



Bulgarian National Bank

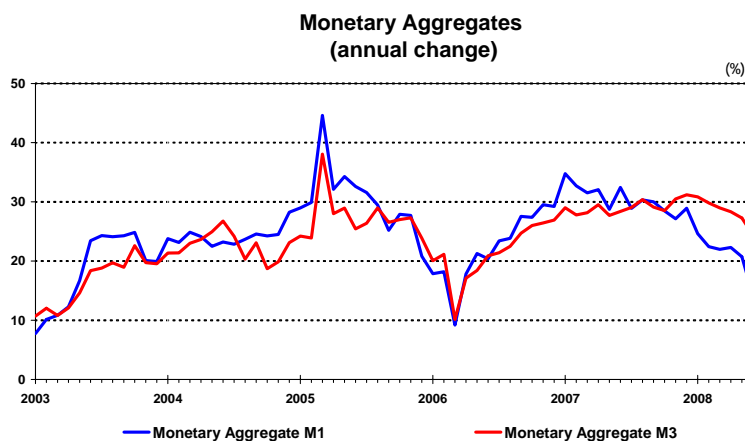
23 July 2008

PRESS RELEASE

MONETARY AND CREDIT INDICATORS

June 2008

In June 2008, the annual growth rate of broad money (monetary aggregate M3) was 24.4% compared to 27.3% in May. At the end of June M3 amounted to BGN 43.965 billion (68.5% of GDP¹). Its most liquid component – the monetary aggregate M1 – increased by 14.2% annually in June (20.7% growth in May). Quasi-money² rose by 34.7% compared to June 2007 (33.7% in May).



Source: BNB.

Net domestic assets reached BGN 38.429 billion at the end of June 2008, which is a 48.8% increase compared to the same month of 2007 (49.6% annual growth in May). The annual growth rate of their basic component – *domestic credit* – was 47.8% in June compared to 48.6% in May 2008. Claims on the *Non-government sector*³ rose by 52% compared to 54.4% in May.

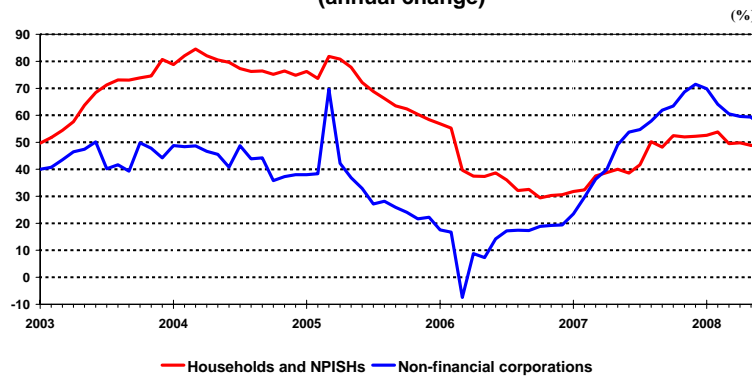
At the end of June 2008, claims on loans to the *Non-government sector* stood at BGN 44.563 billion (69.4% of GDP) and their annual growth rate was 53.5% (55.5% in May). Loans to *Non-financial corporations* increased by 55.5% annually in June (59.3% in May) and at the end of the month amounted to BGN 27.665 billion (43.1% of GDP). Loans to *Households and NPISHs* (Non-Profit Institutions Serving Households) were BGN 16.273 billion (25.3% of GDP) at the end of June, posting annual growth of 48.9% (48.8% annual growth in May). In June 2008, *loans for house purchases* grew by 53.3% on an annual basis compared to 55.2% in May. The annual growth rate of *consumer loans* was 47.3% in June and 48.8% in May 2008, while that of *other loans* – 18.5% and 7.9%, respectively.

¹ GDP forecasted for 2008 is BGN 64.199 billion.

² Quasi-money consists of deposits with agreed maturity of up to 2 years and deposits redeemable at notice of up to 3 months.

³ Claims on the *Non-government sector* include loans, repos, securities other than shares, and shares and other equity.

**Claims on Loans to Non-financial Corporations and
Households and NPISHs
(annual change)**



Source: BNB.

The total amount of loans to *Financial corporations*⁴ was BGN 624.5 million at the end of June 2008 and, compared to June 2007, it increased by 99.5% (85.4% annual growth in May).

The annual rates of changes in claims on loans were influenced by net sales of loans by *Other MFIs*⁵ - their volume for the last 12 months was BGN 2.286 billion. On an annual basis, loans sold amounted to BGN 2.882 billion, while the amount of loans repurchased were BGN 596 million.

Net foreign assets amounted to BGN 16.706 billion at the end of June 2008 and decreased by 6.1% on an annual basis compared to the 0.3% annual drop in May. The annual growth rate of foreign assets was 29.5% in June 2008 compared to 26.2% in May, while that of foreign liabilities was 110.2% in June and 91.4% in May 2008.

Appendices: Tables

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The complete set of monetary statistics tables, the text of the press release, and methodological guidelines can be found on the website of the Bulgarian National Bank www.bnb.bg (*Statistics/Monetary and Interest Rate Statistics/Monetary Statistics/Monetary Survey*).

⁴ *Financial corporations* consist of other financial intermediaries and auxiliaries, and insurance companies and pension funds.

⁵ *Other monetary financial institutions* include credit institutions and money market funds.

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BULGARIAN NATIONAL BANK

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Monetary and credit indicators for Bulgaria June 2008

	2003	2004	2005	2006	2007	2008			
	December	December	December	December	December	April	May	June	
	Annual growth rate (%)							Stock (BGN million)	Annual growth rate (%)
Components of M3									
MONEY M3	19.6	23.1	23.9	26.9	31.2	28.3	27.3	43,965	24.4
MONEY M1	19.9	28.2	20.8	29.2	28.9	22.3	20.7	20,327	14.2
Currency outside MFIs	16.2	19.5	16.6	15.5	19.3	18.4	18.1	7,364	15.2
Overnight deposits	23.6	36.4	24.3	39.7	35.0	24.6	22.2	12,962	13.5
MONEY M2 (M1 +)	18.8	23.3	24.3	26.9	31.3	28.3	27.3	43,929	24.3
Deposits with agreed maturity up to 2 years	17.9	16.3	32.2	25.3	35.3	34.2	33.0	19,394	34.1
Deposits redeemable at notice up to 3 months	17.7	28.2	11.3	21.4	26.0	34.1	37.2	4,209	37.3
MONEY M3 (M2 +)	19.6	23.1	23.9	26.9	31.2	28.3	27.3	43,965	24.4
Marketable instruments (debt securities issued up to 2 years+ MMFs shares/units + repos)	3210.4	-9.6	-75.2	78.9	-50.8	27.6	61.7	36	129.5
Main counterparts of M3									
FOREIGN ASSETS (NET)	1.6	11.4	18.1	40.9	2.7	3.8	-0.3	16,706	-6.1
Foreing assets	5.0	32.6	11.9	29.6	21.4	27.2	26.2	33,204	29.5
Foreign liabilities	16.7	96.6	1.2	7.2	70.3	79.6	91.4	16,498	110.2
DOMESTIC CREDIT	33.9	34.2	33.0	15.3	58.8	47.7	48.6	38,473	47.8
Claims on general government ¹	-39.3	-144.4	6.9	496.7	98.5	121.3	98.6	-6,906	80.5
Claims on non-government sector	48.3	48.6	32.4	24.6	62.5	55.0	54.4	45,379	52.0
o/w Loans	47.2	49.4	32.3	24.0	63.7	56.1	55.5	44,563	53.5
Non-Financial Corporations	37.7	38.0	22.3	19.4	71.5	59.6	59.3	27,665	55.5
Financial Corporations	33.0	141.5	-44.1	58.7	64.1	91.9	85.4	624	99.5
Households and NPISH ²	80.7	74.8	58.4	30.6	52.2	49.8	48.8	16,273	48.9

Source: "Monetary statistics" (monthly issue), BNB, June 2008. Data are not seasonally adjusted. According to the requirements of Regulation (EC) No 2423/2001 of the ECB of 11 November 2001, concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13), accrued interest is reported separately from the instrument (deposits; loans; securities, other than shares; etc.) and commercial banks' balance sheets are not consolidated with those of their foreign branches.

¹ Claims on *general government* comprise of net claims on *central government* and claims on *other general government*.

² NPISH - Non-profit institutions serving households.

Monetary and credit indicators for Bulgaria
contributions of components to annual growth rate

	2003	2004	2005	2006	2007	2008		
	December	December	December	December	December	April	May	June
Components of M3								
MONEY M3	19.6	23.1	23.9	26.9	31.2	28.3	27.3	24.4
MONEY M1	9.6	13.7	10.5	14.4	14.5	11.0	10.3	7.1
Currency outside MFIs	3.9	4.5	3.8	3.3	3.8	3.4	3.3	2.8
Overnight deposits	5.7	9.1	6.8	11.1	10.7	7.6	7.0	4.4
M2 - M1 (Quasi-money)	9.2	9.5	13.7	12.5	16.8	17.3	16.9	17.2
Deposits with agreed maturity up to 2 years	7.5	6.7	12.5	10.5	14.5	14.3	13.7	14.0
Deposits redeemable at notice up to 3 months	1.8	2.8	1.1	2.0	2.3	3.0	3.3	3.2
M3 - M2	0.7	-0.1	-0.3	0.1	-0.1	0.0	0.0	0.1
Marketable instruments (debt securities issued up to 2 years+ MMFs shares/units + repos)	0.7	-0.1	-0.3	0.1	-0.1	0.0	0.0	0.1
Main counterparts of M3								
FOREIGN ASSETS (NET)	1.6	11.4	18.1	40.9	2.7	3.8	-0.3	-6.1
Foreing assets	6.4	43.5	18.8	44.5	29.5	39.2	36.9	42.5
Foreign liabilities	4.8	32.1	0.7	3.6	26.9	35.4	37.1	48.6
DOMESTIC CREDIT	33.9	34.2	33.0	15.3	58.8	47.7	48.6	47.8
Claims on general government ¹	-6.5	-10.8	-0.2	-9.8	-10.1	-13.3	-12.9	-11.8
Claims on non-government sector	40.4	45.0	33.2	25.1	68.9	61.1	61.5	59.6
o/w Loans	38.5	44.3	32.3	23.9	68.1	60.7	61.2	59.7
Non-Financial Corporations	23.5	24.4	14.7	11.8	44.9	38.9	39.4	37.9
Financial Corporations	0.4	1.7	-0.9	0.5	0.8	1.0	1.0	1.2
Households and NPISH ²	14.6	18.3	18.6	11.6	22.4	20.8	20.8	20.5

Source: "Monetary statistics" (monthly issue), BNB, June 2008. Data are not seasonally adjusted. According to the requirements of Regulation (EC) No 2423/2001 of the ECB of 11 November 2001, concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13), accrued interest is reported separately from the instrument (deposits; loans; securities, other than shares; etc.) and commercial banks' balance sheets are not consolidated with those of their foreign branches.

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