



# THE ECONOMY AND BANKING SECTOR OF BULGARIA

second quarter **2026**



# Main highlights

|                                                                       |                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div>GDP</div> <div>+2,9%</div> <div>YoY, Q1'2026</div>               | <div>Gross domestic product grew by 2,9% year-on-year in the first quarter of 2026. Bulgaria ranks 6th among the countries with the highest growth rate in the EU, remaining above the EU and eurozone average.</div> |
| <div>HICP</div> <div>+5,8%</div> <div>YoY, Q2'2026</div>              | <div>The Harmonized Index of Consumer Prices increased by 5,8% on an annual basis, with inflation in Bulgaria remaining the third highest in the EU and above the ECB's target (2%).</div>                            |
| <div>Unemployment</div> <div>3,0%</div> <div>June'2026</div>          | <div>As of the end of June 2026, unemployment was at the level of 3,0%. The labor market remained stable.</div>                                                                                                       |
| <div>Budget balance</div> <div>-1,9%</div> <div>of GDP, Q2'2026</div> | <div>As of the end of June 2026, the state budget reported a deficit of EUR 2,416 billion (1,9% of the estimated GDP).</div>                                                                                          |
| <div>Debt to GDP</div> <div>29,9%</div> <div>Q1'2026</div>            | <div>As of the end of the first quarter of 2026, Bulgaria's debt-to-GDP ratio was the third lowest in the EU. However, it has increased compared to a year earlier.</div>                                             |

# Main highlights

## Assets of banks

€ 121,0 bn

↑ 17,2%

Q2'2026, YoY

As of the end of the second quarter of 2026, the assets of the banking system increased by 17,2% year-on-year to EUR 121,0 billion (96,6% of projected GDP).

## Banking sector result

€ 1 079 mln

↑ 7,2%

Q2'2026, YoY

By the end of the second quarter of 2026, the banking sector reported a net profit of EUR 1 079 million, reported a growth of 7,2% on an annual basis.

LCR  
261,2%

Q2'2026

The Liquidity Coverage Ratio (LCR) stood at 261,2% at the end of June 2026. At the end of the period, the bank system significantly exceeded the requirement for a minimum liquidity coverage level of 100%.

CET 1  
24,72%

Q1'2026

The capital position remains stable, with levels remaining significantly above minimum regulatory requirements.

## Average mortgage interest rate

2,41%

June` 2026

As of the end of the second quarter of 2026, the average interest rate on housing loans in EUR was 2,41%. Bulgaria ranks first in the euro area, with the lowest APR on housing loans (new business), according to ECB data.



# Content

|                                                                      |    |
|----------------------------------------------------------------------|----|
| <u>THE BULGARIAN ECONOMY</u>                                         | 06 |
| <u>ECONOMIC GROWTH</u>                                               | 06 |
| <u>INFLATION</u>                                                     | 09 |
| <u>LABOUR MARKET</u>                                                 | 11 |
| <u>PUBLIC SECTOR</u>                                                 | 13 |
| <u>CAPITAL MARKET</u>                                                | 14 |
| <u>THE BANKING SECTOR IN BULGARIA</u>                                | 16 |
| <u>BALANCE SHEET STATEMENT<br/>(STATEMENT OF FINANCIAL POSITION)</u> | 16 |
| <u>STATEMENT OF PROFIT OR LOSS</u>                                   | 18 |
| <u>FINANCIAL INDICATORS</u>                                          | 21 |
| <u>LOANS AND DEPOSITS</u>                                            | 25 |
| <u>INTEREST RATES</u>                                                | 30 |

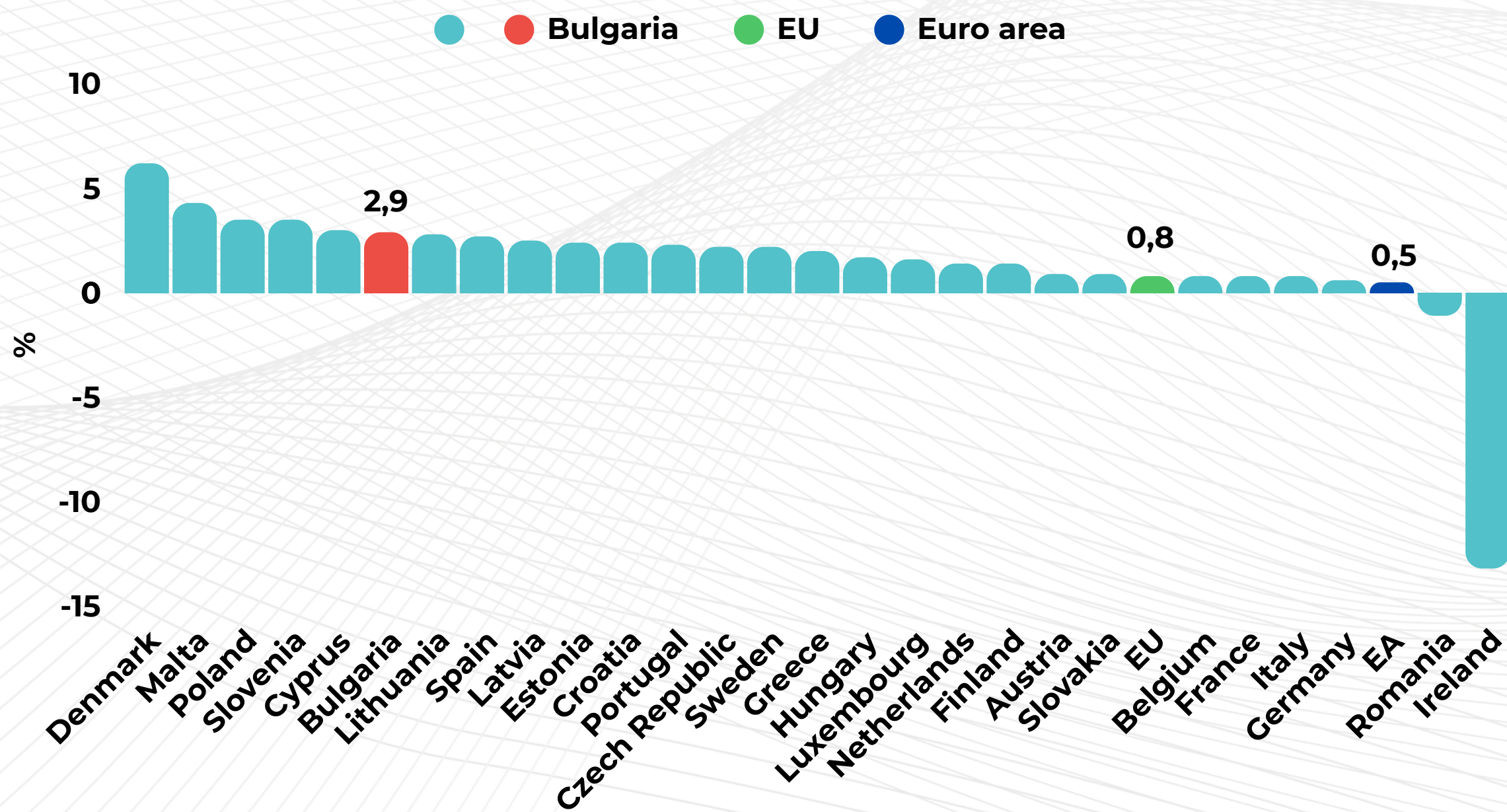


# THE ECONOMY OF Bulgaria

## ECONOMIC GROWTH

In the first quarter of 2026, Bulgarian gross domestic product (GDP) rose by 2,9% y-o-y, remained at the level of the previous quarter, when growth of 2.9% was also reported. According to the preliminary seasonally and calendar-adjusted data of Eurostat, the pace of growth of the Bulgarian economy remained above the EU and euro area average. The GDP growth of the European Union and the euro area decreased to 0,8% and 0,5% respectively on an annual basis, compared to the reported values of 1,3% and 1,1% in the previous quarter.

EU and euro area GDP growth in Q1`2026



Source: Eurostat, Seasonally and calendar adjusted data

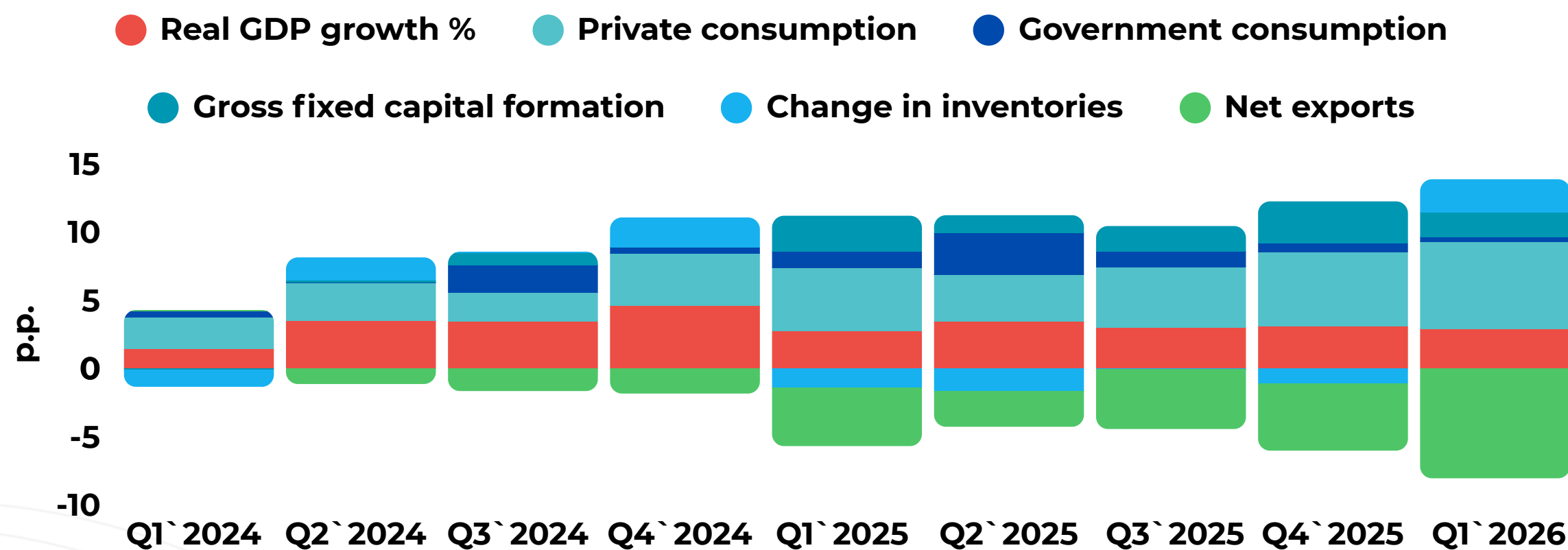
### 6th place in the EU

Bulgaria is the sixth fastest growing economy in the European Union in Q1`2026.



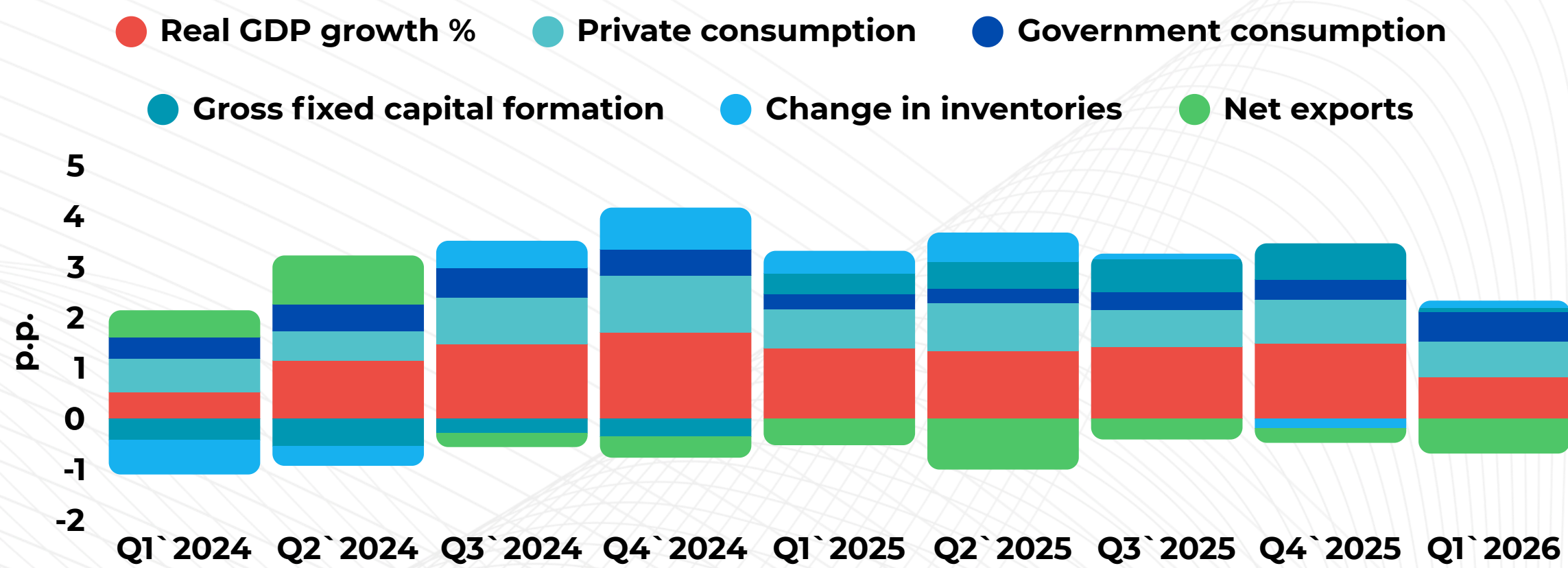
The largest contribution to the growth of Bulgaria's economic activity in the first quarter of 2026, according to preliminary Eurostat data, was made by private consumption, changes in inventories and gross fixed capital formation.

Economic growth in Bulgaria and contribution by components



Source: Eurostat, own calculations

Economic growth in the EU and contribution by components

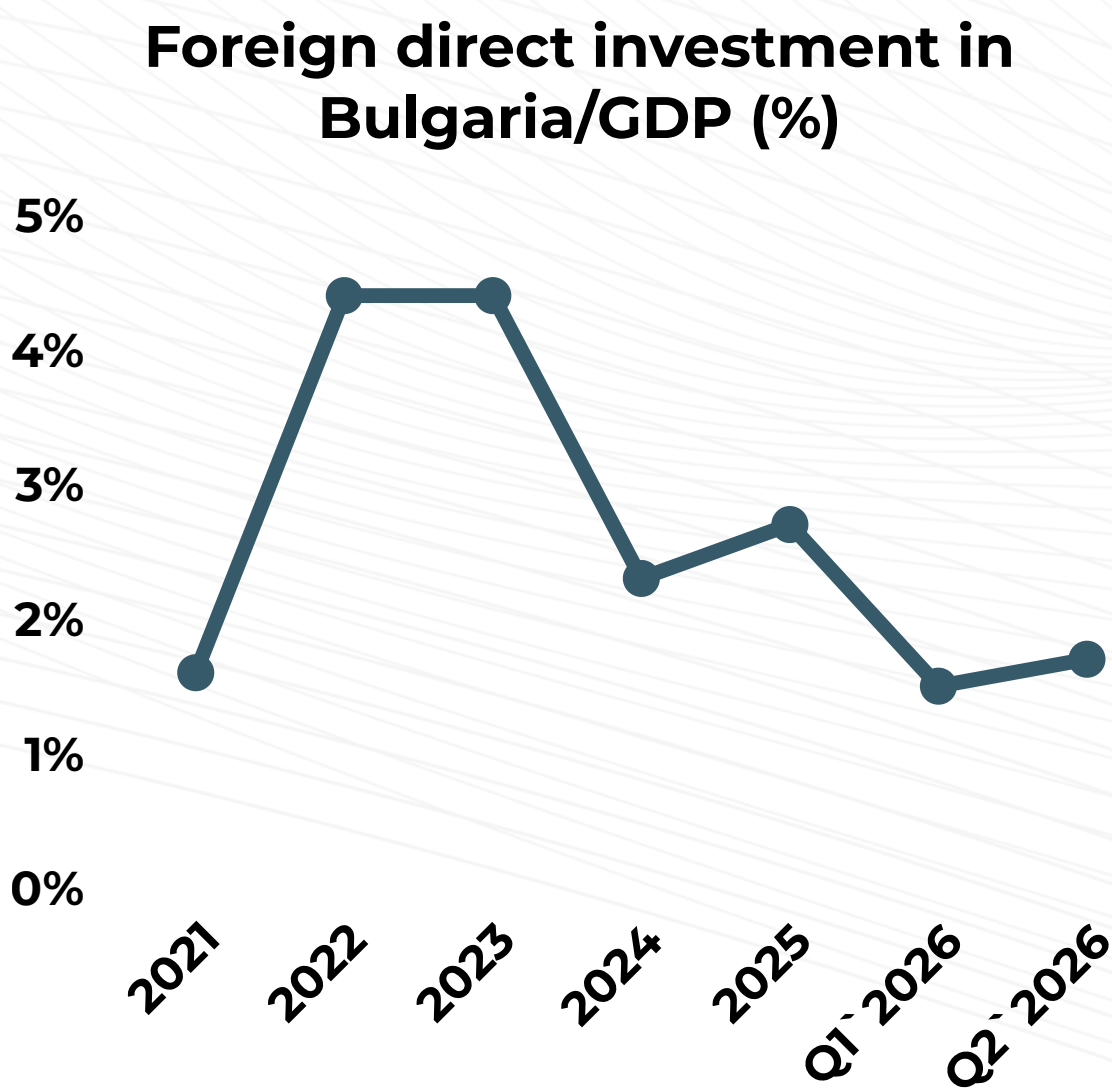
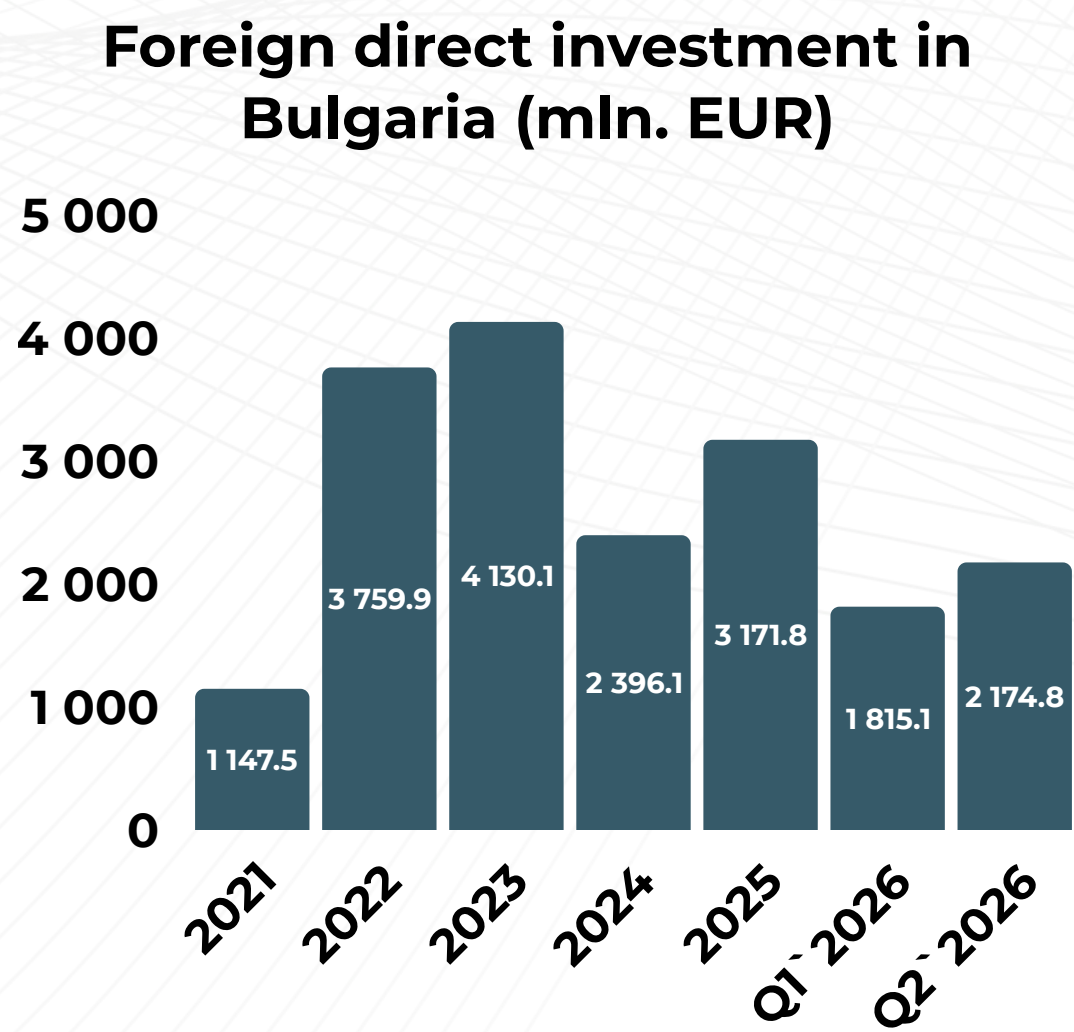
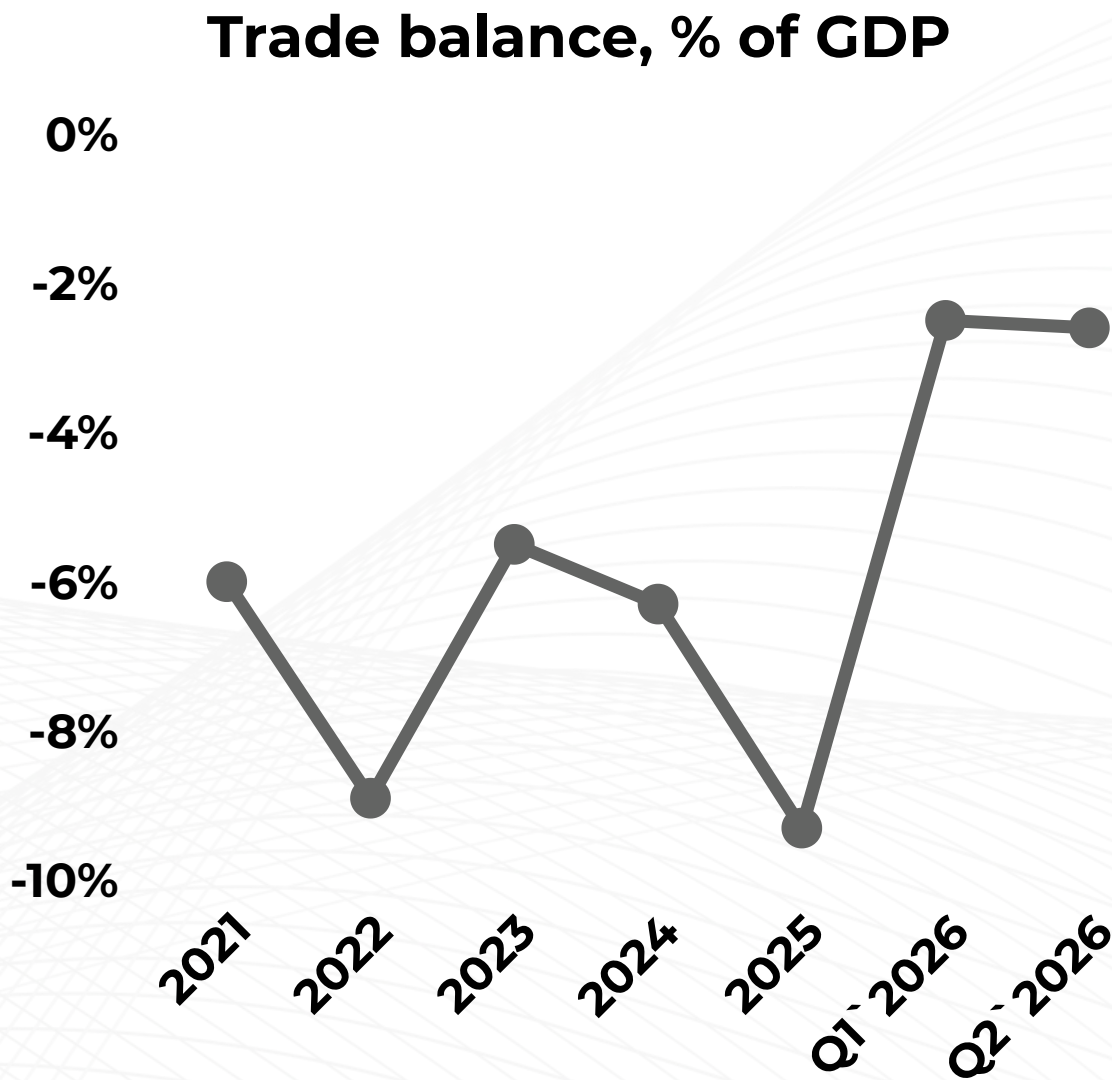
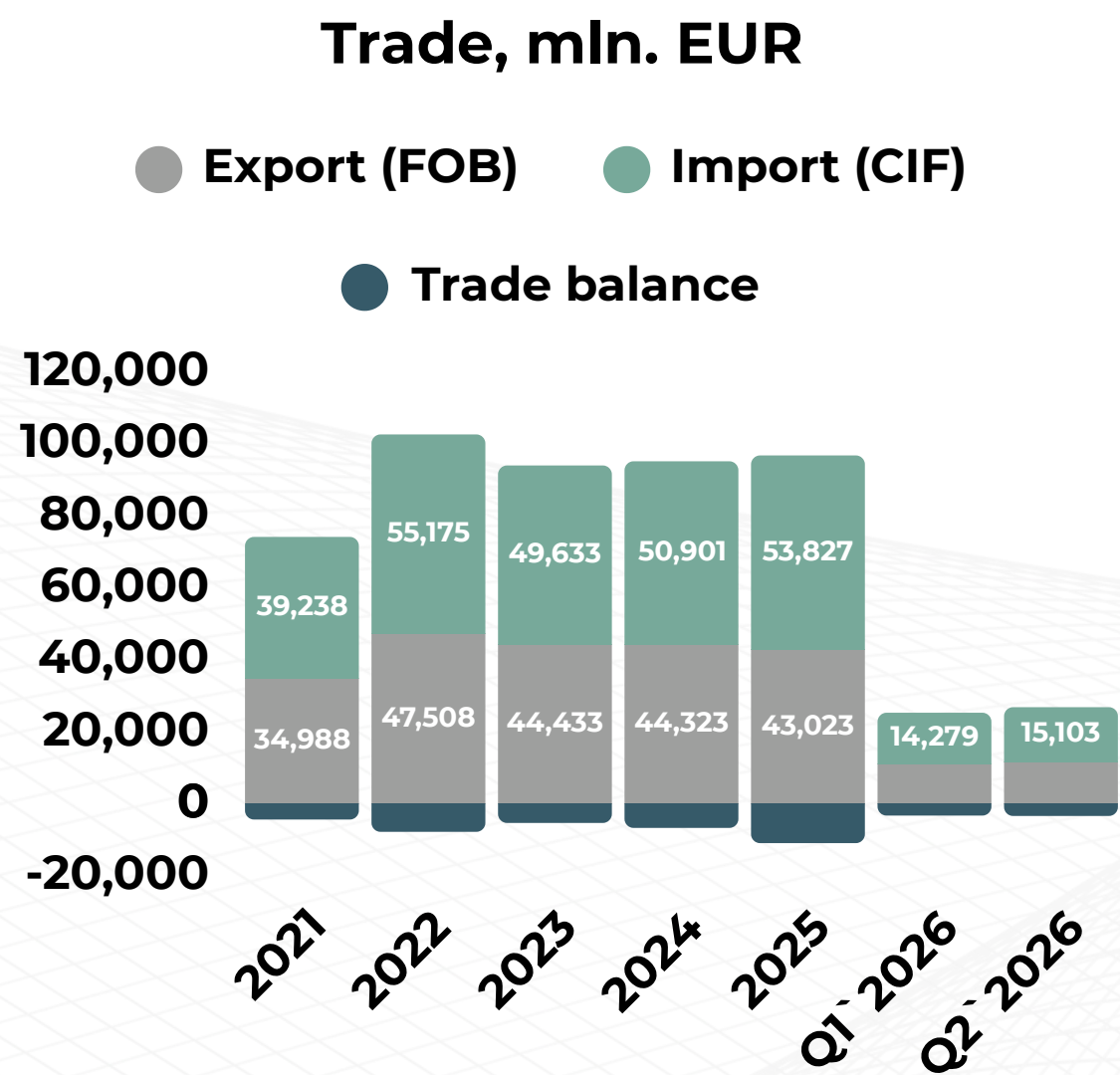
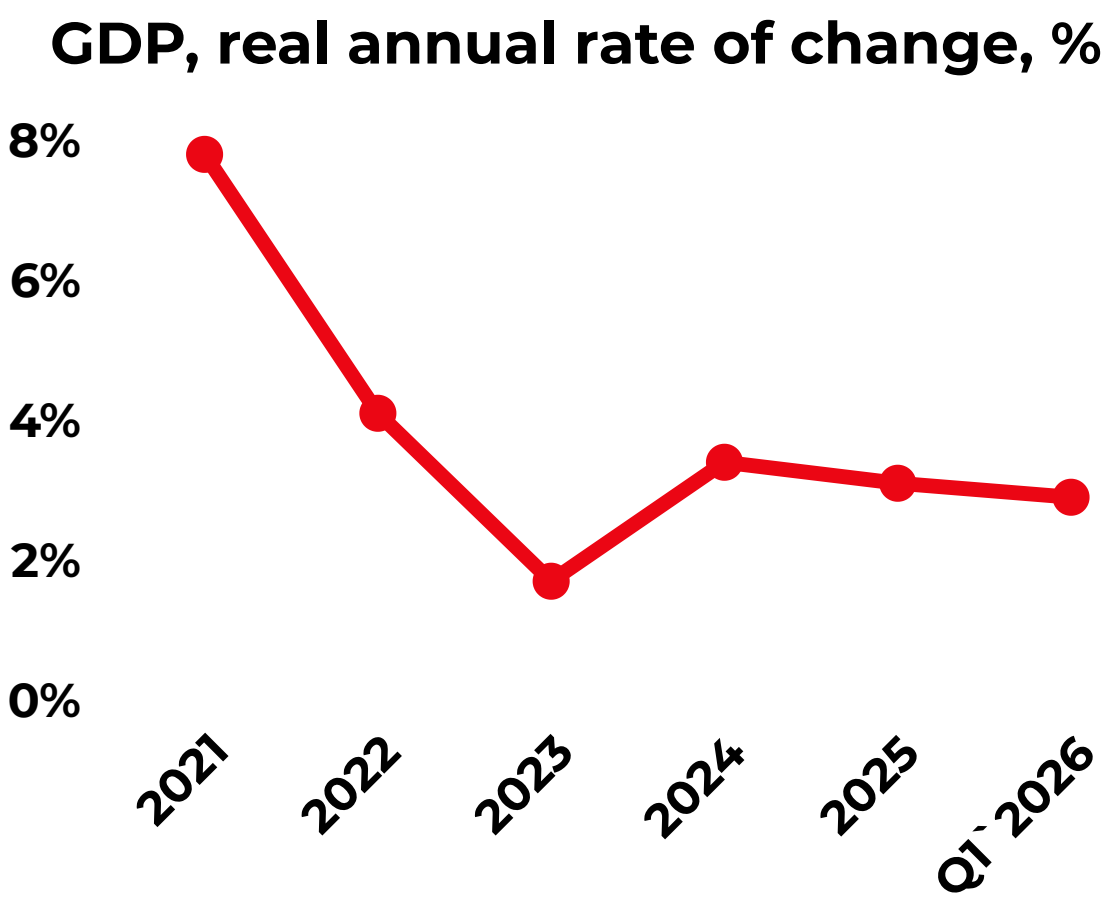
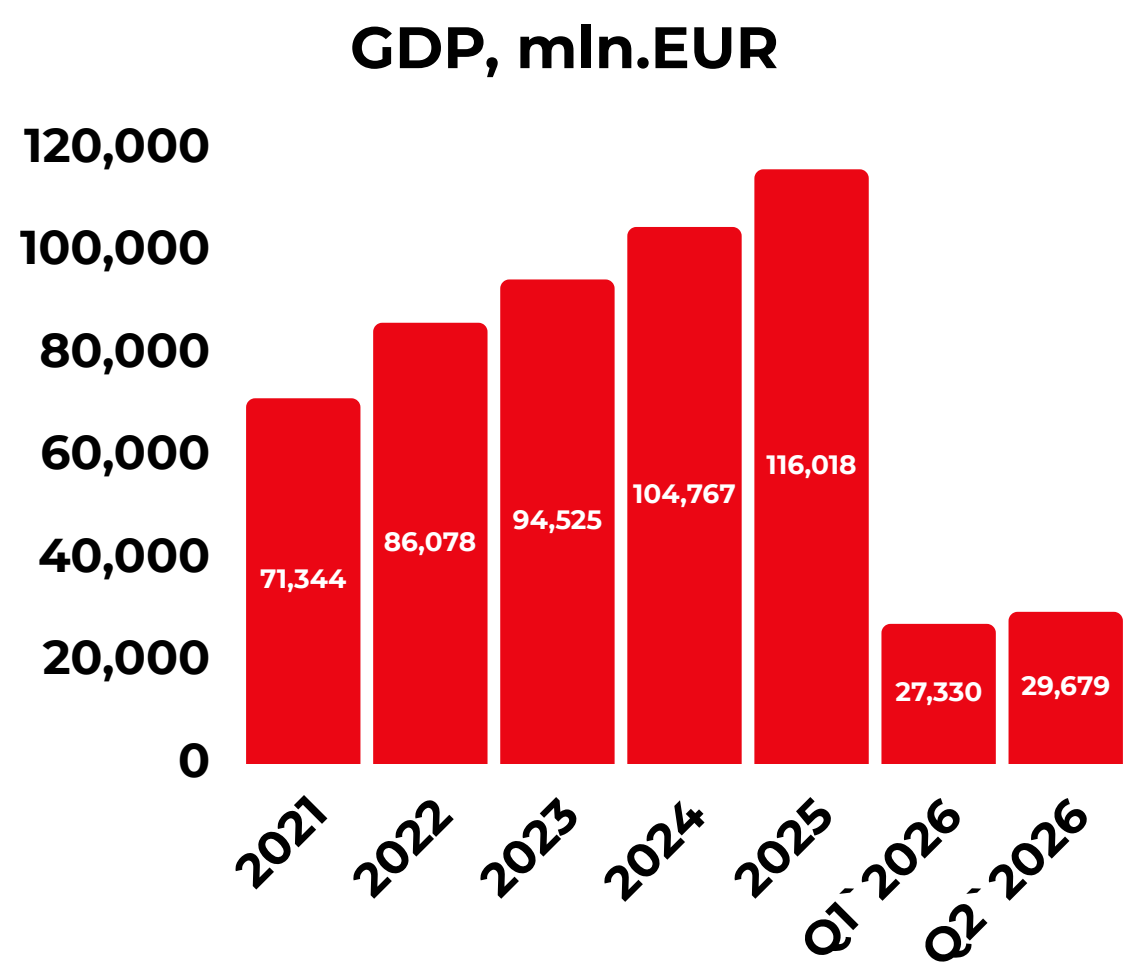


Source: Eurostat, own calculations

In comparison, the EU economy is expected to slow to 0,8% year-on-year in the first quarter of 2026, down from 1,3% a quarter earlier. The largest contributors to the European economy are private consumption and government consumption.

In its Macroeconomic Forecast, the Bulgarian National Bank (BNB) expects real GDP growth in Bulgaria for 2026 to finally reach 2,8% and slow down to 2,7% in 2027, with private consumption expected to be the main driver of growth, supported by the growth in labor income (mainly in the private sector), the growth of household credit, the projected negative real interest rates on deposits, which limit incentives to save, as well as the increase in social payments. The forecasts of various national and international financial organizations and institutions assume that the growth of the Bulgarian economy will be between 2,5% and 3,1% in 2026. The expectations are for growth in the range of 2,5% to 3,1% in 2027 and from 2,5% to 2,9% in 2028.

Key indicators for the Bulgarian economy

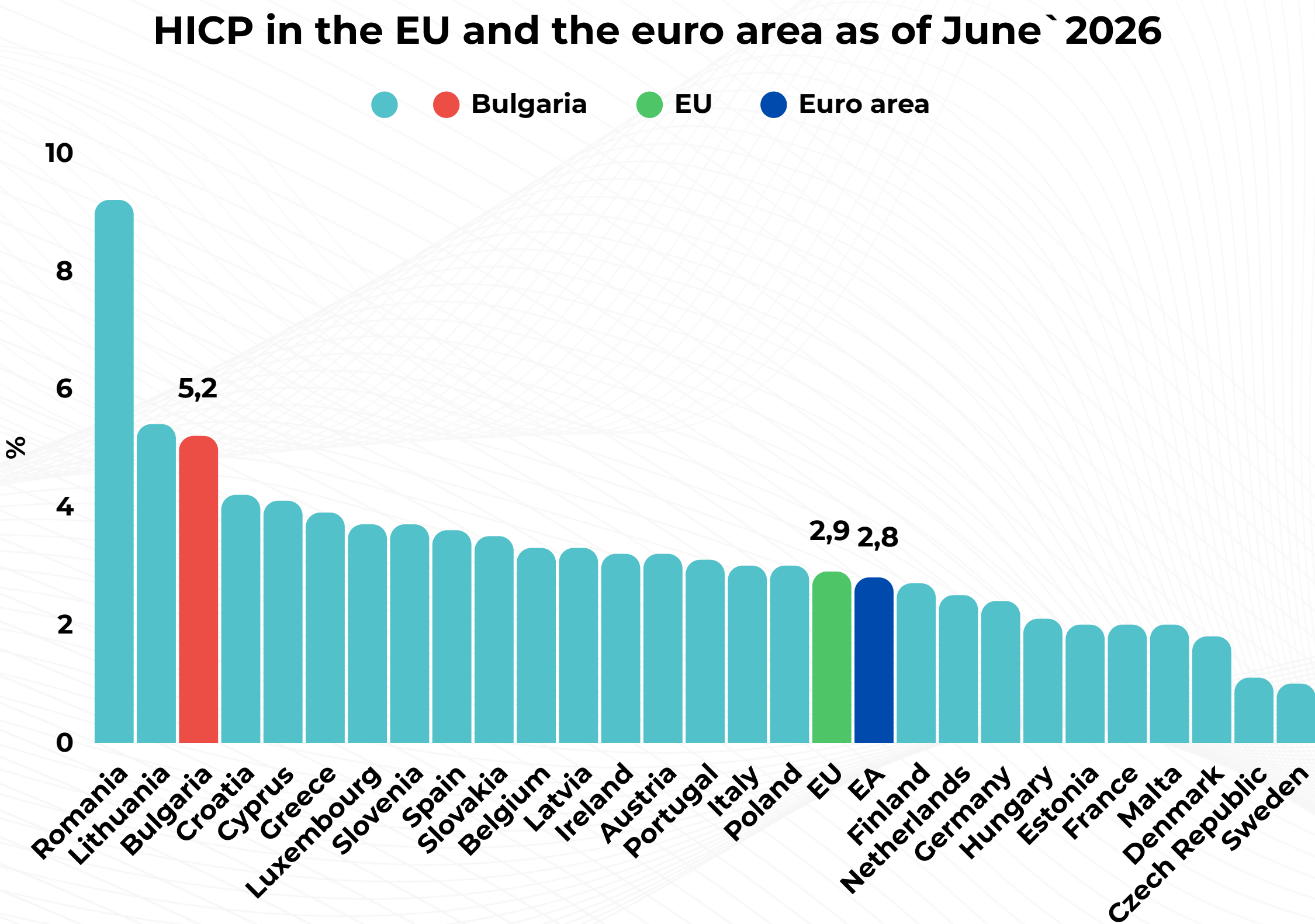


Source: NSI, Eurostat, BNB

# INFLATION

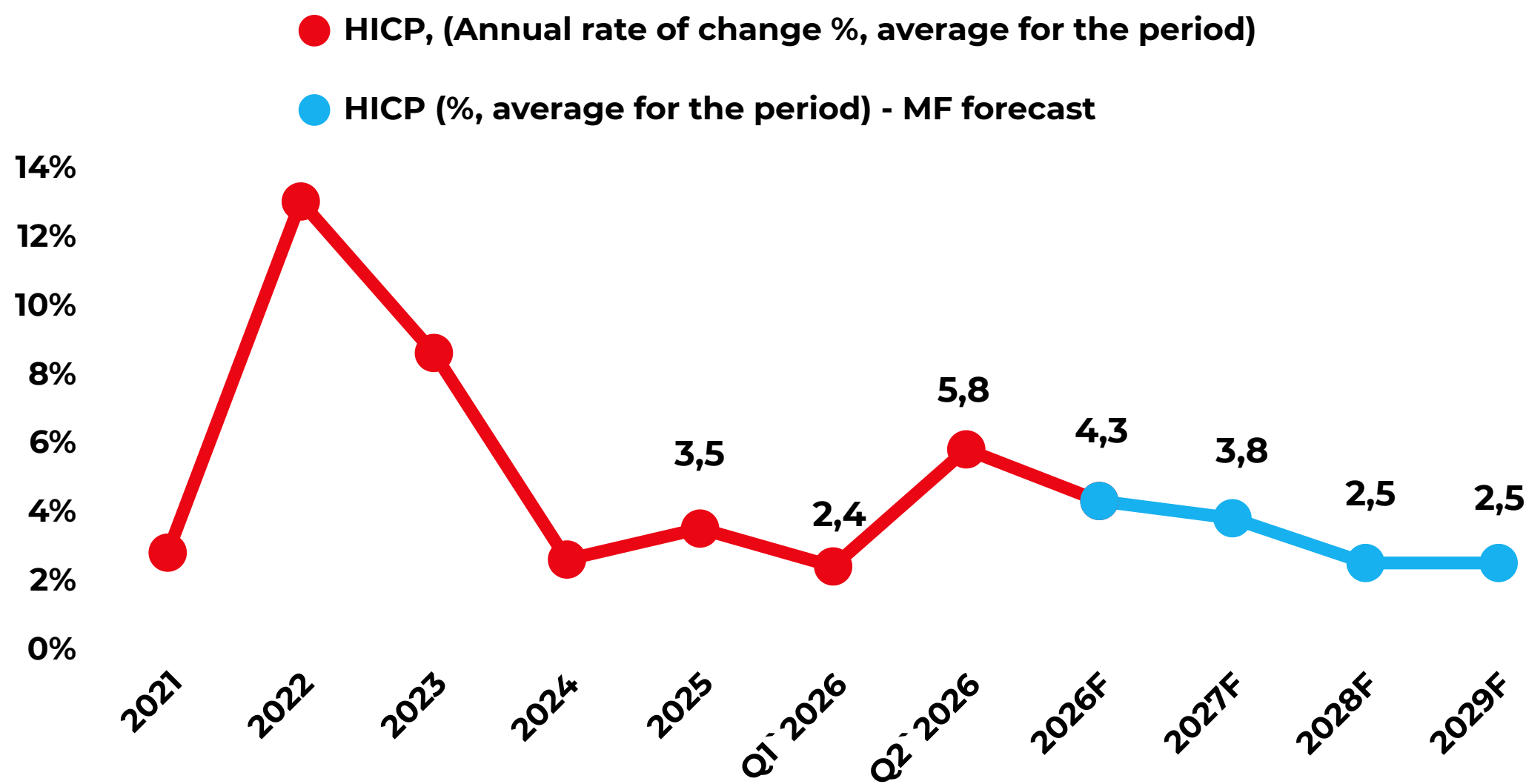
In the second quarter of 2026, the Harmonized Index of Consumer Prices (HICP) increased and on average for the period reached 5,8% on an annual basis, compared to the first quarter of 2026, when it was 2,4%. According to Eurostat data, inflation in Bulgaria reached 5,2% on an annual basis at the end of June 2026, remaining above the average level of 2,9% and 2,8% for the EU and the euro area.

In its Macroeconomic Forecast, the BNB indicates that the determining factor for the dynamics of consumer prices in 2026 is expected to be the increase in the price of crude oil due to the war in the Middle East, while the increase in unit labor costs and strong private consumption will continue to act as domestic pro-inflationary factors for the country. According to the forecast, annual inflation is expected to accelerate to 5,9% at the end of 2026 (5,0% on average for the year). In 2027, average annual inflation is expected to slow down to 3,5%, and to 2,9% in 2028.



Source: Eurostat

Annual inflation rate (HICP on average) %



Source: Eurostat, Ministry of Finance forecast (Spring 2026)

Bulgaria's HICP remains above the EU average

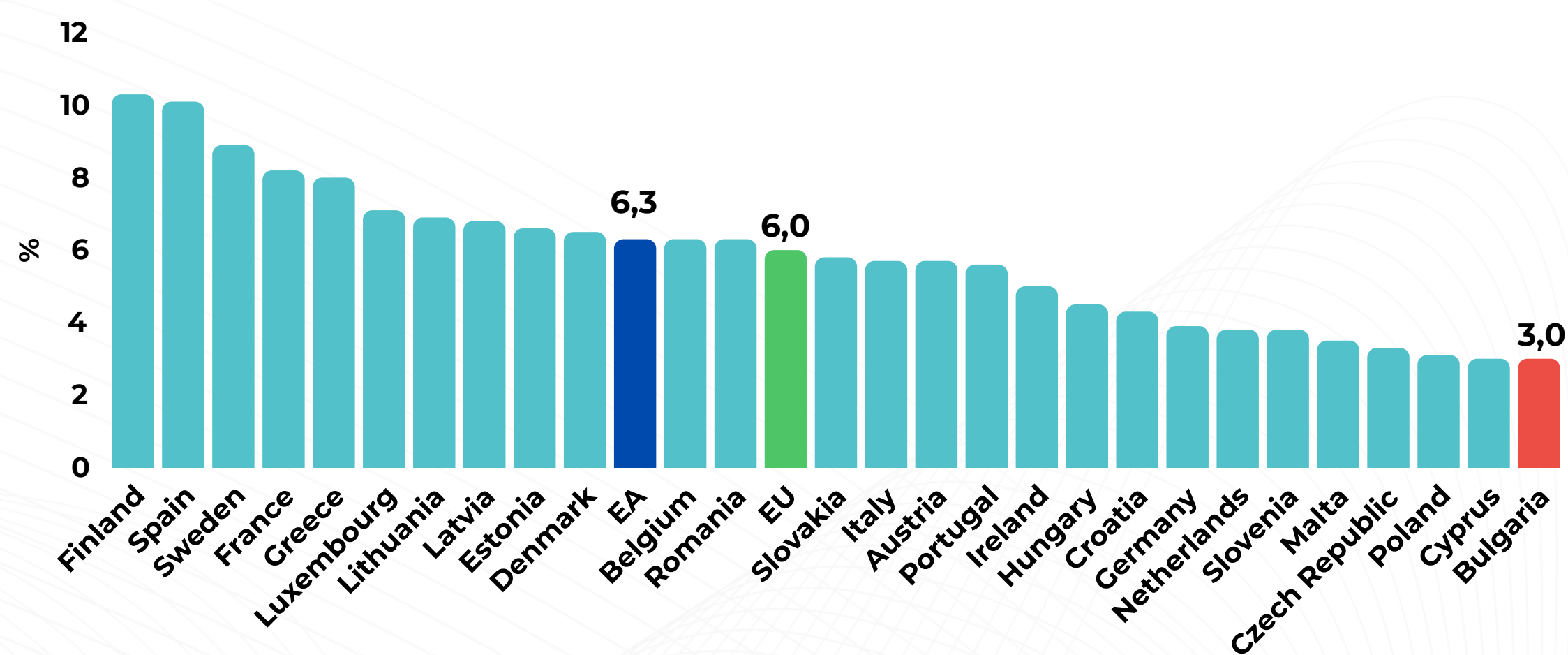
Inflation in Bulgaria remains above the EU and eurozone average as of June 2026.

LABOUR MARKET

In June 2026, unemployment in Bulgaria, measured as the share of unemployed persons in the labor force, increased slightly to 3,0%. Unemployment in the country is lower than the EU average, with Bulgaria ranking first among the EU Member States with the lowest unemployment in June 2026. At the end of the second quarter of 2026, the number of unemployed persons in Bulgaria increased to a level of 107,1 thousand people compared to 96,8 thousand people reported at the end of the previous quarter. For comparison, at the end of the second quarter of 2025, the number of unemployed persons was 110,5 thousand people.

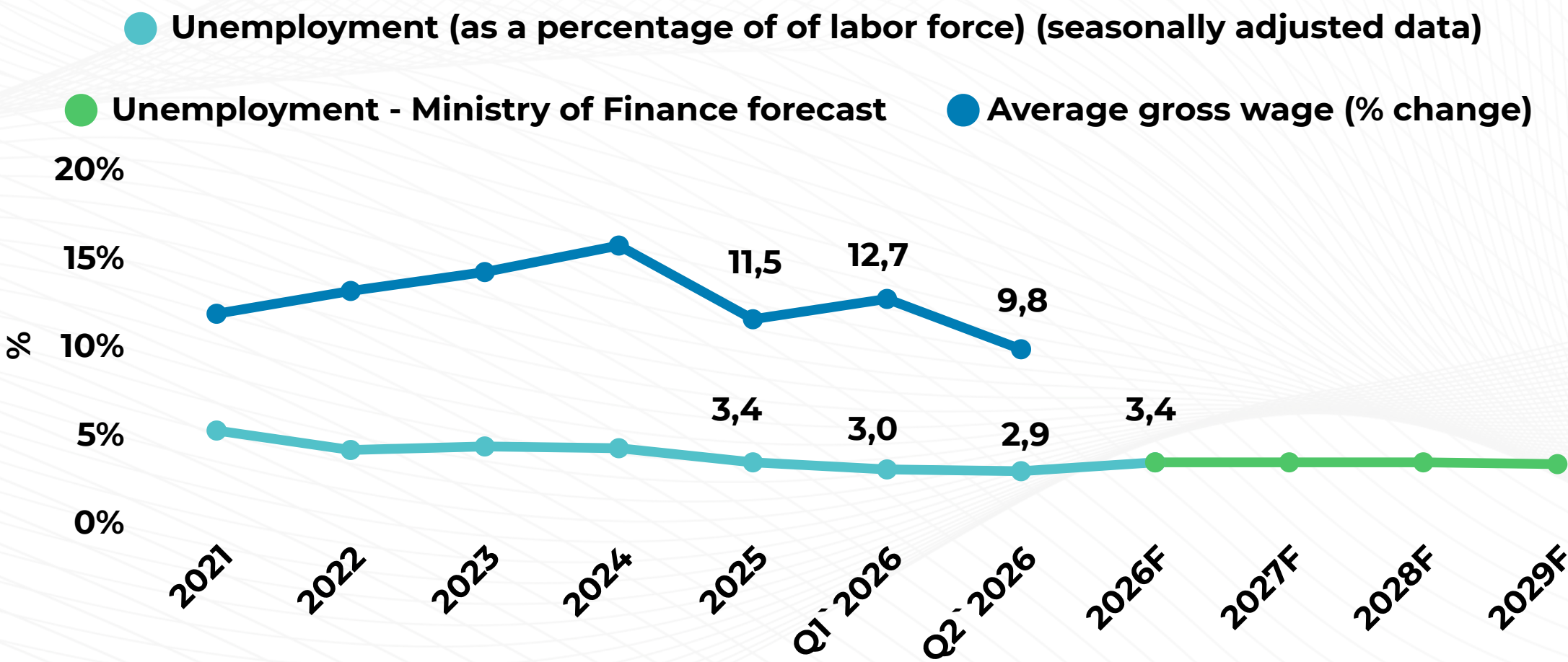
In June 2026, youth unemployment in Bulgaria (unemployed persons under 25 years of age) reached 12,6%, increasing from the level of 11,3% recorded at the end of March 2026. At the same time, the youth unemployment rate in the EU is 15,5%, with the highest share of unemployed youth in Sweden, Spain and Estonia.

Unemployment rate in the EU and eurozone  
(as of June` 2026)

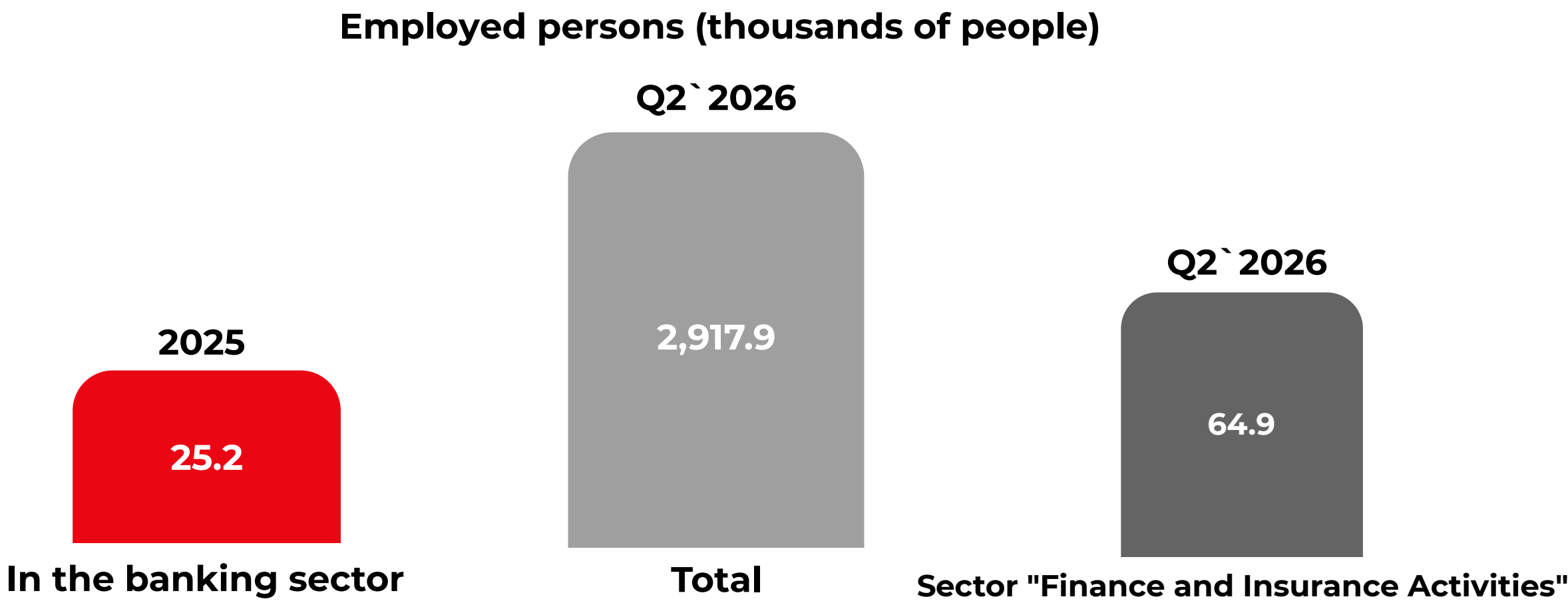


Source: Eurostat

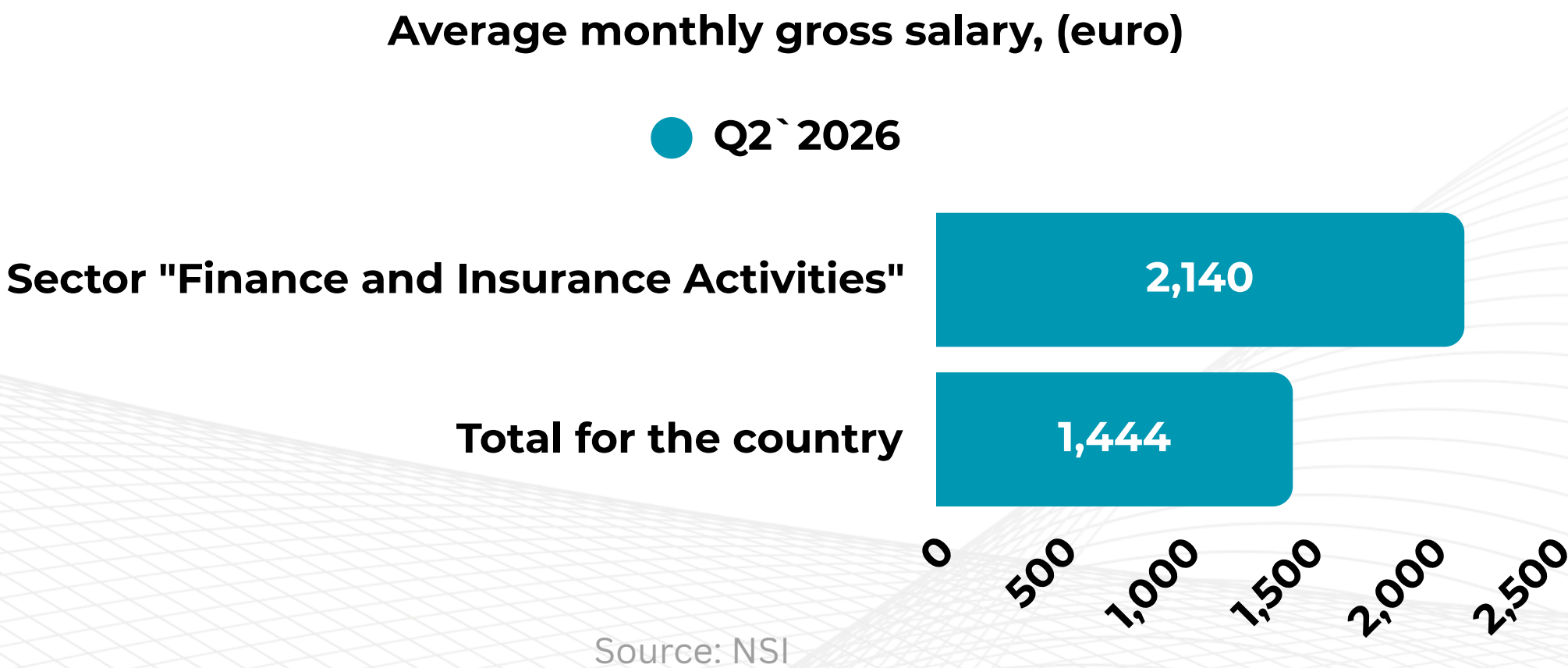
Labour market



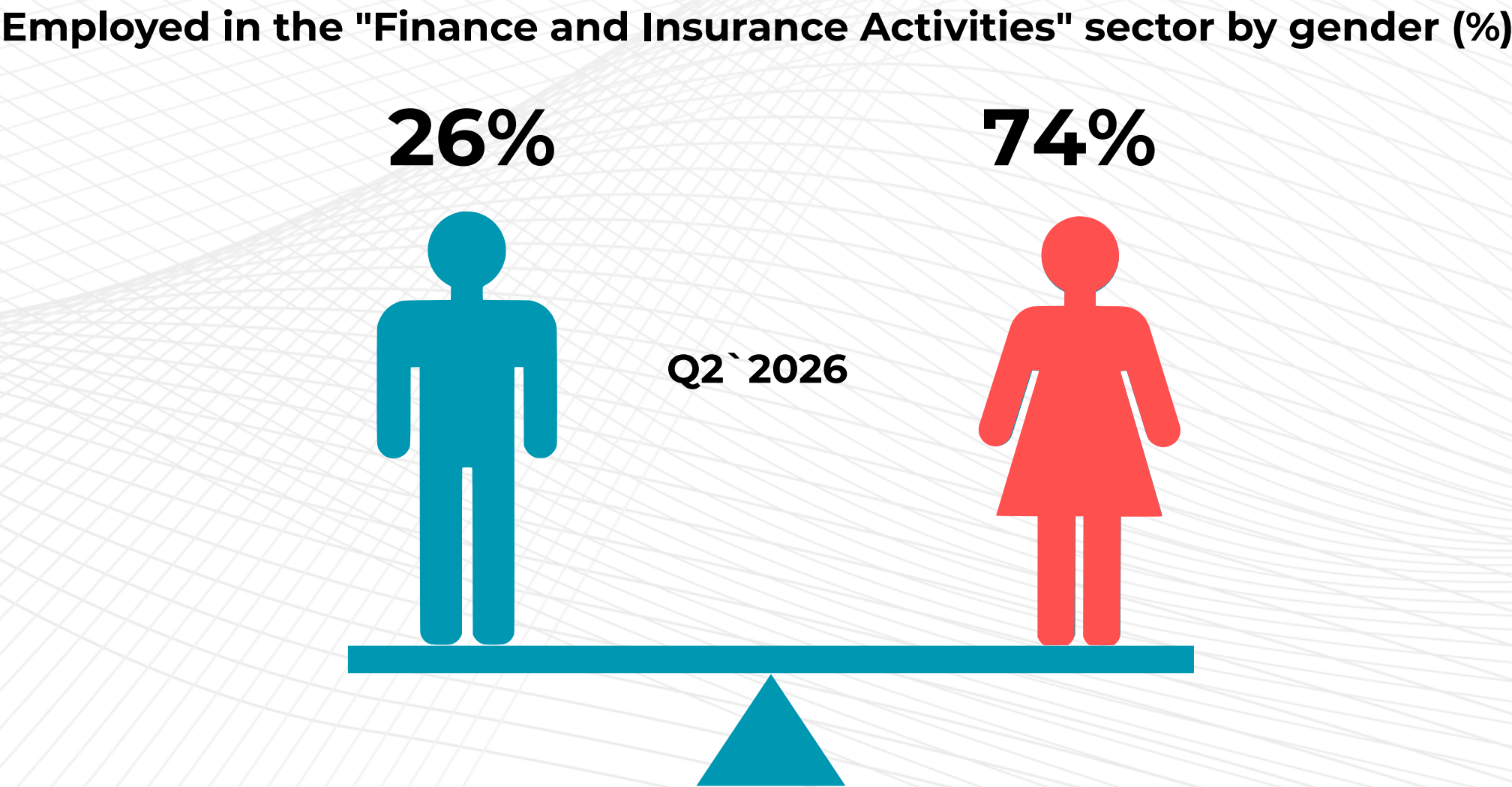
Source: Eurostat, Ministry of Finance forecast (Spring 2026)



Source: NSI, ECB



Source: NSI



Source: NSI, own calculations

Labour market

Bulgaria has the lowest share of unemployed people in the EU as of June 2026.

PUBLIC SECTOR

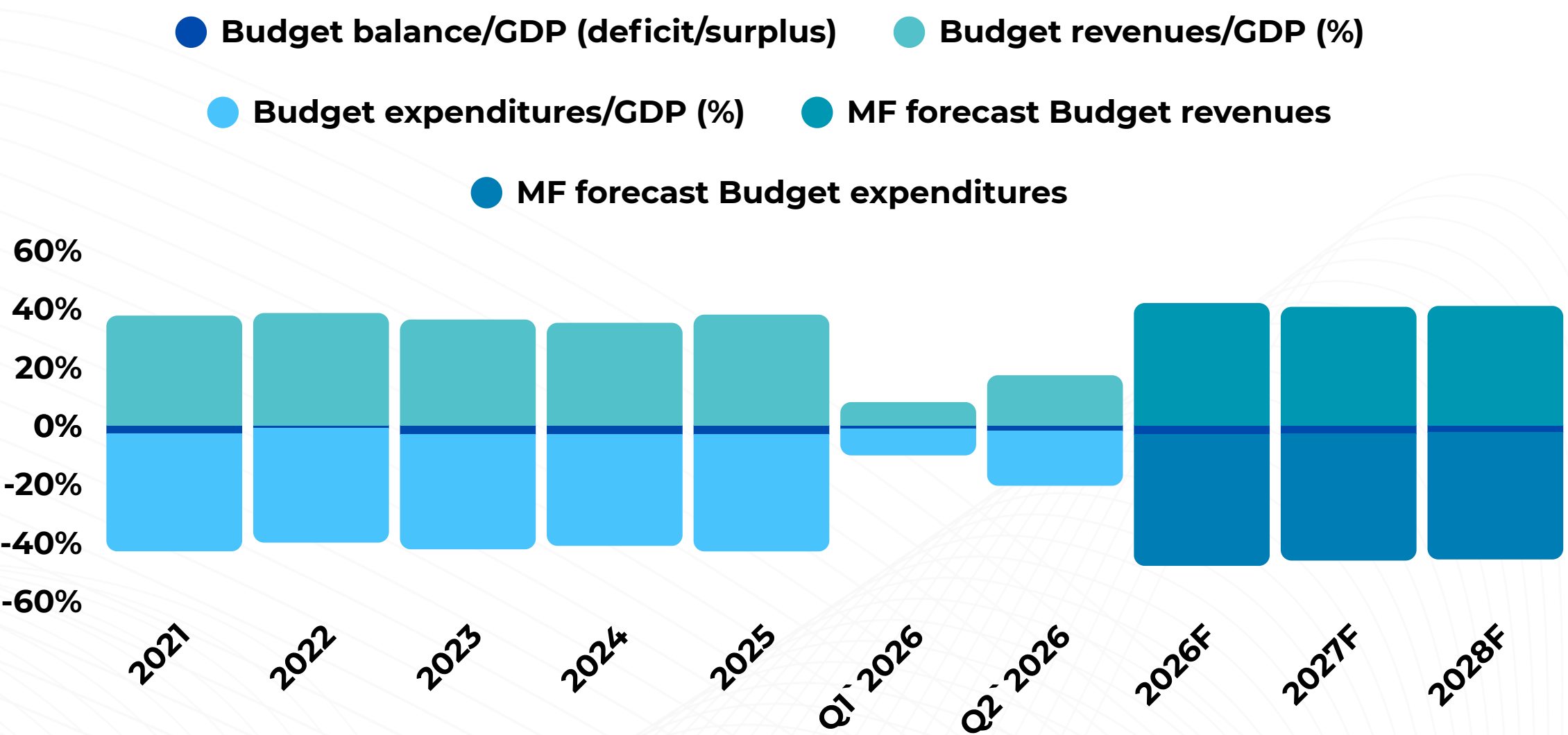
According to preliminary data from the Ministry of Finance, at the end of June 2026, the state budget reported a deficit of EUR 2,416 billion (1,9% of the estimated GDP).

The revenues and grants received under the consolidated fiscal program (CFP) for the period January - June 2026 amounted to EUR 21,6 billion (17,2% of the estimated GDP). Revenues as of the end of June 2026 increased by EUR 1,6 billion compared to the same period last year.

As of the end of June 2026, CFP expenditures (including Bulgaria's contribution to the EU budget) amounted to EUR 23,4 billion (18,7% of the estimated GDP). For comparison, CFP expenditures in nominal terms increased by EUR 2,3 billion compared to the same period last year, i.e. increased by 10,8 percent.

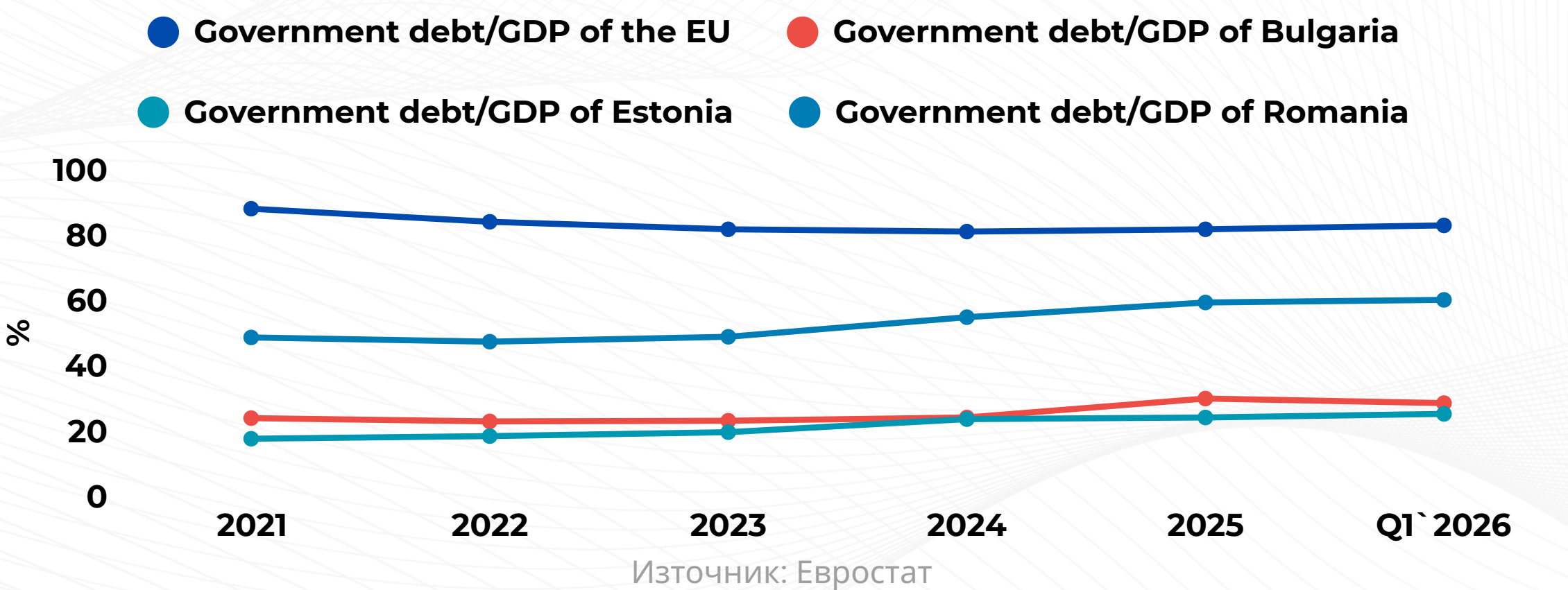
The size of the fiscal reserve as of June 30, 2026 is EUR 6,9 billion.

Budget revenue, expenditure and balance (% of GDP)



Source: Ministry of Finance, own calculations

Government debt to GDP



Източник: Евростат

**Bulgaria ranks third among the countries with the lowest debt to GDP in the EU as of Q1` 2026**

Bulgaria remains with the third lowest debt to GDP ratio as of Q1` 2026 in the EU, after Estonia and Denmark.

CAPITAL MARKET

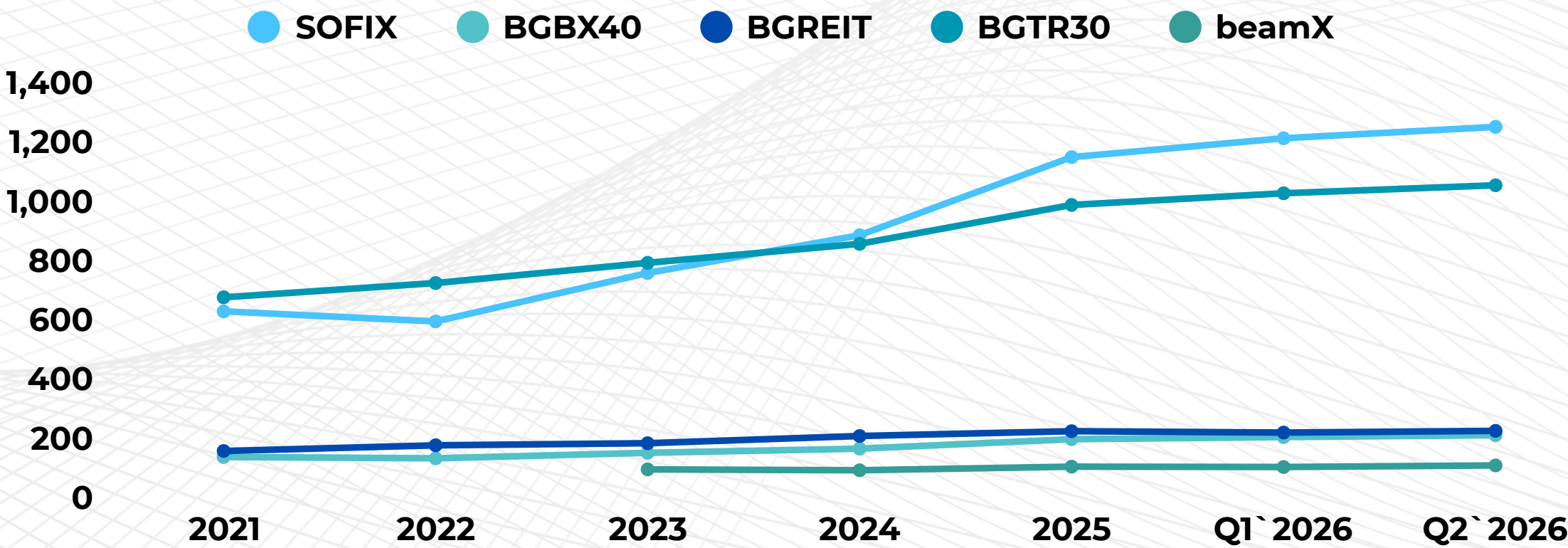
The main indices of the Bulgarian Stock Exchange (BSE) ended the second quarter of 2026 as follows: the leading BSE index SOFIX recorded an increase of 22,8% compared to the same period last year, BGBX40 increased its value by 15,6%, the BGTR30 index also increased its value by 13,2%, the index of special investment purpose companies BGREIT increased by 2,5%, and the beamX index increased its value by 12,1% as of the end of June 2026, compared to a year earlier.

In the second quarter of 2026, SOFIX ranked ninth among the performing stock exchange indices in the CEE region with an increase of 3,2% on a quarterly basis. As of June 30, 2026, the market capitalization of the Bulgarian Stock Exchange (BSE Main Market and BaSE Alternative Market) increased by 5,9% on a quarterly basis to EUR 11,2 billion (8,93% of the estimated GDP).

In the period April - June 2026, the turnover of the Bulgarian Stock Exchange increased by 33,3% on a quarterly basis to EUR 239,2 million. On an annual basis, a growth of 77,0% was reported. In the first quarter of 2026, the number of transactions concluded on the Bulgarian Stock Exchange (18,523) decreased by 41,4% on a quarterly basis and are at the level of the previous year.

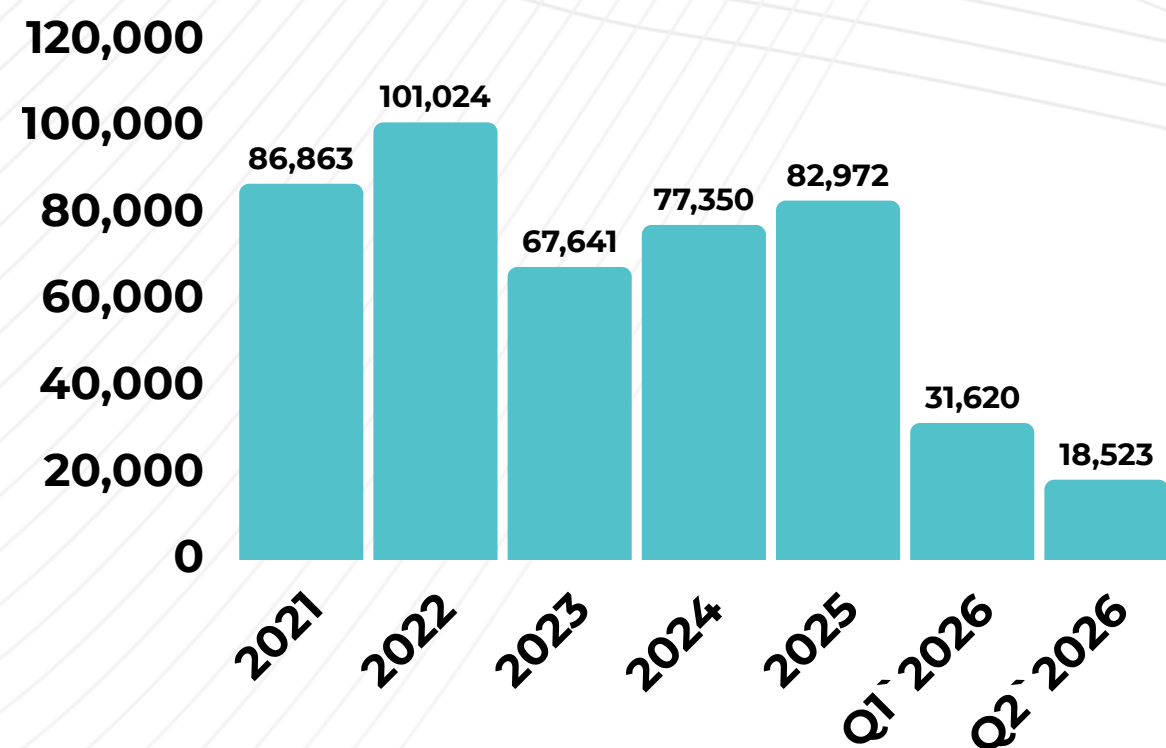
During the period under review, banks, members of the Bulgarian Stock Exchange, formed 7,7% of the turnover and 4,4% of the total number of transactions concluded on a regulated market (on the principle of double counting). For comparison, in the first quarter of 2026, the share of concluded transactions was 3,9%, which represents 8,5% of the turnover on a regulated market.

Market performance of major BSE indices

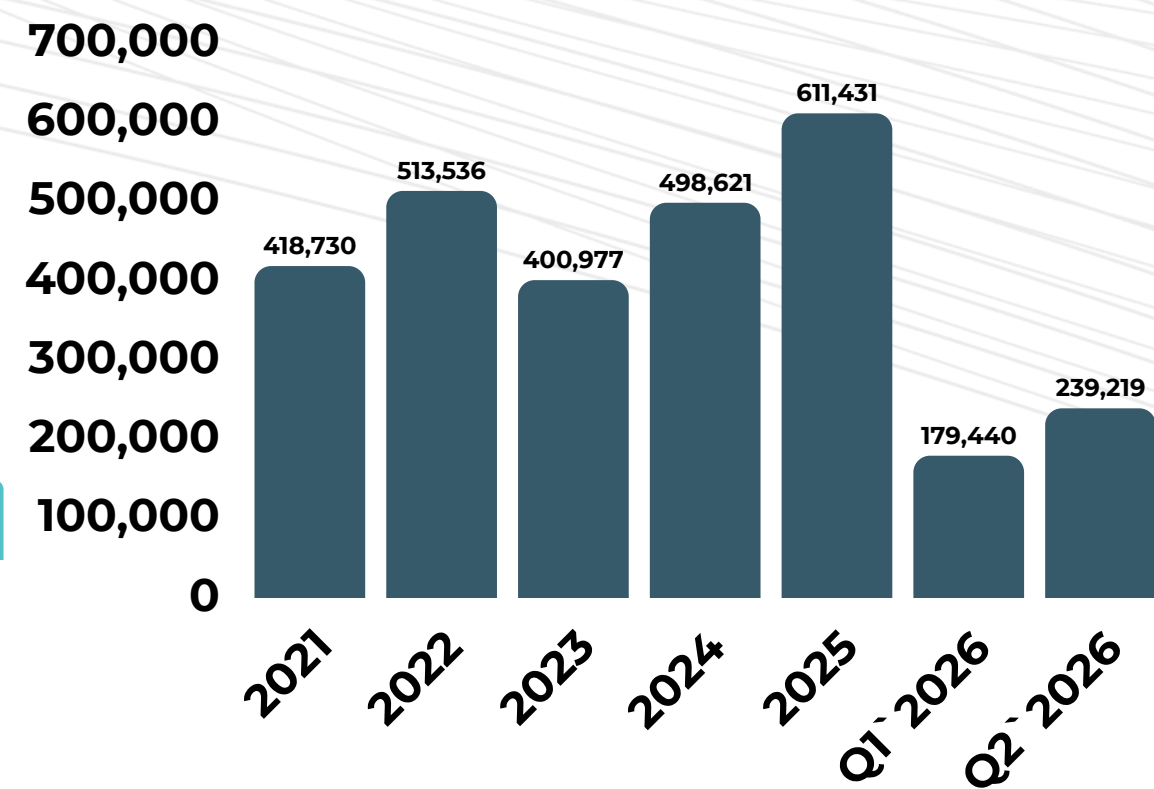


Source:BSE

Number of deals on BSE



Turnover on BSE



Source:BSE



Stock indices in the CEE region

| Nº | Country         | Index  | March 31<br>2026 | June 30<br>2026 | Q-o-Q  |
|----|-----------------|--------|------------------|-----------------|--------|
| 1  | Greece          | ASE    | 2,065.2          | 2,459.8         | 19.11% |
| 2  | Croatia         | CROBEX | 3,795.70         | 4,447.30        | 17.17% |
| 3  | Romania         | BET    | 27,790.00        | 32,487.00       | 16.90% |
| 4  | Slovakia        | SAX    | 306.08           | 354.87          | 15.94% |
| 5  | Hungary         | BUX    | 121,381.00       | 139,892.00      | 15.25% |
| 6  | Poland          | WIG    | 122,459.00       | 135,647.00      | 10.77% |
| 7  | Turkey          | XU 100 | 12,791.00        | 14,122.00       | 10.41% |
| 8  | Slovenia        | SBITOP | 2,746.20         | 2,991.20        | 8.92%  |
| 9  | Bulgaria        | SOFIX  | 1,220.10         | 1,258.60        | 3.16%  |
| 10 | Czech Republic  | PX     | 2,509.90         | 2,567.40        | 2.29%  |
| 11 | Serbia          | BELEX  | 2,761.38         | 2,662.35        | -3.59% |
| 12 | North Macedonia | MBI 10 | 9,908.70         | 9,521.50        | -3.91% |

Source: Bulgarian Stock Exchange, Bloomberg, own calculations



# THE BANKING SECTOR OF Bulgaria

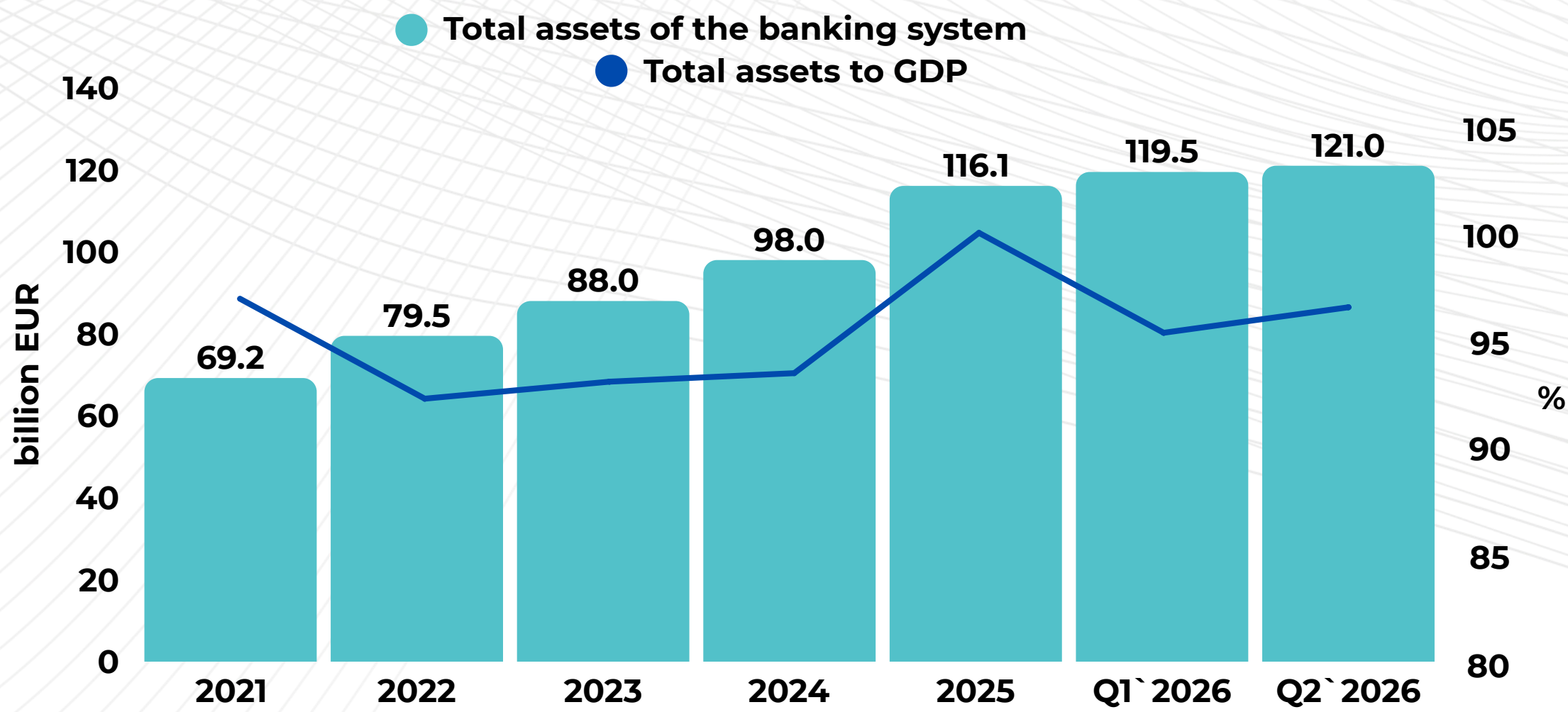
In its quarterly publication "Banks in Bulgaria", the BNB points out that in the first quarter of 2026 the banking sector operates in conditions of increased uncertainty related to adverse geopolitical and geoeconomic factors, inflationary pressures and Bulgaria's accession to the eurozone.

Lending activity remains high in the presence of sufficient liquidity and favorable financing conditions, with rising incomes, favorable labor market conditions and low interest rates on housing loans supporting credit demand from households. After the pronounced increase in financing from residents in the months before the introduction of the euro, in the first quarter of 2026 it continues to grow, but at a slower pace. The capital and liquidity position of the banking system remain stable.

## BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS

As of the end of the second quarter of 2026, total banking sector assets reached EUR 121,0 billion (96,6% of projected GDP), recording a growth of 17,2% on an annual basis.

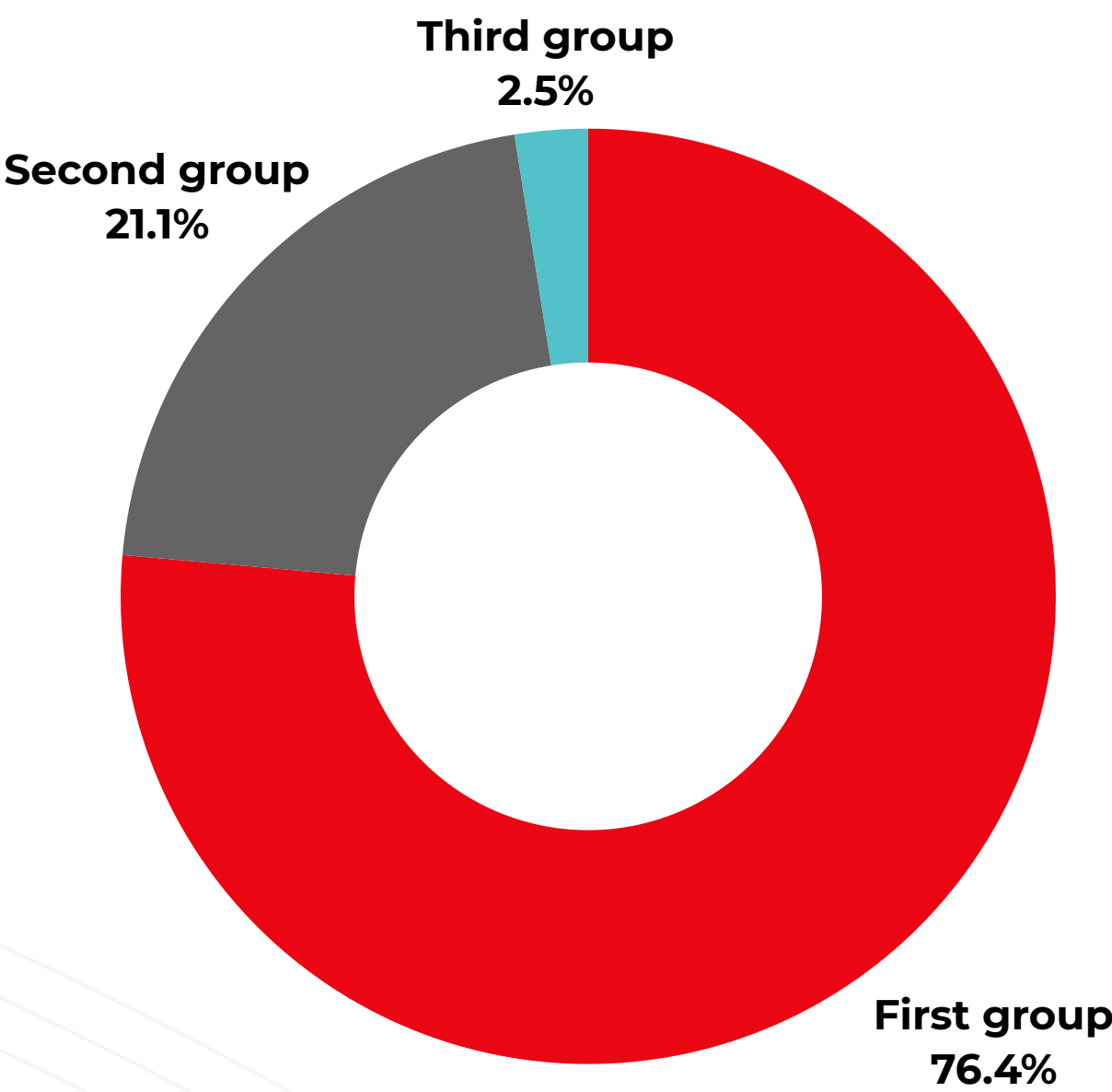
### Total assets of the banking system



Source: BNB, own calculations



Market share by assets at the end of the second quarter of 2026



Source: BNB, own calculations

As of the end of the second quarter of 2026, the market share of the five largest banks by assets reached 76,4%, reporting a minimal increase compared to the previous quarter. The market share of banks from the second group slightly decreased to 21,1% as of Q2`2026 compared to 21,3% in the previous quarter. The share of assets of foreign bank branches was 2,5%.

As of June 30, 2026, 67,1% of the banking system's assets were in the form of loans and advances, which amounted to EUR 81,2 billion. Cash, which amounted to EUR 13,2 billion, formed 10,9% of assets, and the share of securities portfolios reached 18,4% (EUR 22,3 billion). For comparison, at the end of the first quarter of 2026, the share of loans and receivables reached 64,8%, of cash – 13,6%, and of securities portfolios – 18,4%.

LIABILITIES

The total amount of liabilities of the banking system amounted to EUR 105,5 billion, increased by 16,4% on an annual basis. The share of liabilities of banks from the first group reached 78,0% (EUR 82,3 billion) of the total amount of liabilities of the banking system, from the second group - 19,3% (EUR 20,4 billion), from the third group - 2,7% (EUR 2,9 billion)

The deposits of the banking system formed 95,9% of the total amount of liabilities (excluding capital). From the article "Deposits" in the statement of financial position of the system it is clear that their value increased by 16,1% on an annual basis to EUR 101,3 billion.

The share of the item "Provisions", which includes unresolved legal issues and tax lawsuits, credit commitments and guarantees, pensions and others, is equal to 0,14%, and their absolute amount is EUR 145,5 million. The share of the items "Financial liabilities held for trading" and "Other liabilities" is respectively 0,1% and 0,7%.

EQUITY

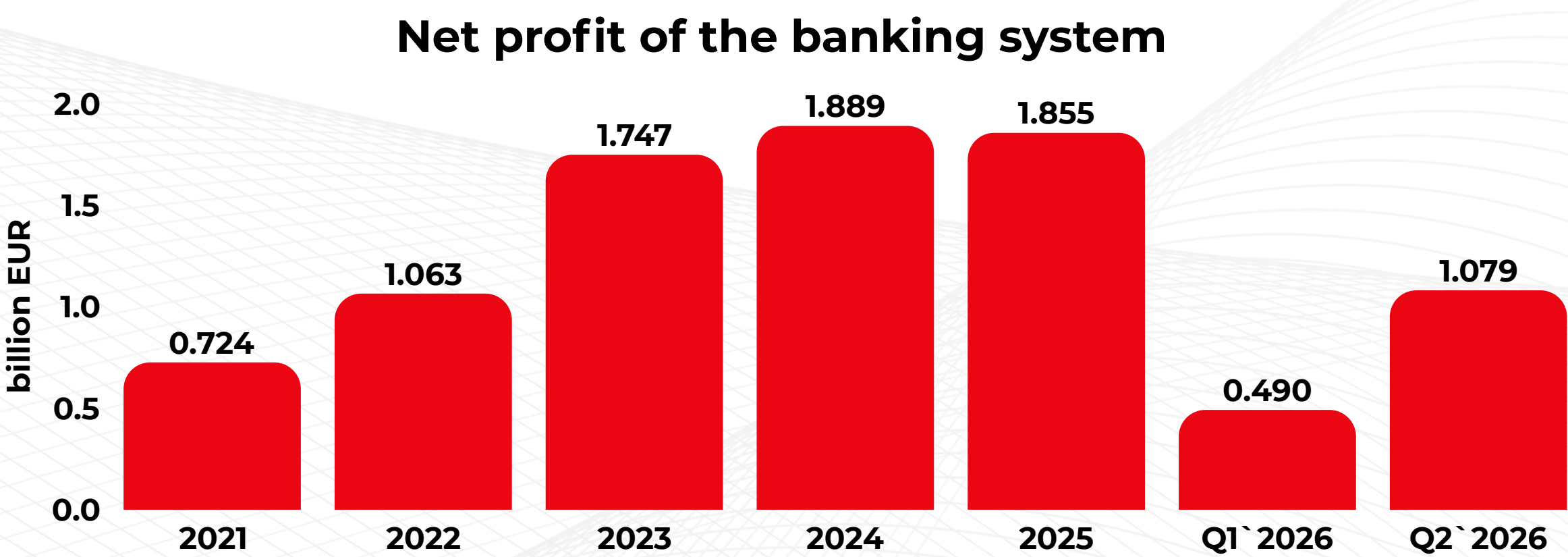
As of the second quarter of 2026, the equity of the banking system increased by EUR 374,9 million or 2,5% on a quarterly basis, reaching EUR 15,5 billion. As of the end of June 2026, the value of equity was 23,0% higher compared to the same period of the previous year. The level of equity of banks in the first group amounted to EUR 10,2 billion, and in the second group to EUR 5,1 billion.

STATEMENT OF PROFIT OR LOSS

NET PROFIT

By the end of the second quarter of 2026, the net profit of the banking sector reached EUR 1 079,1 million, marking an increase of 7,2% on an annual basis. In absolute terms, the profit realized by the banking system increased by EUR 72,9 million compared to the second quarter of the previous year, when a net profit of EUR 1 006,2 million was reported.

The financial result of the banking system is influenced by the high credit activity and the preservation of the quality of the banks' credit portfolios.



Source: BNB

The first group of banks made up 81,8% of the net profit as of the end of the second quarter of 2026, the second group -17,0%, and the third group - 1,1%. For comparison, at the end of the first quarter of 2026, the five biggest banks in terms of assets made up 84,0% of the net profit in the banking sector, the second group - 14,5%, and the third group 1,5%.

NET INTEREST INCOME

As of the end of the second quarter of 2026, the net total operating income of the banking system amounted to EUR 2,326 billion, increased by 13,1% year-on-year (from EUR 2,057 billion at the end of June 2025).

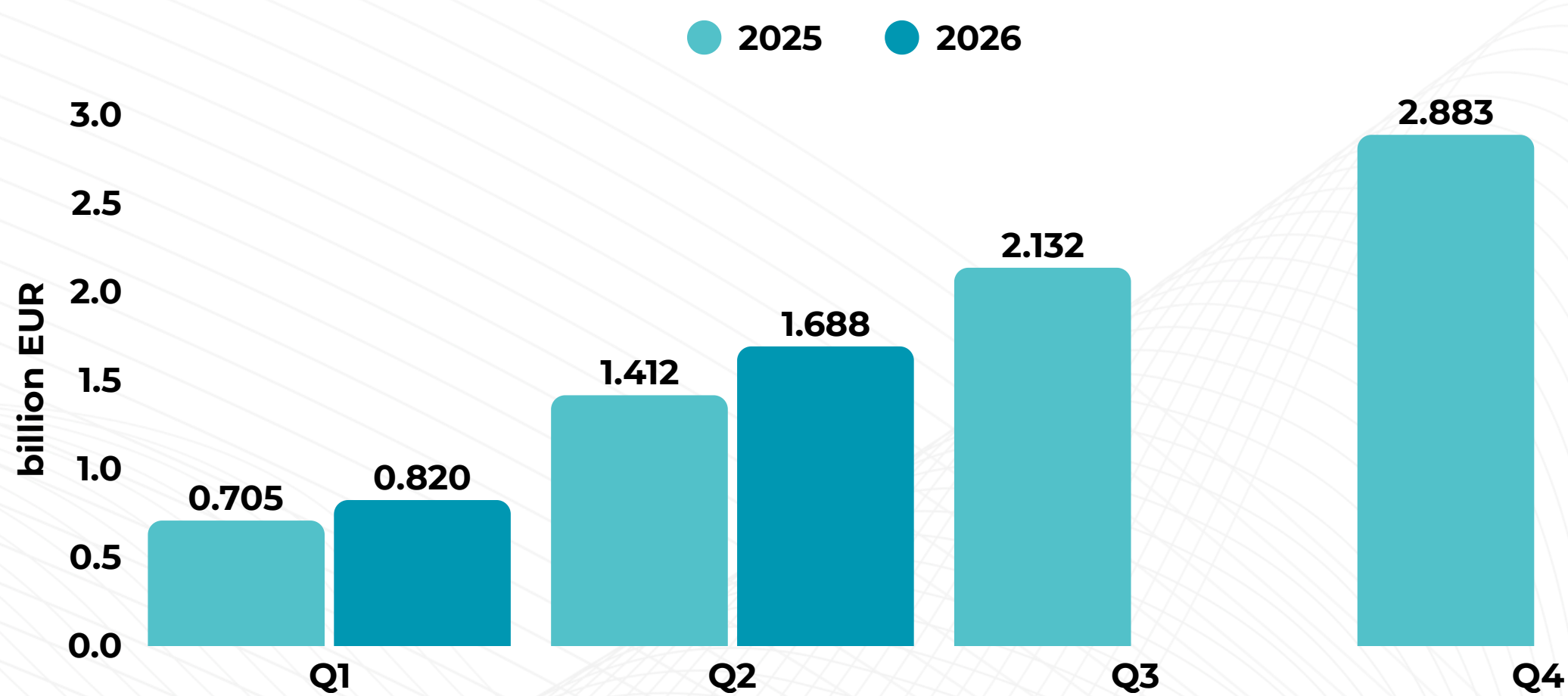
The net interest income of banks increased by 19,5% year-on-year (EUR 1 412 million at the end of June 2025) and amounted to EUR 1 688 million at the end of June 2026.

The level of net interest income is formed by the difference between interest income and interest expenses. As of June 30, 2026, interest income increased by 19,2% year-on-year to EUR 2 057 million. Interest expenses amounted to EUR 369,0 million, increased by 17,6% on an annual basis.

In its quarterly publication “Banks in Bulgaria”, the BNB states that in the first quarter of 2026, lending activity in the Bulgarian banking system remained high, supported by sufficient liquidity, favorable financing conditions and the country's accession to the euro area. According to the BNB, favorable labor market conditions, rising incomes and low interest rates on housing loans continued to stimulate credit demand by households, and after the significant increase in financing from residents in the months before the introduction of the euro in Bulgaria, in the first quarter of 2026 it continued to increase, but at a slower pace.

In the second quarter of 2026, net interest income formed 72,6% of the net total operating income of the banking system. According to data from the European Banking Authority (EBA), as of the first quarter of 2026, the share of net interest income in the EU/EEA amounted to 58,3% of total operating income.

Net interest income (at the end of the period)



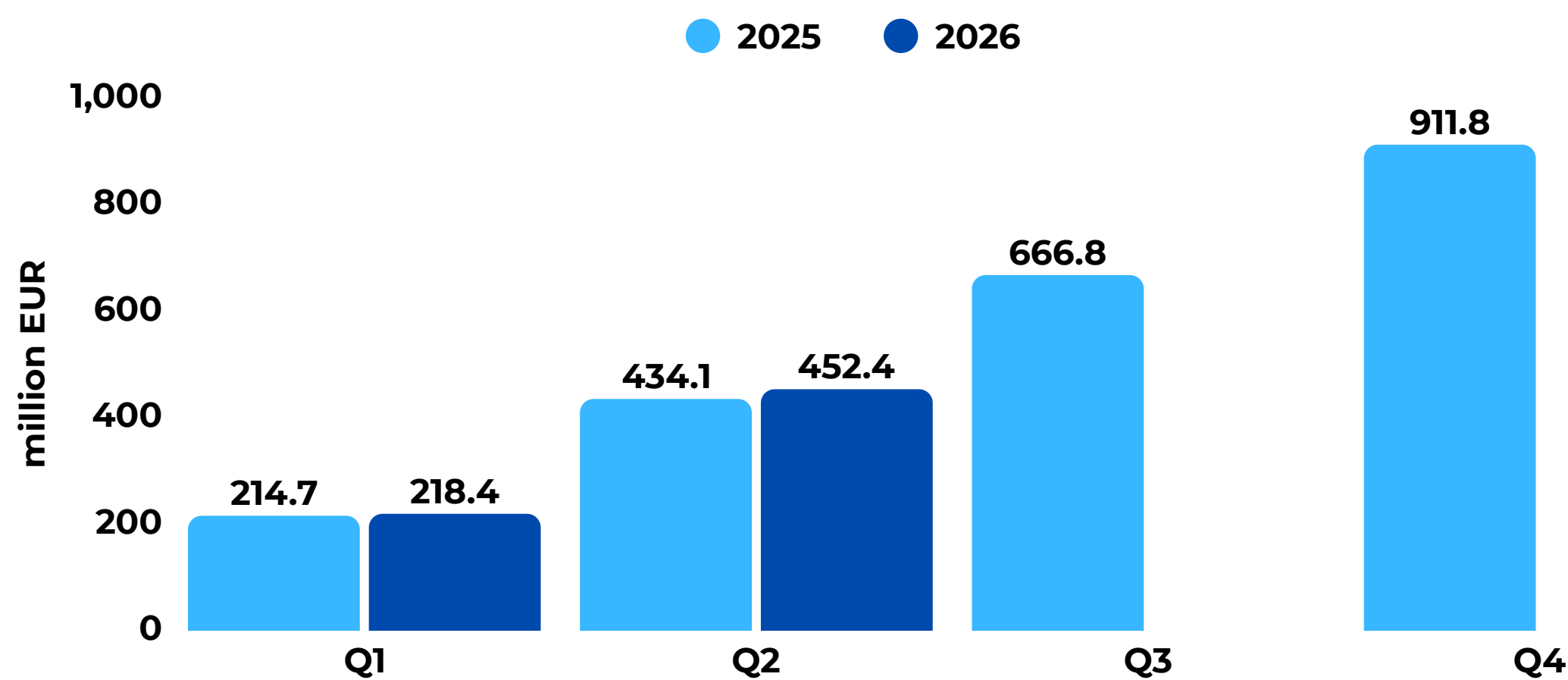
Source: BNB, own calculations

NET INCOME FROM FEES AND COMMISSIONS

As of the end of the second quarter of 2026, net fee and commission income grew by 4,2% year-on-year to EUR 452,4 million. As of the end of June 2026, fee and commission income grew by 6,4% year-on-year to EUR 600,1 million. Fee and commission expenses grew by 13,7% year-on-year to EUR 147,6 million. at the end of the second quarter of 2026.

Net fee and commission income accounted for 19,5% of the net total operating income of the banking system at the end of June 2026. According to EBA data, this indicator reached 28,9% of the net total operating income for EU/EEA banks at the end of the first quarter of 2026.

Net income from fees and commissions  
(end of the period)



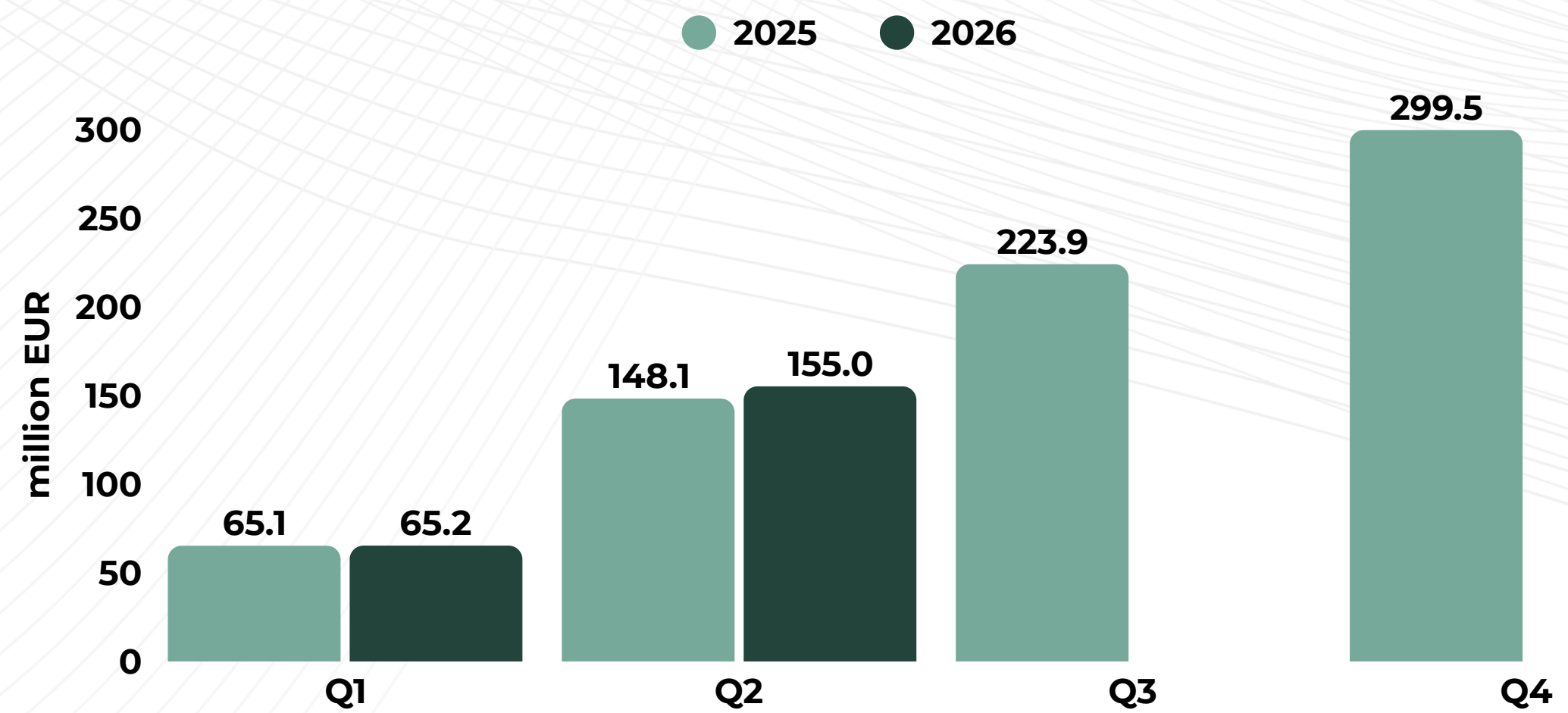
Source: BNB, own calculations

OPERATING EXPENSES AND IMPAIRMENTS

As of the end of the second quarter of 2026, administrative expenses, to which personnel costs are attributed, increased by 13,1% (EUR 44,4 million in absolute terms) compared to the same period in 2025, reaching an amount of EUR 422,0 million. Total operating expenses (administrative expenses and depreciation) increased by 12,3% year-on-year and reached EUR 799,1 million. Impairment expenses on non-financial assets not measured at fair value through profit or loss increased by 80,7% compared to the same period last year, reaching EUR 229,6 million as of the end of June 2026 (from EUR 127,1 million as of the end of June 2025).

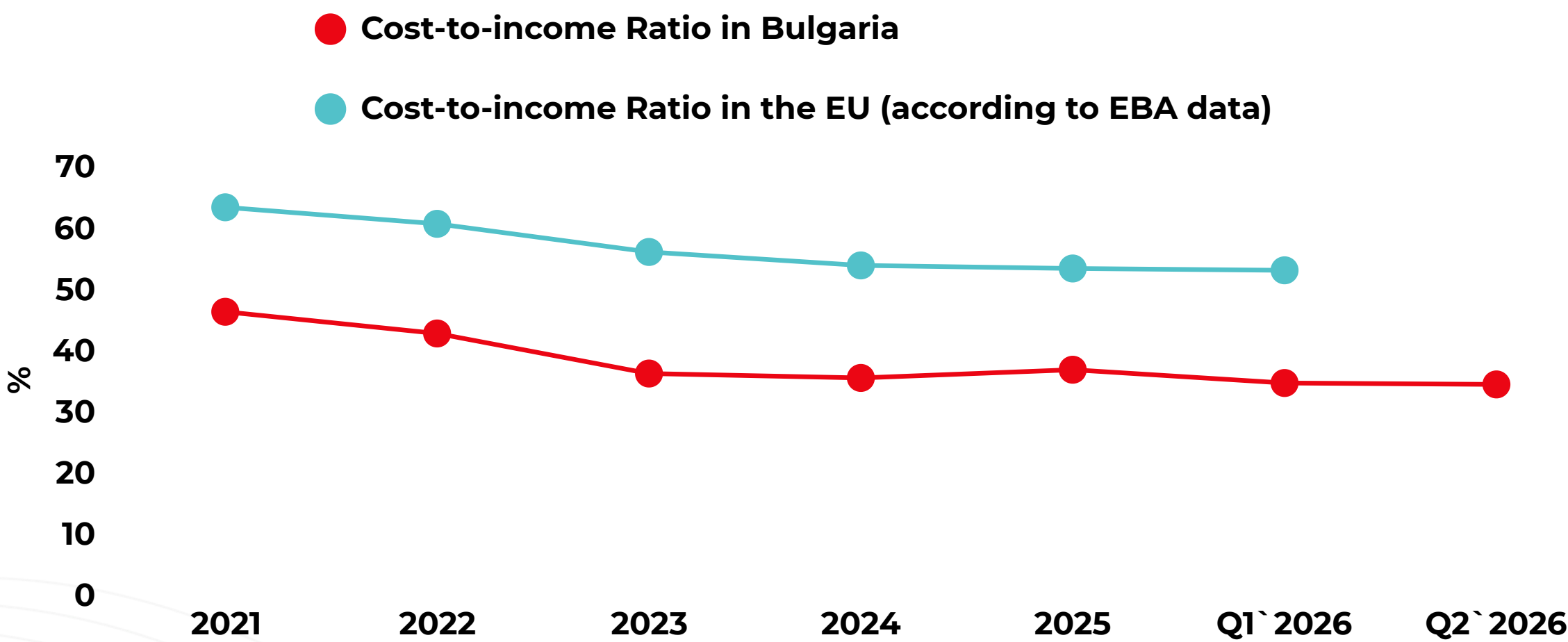
As of the end of Q2`2026 Cost-to-income ratio for the banking system stood at 34,4%, marking a slight decrease compared to its level of 34,6% at the end of the previous quarter. According to EBA data, the Cost-to-income ratio in the EU/EEA stood at 53,0% at the end of the first quarter of 2026.

Taxes on profits  
(end of the period)



Source: BNB, own calculations

Cost-to-income Ratio

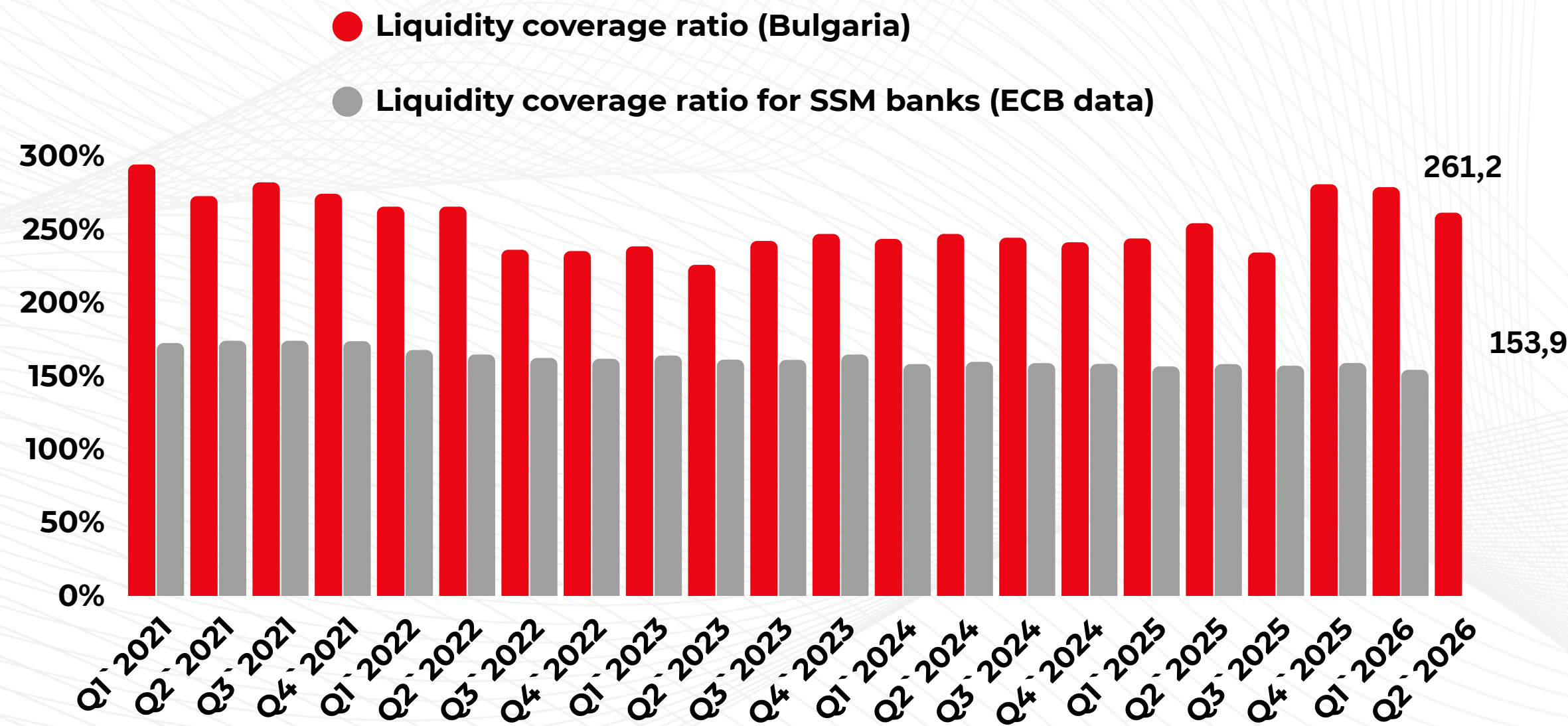


Source: BNB, own calculations, EBA

FINANCIAL INDICATORS  
LIQUIDITY

According to BNB data, the liquidity buffer and net liquidity outflows at the end of June 2026 amounted to EUR 33,4 billion and EUR 12,8 billion. The liquidity coverage ratio (LCR) is 261,2%, compared to 278,6% at the end of March 2026. According to ECB data, the liquidity coverage ratio for banks participating in the Single Supervisory Mechanism (SSM) amounted to 153,93% as of the first quarter of 2026.

Liquidity coverage ratio (LCR)



Source: BNB, ECB

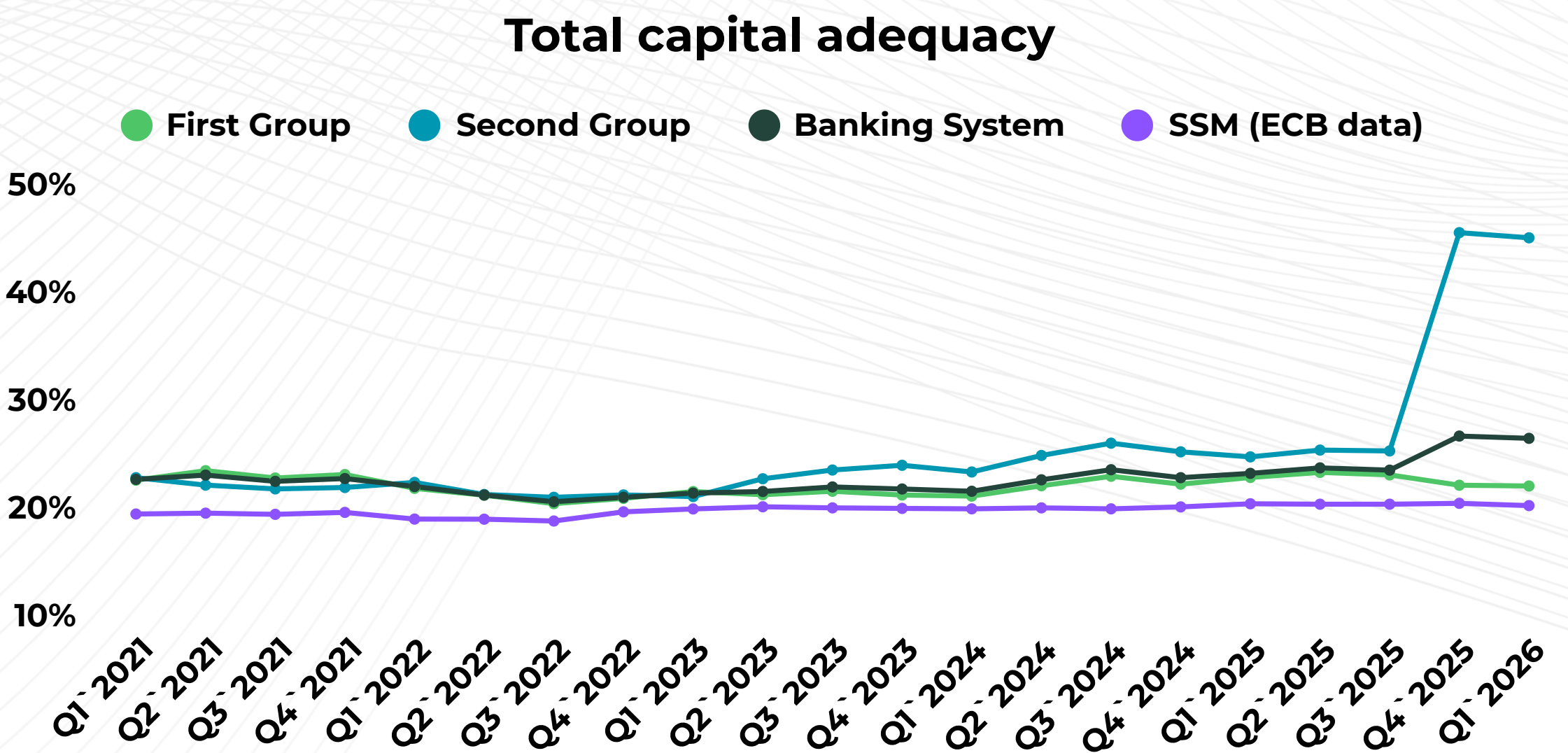
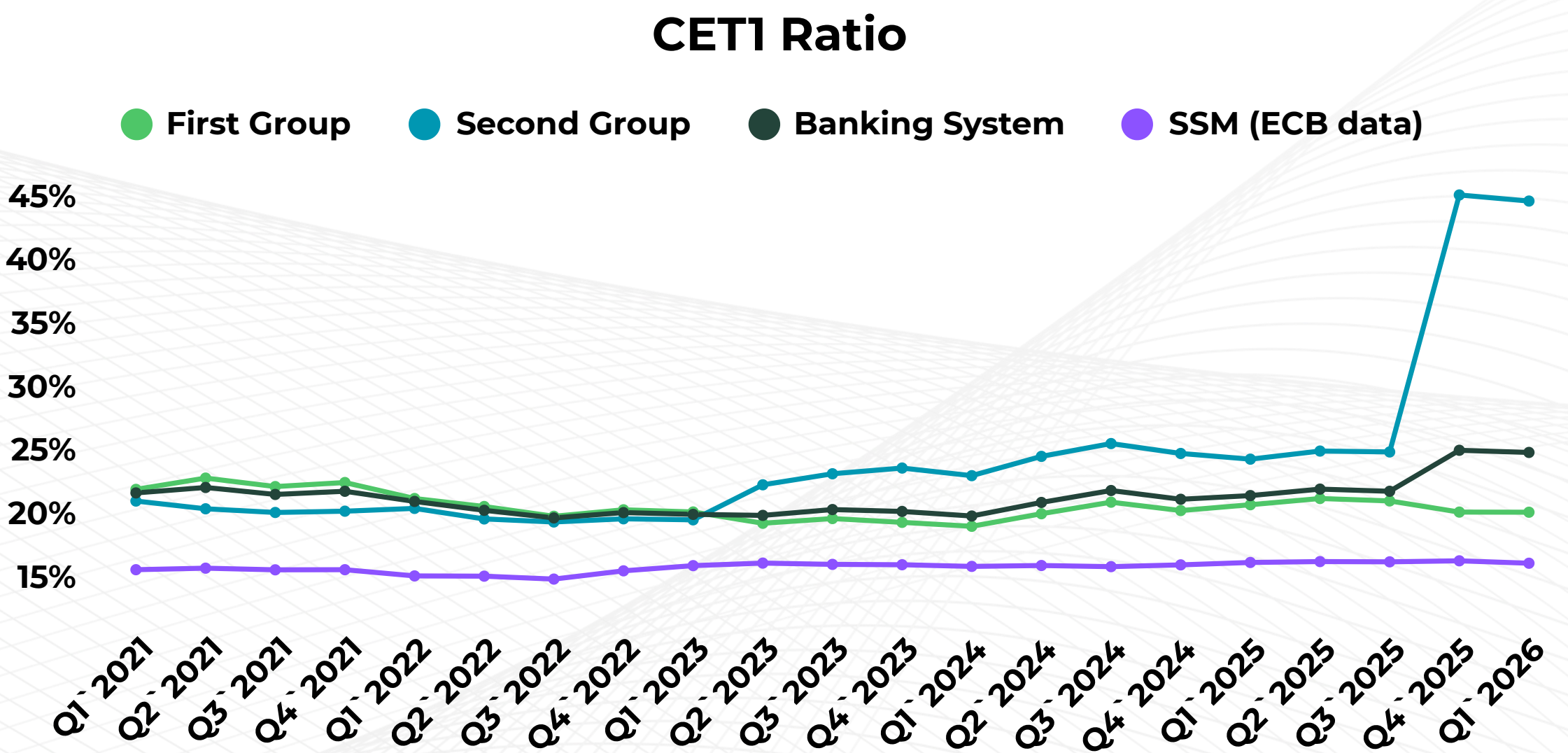
CAPITAL ADEQUACY

The capital position of the banking sector remains strong, with capital adequacy ratios remaining well above minimum regulatory requirements.

As of the end of the first quarter of 2026, the Common Equity Tier 1 (CET 1) ratio for the entire banking system stood at 24,72%, down slightly from 24,89% at the end of December 2025. For the first group of banks, the ratio decreased from 20,02% to 20,01%, and for the second group of banks from 45,01% to 44,53%.

At the systemic level, the total capital adequacy ratio decreased to 26,35% from 26,56%. As of the end of the first quarter of 2026, the ratio level for banks in the first group is 21,93%, and for the second – 44,95% (compared to 22,00% and 45,43% as of the end of the fourth quarter of 2025).

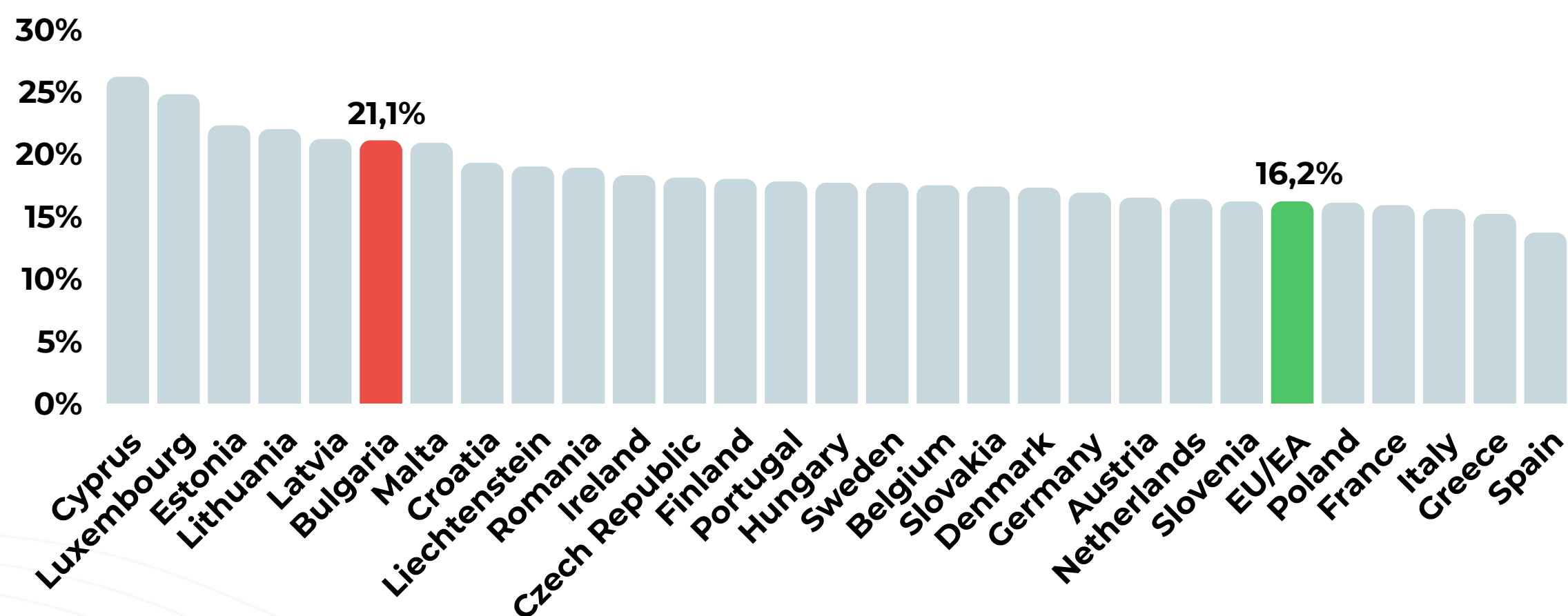
The capital adequacy ratios of banks in Bulgaria are above the average levels for banks participating in the Single Supervisory Mechanism. According to ECB data, the CET 1 ratio amounts to 15,99%, and the total capital adequacy reaches 20,11% as of the end of March 2026.



Source:BNB, ECB



CET 1 in EU as of the end of Q1` 2026



Source: EBA

Note: On the graphs, the data for Bulgaria is based on the information submitted to EBA by four banks, and do not refer to the entire banking system

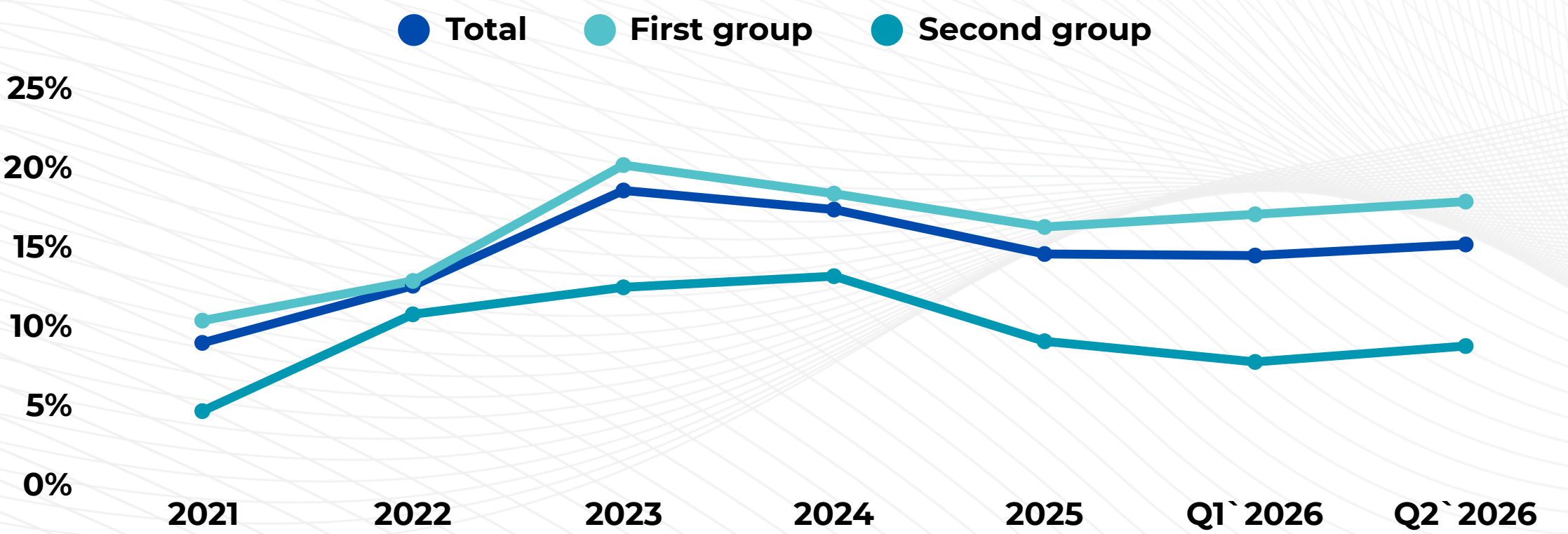
PROFITABILITY

As of June 30, 2026, the return on total assets (ROA) of the Bulgarian banking system increased to 1,9%, compared to the reported level of 1,8% at the end of March 2026. The level of the indicator for the first group of banks is 2,1%, and for the second group of banks it is 1,%. According to the latest current data from the ECB as of the first quarter of 2026, the average level of ROA for European banks is 0,7%.

The return on equity (ROE) of the entire banking system increases to 15.1% as of the end of the second quarter of 2026, compared to 14,4% at the end of the previous quarter. For the first group of banks, the level of ROE as of June 30, 2026 is 17,8%, and for the second group – 8,7%.

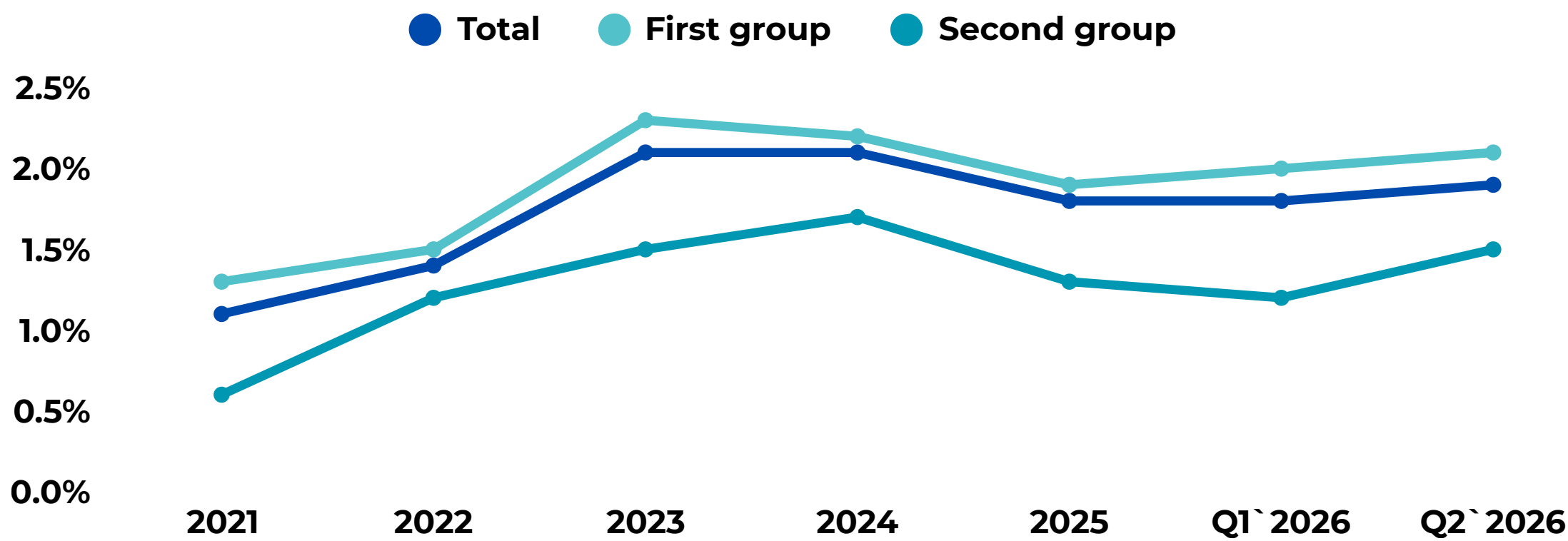
According to ECB data, the average ROE level of European banks amounted to 10,0% at the end of the first quarter of 2026.

Return on equity of the banking system



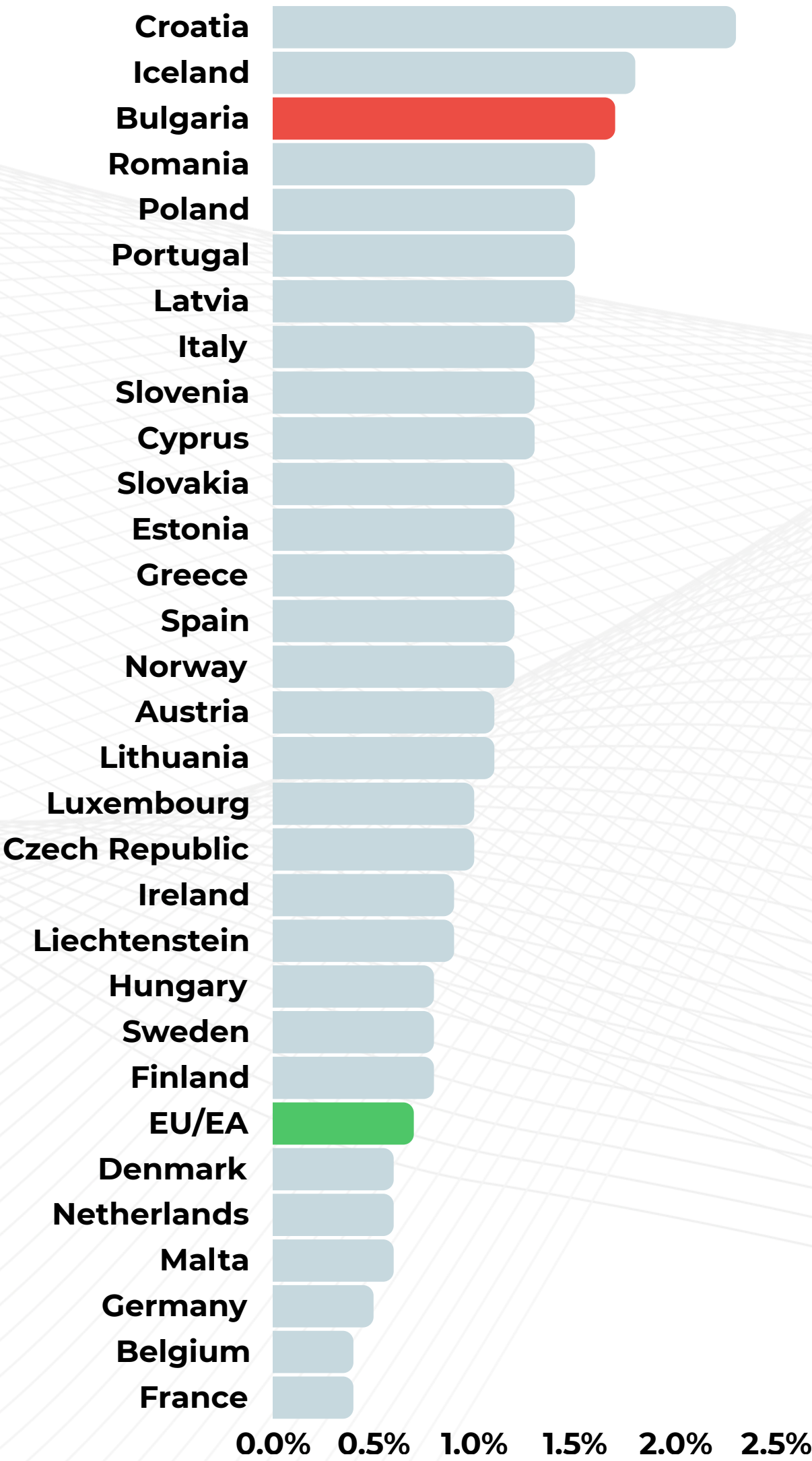
Source: BNB, own calculations

Return on assets of the banking system

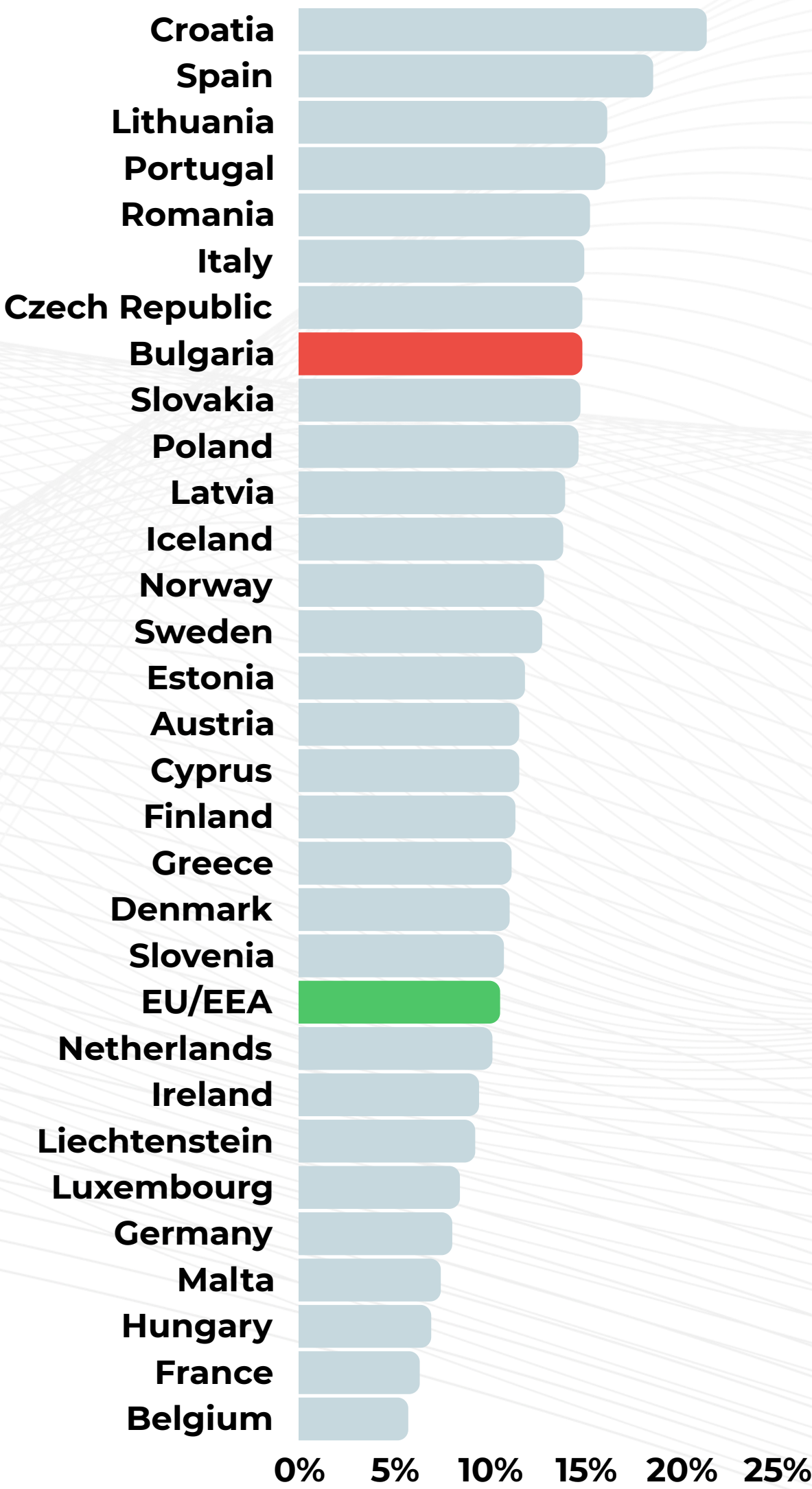


Source: BNB, own calculations

ROA of banks in the EU/EEA as of the end of the first quarter of 2026.



ROE of banks in the EU/EEA as of the end of the first quarter of 2026.



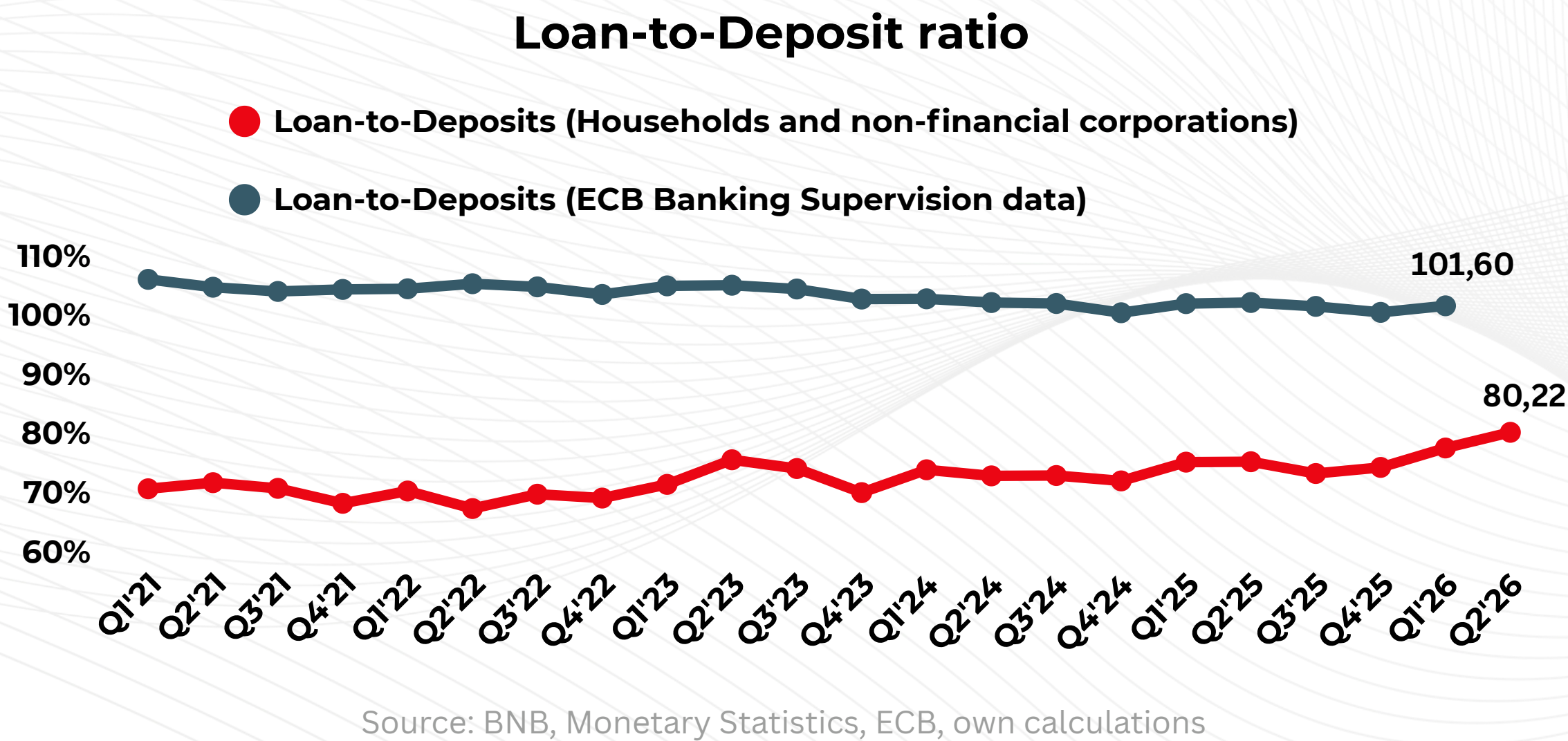
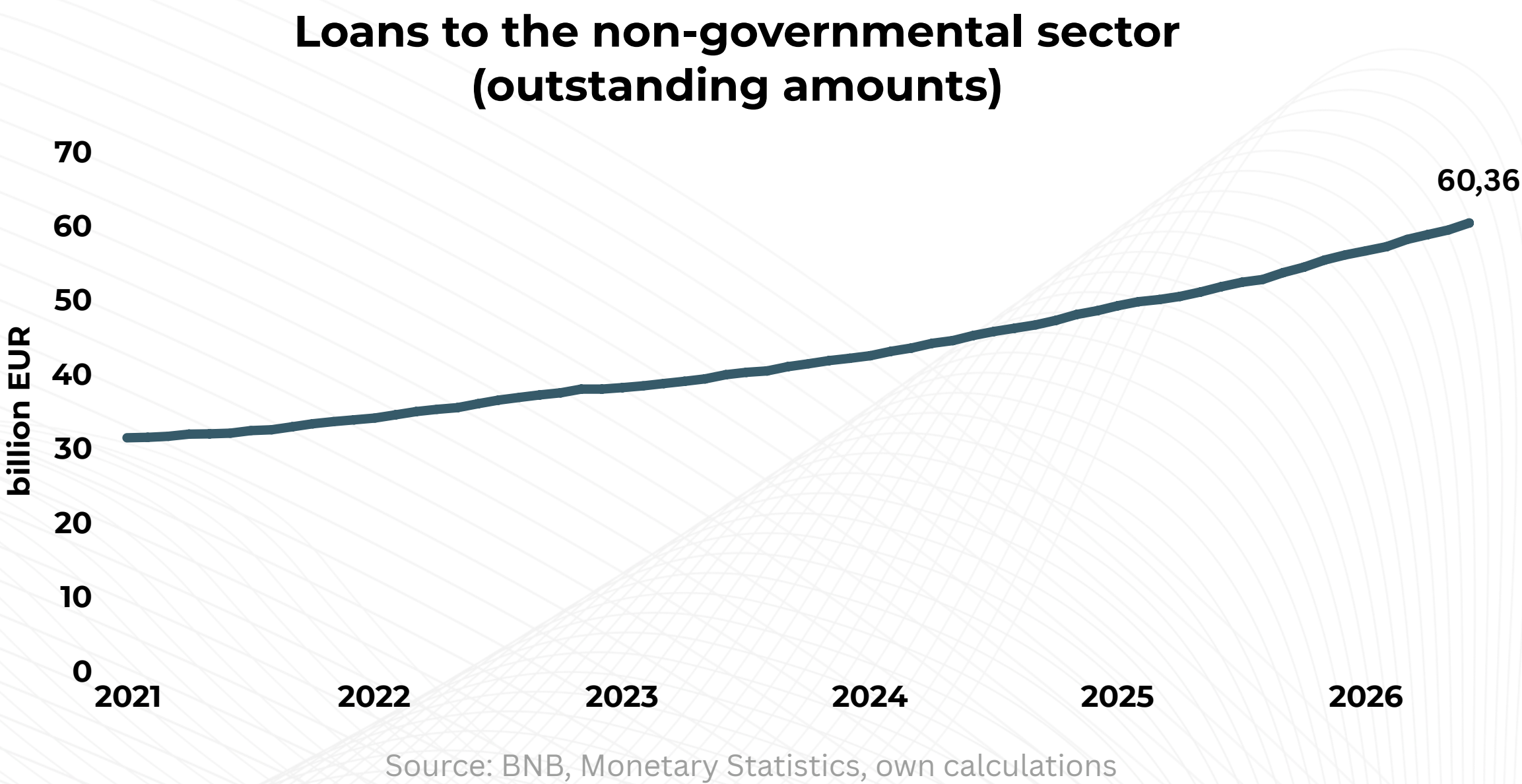
Source: EBA

Note: On the graphs, the data for Bulgaria is based on the information submitted to EBA by four banks, and do not refer to the entire banking system

LOANS AND DEPOSITS

Based on its Macroeconomic Forecast, the BNB expects a gradual increase in interest rates on new term deposits for both the non-government sector and households. The main factor behind this dynamic is market expectations for an increase in short-term interest rates in the euro area and the strengthening of the transmission of the ECB's monetary policy to the Bulgarian economy after Bulgaria's accession to the euro area. At the same time, the BNB forecasts a gradual slowdown in the growth of deposits and loans to the non-government sector, which reflects the expected slowdown in wage growth, private consumption and house prices.

As of the end of June 2026, according to the BNB's monetary statistics, the total amount of loans to the non-government sector (non-financial corporations and households) increased by 16,6% year-on-year, reaching EUR 60,4 billion.



The volume of non-performing loans (overdue for more than 90 days; excluding central banks and credit institutions) increased by the end of June, reaching levels of EUR 1,490 billion compared to the end of March 2026, when they amounted to EUR 1,357 billion. According to calculations based on data from the Banking Supervision Department of the BNB, the share of non-performing loans in the total amount of loans increased from 1,71% as of March 2026 to 1,79% as of the end of June 2026 and remained almost at the level reported a year earlier (1,77% as of June 2025).

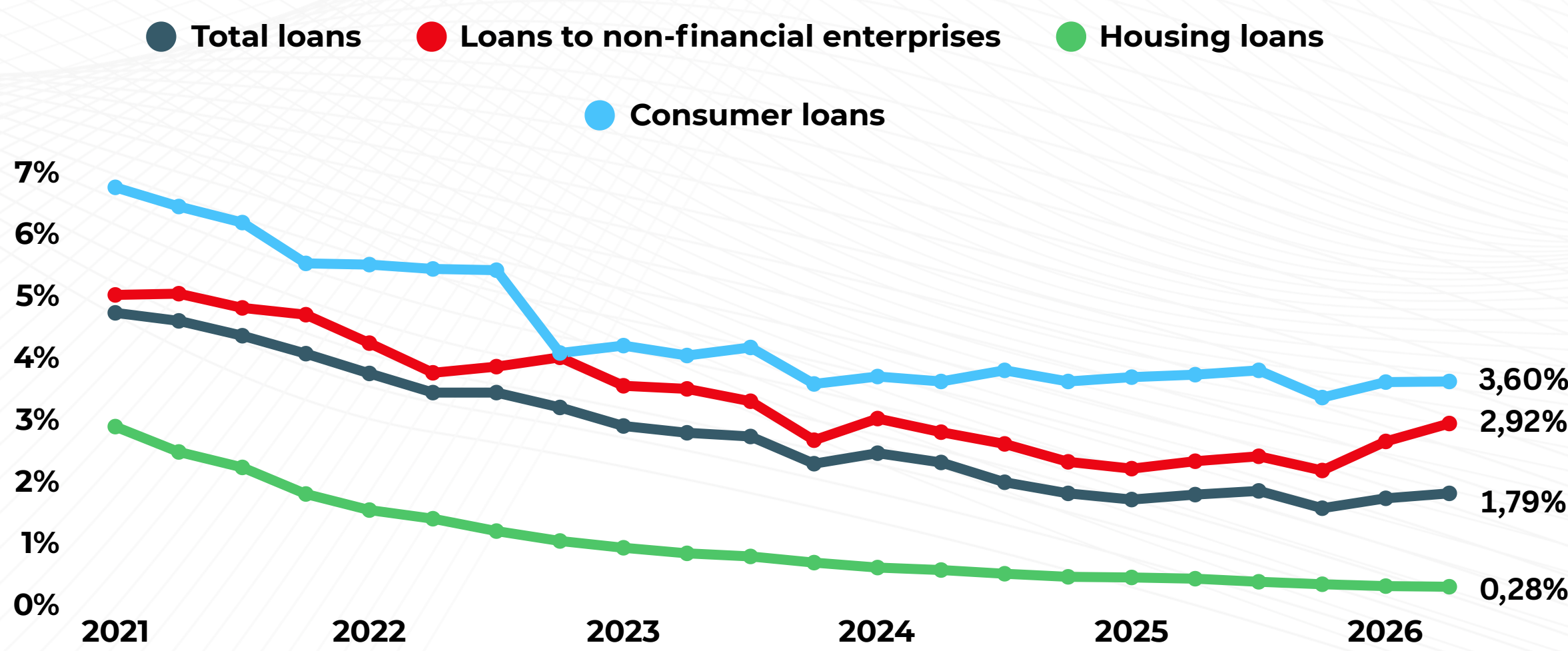
The share of non-performing loans for non-financial corporations increased from 2,63% at the end of March 2026 to 2,92% at the end of the second quarter of 2026. The level for housing loans decreased from 0,29% to 0,28%. The share of non-performing consumer loans increased minimally from 3,59% at the end of March 2026 to 3,60% at the end of the second quarter of 2026.

Non-performing corporate loans increased to EUR 905,6 million at the end of the second quarter of 2026 from EUR 799,1 million at the end of March 2026. In the housing loans segment, a slight increase in non-performing loans is observed, with their volume reaching EUR 57,6 million at the end of the second quarter of 2026, and EUR 56,4 million at the end of the first quarter. Non-performing consumer loans increased to EUR 476,8 million at the end of June 2026 from EUR 453,2 million at the end of March 2026.

For banks in the first group, the share of non-performing gross loans increased to 1,42% at the end of the second quarter of 2026 from 1,40% at the end of the first quarter of 2026. For banks in the second group, the ratio increased from 3,53% to 3,97% at the end of June 2026.

According to EBA data, as of the end of the first quarter of 2026, the coverage rate of gross non-performing loans and advances in the Bulgarian banking system is at a level of 56,8%. According to the latest EBA data, the coverage rate for European banks is 41,3% at the first quarter of 2026.

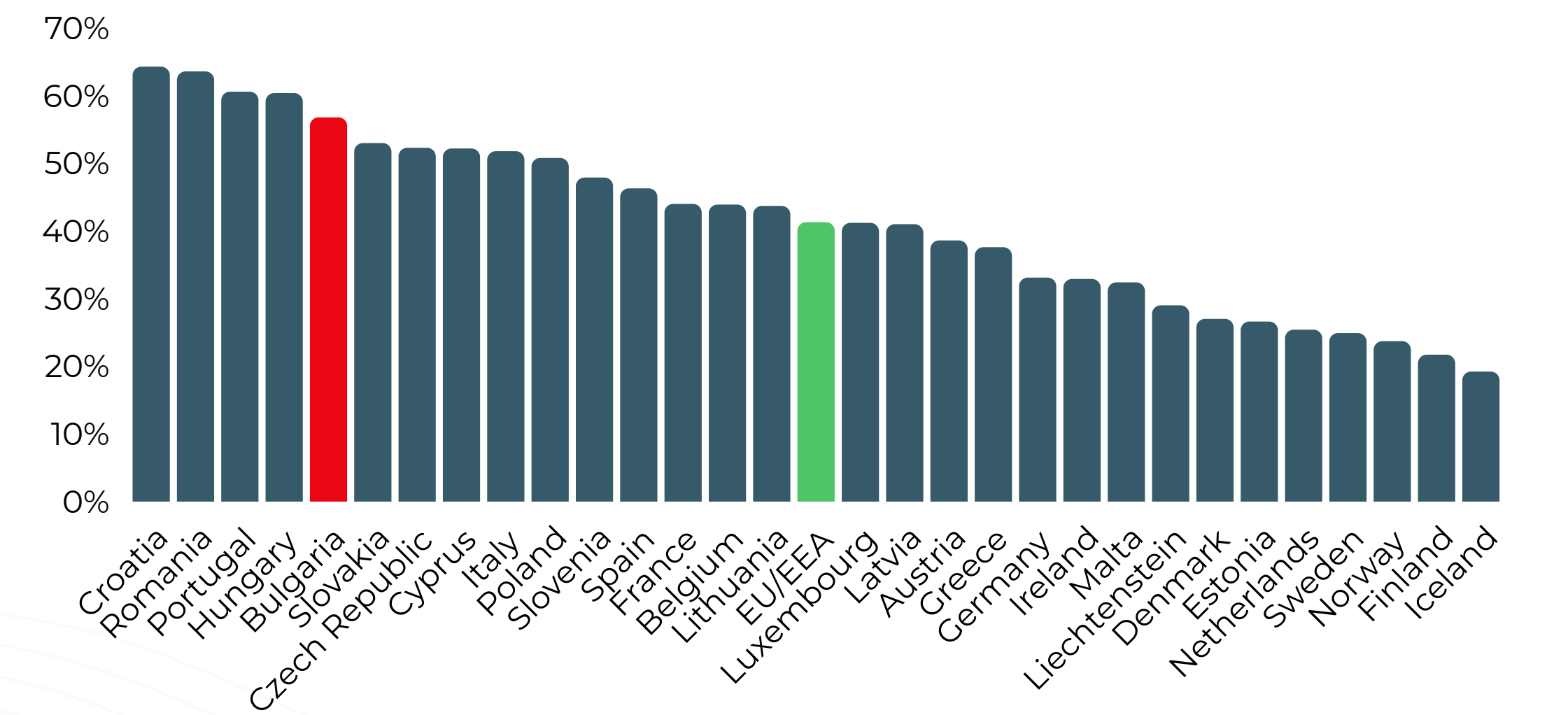
Share of non-performing loans in the Gross loan portfolio



Source: BNB, own calculations

Coverage ratio of non-performing loans

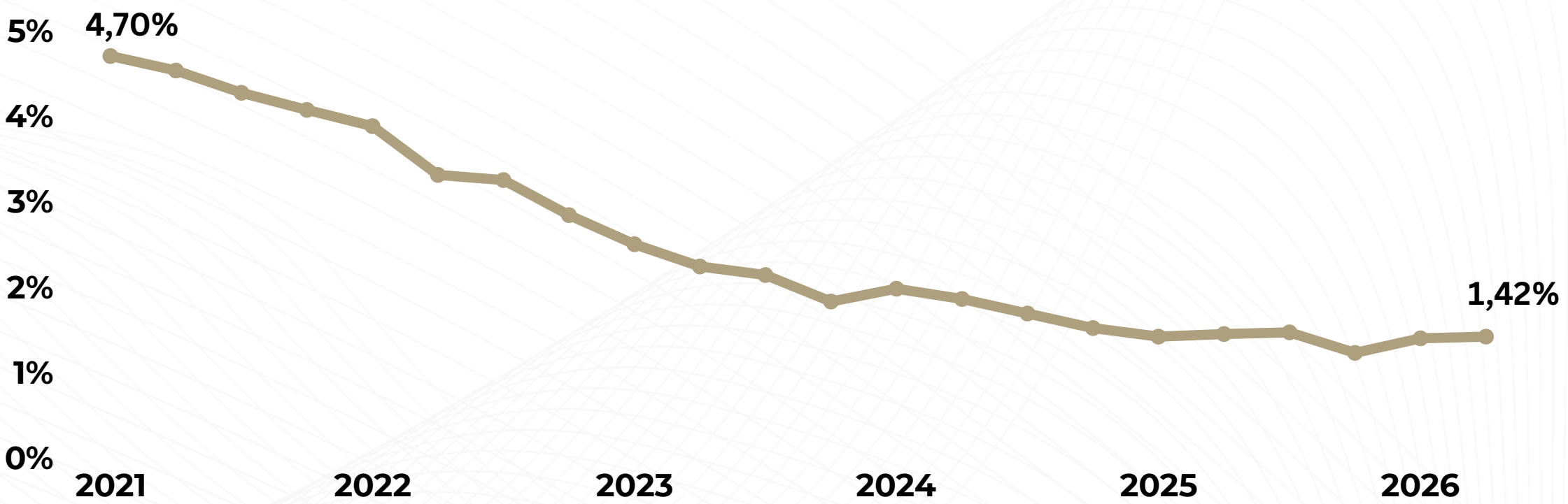
as of the end of first quarter of 2026



Source: EBA

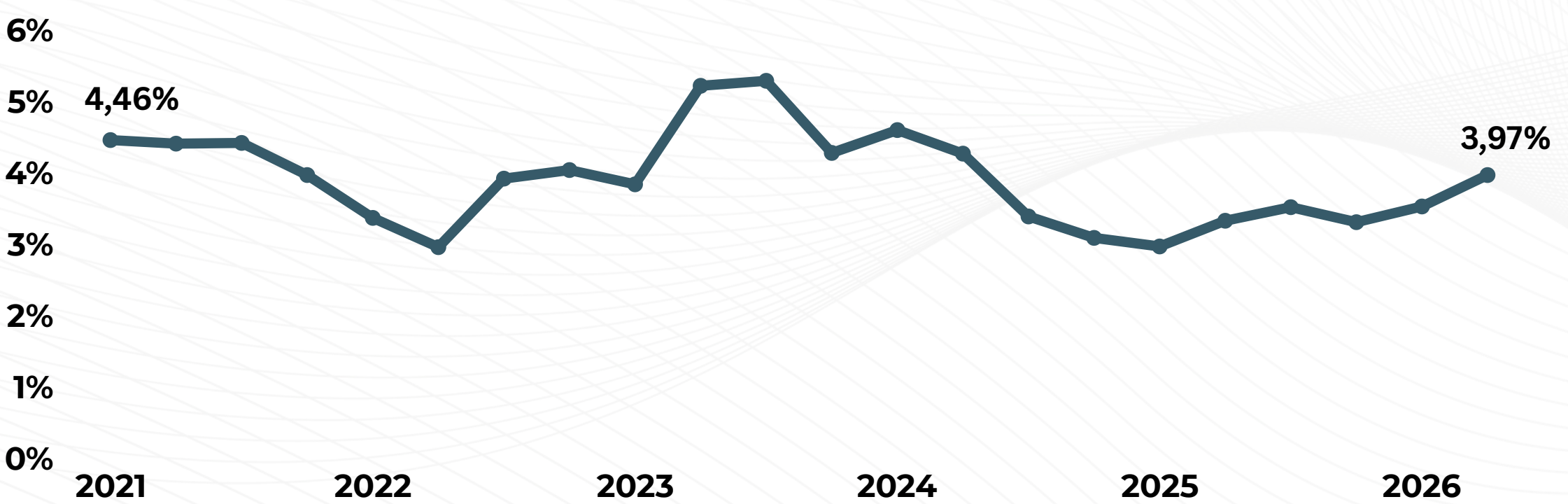
Note: On the graphs, the data for Bulgaria is based on the information submitted to EBA by four banks, and do not refer to the entire banking system

Non-performing loans in the Gross loan portfolio  
(First group of banks)



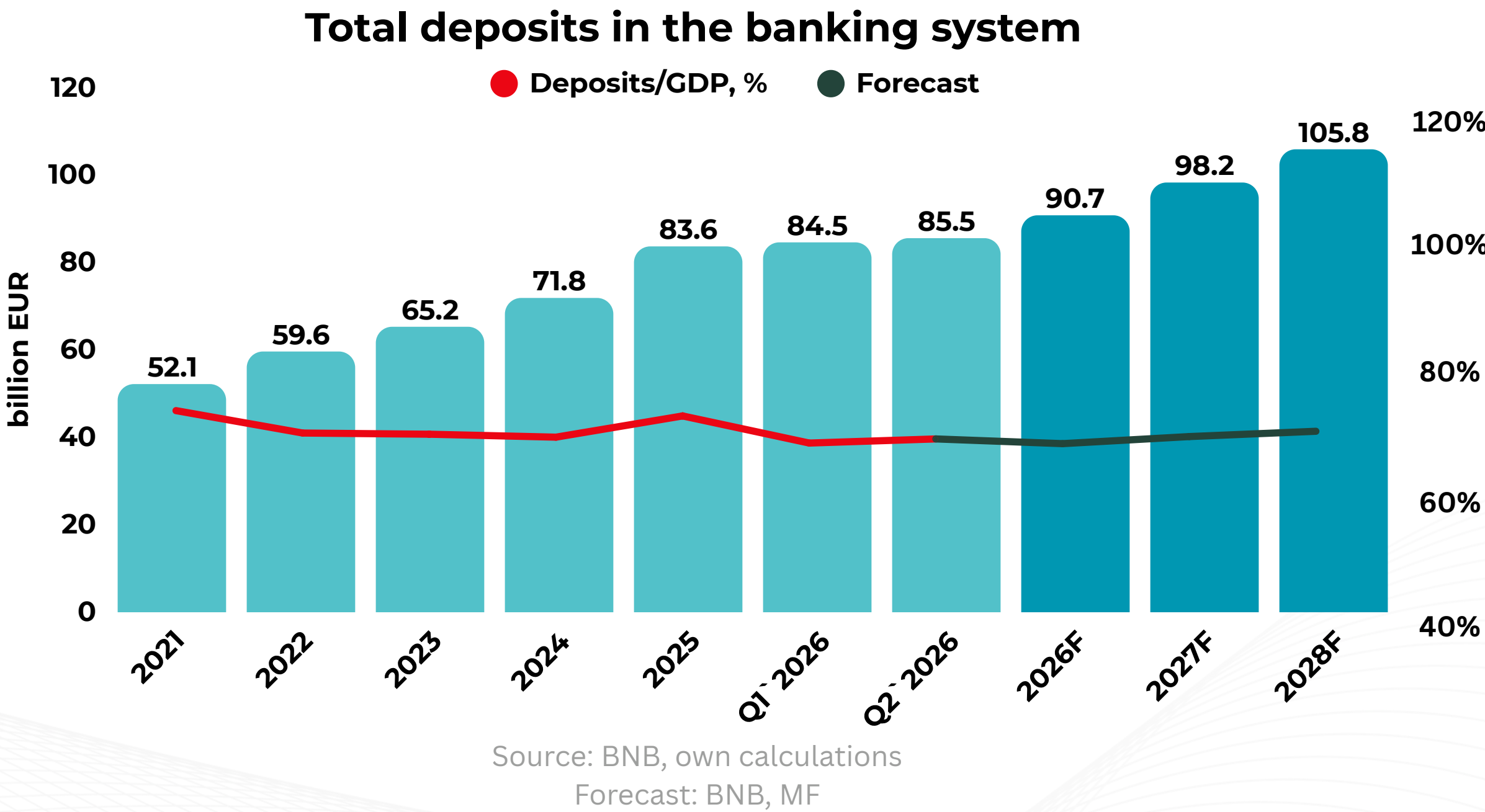
Source: BNB, own calculations

Non-performing loans in the Gross loan portfolio  
(Second group of banks)



Source: BNB, own calculations

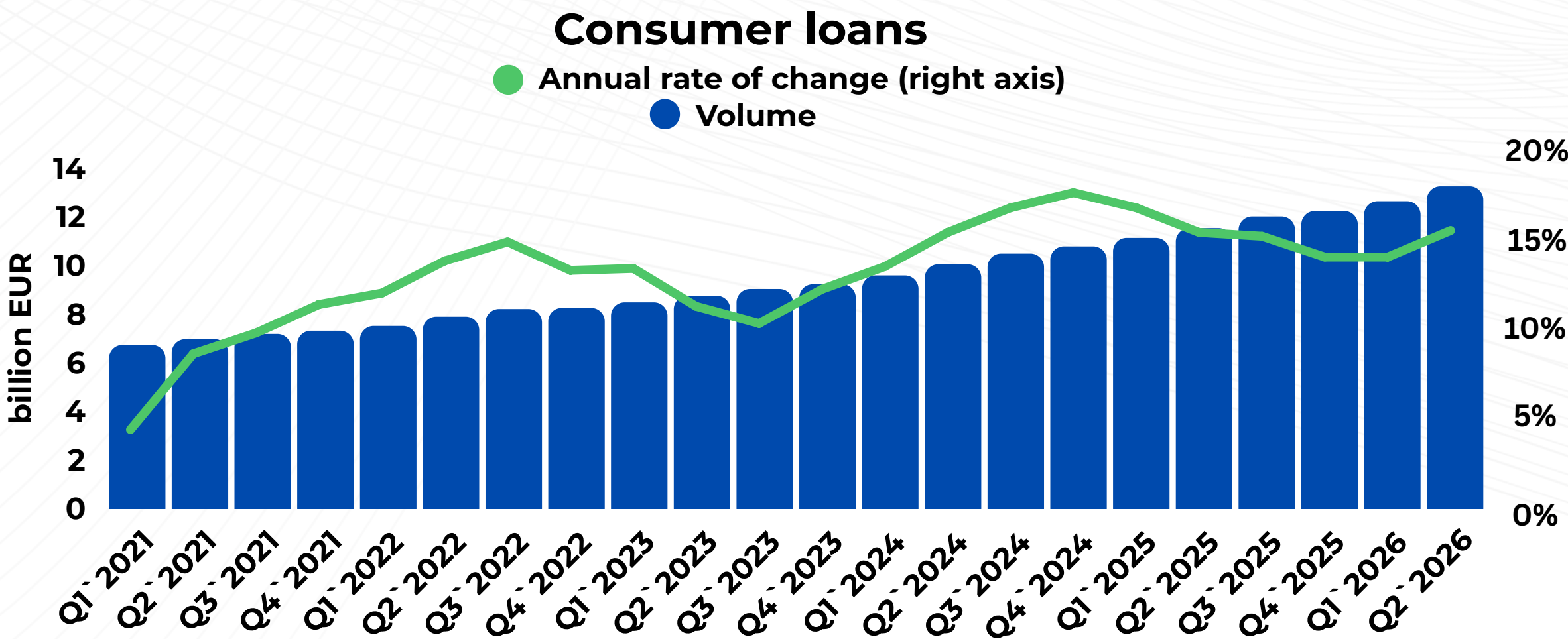
Deposits attracted by banks continue to grow. At the end of June 2026, the total amount of deposits in the banking system reached EUR 85,5 billion, recording an annual growth of 15,7%. Savings as of June 2026 are growing at a slower pace compared to the reported annual growth of 16,3% as of the end of March 2026.



## LOANS AND DEPOSITS TO HOUSEHOLDS

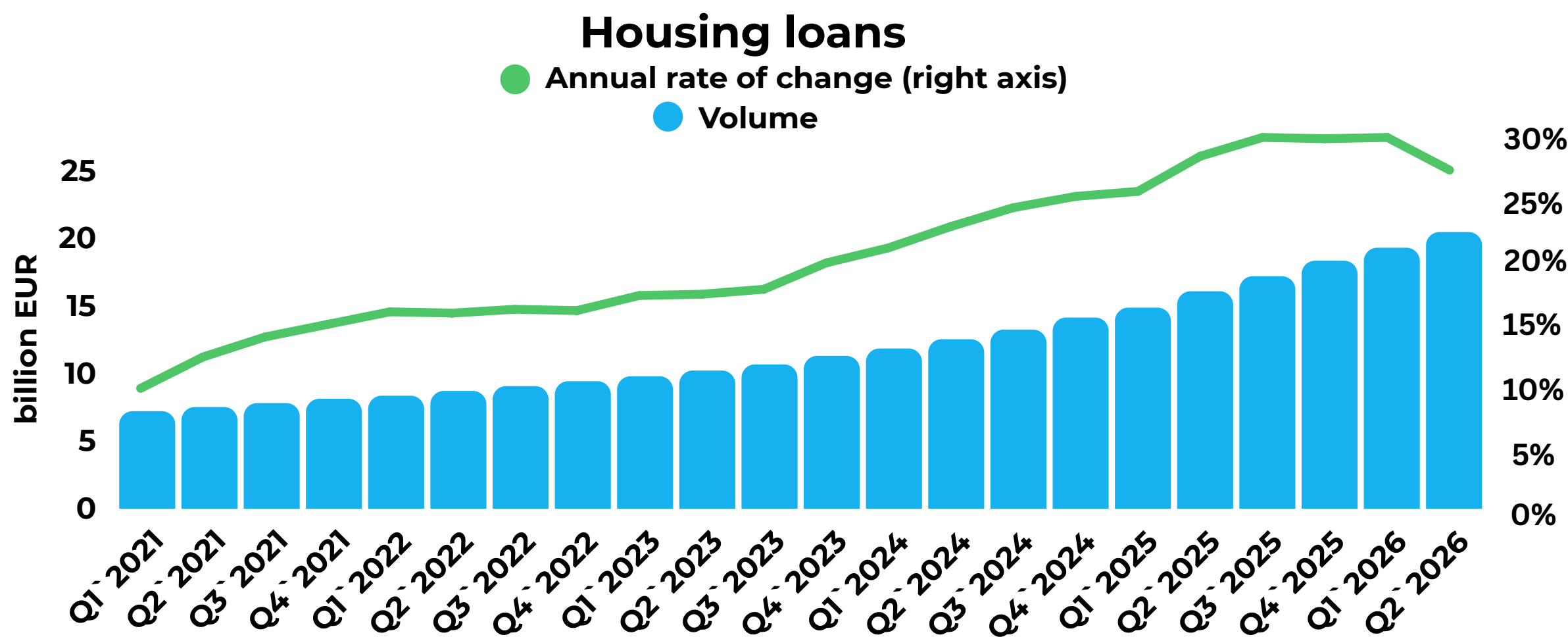
As of the end of the second quarter of 2026, the volume of consumer loans, according to the statistics of the Banking Supervision Department of the BNB, amounted to EUR 13,3 billion, compared to EUR 12,6 billion in the previous quarter and EUR 11,5 billion a year earlier. In the second quarter of 2026, consumer loans increased by 4,9% quarterly and by 14,9% annually.

According to the statistics of the Banking Supervision Department of the BNB, the volume of housing loans amounted to EUR 20,4 billion, compared to EUR 19,3 billion at the end of the first quarter of 2026 and EUR 16,0 billion a year earlier. The growth is 6,0% quarterly and 27,3% annually.



Source: BNB, Banking Supervision Department, own calculations



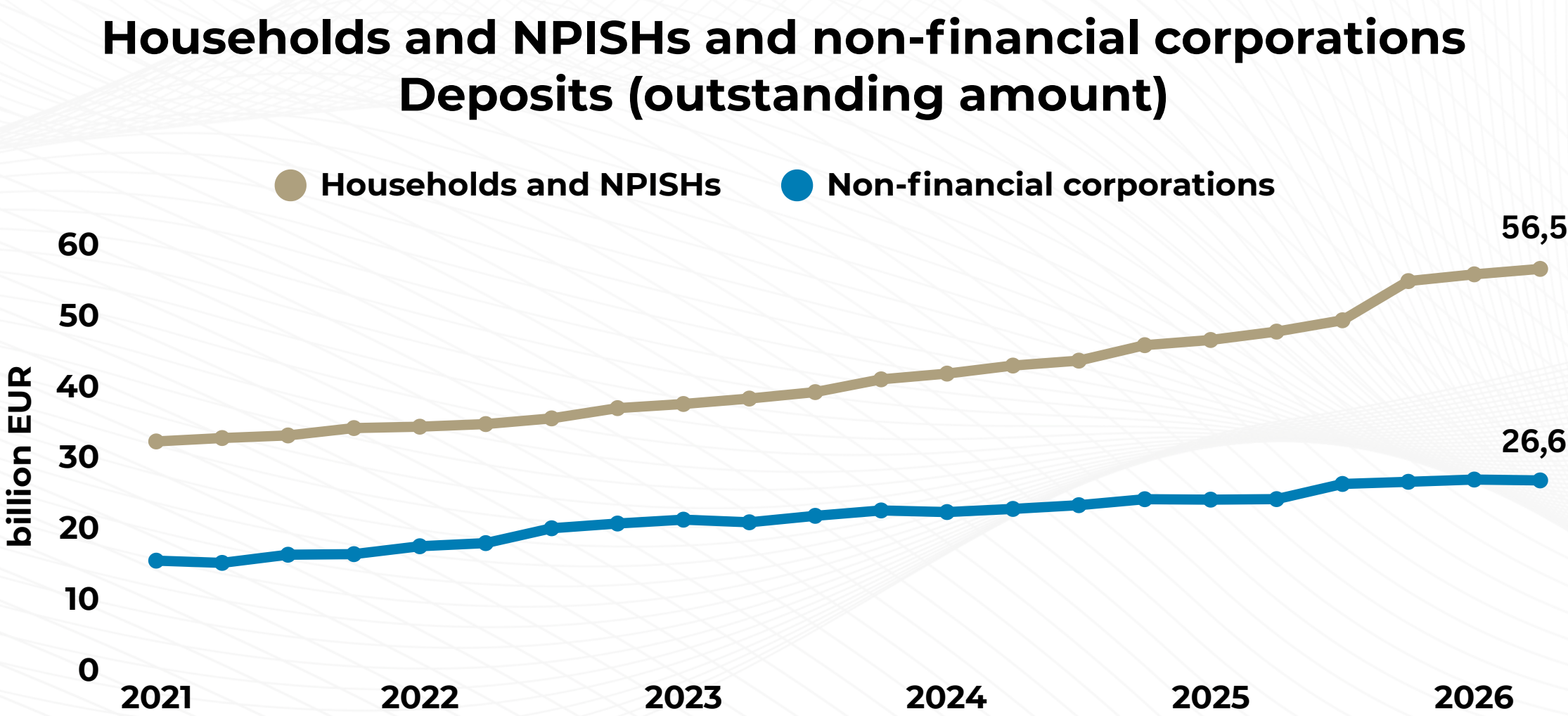


Source: BNB, Banking Supervision Department, own calculations

As of the end of the second quarter of 2026, the total amount of deposits of the household and NPISH sector increased by 18,6% on an annual basis, compared to 19,9% annual growth at the end of the first quarter of 2026. The amount of attracted deposits in the Household and NPISH sector is EUR 56,5 billion (45,1% of estimated GDP), which represents 66,1% of the total amount of deposits in the banking system.

## LOANS AND DEPOSITS OF NON-FINANCIAL CORPORATIONS

As of June 30, 2026, the total amount of deposits of non-financial corporations increased by 11,0% on an annual basis, compared to an increase of 11,8% a quarter earlier. Deposits of non-financial corporations reached EUR 26,7 billion. According to the monetary statistics of the Bulgarian National Bank, as of the end of the second quarter of 2026, loans to non-financial corporations increased by 12,1% on an annual basis and reached EUR 28,8 billion. The growth of loans to non-financial corporations on a quarterly basis was within 1,9%.



Source: BNB, Monetary Statistics

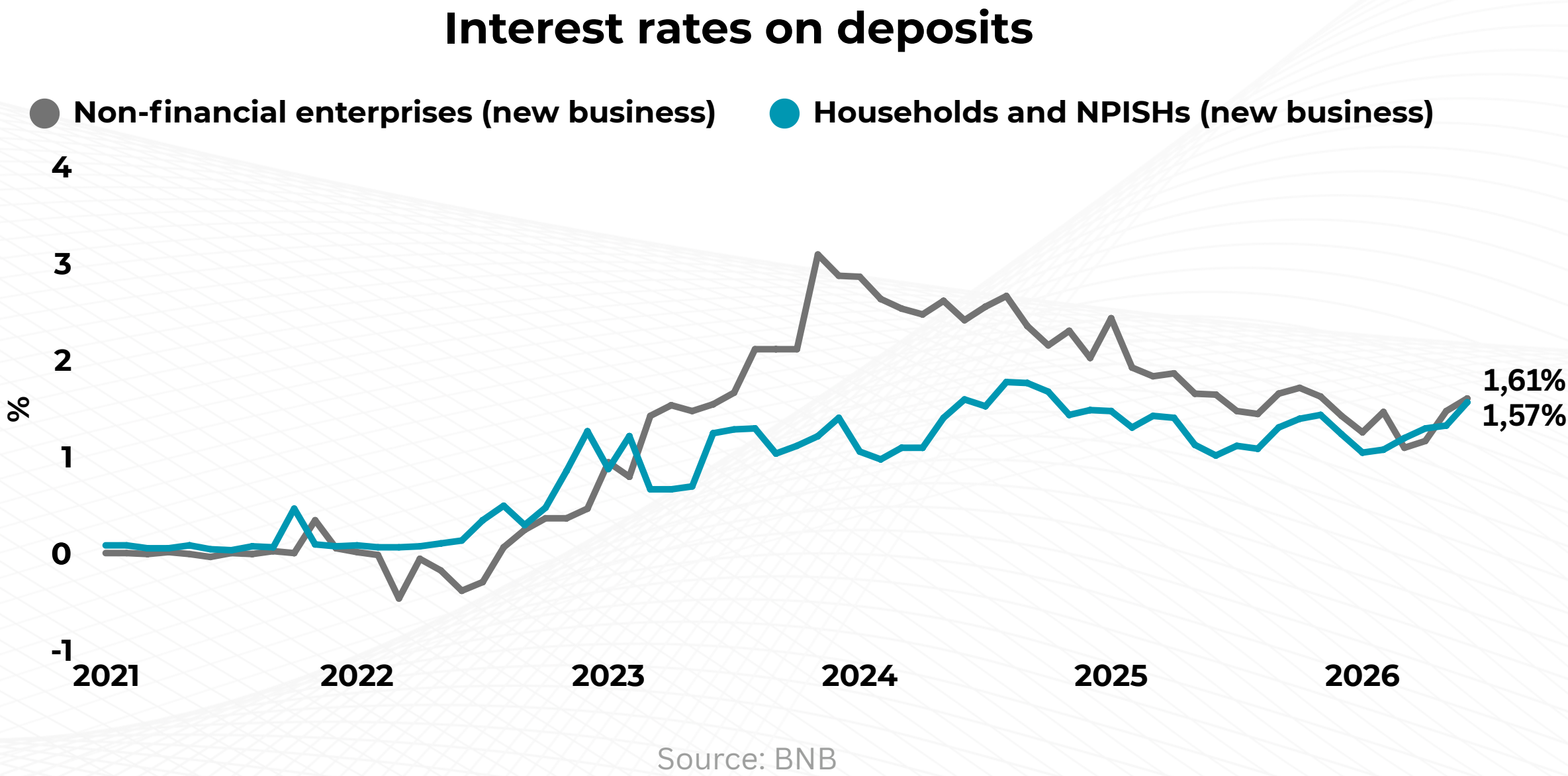
INTEREST RATES

As of the end of the second quarter of 2026, there was a decrease in interest rates on newly contracted housing loans in euro and an increase in interest rates on newly agreed consumer and corporate loans in euro. At the same time, there was an increase in newly agreed deposits in euro for households and non-financial corporations.

INTEREST RATES ON DEPOSITS

Interest rates on new deposits with agreed maturity in euro for households are increasing, reaching 1,57% by the end of June 2026 (from 1,20% at the end of March 2026).

As of the end of the second quarter of 2026, the average interest rate on deposits with agreed maturity in euro for non-financial corporations increased from 1,10% to 1,61%.



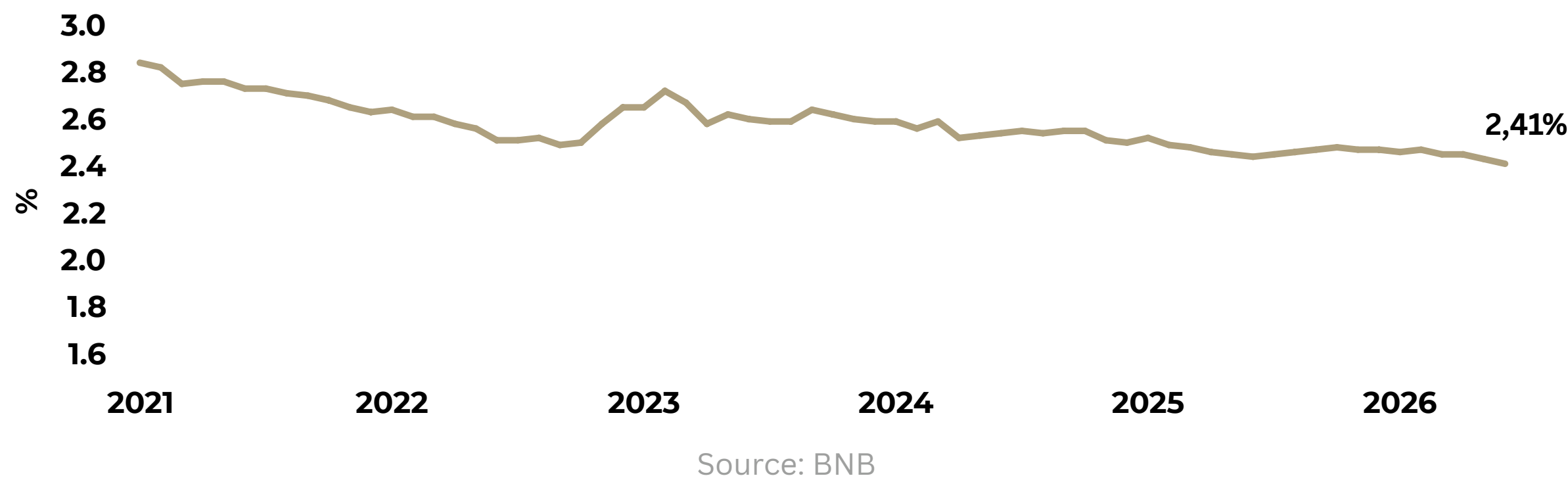
INTEREST RATES ON LOANS

As of the end of the second quarter of 2026, the average interest rate on housing loans in EUR decreased to 2,41%, compared to 2,45% at the end of the previous quarter.

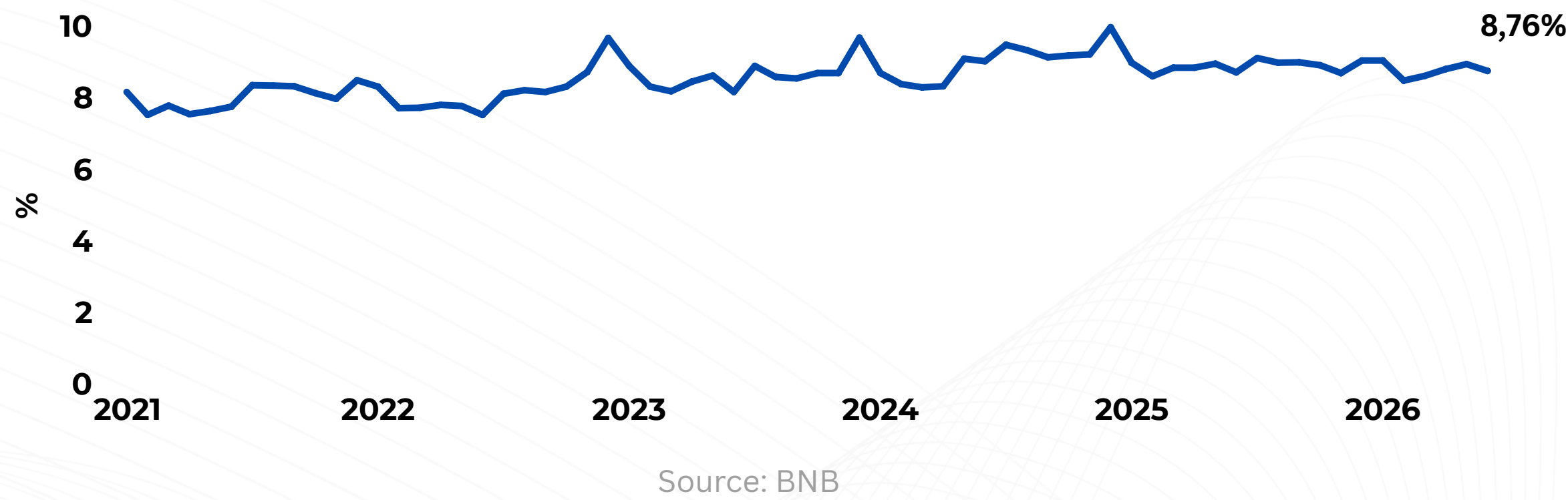
The average interest rate on consumer loans in EUR increased slightly from 8,62% at the end of March 2026 to 8,76% at the end of June 2026.

The annual percentage rate of charge (APR), which includes all fees and commissions related to the loan in addition to the interest, decreased to 2,75% (2,77% in March 2026) for housing loans in EUR in June 2026. The APR level for consumer loans in EUR increased from 8,92% to 9,06% in June 2026.

Average IRs on housing loans (new business)

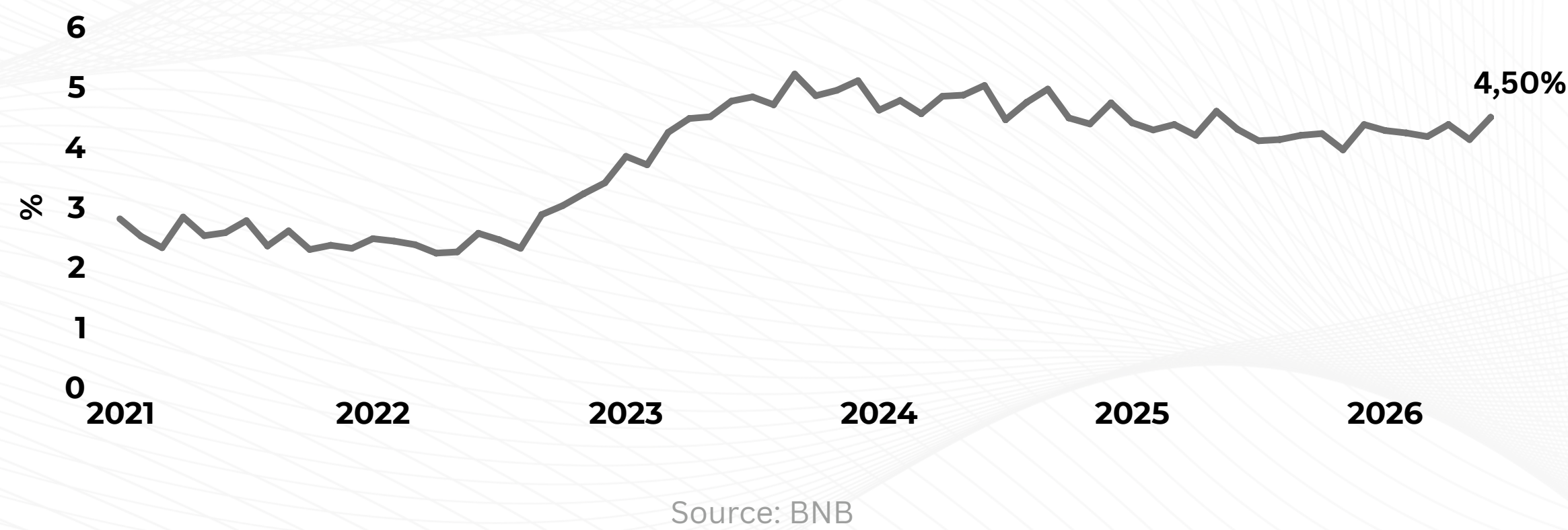


Average IRs on consumer loans (new business)

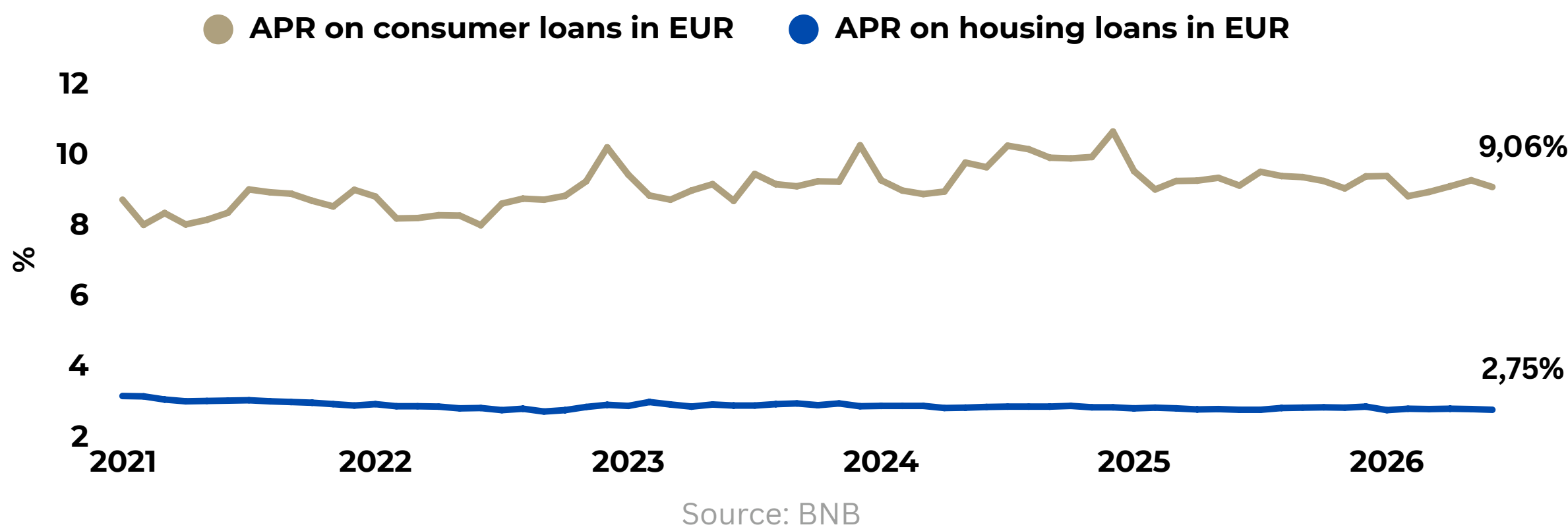


The average interest rate on newly contracted loans to non-financial corporations in EUR increased from 4,18% at the end of March 2026 to 4,50% at the end of the second quarter of 2026.

Average IRs on non-financial corporation loans (new business)

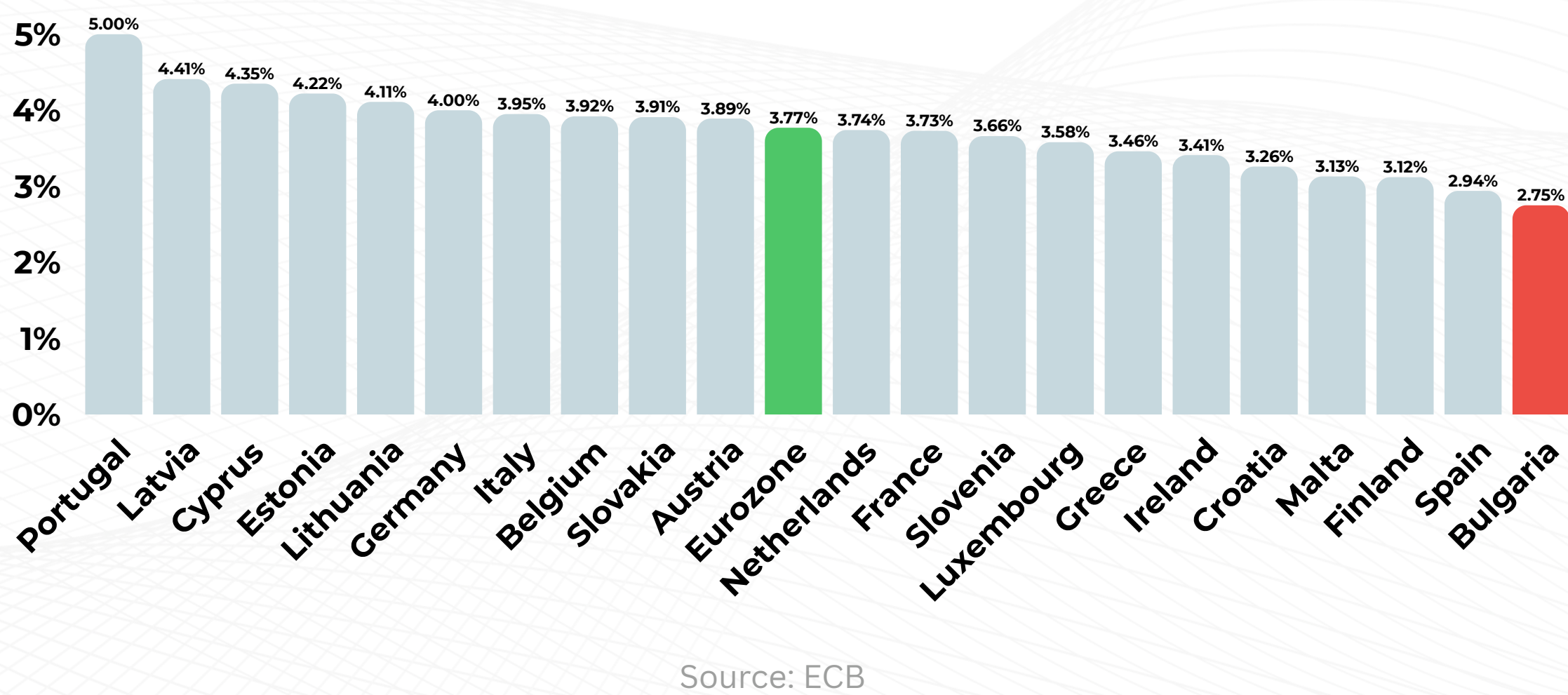


Annual Percentage of loans to households



According to ECB data, at the end of June 2026, Bulgaria reported the lowest level among the countries in the euro area in terms of the annual percentage rate (APR), of 2,75% for housing loans in euros. The average APR level for housing loans in the euro area is 3,77% as of June 2026.

Annual percentage rate of charge (APR) for loans to households for house purchase in the euro area as of March 2026



Bulgaria has the lowest APR on mortgage loans

According to ECB data, Bulgaria has the lowest APR on mortgage loans as of June 2026. The country is 1,02 percentage points lower than the average APR for the eurozone.

## Disclaimer

This document is for information purposes only. It is prepared by Banking Policy and Analyses Division of the Association of Banks in Bulgaria, and it is based upon public information sources by the National Statistical Institute (NSI), Eurostat, the Bulgarian National Bank (BNB), the Ministry of Finance (MF), the European Central Bank (ECB), the European Banking Authority (EBA), the European Commission (EC), the International Monetary Fund (IMF), the World Bank (WB), the European Banking Federation (EBF), the European Bank for Reconstruction and Development (EBRD) and the Organisation for Economic Co-operation and Development (OECD). Pictures' source – Canva.

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All historical rates, statistical data and graphs are up to date, up to and including August 20, 2026, unless otherwise stated.

The views provided are those prevailing as of August 20, 2026.

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