Ordinance No 30*
of the BNB
of 11 September 2024
on Calculation of the Amount of Premium Contributions Due by Banks under the Law on Bank Deposit Guarantee

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Chapter One
General Provisions

Article 1. (1) This Ordinance shall establish the manner for calculating the amount of premium contributions to be made by each bank member of the deposit guarantee scheme in the Republic of Bulgaria into the Bulgarian Deposit Insurance Fund (hereinafter referred to as 'BDIF' or 'Fund'), as well as the procedure in case of non-payment of premium contributions.

(2) Premium contributions under paragraph 1 may be:

1. annual;
2. extraordinary;
3. reduced annual premium contributions.

(3) The BDIF Management Board shall set the premium contributions due by each bank, taking into consideration its risk profile and the amount of covered deposits with the bank for the preceding year, calculated as an average of the amount of covered deposits at the end of each quarter.

Chapter Two
Procedure and Time Limits for the Determination of Premium Contributions

Article 2. (1) By 20 March of the current year, the BDIF Management Board shall set the total sum of annual premium contributions or reduced annual premium contributions due by banks.

(2) Upon recommendation of the Bulgarian National Bank (BNB), taking into account the business cycle stage, the possible procyclical impact of contributions and the expected evolution of the aggregate amount of covered deposits, the BDIF Management Board may, by 15 April of the current year, review the decision under

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paragraph 1 and set a higher total sum of annual premium contributions or reduced annual premium contributions due by banks.

(3) By 1 May of the current year, the BDIF Management Board shall set the amount of the annual premium contribution or the reduced annual premium contribution due by each bank.

Article 3. (1) Under the provisions of Article 18, paragraph 1 of the Law on Bank Deposit Guarantee (LBDG), the BDIF Management Board shall set the total sum of extraordinary premium contributions due by banks at least seven days prior to the final date specified by the Management Board for their transfer.

(2) The BDIF Management Board shall set the amount of the extraordinary premium contribution due by each bank within five days prior to the final date specified by the Management Board for its transfer.

Article 4. The rates of annual premium contributions, reduced annual premium contributions and extraordinary premium contributions shall be identical for all banks and represent the ratio between the total sum of all premium contributions under Article 2, paragraph 1 or Article 3, paragraph 1 of this Ordinance and the average value of covered deposits in the banking system as of the end of each quarter of the calendar year in respect of which these contributions are due.

Chapter Three
Determination of the Total Sum of Annual Premium Contributions

Article 5. The BDIF Management Board shall determine a minimum total sum of annual premium contributions for the current year with a view to reaching the target level for BDIF funds, taking into account the expected evolution of the aggregate amount of covered deposits, the deadline for repayment of BDIF liabilities and the state of the banking sector.

Article 6. (1) For the purpose of determining the minimum total sum of annual premium contributions, the BDIF Management Board shall set each year the growth rate of the minimum total sum of annual premium contributions.

(2) In determining the growth rate of the minimum total sum of annual premium contributions, account shall be taken of the state of the banking sector, the deadline for reaching the target level of BDIF funds and the amount and deadline for repayment of BDIF liabilities.

Article 7. (1) The minimum total sum of annual premium contributions shall be calculated as the sum of:

1. the product between the funds required to reach the target level of the BDIF and the growth factor of premium contributions to reach the target level; and

2. the product between the funds required to repay the BDIF liabilities and the growth factor of the premium contributions for the repayment of BDIF liabilities.

(2) The growth factor of premium contributions to reach the target level of BDIF funds shall be calculated according to the following formula:

$$CGFTL = \frac{GRC}{(1 + GRC)^n - 1}, \text{where:}$$

CGFTL is the growth factor of premium contributions to reach the target level of BDIF funds;

GRC is the growth rate of the minimum total sum of annual premium contributions under Article 6;

n is the number of years of payment of annual premium contributions until the target level of BDIF funds is reached.

(3) The growth factor of premium contributions for the repayment of BDIF liabilities shall be calculated according to the following formula:

$$CGFL = \frac{GRC}{(1 + GRC)^n - 1}, \text{where}$$

CGFL is the growth factor of premium contributions for the payment of BDIF liabilities;

GRC is the growth rate of the minimum total sum of annual premium contributions under Article 6;

n is the number of years laid down by a decision of the BDIF Management Board taking into account the state of the banking sector and the structure of forthcoming payments on the BDIF liabilities.

Article 8. (1) The funds required to reach the target level of BDIF funds shall be calculated by deducting the value of estimated future cash inflows from the sum of the amount required to reach BDIF's target level and BDIF's estimated future cash outflows.

(2) The amount required to reach the target level of BDIF funds shall be computed according to the following formula:

$$TLN = TCD \times TL \times (1 + GRCD)^n, \text{ where}$$

TLN is the amount to reach the target level of BDIF funds;

TCD is the amount of covered deposits at the end of the previous year;

TL is the amount of the target level of BDIF funds;

GRCD is the growth rate of the amount of covered deposits on an annual basis;

n is the number of years of payment of annual premium contributions until the target level of the BDIF funds is reached.

(3) The amount of estimated future cash inflows of the BDIF to reach the target level shall be the lower value between the funds recognised by the BDIF as qualified available financial means (QAFM) at the end of the previous year and the amount to reach the target level of BDIF funds under paragraph 2.

(4) Estimated future cash outflows of the BDIF shall be the costs related to the payment of covered deposits by the BDIF and the costs of financing of bank resolution actions under the terms and procedure of Article 144 of the Law on the Recovery and Resolution of Credit Institutions and Investment Firms (LRRCIIF).

(5) The estimated future cash outflows of the BDIF under paragraph 4 arising after the year set to reach the target level of BDIF funds shall be included in the calculation of their amount weighted by the ratio between the remaining number of years until the target level and the number of years up to the maturity of BDIF's liabilities are reached.

Article 9. (1) The funds required to repay the BDIF's liabilities shall be calculated as the difference between the estimated future cash outflows and the value of the estimated future cash inflows.

(2) The estimated future cash inflows to repay the BDIF's liabilities shall be equal to the sum of:

1. the funds recognised by the BDIF as other available financial means at the end of the previous year;

2. the positive difference between the BDIF's funds recognised as QAFM at the end of the previous year and the amount to reach the target level of the BDIF funds pursuant to Article 8, paragraph 2;

3. the gross value of loans that have been negotiated but not drawn down;

4. estimated cash flows related to the expected amounts from liquidation of property of a bank in bankruptcy in the event of subrogation and/or repayment of funds to the BDIF used in bank resolution under the terms and procedure of Article 144 of the LRRCIIF.

(3) Estimated future cash outflows for the repayment of the BDIF's liabilities shall be all estimated principal and interest payments on borrowings, including loans that have been negotiated but not drawn down.

Article 10. The eligible minimum amount of the total sum of the annual premium contribution to reach the target level shall be calculated by dividing the difference between the amount of the target level of BDIF funds and the amount of funds recognised as QAFM by the number of years of payment of annual premium contributions until the target level of the BDIF's is reached according to the following formula:

$$ATL = \frac{TLN - QAFM}{n}, \text{ where}$$

ATL is the eligible minimum amount of the total sum of the annual premium contribution to reach the target level of BDIF funds;

TLN is the amount to reach the target level of BDIF funds pursuant to Article 8, paragraph 2;

QAFM is the amount of funds recognised as QAFM;

n is the number of years of payment of annual premium contributions until the target level of the BDIF's funds is reached.

Article 11. (1) The Management Board of the BDIF may set a higher total sum of annual premium contributions than the minimum total sum of annual premium contributions under Article 7, paragraph 1, taking into account both the business cycle stage and the possible procyclical impact of contributions, as well as the individual risk profile of banks and the overall risk of the banking system.

(2) The total sum of annual premium contributions for the current year shall be greater than or equal to the eligible minimum amount of the total sum of the annual premium contribution to reach the target level specified in Article 10.

(3) The Management Board of the BDIF may set a lower total sum of annual premium contributions than the eligible minimum amount under Article 10 after permission by the BNB, taking into account the stage of the business cycle and the possible procyclical impact of contributions, which shall not prevent reaching the target level.

Article 12. (1) Upon reaching the target level of the BDIF funds, the BDIF Management Board may decide that the annual premium contributions shall not be paid for a certain period of time or reduced annual premium contributions shall be paid.

(2) The total sum of the reduced annual premium contributions shall be determined by taking into account the funds required to maintain the target level for BDIF funds and to repay its liabilities, the individual risk profile of banks and the overall risk for the banking system, as the sum of:

1. the difference between the amount of covered deposits at the end of the previous year and the amount of covered deposits at the end of the year preceding it, multiplied by the amount of the target level of BDIF funds;
2. cash outflows that may arise in accordance with Article 8, paragraph 5, multiplied by the reciprocal value of the remaining number of years until their maturity;
3. the funds for the repayment of BDIF liabilities as calculated in accordance with Article 9;
4. the funds reflecting the business cycle stage and the possible procyclical impact of contributions, as well as the individual risk profile of banks and the overall risk for the banking system set by the BDIF Management Board.

Chapter Four
Method For Determining Individual Premium Contributions

Article 13. (1) The risk profile of banks shall be determined on the basis of risk indicators which refer to one of the following risk categories:

1. capital;
2. liquidity and funding;
3. asset quality;
4. business model and management;
5. potential losses for the BDIF.

(2) Risk indicators shall represent financial ratios or qualitative indicators.

Article 14. (1) Risk indicators used for the purposes of determining premium contributions shall include:

1. leverage ratio;
2. Common Equity Tier 1 (*CET1* ratio);
3. liquidity coverage ratio (*LCR*);
4. net stable funding ratio (*NSFR*);
5. non-performing loans ratio (*NPLR*);

6. total risk exposure amount (*TREA*)/Total asset ratio;
7. return on assets (*RoA*);
8. covered deposits growth rate (*CDGR*);
9. liquidity coverage ratio of non-covered deposits (*LCND*);
10. covered deposits/unencumbered assets (*CDUA*).

(2) The distribution of risk indicators under paragraph 1 by risk category and the manner of their calculation is provided in Appendix No 1.

(3) The arithmetic average for risk indicators under paragraph 1, items 1–6 and 8–10 shall be determined for the previous year based on the values of the indicators at the end of each quarter. Individual risk scores of these indicators shall be determined on the basis of averaged values.

(4) The individual risk score of the risk indicator under paragraph 1, item 7 shall be determined as an average weighted value of the corresponding indicator, with a weight of 60 per cent for the previous year and a weight of 40 per cent for the year preceding it.

Article 15. (1) Any bank shall be assigned individual risk scores corresponding to each risk indicator included in the model for calculation of annual premium contributions.

(2) Individual risk scores shall depend on the proportional deviation of the value of a particular indicator from the boundaries of the interval set for it.

(3) When assigning the boundaries of the individual risk indicators, the BDIF shall ensure that individual risk scores of individual banks are sufficiently differentiated in order to avoid that a too significant proportion of banks ends up systematically below or above the upper boundary.

(4) The boundaries under paragraph 2 shall be determined by a decision of the BDIF Management Board, which shall be reviewed periodically every two years, or where necessary and shall be announced on the BDIF's website.

(5) The individual risk scores for risk indicators under Article 14, paragraph 1, items 1–4, 7, 9–10 shall be determined according to the following formula:

$$IRS_j = \begin{cases} 0 & \text{if } \; A_j > a_j \\ 100 & \text{if } \; A_j < b_j \\ \dfrac{a_j - A_j}{a_j - b_j} \times 100, & \text{if } \; b_j \leq A_j \leq a_j \end{cases}, \text{ where}$$

IRS_j is the individual risk score corresponding to the risk indicator *j*;

A_j is the value of the risk indicator *j* for the relevant period calculated in accordance with the instructions in Appendix No 1;

a_j is the upper boundary of the range of the risk indicator *j*;

b_j is the lower boundary of the range of the risk indicator *j*.

(6) The individual risk scores for risk indicators under Article 14, paragraph 1, items 5 and 6 shall be determined according to the following formula:

$$IRS_к = \begin{cases} 100 & \text{if} \quad A_к > a_к \\ 0 & \text{if} \quad A_к < b_к \\ \dfrac{A_к - b_к}{a_к - b_к} \times 100, & \text{if} \quad b_к \le A_к \le a_к \end{cases}, \text{ where}$$

IRS_k is the individual risk score corresponding to the risk indicator *k*;

A_k is the value of the risk indicator *k* for the relevant period calculated in accordance with Appendix No 1;

A_k is the upper boundary of the range of the risk indicator *k*;

B_k is the lower boundary of the range of the risk indicator *k*.

(7) The individual risk scores for the risk indicator under Article 14, paragraph 1, item 8 shall be determined according to the following formula:

$$IRS_m = \begin{cases} 100 & \text{if} \quad A_m \ge a_m \\ 0 & \text{if} \quad \mathrm{A_m} < a_m \end{cases}, \text{ where}$$

IRS_m is the individual risk score corresponding to the risk indicator *m*.

A_m is the value of the risk indicator *m* for the relevant period calculated in accordance with the instructions in Appendix No 1;

a_m is the upper boundary of the range of the risk indicator *m*.

(8) Individual risk scores shall range from 0 to 100 and, irrespective of the nature of individual risk indicators, higher values of the corresponding individual risk scores shall reflect worsening of the bank's risk profile.

(9) For each risk indicator under Article 14, paragraph 1, with the exception of the indicator under item 8, the BDIF Management Board may determine a secondary upper or lower boundary, where the values of the risk indicator for individual banks report a high deviation. For risk indicators under Article 14, paragraph 1, items 1–4, 7 and 9–10 with values above the secondary upper boundary, the individual risk score shall be 100. For risk indicators under Article 14, paragraph 1, items 5 and 6 with values falling below the secondary lower boundary, the individual risk score shall be 100.

Article 16. (1) The aggregate risk score for each bank shall be calculated as an average weighted value of individual risk scores as determined under Article 15.

(2) Percentage shares (weights) of individual risk scores shall be determined in accordance with Appendix No 2.

(3) The aggregate risk score shall range from 0 to 100. Higher values of the aggregate risk score shall indicate a higher risk profile of the bank.

Article 17. (1) An aggregate risk weight, reflecting its risk profile, shall be assigned to each bank.

(2) Aggregate risk weights shall be coefficients used for risk adjustment of premium contributions to the BDIF. Higher aggregate risk weights shall indicate worsening of banks' risk profiles leading to a proportional increase in the premium contribution due.

(3) Aggregate risk weights of banks shall be calculated according to the following formula:

$$ARW_i = \beta \times (\frac{\alpha}{\beta})^{(\frac{ARS_i - \gamma}{\delta - \gamma})}, \text{ where}$$

ARW_i is the aggregate risk weight of bank *i*;

ARS_i is the aggregate risk score of bank *i*;

β is the lower boundary for assigning the aggregate risk weights under the relevant aggregate risk scores equal to 0;

α is the upper boundary for assigning the aggregate risk weights for the relevant aggregate risk score equal to 100;

γ is the actual lower boundary of aggregate risk scores, which shall be converted into β;

δ is the actual upper boundary of aggregate risk scores, which shall be converted into α.

(4) The BDIF Management Board shall set the lower boundary β, the upper boundary α, the actual lower boundary γ and the actual upper boundary δ, subject to the following limitations:

1. the lower boundary β shall be in the range from 50 per cent to 75 per cent;
2. the upper boundary α shall be in the range from 150 per cent to 200 per cent.

(5) The limits and thresholds referred to in paragraph 4 shall be determined by a decision of the BDIF Management Board, which shall be reviewed periodically every two years or, where necessary, published on the BDIF's website.

(6) The BDIF Management Board may set values for β and α beyond the boundaries of paragraph 4 after coordination with the BNB.

(7) The BDIF shall calculate aggregate risk weights of banks and where it has taken a decision under Article 17, paragraph 1 of the Law on Bank Deposit Guarantee to suspend payment of premium contributions.

Article 18. (1) To determine premium contributions due by each banks for a relevant period, the BDIF shall calculate an adjustment coefficient.

(2) The adjustment coefficient shall be the ratio between the amount of covered deposits for the preceding year and the risk-adjusted amount of the total sum of covered deposits for the preceding year.

(3) To determine the annual premium contributions and reduced annual premium contributions, an adjustment coefficient shall be used, which is calculated according to the following formula:

$$\mu = \frac{\sum CD_i}{\sum CD_i \times ARW_i}, \text{ where}$$

μ is an adjustment coefficient;

CD_i is the sum total of covered deposits with bank *i* for the preceding year calculated as an average of the size of covered deposits as of the end of each quarter;

ARW_i is the aggregate risk weight of bank *i*.

(4) To determine the extraordinary premium contributions, an adjustment coefficient μ' shall be used, which is calculated according to the following formula:

$$\mu' = \frac{\sum CD_i'}{\sum CD_i' \times ARW_i'}, \text{ where}$$

μ' is an adjustment coefficient;

CD_i' is the sum total of covered deposits with bank i calculated as an average of the size of covered deposits for the last four quarters preceding the quarter in which the contribution becomes payable, and for which a complete set of updated and validated data for all banks is available in the BDIF under Article 24;

ARW_i' is the aggregate risk weight of bank i calculated upon payment of the last annual premium contributions.

Article 19. (1) The BDIF shall set the amount of the annual premium contribution or reduced annual premium contribution due by each bank according to the following formula:

$$C_i = CR \times CD_i \times ARW_i \times \mu, \text{ where:}$$

C_i is the annual premium contribution of bank i;

CR is the contribution rate under Article 4;

CD_i is the sum total of covered deposits with bank i for the preceding year calculated as an average of the size of covered deposits as of the end of each quarter;

ARW_i is the aggregate risk weight of bank i;

μ is an adjustment coefficient which is computed under the procedure of Article 18, paragraph 3.

(2) In determining annual premium contributions of banks, the BDIF Management Board shall include in the formula of their calculation the adjustment coefficient μ where this coefficient calculated under Article 18, paragraph 3 is higher than one. Where the adjustment coefficient μ is less than one, the BDIF Management Board may take a decision to exclude the adjustment coefficient.

Article 20. (1) The BDIF Management Board shall calculate the extraordinary premium contribution due by each bank according to the following formula:

$$C_i' = CR' \times CD_i' \times ARW_i' \times \mu', \text{ where}$$

C_i' is the annual extraordinary premium contribution of bank i;

CR' is the extraordinary contribution rate under Article 4;

CD_i' is the sum total of covered deposits with bank i calculated as an average of the size of covered deposits for the last four quarters preceding the quarter in which the contribution becomes payable, and for which a complete set of updated and validated data for bank i is available in the BDIF under Article 24;

ARW_i' is the aggregate risk weight of a bank i calculated upon payment of last annual premium contributions;

μ' is an adjustment coefficient which is computed under the procedure of Article 18, paragraph 4.

(2) In determining extraordinary premium contributions of banks, the BDIF Management Board shall include in the formula of their calculation the adjustment coefficient μ' computed under Article 18, paragraph 4.

(3) Where the Management Board of the BDIF decides to collect extraordinary premium contributions prior to the payment of premium contributions for the current year, it may decide that the adjustment coefficient determined in accordance with Article 18, paragraph 4 and the contributions under paragraph 1 shall be calculated on the basis of the aggregate risk weights of the previous year.

Article 21. (1) Where a bank fails to provide the BDIF with the information required under Article 24, the BDIF may use its own assessments to calculate the average amount of covered deposits and eligible deposits with that bank.

(2) In establishing inaccuracies in the calculated annual premium contributions, reduced premium contributions or extraordinary premium contributions as determined under Articles 19 and 20, the BDIF shall adjust the premium contributions in accordance with the updated information.

(3) Adjustments to an annual premium contribution, a reduced annual premium contribution or an extraordinary premium contribution may be made within two years of their determination. An adjustment may also be made for a period exceeding two years by a decision of the Management Board of the BDIF.

(4) After the recalculation of the annual premium contributions, the reduced annual premium contributions or the extraordinary premium contributions of banks on the basis of the information adjusted pursuant to paragraphs 2 and 3, the Management Board of the BDIF shall, depending on the established inaccuracy, take one of the following decisions:

1. to deduct from the following annual premium contribution the net amount overpaid by the bank of the annual premium contribution, the reduced annual premium contribution or the extraordinary premium contribution; or

2. to oblige the bank to pay with the following annual premium contribution the difference between the due and really paid annual premium contribution, reduced annual premium contribution or extraordinary premium contribution.

(5) The total sum of annual premium contributions or reduced annual premium contributions due by banks, as determined in accordance with Article 2, and the total sum of extraordinary premium contributions due by banks, as determined in accordance with the procedure under Article 3, shall not be adjusted.

(6) In the event of a change in the thresholds referred to in Article 15, paragraph 3 and Article 17, paragraph 4, no adjustment shall be made to the calculated annual premium contributions, reduced premium contributions or extraordinary premium contributions determined under Articles 19 and 20.

Chapter Five
Extraordinary Premium Contributions

Article 22. If necessary, extraordinary premium contributions shall be determined in accordance with Article 18, paragraph 1 of the LBDG.

Article 23. (1) The Fund shall inform the BNB of the amount of the extraordinary premium contribution due by each bank within no more than two business days after taking the decision.

(2) The Bulgarian National Bank shall inform the Fund of the decisions under Article 18, paragraph 4 of the LBDG.

Chapter Six
Exchange of Information

Article 24. The Fund shall, within the period referred to in Article 2, paragraph 3, provide each bank with information on:

1. the total sum of premium contributions;
2. the rate of premium contributions;
3. the aggregated risk weight;
4. the value of the adjustment coefficient;
5. the amount of the bank's premium contribution.

Article 25. The Bulgarian National Bank shall provide the BDIF with the necessary information for determining the risk indicators set out in Appendix No 1.

Article 26. Banks shall provide the Fund with information on:

1. the amount of covered deposits and the number of guaranteed depositors as of the end of each month: by the 20th day of the following month;
2. the structure of deposits with the bank as of the end of each quarter: within 20 days after the end of the relevant quarter;
3. eligible deposits as of the end of each month: by the 20th day of the following month.

Article 27. (1) The BDIF shall submit to the BNB information on the total sum of annual premium contributions, reduced annual premium contributions or extraordinary premium contributions within two working days of their determination.

(2) The BDIF shall provide the information under Article 24, items 3, 4 and 5 to the BNB on its own initiative or upon request.

(3) The BDIF may provide the information referred to in paragraph 1 to the European Banking Authority and to the Single Resolution Board on its own initiative or upon request.

Chapter Seven
Collection of Contributions

Article 28. In case of non-payment of a contribution within the specified deadline, the default interest shall be charged on the amount due for the period of delay, effective as of the day following the last day for payment of the contribution until its final payment and shall represent the statutory interest on overdue liabilities as determined by a decree of the Council of Ministers.

Article 29. (1) If a bank fails to execute a supervisory measure imposed under Article 16, paragraph 2 of the LBDG, the BDIF shall, with the express consent of the BNB, give one month's notice to the bank with an instruction that in the event of non-payment of the contribution due and default interest, the bank will be excluded from the deposit guarantee system in the Republic of Bulgaria.

(2) A copy of the notice under paragraph 1 shall be promptly submitted to the BNB.

(3) If the bank fails to comply within the period of notice under paragraph 1 with its obligation to pay the premium contribution required together with the statutory interest accrued, the BDIF Management Board shall take a decision to exclude the bank from the deposit guarantee system in the Republic of Bulgaria and notify the BNB and the bank of its decision.

(4) On the day when the decision under paragraph 3 was taken or at the latest on the following business day, the BDIF and the BNB shall publish on their websites a communication about the exclusion of the bank from the deposit guarantee system in the Republic of Bulgaria.

(5) The communication under paragraph 4 shall specify the date with effect from which the bank is excluded from the deposit guarantee system in the Republic of Bulgaria, the measures taken by the BNB, as well as information that all deposits available as of the date of exclusion of the bank from the deposit guarantee system will continue to be guaranteed by the BDIF.

Article 30. The bank which is excluded from the deposit guarantee system in the Republic of Bulgaria in accordance with the procedure laid down in Article 16, paragraph 4 of the LBDG shall immediately notify depositors thereof and publish a communication on its website.

Article 31. To comply with the requirements of Article 16, paragraph 5 of the LBDG on guaranteeing deposits available as of the date of exclusion of the bank from the deposit guarantee system in the Republic of Bulgaria, the BDIF shall request from the bank the information under Article 30, paragraph 2 of the LBDG as of the date of exclusion.

Additional Provision

§ 1. Within the meaning of this Ordinance:

1. 'Banks' shall be the entities under Article 1, paragraphs 2 and 3 of the Law on Bank Deposit Guarantee.

2. 'Other available financial means' shall be all available financial means of the BDIF which are not qualified available financial means (*e.g.* borrowed funds).

3. 'Tier 1 capital' shall mean Tier 1 capital within the meaning of Article 25 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Regulation (EU) No 575/2013) (OJ, L 176/1 of 27 June 2013).

4. 'Qualified Available Financial Means (QAFM)' shall mean all available financial means which are paid up by participating banks in the deposit guarantee system in the Republic of Bulgaria or which are a result from such paid up means.

5. 'Liquid assets' shall be the assets within the meaning of Commission Delegated Regulation (EU) No 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to liquidity coverage requirement for credit institutions (OJ, L 11/1 of 17 January 2015).

6. 'The total sum of annual premium contributions, shall be the amount determined by the Management Board of the BDIF for the current year that is greater than or equal to the eligible minimum amount of the total sum of the annual premium contribution with a view to reaching the target level, except for Article 11, paragraph 3.

7. 'Total risk exposure' shall mean the total risk exposure within the meaning of Article 92(3) of Regulation (EU) No 575/2013.

8. 'Eligible deposits' shall mean deposits as defined in § 1, item 5 of the Additional Provisions of the LBDG.

9. 'Leverage ratio' shall mean the leverage ratio as defined in Article 429 of Regulation (EU) No 575/2013.

10. 'Liquidity coverage ratio (LCR)' shall mean a liquidity coverage requirement within the meaning of Article 412 of Regulation (EU) No 575/2013.

11. 'Net stable funding ratio (NSFR)' shall mean the ratio as defined in Title IV of Regulation (EU) No 575/2013.

12. 'Unencumbered assets' shall be a concept within the meaning of Article 411(5) of Regulation (EU) No 575/2013.

13. 'Common Equity Tier 1 ratio (CET1)' shall mean the Common Equity Tier 1 ratio within the meaning of Article 92(2)(a) of Regulation (EU) No 575/2013.

14. 'Non-performing loans ratio (NPLR)' shall mean the ratio within the meaning of Article 11(2)(g)(ii) of Commission Implementing Regulation (EU) 2021/451 of

17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ, L 97 of 19 March 2021).

15. 'Target level of BDIF funds' shall be the percentage ratio of the funds available with the BDIF to the amount of covered deposits to be reached pursuant to Article 17, paragraph 4 and § 8 of the Transitional and Final Provisions of the LBDG.

Transitional and Final Provisions

§ 2. This Ordinance shall repeal Ordinance No 30 of 2016 on Calculation of the Amount and Collection of Premium Contributions Due by Banks under the Law on Bank Deposit Guarantee (published in the Darjaven Vestnik, issue 10 of 2016; amended, Darjaven Vestnik, issue 2 of 2019).

§ 3. Within four months of the entry into force of this Ordinance, the Management Board of the Fund shall decide on setting the thresholds referred to in Article 15, paragraph 4 and Article 17, paragraph 5.

§ 4. For the purposes of calculating annual premium contributions, reduced annual premium contributions and extraordinary premium contributions, the aggregate risk weights of bank branches with head offices registered in a third country that have been licensed to operate in the Republic of Bulgaria shall be deemed to be equal to 1.

§ 5. The Fund, in cooperation with the BNB, shall, at least every five years and prior to the regular quinquennial review of the Guidelines on methods for calculating contributions to deposit guarantee schemes under Directive 2014/49/EU (EBA/ GL/2023/02), compare the results of the implementation of this Regulation with the risk assessment carried out in the framework of the supervisory review and evaluation process under Article 79c of the Law on Credit Institutions. The Bulgarian National Bank, in cooperation with the Fund, shall inform the European Banking Authority of the overall result of the implementation of this Ordinance, the risk assessment and the non-compliances identified.

§ 6. This Ordinance is issued on the grounds of Article 14, paragraph 4 and Article 16, paragraph 6 of the Law on Bank Deposit Guarantee and is adopted by Resolution No 422 of the BNB Governing Council of 11 September 2024.

§ 7. The Bulgarian National Bank shall issue instructions on the implementation of this Ordinance upon a motion of the Management Board of the Fund.

Appendix No 1
to Article 14, paragraph 2

1. Capital:
   1.1. Leverage ratio
   1.2. Common Equity Tier 1 capital (CET1 ratio)

2. Liquidity and funding:
   2.1. Liquidity coverage ratio (LCR)
   2.2. Net stable funding ratio (NSFR)

3. Asset quality:
   Non-performing loans ratio (NPLR)
4. Business model and management:
   4.1. Total risk exposure amount (TREA)/Total asset ratio

$$\text{TREA} = \frac{\text{Total risk exposure amount}}{\text{Total assets}}$$

   4.2. Return on Assets (RoA):

$$\text{RoA} = \frac{1/2 \text{ x Sum of net income at the end of the preceding two years}}{1/4 \times \text{Sum of total assets at the end of each quarter for the last four quarters}}$$

   4.3. Covered deposits growth rate (CDGR):

$$\text{CDGR} = \frac{\text{Sum of covered deposits growth rate at the end of each quarter of the year}}{4}$$

4.4. Liquidity coverage ratio of non-covered deposits (LCND):

$$\text{LCND} = \frac{\text{Liquid assets}}{\text{Eligible deposits} - \text{Covered deposits}}$$

5. Potential losses for the BDIF:
   Covered deposits/unencumbered assets (CDUA):

$$\text{CDUA} = \frac{\text{Covered deposits}}{\text{Unencumbered assets}}$$

Appendix No 2
to Article 16, paragraph 2

Table of the Weights Used in the Aggregate Risk Assessment

No	Risk category/risk indicator	Weight
1.	**Capital**	**24.00%**
1.1.	Leverage Ratio	12.00%
1.2.	Common Equity Tier 1 (CET1 ratio):	12.00%
2.	**Liquidity and funding**	**18.00%**
2.1.	Liquidity Coverage Ratio (LCR)	6.00%
2.2.	Net Stable Funding Ratio (NSFR)	12.00%
3.	**Asset quality**	**15.00%**
	Non-performing Loans Ratio (NPLR)	15.00%
4.	**Business model and management**	**26.00%**
4.1.	Total Risk Exposure Amount (TREA)/Total Asset Ratio	6.00%
4.2.	Return on Assets (RoA)	12.00%
4.3.	Covered Deposits Growth Rate (CDGR)	5.00%
4.4.	Liquidity Coverage Ratio of Non-covered Deposits (LCND)	3.00%
5.	Potential losses for the BDIF	17.00%
	Covered deposits/unencumbered assets (CDUA)	17.00%