

VIII. FINANCE

Data in chapter 'Finance' are systematized in six sub-chapters: State Finances, Finance of Enterprises in the Nonfinancial Sector, Financial Institutions, Money and Credits, Balance of Payments and Insurance.

Sub-chapter 'State Finances' is worked out on the ground of data, received from the Ministry of Finance.

Data about consolidated state budget of the Republic of Bulgaria are published since 1995. The republican budget, budget of the social insurance and budget of the judiciary power are approved with the Law for the State Budget for 1995. Data for the cash realization of State Budget are published up to 1994.

Sub-chapter 'Finance of Enterprises in the Nonfinancial Sector' contains data collected by National Statistical Institute, based on the book-keeping reports. Data are obtained from nonfinancial state, municipal, co-operative and private enterprises.

The number of enterprises as of 31.12. (Table 5) includes enterprises with double-entry book-keeping which have presented annual accounting reports.

Some of the totals are not equal to the sum of the constituent components because of the procedures of rounding of the figures.

Sub-chapter 'Financial Institutions' is worked out on the base of information from the Bulgarian National Bank (BNB).

The number of financial houses (Table 9) includes all financial houses which present annual accounting report in BNB.

The number of commercial banks includes State Savings Bank.

Sub-chapter 'Money and Credits' is worked out on the base of information from BNB.

Money supply (Table 16) is a general indicator, which characterizes the condition of monetary circulation and that of financial system. It is a sum of high-powered money, which influence directly on monetary circulation, the so called 'narrow money' (monetary aggregate M1), potential (quasi) money and special deposits.

Narrow money - money aggregate M1, includes money outside banks (money in circulation) and demand deposits.

The indicator 'money outside banks' is set up as a difference between money, issued by BNB during the year, and commercial banks' cash.

Demand deposits are all deposits, payable on demand, transferable by check, or otherwise usable in making payments without any restrictions or penalties.

Potential (quasi) money are liabilities of the monetary system, not directly usable as means of payment at a given moment, but are monetary potential, that in future may be found under certain circumstances in the sphere of monetary circulation. Savings and time deposits, as well as foreign currency deposits are included in this group.

Savings deposits are interest-earning, nontransferable deposits. They are protected by law from eventual bankruptcy.

Time deposits are deposits at the financial institutions for a fixed term. Time deposits are also deposits that can be withdrawn after a specified period of notice. The period of notice is defined in the deposit contract.

Foreign currency deposits are all deposits of residents, denominated and payable in foreign currency, regardless of their kind and maturity.

Notes and coin issue (Table 17) include BNB's, commercial banks', post offices' and insurance companies' cash, nonfinancial enterprises' and other organizations' cash and money in households.

Nominal and real interest rates of time deposits with one-month maturity and short-term credits are calculated by the Bulgarian National Bank (Tables 22, 23, 24 and 25). Real interest rates are calculated according to the formula:

$$R(r) = \frac{R(n) - CPI}{1 + CPI}$$

where

$R(r)$ - real interest rate

$R(n)$ - nominal interest rate

CPI - consumer price index

Sub-chapter 'Balance of Payments' is based on data from BNB. The published data are different from those in previous issues because of changes in the methodology of calculation.

In the sub-chapter 'Insurance' are used data collected by the National Statistical Institute. The information is obtained from the insurance companies which have presented annual accounting reports.