



PRESS RELEASE

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State of the Banking System as of end-December 2024¹

In the fourth quarter of 2024, the assets of the banking system increased by BGN 9.2 billion (5.0%) and at the end of December amounted to BGN 191.6 billion. Compared to end-September, *loans and advances* grew by BGN 4.3 billion (3.8%) to BGN 117.3 billion as of 31 December 2024 and accounted for 61.2% of total assets. The item *cash, cash balances at central banks and other demand deposits* increased by BGN 3.3 billion (10.9%) to BGN 34.1 billion, its share in the total balance sheet assets reaching 17.8%. *Cash balances at central banks* increased by BGN 2.9 billion (11.7%) to BGN 27.7 billion. During the period, *debt securities* grew by BGN 1.4 billion (4.3%) to BGN 33.1 billion and at the end of the year accounted for 17.3% of total assets.

The liquidity coverage ratio at the end of December 2024 was 241.0% (244.1% at the end of September). The *liquidity buffer* increased to BGN 56.9 billion and the *net liquidity outflows* – to BGN 23.6 billion (from BGN 52.9 billion and BGN 21.7 billion, respectively, as of 30 September).

During the quarter total gross loans and advances increased by BGN 4.3 billion (3.7%) to BGN 120.6 billion. Compared to end-September claims on *credit institutions* increased by BGN 377 million (3.9%) to BGN 10.0 billion.

The gross loan portfolio² of the banking system grew by BGN 4.0 billion (3.8%) quarter-on-quarter to BGN 110.6 billion at end-December 2024. Loans to *households* increased (by BGN 2.1 billion, of which BGN 1.7 billion collateralised by residential immovable property). Loans to *non-financial corporations* grew (by BGN 1.8 billion, 3.5%) as well as loans to *other financial corporations* (by BGN 267 million, 3.1%), while loans to the *general governments sector* decreased (by BGN 99 million, 10.5%).

Gross non-performing loans and advances at the end of December 2024 were BGN 3.81 billion (BGN 4.12 billion at the end of September 2024) with their share in total gross loans and advances decreasing to 3.16% (from 3.55% at the end of September). The net value of non-performing loans and advances (after deducting their inherent impairment) at the end of December was BGN 1.93 billion (BGN 2.16 billion at end-September) with a 1.64% share in the total net value of loans and advances (1.91% at the end of September).

In the fourth quarter of 2024, the total deposits in the banking system increased by BGN 7.9 billion (5.1%), reaching BGN 163.0 billion at end-December. Deposits of *households* grew (by BGN 4.3 billion, 4.9%) and so did deposits of *credit institutions* (by BGN 2.4 billion, 20.9%), of *non-financial corporations* (by BGN 1.3 billion, 2.8%), and of *other financial corporations* (by BGN 492 million, 13.0%). Deposits of the *general governments sector* decreased (by BGN 633 million, 16.8%).

The total equity in the balance sheet of the banking system at the end of December 2024 was BGN 23.2 billion, an increase of BGN 1.1 billion (4.8%) compared to the end of September. Its growth was mainly due to the higher profit during the period, as well as the increase in *accumulated other comprehensive income* and in *other reserves*.

¹ Based on individual (non-consolidated) data from the monthly reports of banks and foreign bank branches. The above changes are based on a comparison to the monthly reports for the previous period.

² The scope of the loan portfolio comprises the following sectors: *non-financial corporations, households, other financial corporations, and general governments*.

As of 31 December 2024, the banking system's profit amounted to BGN 3.7 billion, by BGN 278 million (8.1%) more than the profit realised for 2023. Net interest income increased on an annual basis by BGN 720 million (14.9%) to BGN 5.6 billion at the end of December 2024, and net income from fees and commissions – by BGN 145 million (9.9%) to BGN 1.6 billion. *The impairment costs on financial assets not measured at fair value through profit or loss* were BGN 659 million for 2024, by BGN 248 million (60.3%) higher than those for 2023.