



Bulgarian National Bank

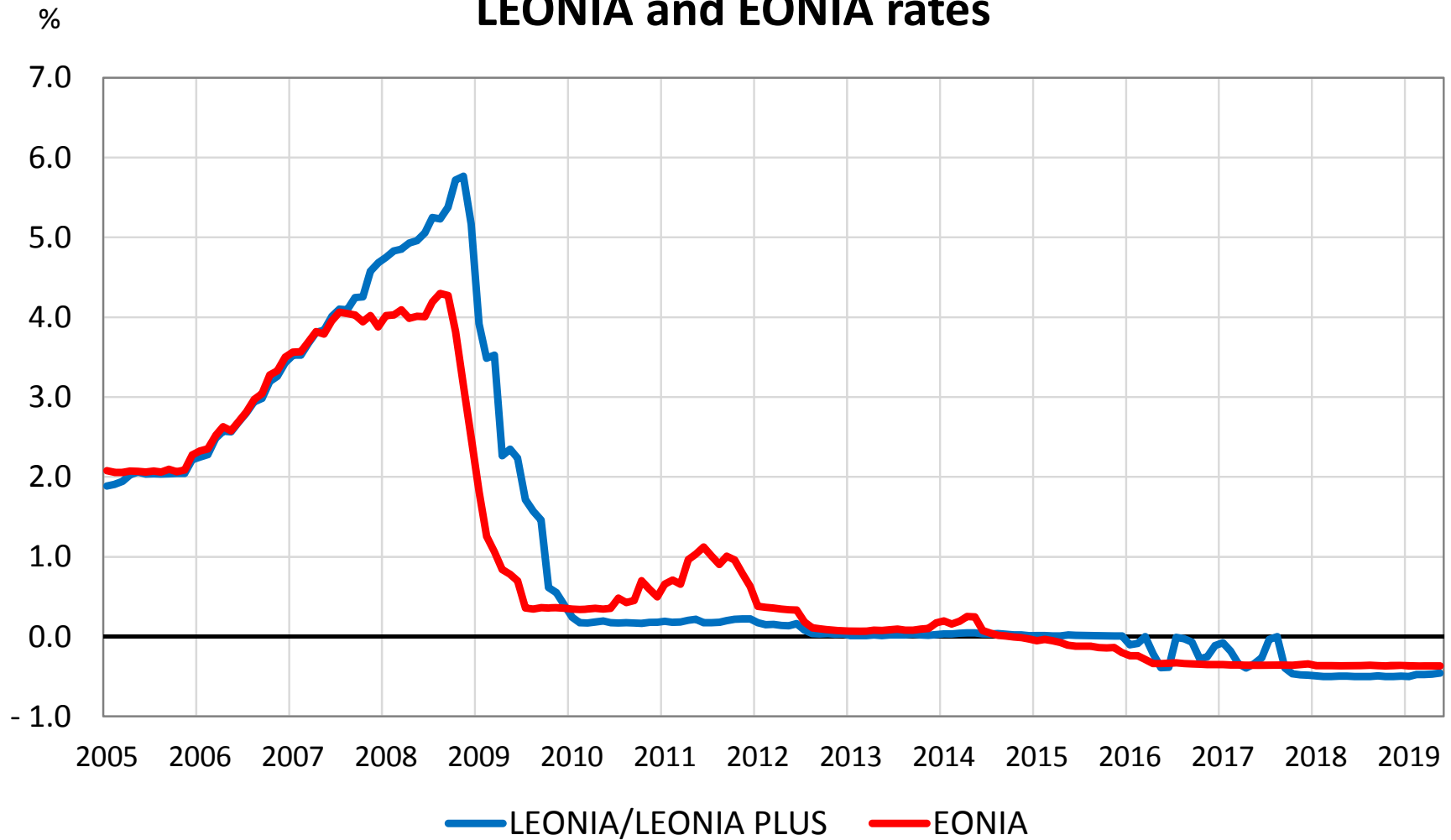
**Resilience to global headwinds?
CESEE responses to a changing trade and
financial landscape**

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Governor

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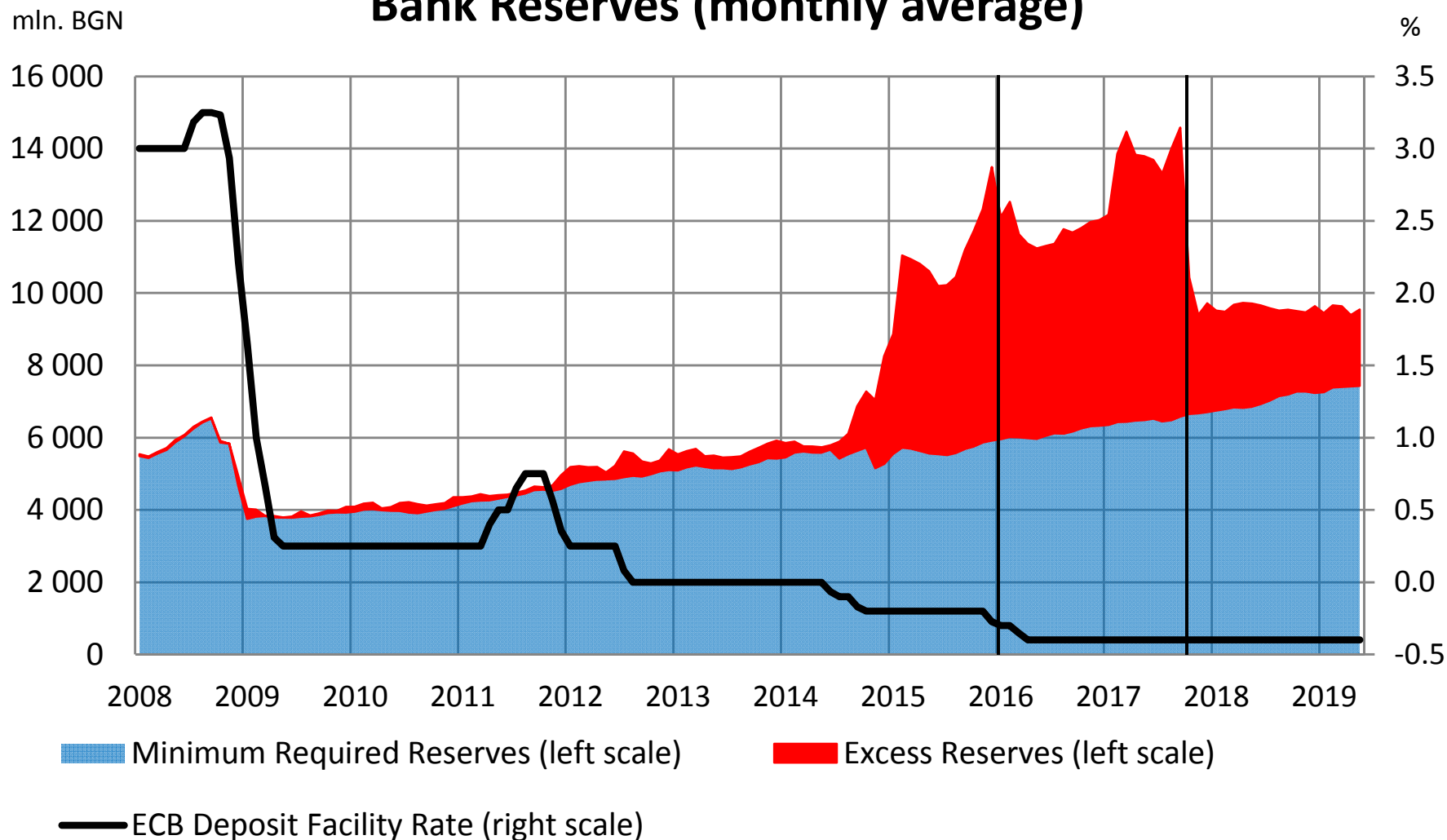
LEONIA and EONIA rates



Note: LEONIA Plus replaced LEONIA on 1 July 2017. LEONIA Plus monthly values are calculated as an arithmetic average for days when overnight unsecured transactions are concluded in the interbank money market in levs. Source: BNB, ECB



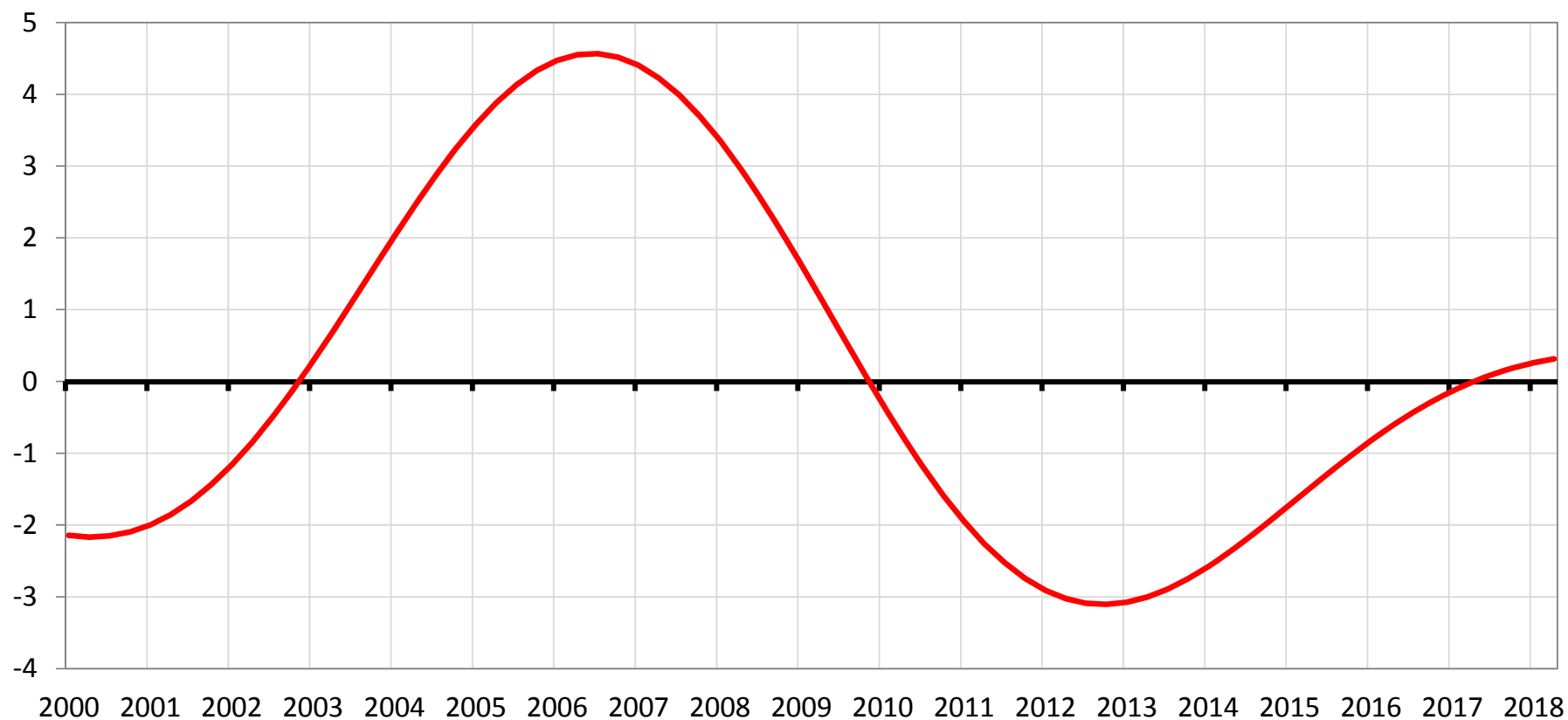
Bank Reserves (monthly average)



Note: The two vertical lines represent the timing of two changes implemented by the BNB with respect to banks' excess reserves. From the beginning of 2016 the BNB introduced a definition of excess reserves for bank accounts held with the BNB and introduced the interest rate on the deposit facility of the ECB to be applied on the excess reserves when this interest rate is negative. As from October 2017 the BNB introduced an extra minus 20 basis points on top of the ECB deposit facility interest rate, with which banks' excess reserves held at the BNB are charged. Source: BNB



Aggregate measure of the financial cycle in Bulgaria (normalized value)



Note: The aggregate measure of the financial cycle is obtained using principal component analysis, whereby the cyclical components of individual indicators are formed in different groups and in each group the first principal component is derived. Positive values of the financial cycle indicator point to accumulation of cyclical risk, while negative values indicate risk materialization. Detailed information on the individual indicators used to extract the aggregate measure of the financial cycle and the methodology can be found at: http://www.bnb.bg/bnbweb/groups/public/documents/bnb_publication/discussion_2019_113_en.pdf
Source: BNB