

METHODOLOGY
FOR CALCULATION OF THE LEONIA PLUS REFERENCE RATE OF CONCLUDED
OVERNIGHT DEPOSIT TRANSACTIONS IN BULGARIAN LEVS ON THE
INTERBANK MARKET

Art. 1. Definition of the reference rate

1.1. The LEONIA Plus (LEv OverNight Index Average Plus) is a reference rate of concluded and effected overnight deposit transactions in Bulgarian levs on the interbank market of all banks licensed by the Bulgarian National Bank (BNB) and branches of foreign banks in Bulgaria.

1.2. The LEONIA Plus reference rate is a weighted average of the interest rates on all concluded unsecured overnight lending transactions in Bulgarian levs in the interbank market in Bulgaria.

1.3. The LEONIA Plus reference rate is computed and published by the BNB on every business day.

Art. 2. Data providers

2.1. All banks licensed by the Bulgarian National Bank and branches of foreign banks in Bulgaria participating in the interbank lev money market are data providers ('data providers').

2.2. The information about the transactions included in the computation of the LEONIA Plus reference rate is part of the daily domestic interbank market information, which data providers submit to the BNB.

2.3. For the computation of the LEONIA Plus reference rate, data providers submit to the BNB on a daily basis information about:

a/ the value of every transaction of providing overnight deposits in Bulgarian levs, concluded and effected throughout the business hours, before the cut-off time of the Real- Time Gross Settlement System (RINGS) and with recipient of the deposit a BNB-licensed bank or a branch of a foreign bank in Bulgaria;

b/ the interest rate on each transaction under 'a' above;

c/ the remaining parameters required by the BNB as daily information of the interbank market.

2.4. The information received under item 2.3 is used to compute the LEONIA Plus reference rate, and is included in the monetary and interest rate statistics compiled by the BNB pursuant to Art. 42 of the Law on the Bulgarian National Bank and Ordinance No. 17 of the BNB of 29 March 2018 on the Monetary and Interest Rate Statistics and Financial Accounts Statistics.

Art. 3. Computation of the LEONIA Plus reference rate

3.1. The scope of daily computation of the LEONIA Plus reference rate includes data supplied according to the procedure under item 2.3 of the concluded and effected unsecured overnight deposit transactions in Bulgarian levs.

3.2. LEONIA Plus is computed as a weighted average of the interest rates on all concluded and effected unsecured overnight deposit transactions in Bulgarian levs between data providers. Weights are calculated based on the volume of the unsecured overnight deposits in Bulgarian levs provided during the day.

3.3. The period of an overnight deposit in Bulgarian levs starts from the beginning of the RINGS system day and continues to the beginning of the next RINGS system day.

3.4. Collateral transactions are not included in the computation of the LEONIA Plus reference rate.

3.5. The LEONIA Plus reference rate is displayed in a format of two decimal places. The day count convention is 'actual/360' days.

Art. 4. Publication of the reference rate

4.1. BNB computes the LEONIA Plus reference rate and publishes it by 6:30 p.m. local time on the same day on the BNB webpage, with the exception of non-business days.

4.2. BNB publishes the value of the LEONIA Plus reference rate, the total amount of transactions in thousands of leva, the number of transactions entered into, and the value date of the transactions by 6:30 p.m. local time on the same day.

4.3. Where no unsecured deposit transactions in Bulgarian leva have been effected in a given business day on the interbank market, BNB notes there is no reference rate available for the day by publishing the indication “n/a” (Not Available) for the value of the reference rate and value “0” (zero) for the volume and for the count of transactions.

4.4. Historical data of the reference rate as per item 4.2 are kept by the BNB and are available on its website.

4.5. Once they are published, the reference rate values are accepted as final.

Final provisions

§ 1. This Methodology for calculation of the LEONIA Plus reference rate of concluded overnight deposit transactions in Bulgarian leva on the interbank market was adopted pursuant to Art. 4, paragraph 1 and Art. 16, item 19 of the law on the Bulgarian National Bank by Decision No. 37 of 16.03.2017 of the BNB Governing Council, into effect from 1 July 2017, amended by Decision No. 223 of 22.08.2018 of the BNB Governing Council, into effect from 1 October 2018.

§ 2. Data providers are obligated to provide information in accordance with the instructions specified in this Methodology for calculation of the LEONIA Plus reference rate of concluded overnight deposit transactions in Bulgarian leva, Ordinance No. 17 of the BNB of 29 March 2018 on the Monetary and Interest Rate Statistics and Financial Accounts Statistics and Guideline for defining the content and the procedure for submission of the forms for the concluded transactions on the interbank money market and in the foreign exchange market in Bulgaria approved by the Deputy Governor in charge of the Banking Department.