGN 782 million external loans were absorbed under agreements with the European Investment Bank and the Council of Europe Development Bank.

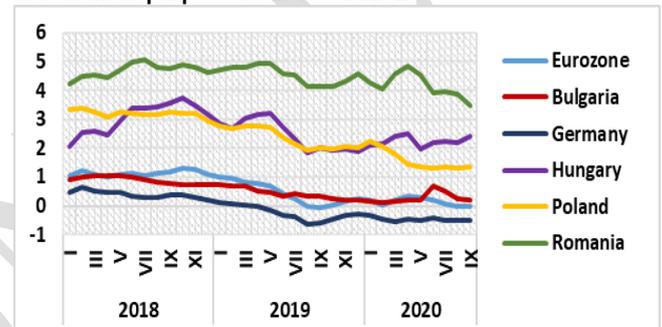
Figure 8: Currency structure of Central Government sector debt: as of August 2020



Source: Ministry of Finance

The debt-to-GDP ratio remains the second lowest in the EU (after Estonia) despite the current increase, and the interest rate and currency structure of debt minimise the risks for servicing it. Floating interest rate debt accounted for only 3% of total central government debt at the end of August 2020. Euro-denominated debt predominated in the currency structure with a share of 78.2% followed by the debt in the national currency (21.4%), which has determined a low currency risk in the context of the currency board operating in the country. Concurrently, the fiscal reserve, amounting to BGN 9 471 million (8.1% of the projected GDP) as of the end of August 2020, provides a buffer against liquidity risk.

Figure 9: Long-term interest rate for convergence assessment purposes: I 2018 – IX 2020



Source: Eurostat

Government debt sustainability is also underpinned by the low share of interest payments, which amounted to only 1.5% of total revenues in 2019 and for the eight months of 2020. Bulgarian government securities have the lowest **yield** among the non-euro area EU Member States. The long-term interest rate for convergence assessment purposes stood at 0.2% in September 2020 (-0.03% being the EA average).

In September, the Government of the Republic of Bulgaria successfully issued Eurobonds in the amount of EUR 2.5 billion, divided equally into two tranches with a maturity of 10 and 30 years. This is the country's first placing on the international capital markets after the issue in March 2016, and the achieved parameters were extremely favourable. The yield on 10-year bonds was 0.389%, with an interest rate coupon of 0.375%, and that of 30-year bonds amounted to 1.476%, with an interest rate coupon of 1.375%. The achieved yield on the 10-year issue has been record low for the country, and the 30-year tranche marked a record in terms of maturity. These results demonstrate high investor confidence, built on long-standing fiscal discipline, low government debt and ERM II accession.

The Bulgarian lev was officially included in the ERM II on the 10th of July 2020, and it was agreed that the country would maintain its existing currency board regime, without additional obligations on the ECB and as a unilateral commitment. In parallel, the ECB's decision to establish close cooperation with the BNB was announced. The ECB commenced its direct supervision of five Bulgarian banks on the 1st of October. Also, the ECB and the BNB set up a swap line in order to provide liquidity in euro (given the COVID-19 crisis), for the period until the end of 2020 or as long as needed, with a maximum maturity for each drawing of three months.

The **banking sector** remained stable by the middle of 2020 despite the ongoing consolidation and the initial effects of the corona crisis. The capital adequacy (23.1%) and liquidity (LCR of 258%) of banks were at high levels, supported by the steady growth of the deposit base and the anti-crisis measures implemented by the BNB within its mandate.

The lending to the non-financial sector has been slowing down (to a greater extent for enterprises) in the state of uncertainty over the first half of 2020. Concurrently, under the *Procedure for Deferral and Settlement of Liabilities Payable to Banks and their Subsidiaries – Financial Institutions*, debts amounting to BGN 9,1 billion or 89.1% of applications submitted have been approved as of end-August. This amount represented 13.7% of the gross value of loans. As deferred liabilities under this Procedure have not been classified as non-performing, as of end-June 2020, they did not affect the dynamics of non-performing loans, whose share of 9.0% (excluding credit institutions) remained close and even lower than those reported at the end of 2019 (9.2%).

The system made a profit as of mid-2020, which, however, was 43.9% lower on an annual basis, with a decline in net interest income (5.4%) and fees and commissions (11.1%), and a twofold increase in the value of the impairments incurred.

Outlook

The stable outlook reflects BCRA's opinion that risks to Bulgaria's sovereign rating are currently balanced. The Bulgarian lev inclusion in the ERM II is a significant achievement of economic policy, having a positive impact on the country's creditworthiness. This decision, however, came at a time of heightened uncertainty stemming from the pandemic spread and the political situation in the country. Given the global health crisis, we expect a sharp decline in economic activity in 2020, but we positively assess the fact that Bulgaria has entered this crisis with a favourable fiscal position, having one of the two lowest levels of public debt in the EU. External imbalances have declined significantly in recent years, as well as the country maintains a high level of foreign exchange reserves, ensuring resilience to short-term shocks. On the other hand, Bulgaria's sovereign rating remains limited by the low per capita income and slow progress in areas such as the fight against corruption.

Factors that could lead to **positive** pressure on the Sovereign Rating and/or the Outlook include:

- Implementation of important structural reforms and progress in the fight against corruption;
- Sustainable recovery of economic activity;
- Acceleration of the real convergence to the EU average income level.

The Sovereign Rating and/or the Outlook would be **negatively** affected in case of:

- Emerging of political instability;
- A continued decline in economic activity;
- Deterioration of the budget balance (exceeding the forecast), leading to a serious increase in the level of government debt;
- Renewal of external imbalances and decline in international reserves;
- The emergence of stress in the financial system of the country.

Regulatory announcements

Rating initiative:

This rating is unsolicited

Unsolicited sovereign rating	
With Rated Entity or Related Third Party Participation	NO
Access to Internal Documents	NO
With Access to Management	NO

The complete version of BCRA's policy on unsolicited credit/sovereign ratings can be downloaded through the following link:

https://www.bcra-bg.com/files/policy_unsolicited_rating_en.pdf

Summary minutes of the Rating Committee:

On the 14th of October 2020, Rating Committee of BCRA – CREDIT RATING AGENCY (BCRA) had a session, on which the **Report regarding the affirmation of the unsolicited sovereign rating of Republic of Bulgaria** was discussed. The session was run by D.Sc. (Econ.) Mr. Kiril Grigorov, in his capacity as chairman of the Rating Committee.

The members of the Rating Committee discussed the grades of numerous credit rating factors included in the **Sovereign Rating Model** according to the **Sovereign Rating Methodology**. Key points discussed included:

- The domestic political situation;
- The decline in economic activity in the country;
- The external indicators dynamics;
- The execution of the Consolidated Fiscal Program as of end-August 2020 and the fiscal measures to support the economy;
- The level and structure of the sovereign debt;
- The current condition of the banking sector;
- The joining of the Bulgarian lev to the ERM II.

The current sovereign rating and the related outlook have been affirmed based on the above discussion.

Main Macroeconomic Indicators:

Republic of Bulgaria		Developing economy ¹					
MAIN MACROECONOMIC INDICATORS							
Indicator	H1 2020	H1 2019	2019	2018	2017	2016	2015
Gross domestic product (million BGN)	52 969	54 334	118 669	109 695	102 308	95 092	89 333
Final consumption (million BGN)	42 916	43 015	91 476	83 529	77 524	72 302	69 669
Gross capital formation (million BGN)	8 926	10 756	23 129	23 328	20 349	18 081	18 810
Exports of goods and services (million BGN)	30 991	35 347	75 442	72 245	68 857	60 926	57 165
Imports of goods and services (million BGN)	29 863	34 784	71 378	69 408	64 421	56 217	56 311
GDP (annual real growth rate, %)	-4.2	4.0	3.4	3.1	3.5	3.8	4.0
GDP per capita ² (BGN)	-	-	16 970	15 610	14 460	13 340	12 450
Average gross monthly wages and salaries (BGN)	1 327	1 234	1 274	1 146	1 037	948	878
Unemployment rate ³ (population aged 15+; %)	5.3	4.6	4.2	5.2	6.2	7.6	9.1
HICP - annual average rate of change (%)	2.1	3.0	2.5	2.6	1.2	-1.3	-1.1
Exchange rate BGN / EUR	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Exchange rate BGN / USD	1.78	1.73	1.75	1.66	1.74	1.77	1.76
EXTERNAL SECTOR							
in million EUR	H1 2020	H1 2019	2019	2018	2017	2016	2015
Current account	659	319	1 847	554	1 825	1 551	55
Trade balance	-537	-1 486	-2 891	-2 699	-766	-984	-2 622
Services	1 302	1 693	4 875	4 129	3 053	3 410	3 081
Primary income	-727	-969	-1 910	-2 671	-2 316	-2 460	-2 044
Secondary income	621	1 080	1 773	1 795	1 854	1 585	1 640
Capital account	474	431	892	602	530	1 071	1 422
Foreign direct investment ⁴	449	513	1 139	983	1 619	927	2 001
Gross external debt	34 472	34 967	35 178	34 487	33 852	34 221	33 493
International investment position, net	-17 431	-20 820	-19 081	-20 959	-22 636	-23 289	-28 235
BNB reserve assets ⁵	28 040	25 183	24 836	25 072	23 662	23 899	20 285
% of GDP ⁶							
Current account	1.1	0.5	3.0	1.0	3.5	3.2	0.1
Trade balance	-0.9	-2.4	-4.8	-4.8	-1.5	-2.0	-5.7
Services	2.2	2.8	8.0	7.4	5.8	7.0	6.7
Primary income	-1.2	-1.6	-3.1	-4.8	-4.4	-5.1	-4.5
Secondary income	1.0	1.8	2.9	3.2	3.5	3.3	3.6
Capital account	0.8	0.7	1.5	1.1	1.0	2.2	3.1
Foreign direct investment ⁴	0.7	0.8	1.9	1.8	3.1	1.9	4.4
Gross external debt	57.5	57.6	58.0	61.5	64.7	70.4	73.3
International investment position, net	-29.1	-34.3	-31.4	-37.4	-43.3	-47.9	-61.8
BNB reserve assets ⁵	46.8	41.5	40.9	44.7	45.2	49.2	44.4

PUBLIC FINANCE							
in million BGN	VIII 2020	VIII 2019	2019	2018	2017	2016	2015
Revenue and grants	28 820	29 306	44 049	39 651	35 317	33 959	32 200
Total expenditures	27 204	28 193	45 200	39 516	34 471	32 491	34 685
Budget balance	1 616	1 113	-1 151	135	846	1 468	-2 485
Government debt ⁷	22 813	21 892	22 023	22 066	23 534	25 751	22 714
Domestic government debt	5 644	5 410	5 479	5 454	6 712	6 725	7 283
External government debt	17 169	16 482	16 544	16 612	16 822	19 027	15 431
Government guaranteed debt	1 704	1 784	1 732	1 876	1 997	1 673	587
Fiscal reserve	9 471	10 341	8 768	9 365	10 289	12 883	7 873
% of GDP ⁶							
Revenue and grants	24.6	24.7	37.1	36.1	34.5	35.7	36.0
Total expenditures	23.2	23.8	38.1	36.0	33.7	34.2	38.8
Budget balance	1.4	0.9	-1.0	0.1	0.8	1.5	-2.8
Government debt ⁷	19.4	18.4	18.6	20.1	23.0	27.1	25.4
Domestic government debt	4.8	4.6	4.6	5.0	6.6	7.1	8.2
External government debt	14.6	13.9	13.9	15.1	16.4	20.0	17.3
Government guaranteed debt	1.5	1.5	1.5	1.7	2.0	1.8	0.7
Fiscal reserve	8.1	8.7	7.4	8.5	10.1	13.5	8.8
BANKING SYSTEM							
in million BGN	H1 2020	H1 2019	2019	2018	2017	2016	2015
Total assets	115 276	108 579	114 201	105 557	97 808	92 095	87 524
Loans and advances (regardless credit institutions)	66 984	63 151	66 297	60 913	56 084	54 467	54 121
Non-performing loans	6 017	6 477	6 120	6 790	8 288	9 956	11 026
Share of non-performing loans (%)	9.0	10.3	9.2	11.1	14.8	18.3	20.4
Deposits (regardless credit institutions)	93 393	86 479	91 853	84 571	78 406	74 129	69 276
ratios (%)							
Total capital adequacy	23.1	20.5	20.2	20.4	22.1	22.2	22.2
Liquidity coverage ratio	258.0	260.6	269.9	294.1	347.6	n/a	n/a
Return on assets (ROA) ⁸	1.1	1.7	1.5	1.7	1.2	1.4	1.0
Return on equity (ROE) ⁸	8.8	13.5	11.8	13.3	9.6	10.6	8.1

[1] According to the IMF classification (World Economic Outlook);

[2] Eurostat data;

[3] NSI Data - Labour Force Survey;

[4] According to the directional principle;

[5] It is equal to the total assets of the BNB's Issue Department;

[6] The ratios for 2020 are calculated on the basis of GDP in the amount of BGN 117 306 mln (Ministry of Finance forecast);

[7] "Government Debt" is the debt assumed under the Law on Government Debt;

[8] The coefficient is calculated using the Trailing twelve months (TTM) method.

Sources: Bulgarian National Bank; National Statistical Institute; Ministry of Finance; World Bank; International Monetary Fund; European Commission; Eurostat