

Bulgarian Banks ‘Much Better’ Than Before KTB Crisis-Prof Hanke

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Bulgaria's banking system is "stronger" now than it was before the crisis at collapsed **Corporate Commercial Bank (Corpbank or KTB)**, Prof **Steve Hanke** has opined.

Further consolidation of the system should be expected, the Bulgarian National Radio quotes him as saying in an interview.

However, he has warned that stricter oversight on banks has also caused shrinkage in lending, and it has become "very difficult" to take out a loan in Bulgaria.

KTB, formerly Bulgaria's fourth-largest lender, was shut down and placed under supervision from central bank **BNB** after being exposed to a bank run in June of last year. Months later it was declared insolvent.

The professor has added that, severe as the crisis in Greece still is, it might have a positive effect on Bulgaria by making it a more attractive place for doing business compared to its southern neighbor.

Hanke is a Professor of Applied Economics at the Johns Hopkins University in Baltimore and a Senior Fellow at the Cato Institute in Washington.