

Ordinance No 1
of the BNB
of 10 January 2018
on the Format and Contents of Separate Balance Sheets
of the Issue and Banking Departments and of the
Consolidated Statement of Financial Position of the
Bulgarian National Bank

(Published in the Darjaven Vestnik, issue 11 of 2 February 2018)

Chapter One
General Provisions

Article 1. This Ordinance shall establish the format and contents of separate balance sheets of the Issue and Banking Departments and of the consolidated statement of financial position of the Bulgarian National Bank (BNB).

Article 2. The Bulgarian National Bank shall keep its accounts in accordance with the Law on the Bulgarian National Bank, Law on Accountancy, International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS) adopted by the European Commission.

Chapter Two
Production of Balance Sheets

Article 3. The Bulgarian National Bank shall draw up a daily trial balance in levels on synthetic accounts. The daily trial balance shall include information on daily debit and credit turnovers and balances on balance-sheet and off-balance-sheet accounts of the BNB on the basis of which daily balance sheets of the Issue and Banking Departments are drawn up.

Article 4. The Bulgarian National Bank shall prepare balance sheets of the Issue and Banking Departments, as follows:

1. a weekly balance sheet of the Issue Department shall be prepared on the first business day of the week with data as of the last business day of the preceding week in the format as required in Appendix No 1;

2. monthly balance sheets of the Issue and Banking Departments shall be prepared on the first business day of the month with data as of the last business day of the preceding month in formats as required in Appendices Nos 1 and 2.

Article 5. (1) The Bulgarian National Bank shall prepare a statement of financial position of the BNB and a consolidated statement of financial position of the BNB in

the format as required in Appendix No 3 twice a year: as of 30 June (unaudited) and as of 31 December (audited).

(2) The consolidated statement of financial position of the BNB is part of the consolidated financial statements of the BNB and shall be included in both the report for the first half year and the annual report of the BNB.

Article 6. (1) The Bulgarian National Bank shall publish on its website balance sheets and reports under Articles 4 and 5.

(2) Monthly balance sheets of the Issue and Banking Departments, as well as the consolidated statement of financial position of the BNB shall be published in the *Darjaven Vestnik*.

Chapter Three

Contents of Balance Sheets

Article 7. (1) The items in the Issue Department's balance sheet shall have contents and a minimum scope as specified in paragraphs 2 and 3.

(2) The items on the *Assets* side of the balance sheet shall include:

1. cash and foreign currency denominated deposits are reported under this item: cash in BNB vaults; cash in transit; on current accounts with foreign correspondents (nostro accounts); on deposit accounts and other accounts with foreign correspondents, as well as interest receivable and interest payable in foreign currencies on the assets under this item;

2. monetary gold and other monetary gold instruments: standard gold bullion kept at BNB vaults or deposited with foreign correspondents, other instruments in gold, as well as interest receivable and interest payable on the instruments in gold reported under this item;

3. investments in securities: foreign securities investments in the BNB portfolio classified according to IAS and IFRS, as well as investments included in securities portfolios and managed by external managers; Bulgaria's reserve position in the IMF, securities pledged as collateral on futures transactions and interest payable on this item are also reported here;

4. total assets.

(3) The items on the *Liabilities* side of the balance sheet shall include:

1. banknotes and coins in circulation are reported under this item;

2. liabilities to banks: bank settlement accounts with the BNB, bank funds on guarantee mechanism accounts under Article 42 of BNB Ordinance No 3 of 2009 on the Terms and Procedure for the Execution of Payment Transactions and Use of Payment Instruments, special purpose funds attracted from banks, transfers for execution and settlements with payment and securities settlement system operators, as well as accounts of other financial institutions are reported;

3. liabilities to the government and to government budget organisations: accounts for keeping budget funds; current accounts of European Union funds; foreign currency accounts; deposit accounts and other accounts of budget organisations are reported;

funds under this item in levs and foreign currency are covered by the ‘single account’ concept within the meaning of the Law on Public Finance, the State Budget Law of the Republic of Bulgaria and the Law on the Bulgarian National Bank; accrued interest payable on accounts of the Ministry of Finance and budget organisations are also reported under this item;

4. liabilities to other depositors: current and deposit accounts of legal persons/entities other than those specified in items 2 and 3, opened in the BNB under Article 39 of the Law on the Bulgarian National Bank or other legislative act are reported; accrued interest payable thereon are also reported under this item;

5. Banking Department deposit: the difference between Issue Department assets and its monetary liabilities (the sum of all obligations on the liabilities side under items 1, 2, 3 and 4);

6. total liabilities.

Article 8. (1) The items in the Banking Department’s balance sheet shall have contents and a minimum scope as specified in paragraphs 2 and 3.

(2) The items on the *Assets* side of the balance sheet shall include:

1. gold and other precious metals: non-standard gold and other precious metals are reported under this item;

2. receivables from the government of the Republic of Bulgaria: BNB receivables from the government on credit for purchase of Special Drawing Rights (SDR) from the International Monetary Fund (IMF) under Article 45 of the Law on the Bulgarian National Bank;

3. capital investment and IMF quota: three quarters of Bulgaria's quota in the IMF, as well as participations in other international financial institutions, such as the Bank for International Settlements, and investments in BNB subsidiaries and associates;

4. fixed tangible and intangible assets: land, buildings, equipment, vehicles and other fixed tangible and intangible assets of the BNB, less accumulated depreciation, are reported under this item; expenditure incurred for construction and acquisition of fixed assets are also included here; total BNB fixed assets, without any breakdown *per* department, are reported under this item;

5. other assets: claims against employees; claims on banks on extended loans (principals and interest) in levs and foreign currencies; claims relating to fees in levs and foreign currencies; claims on customers, reporting persons and suppliers on advances; other short-term assets, as materials, receivables, *etc.*, mostly related to the administrative operation of the BNB; differed expenditure; revaluations of assets up to the value date; commemorative coins and bullion coins designated for sale at BNB tills; other debtors in levs and foreign currencies; transfers for execution in levs and foreign currencies, *etc.*, are reported under this item;

6. deposit with the Issue Department: this item corresponds with the Banking Department Deposit item of the Issue Department balance sheet and is reported at the same value;

7. total assets.

(3) The items on the *Liabilities* side of the balance sheet shall include:

1. borrowings from the IMF: credit obligations of the BNB to the IMF under financial arrangements are reported under this item;

2. liabilities to international financial institutions: the outstanding portion of Bulgaria's quota in the IMF is reported under this item; balances on Account No 1 of the IMF and on Account No 2, Administrative Expenses of the IMF, are also included; liabilities relating to the stake in the IMF, the increase in the stake in the IMF, the unpaid part of the reserve tranche to the IMF, the increase in the reserve tranche to the IMF, along with liabilities relating to receipts from both total and special SDR allocation and other relationships with international financial institutions are reported under this item;

3. other liabilities: all other liabilities of the BNB relating to its ongoing operation, as suppliers, staff, taxes and fees, estimates, income collected in advance, other BNB creditors, balance sheet account differences, cross-system suspense accounts, revaluation and reconciliation accounts, positional accounts, *etc.*;

4. capital: the BNB statutory fund laid down in Article 7 of the Law on the Bulgarian National Bank to the amount of BGN 20 million is reported under this item;

5. reserves: statutory and other special reserves of the BNB are reported under this item; revaluation of assets and liabilities at the BNB exchange rate recorded in a foreign currency, as well as the revaluation reserve of fixed assets are also reported under this item;

6. retained earnings: retained profits involving BNB earnings from interest, fees, commissions, dividends and other financial income, less BNB expenses on interest, fees, commissions, BNB operating and other financial expenditure, are reported under this item;

7. total liabilities.

Article 9. The content of the items in both the BNB financial position report and consolidated financial position report in terms of characteristics, scope, valuation rules and disclosure requirement shall be analogous to the content of the items in the Issue and Banking Departments balance sheets.

Final Provision

Sole §. This Ordinance is issued on the grounds of Article 49, paragraph 2 of the Law on the Bulgarian National Bank and adopted by Resolution No 8 of the BNB Governing Council of 10 January 2018.



Appendix No 1 to Article 4, items 1 and 2

**Weekly/Monthly Balance Sheet
of the Issue Department
as of**

ASSETS	(BGN'000)	LIABILITIES	(BGN'000)
Cash and foreign currency denominated deposits		Banknotes and coins in circulation	
Monetary gold and other monetary gold instruments		Liabilities to banks	
Investments in securities		Liabilities to the government and to government budget institutions	
		Liabilities to other depositors	
		Banking Department deposit	
TOTAL ASSETS:		TOTAL LIABILITIES:	

Appendix No 2
to Article 4, item 2



**Monthly Balance Sheet
of the Banking Department**
as of

ASSETS	(BGN'000)	LIABILITIES	(BGN'000)
Gold and other precious metals		Borrowings from the IMF	
Receivables from the government of the Republic of Bulgaria		Liabilities to international finan- cial institutions	
Capital investments and IMF quota		Other liabilities	
Fixed tangible and intangible assets		Total liabilities:	
Other assets		Capital	
Deposit with the Issue Department		Reserves	
		Retained earnings	
		Total equity:	
TOTAL ASSETS:		TOTAL LIABILITIES:	

**Consolidated Statement of Financial Position
of the Bulgarian National Bank**

(BGN'000)

Assets

1. Cash and foreign currency denominated deposits
2. Gold, instruments in gold and other precious metals
3. Financial assets measured at amortised cost
4. Financial assets at fair value through profit and loss
5. Financial assets at fair value through other comprehensive income
6. Tangible assets
7. Intangible assets
8. Other assets

Total assets

Liabilities

1. Banknotes and coins in circulation
2. Liabilities to banks and other financial institutions
3. Liabilities to government institutions and other liabilities
4. Liabilities to international financial institutions
5. Other liabilities

Total liabilities

Capital and reserves

1. Capital
2. Reserves
3. Non-controlling interest

Total equity

Total liabilities and equity

