

# Commercial Banks in Bulgaria

April – June 2005



BULGARIAN  
NATIONAL  
BANK



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# I. State of the Banking System

(second quarter of 2005)

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## 1. Introduction

This report includes analyses of major trends in the banking system during the second quarter of 2005. Monthly and quarterly supervisory reports and on-site inspection and special supervision findings form the basis of analysis. A package of statistical statements containing data on the quality of loans and strength of the capital position and on the foreign currency risk and liquidity was applied. The risk profile of the banking system and that of individual banks was determined using the CAMELS/CAEL valuation system. Complex CAMELS ratings are assigned as part of full supervisory inspections (once each 12 to 18 months), and ratings on four of the components (C: capital, A: asset quality, E: earnings, L: liquidity) are assigned quarterly. CAEL ratings indicate current fluctuations in the finances and risk profile of individual banks. Early full supervisory inspections are initiated where serious indications of negative trends emerge.

*The approach to preparing figures by bank, group of banks, and the banking system includes **computing medians for all individual ratios in addition to computing average values (for the banking system)**. This helps avoid 'contaminating' average values by the weights set for individual banks and presents a more complete picture of developments in each bank.*

The classification of commercial banks into three groups was retained: Group I with the ten largest banks, Group II with 19 medium- and small-sized banks, and Group III with foreign bank branches. This focuses greater attention to processes in the groups which form the banking system, and pinpoints similarities and differences in institutions which have less influence within the banking system. The classification is *only for analytical purposes* and relates directly to the *average values or medians for any individual bank group* introduced by the new Uniform Bank Performance Report (UBPR). The larger number of banks in each group allows for more precise computation of medians while offsetting acute fluctuations at individual banks (acute fluctuations are taken into account in analysing the profiles of relevant banks, and their significance for the bank group or banking system is not underestimated.)

## 2. The Banking System

### 2.1. Structure, Changes and Trends

By the end of June *total assets* of the banking system reached BGN 27,926,520 thousand, posting an increase of 38.97 per cent (BGN 7,830,505 thousand in absolute terms) on June 2004.<sup>1</sup> As a result of BNB measures to curb credit expansion, in the second quarter of 2005 assets decreased by BGN 1,146,759 thousand (-3.94 per cent) on March 2005. The comparison between June and April data (due to the unrealistic March data) shows a slight growth in the system's balance sheet figure by 1.5 per cent (BGN 420 million). Between March and June 18 banks reported asset contraction, while between April and June the same process occurred in ten banks only.

<sup>1</sup> Asset growth between June 2003 and June 2004 was 30.84 per cent or BGN 4,736,264 thousand.

Chart 1

Dynamics of Major Balance Sheet Aggregates

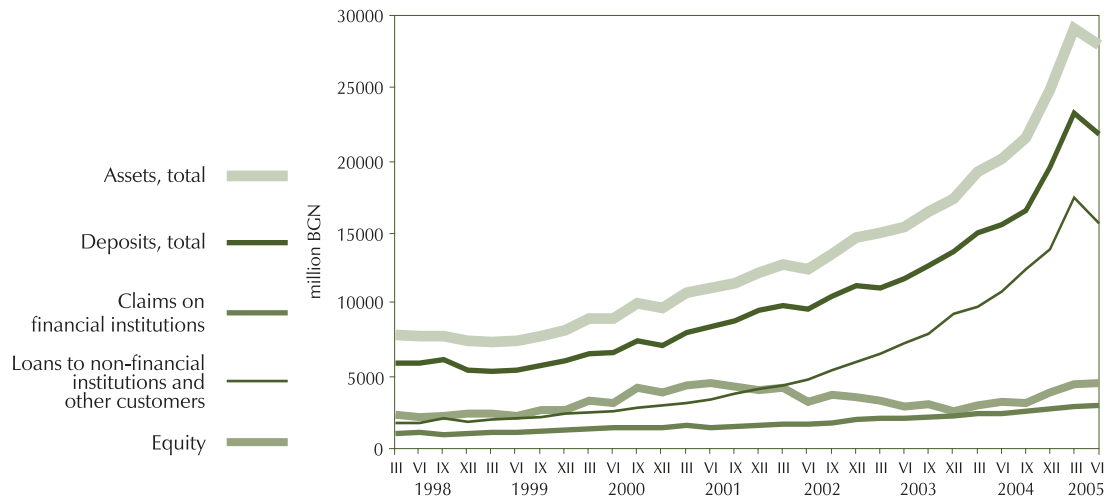
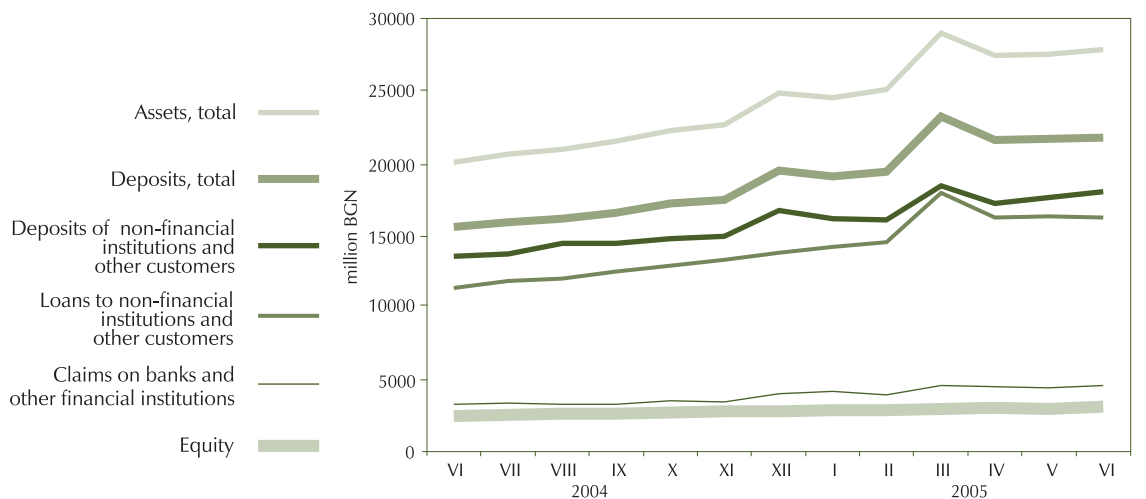


Chart 2

Dynamics of Major Balance Sheet Aggregates



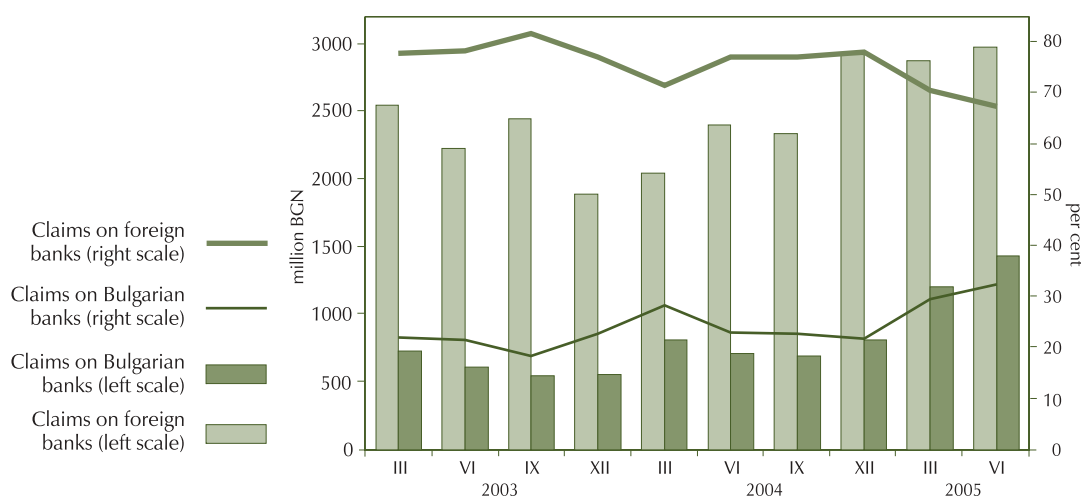
In the period under review changes in commercial bank balance sheet aggregates were as follows: by end-June 2005 *cash* went up by BGN 303 million or 13 per cent on March reaching a 9.57 per cent share in the system's assets (7.66 per cent a year earlier). In a one-year horizon a 74 per cent growth was reported although the amount was considerably smaller than that of the other balance sheet aggregates (BGN 1133 million). In the second quarter the dynamics of this aggregate's values was determined by the dramatic rise in cash in Group I banks (19.85 per cent), while in Group II banks and foreign bank branches a fall was reported (4.33 per cent and 9.40 per cent respectively).

Over the last twelve months *net claims on financial institutions* picked up by BGN 1265 million or 39 per cent, with their share in assets remaining unchanged (16 per cent). In the second quarter this balance sheet aggregate did not undergo any considerable changes: growth in half of the banks was

offset by falls in other banks resulting in a total change of BGN 28 million (under 1 per cent). Since end-2004 a clearly outlined process of increasing amount and share of placements with local banks has been showing, with sustained placements with foreign institutions (Chart 3). *The possibilities of using this resource's capacity as a lending instrument are strongly restricted by the provisions of Ordinance No. 21; therefore, no considerable fluctuations in this aggregate's values are expected in the next few quarters.*

Chart 3

### Claims on Financial Institutions



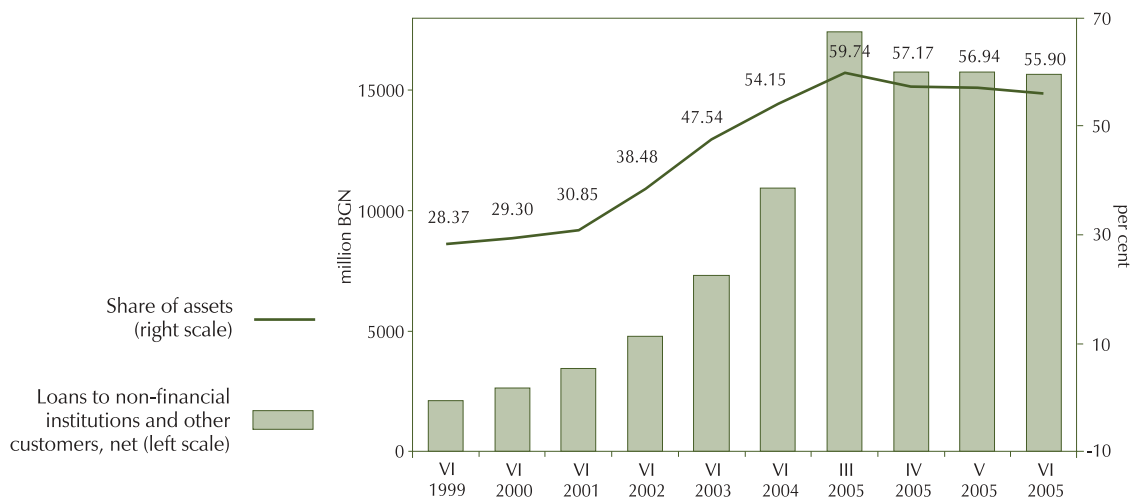
Assets in trading portfolio posted the smallest increase within the last twelve months: BGN 125 million or 9 per cent reflecting to a certain extent the significant decrease in this portfolio in the review quarter (by 16 per cent or BGN 303 million). The three bank groups reported a reduced portfolio. This led to a decrease in its share in the system's assets from 6.5 per cent as of March to 5.68 per cent as of June. The changes in the trading portfolio structure within the quarter were included: the sale of securities of issuers from the list under Appendices 1 and 2 of BNB Ordinance No. 8, as well as of issuers outside this list, accompanied by growing investments in Bulgarian government securities, prompted the significant change in the ratio between securities of local and foreign issuers. As of March this ratio was close to that in the first six months of 2004 (82 per cent to 18 per cent in favour of the foreign issuers' securities), while by June 2005 the share of foreign securities was just 9 per cent (the ratio was 91 per cent to 9 per cent). This did not lead to any dramatic changes in the portfolio currency structure: half of the securities continued to be denominated in local currency but the ratio between the euro and other currencies was changed: it fell from 73 against 27 per cent by end-March to 51 against 49 per cent by end-June.

As a result of the above-mentioned trading portfolio asset transformation, by the end of the half-year *investment portfolio* grew by BGN 571 million (34 per cent). Its share in the system's assets also grew from 5.82 per cent by March to 8.10 by June. In a one-year horizon this portfolio grew by BGN 428 million (23 per cent), with Group I banks contributing most to this. In spite of the fact that investments held to maturity continued to prevail in the investment portfolio structure, their share decreased from 68 per cent by March to 53 per cent by June at the expense of investments available for sale. Securities of local issuers still comprised more than half of the banking investment portfolio.

However, during the review period the share of securities of foreign issuers slightly rose from 33 per cent by March to 42 per cent by June. Portfolio's currency structure also changed: while by March BGN-denominated government securities prevailed (38 per cent of the total securities in the portfolio), by June they comprised one third of the portfolio against the 38 per cent share of EUR-denominated securities.

Chart 4

#### Loans to Non-financial Institutions and Other Customers



Banks' credit portfolio declined for the first time since 1998 although this was due to factors related mostly to BNB measures curbing credit expansion rather than to banks' policy of credit restrictions. Between 31 March and 30 June 2005 gross loans decreased by BGN 1718 million (a 9.59 per cent fall). After reporting allocated provisions they went down by BGN 1758 million. By end-April loans fell by BGN 1643 million. By end-May they grew by BGN 24 million and by end-June they decreased by BGN 98 million (Chart 5). All three bank groups reduced their portfolios, with Group I banks reporting the largest fall (BGN 910 million, 7 per cent), followed by foreign bank branches (BGN 480 million, 34 per cent) and Group II banks (BGN 329 million, 9 per cent). By end-June commercial loans declined by BGN 2246 million, while housing loans and consumer loans continued to grow steadily: the former rose by BGN 276 million (22 per cent) and the latter by BGN 313 million (10 per cent). These processes led to another decrease in the share of commercial loans in banks' portfolios from 70 per cent as of June 2004 to 65 per cent as of June 2005, while housing loans grew from 5 per cent to 9 per cent and consumer loans from 20 per cent to 22 per cent over the same period.

Between June 2004 and June 2005 banks' credit portfolio increased by BGN 4905 million (43.49 per cent). This growth was greater than the amount of all loans as of the first six months of 2002 (BGN 4769 million). It should be noted that in the last three twelve-month periods a slowdown in credit growth was reported. Between June 2002 and June 2003 they grew by 49.5 per cent annually, between June 2003 and June 2004 by 48 per cent and in the review period by 43 per cent.<sup>2</sup> Over the

<sup>2</sup> The slowdown in credit growth over the periods under review reflects the permanently increasing credit portfolio which serves as a basis for loan growth calculation. The absolute portfolio growth between June 2002 and June 2003 was BGN 2525 million, between June 2003 and June 2004 BGN 3653 million and between June 2004 and June 2005 BGN 4905 million.

last twelve months developments were most dynamic in housing mortgage loans extended to individuals which went up 2.5 times (BGN 915 million), followed by consumer loans which grew by 57 per cent (BGN 1284 million) and commercial loans by 33 per cent (BGN 2642 million).

Chart 5  
Loans Dynamics

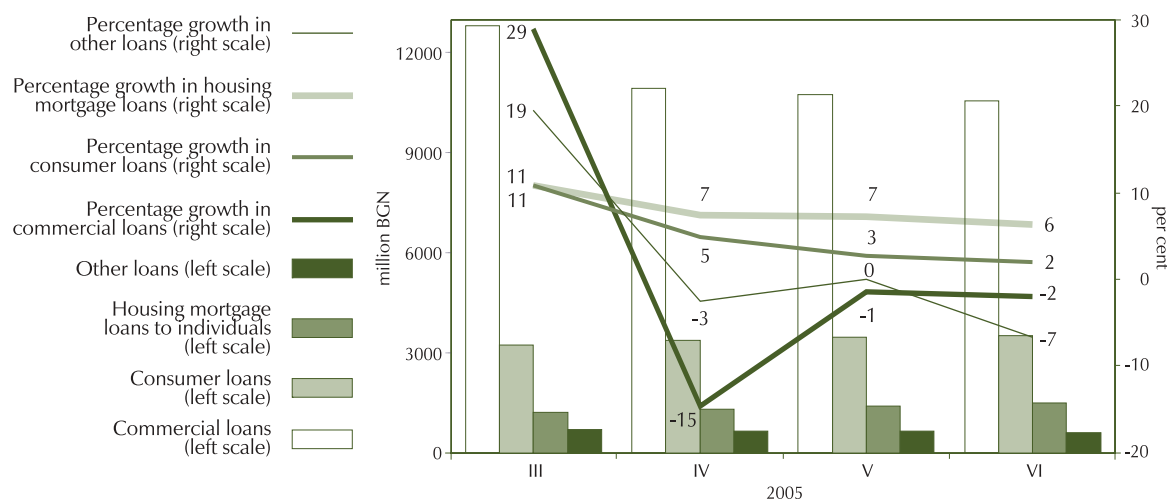
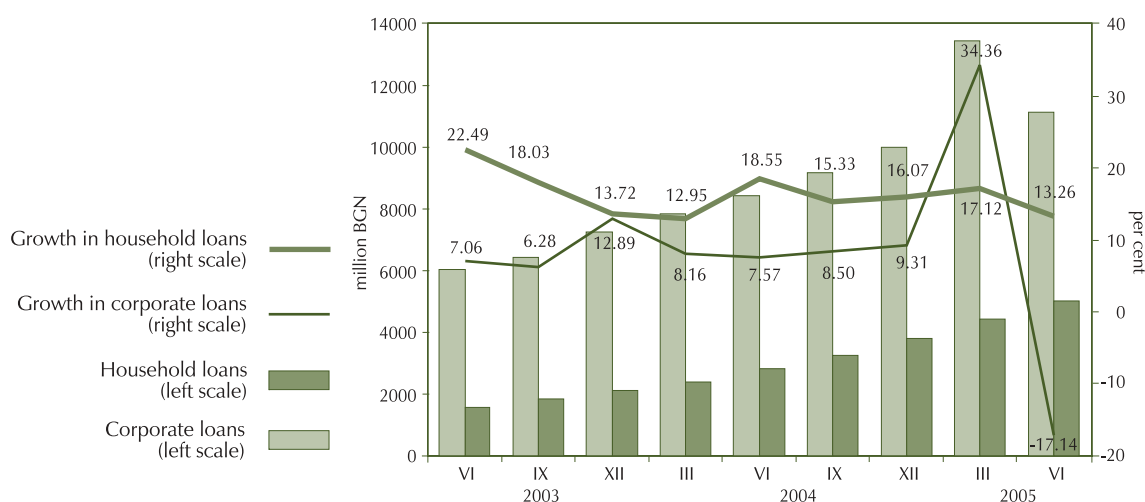


Chart 6

Dynamics of Corporate and Household Loans\*



\* Corporate loans include commercial loans, loans to the budget, agricultural loans and other loans, while household loans include consumer loans and housing mortgage loans.

**Measures taken by the BNB to curb lending affected loan growth rates in the second quarter. Most banks managed to comply with statutory regulations and reached lower than projected credit portfolio levels.** By end-June only five banks exceeded the limits provided for in Ordinance No. 21 and paid in additional reserves to the amount of BGN 235,848 thousand. *Based on the processes observed in the*

second quarter, it can be suggested that in the next two quarters of 2005 banks will continue to comply with imposed measures and will not allow considerable excesses of the limits provided for in the Ordinance. Housing and consumer loans are expected to increase at rates similar to the present ones amid great demand in these segments and comparatively small amounts which would not require depositing additional reserves by banks.

*Banks' motivation to develop their consumer and housing mortgage portfolios was based on market behaviour. However, according to the BNB, part of the arguments for enhanced lending to individuals was prompted by the expected more favourable treatment of such exposures in the context of the New Capital Accord (Basle II) and the respective banking legislation. Banks seem to neglect the central bank's warning contained in the prescriptive documents sent to them that risk weights of small and mortgage exposures, as well as criteria for forming such portfolios will probably be raised.*

## 2.2. Liabilities and Equity Structure

The dramatic deposit base contraction compared with the first quarter (by BGN 1445 million, or 6 per cent) reflected the March transformation of resources received mainly from abroad into loans and their repayment in the second quarter. Frozen funds on extended loans reported as deposits of non-financial institutions by which the deposit base was fictitiously raised were another factor affecting deposit growth in the second quarter. In a one-year horizon deposits went up by BGN 6220 million (40 per cent), non-financial institutions' deposits contributing most to this: BGN 4475 million (33 per cent) against a BGN 1745 million (86 per cent) increase in deposits of financial institutions.

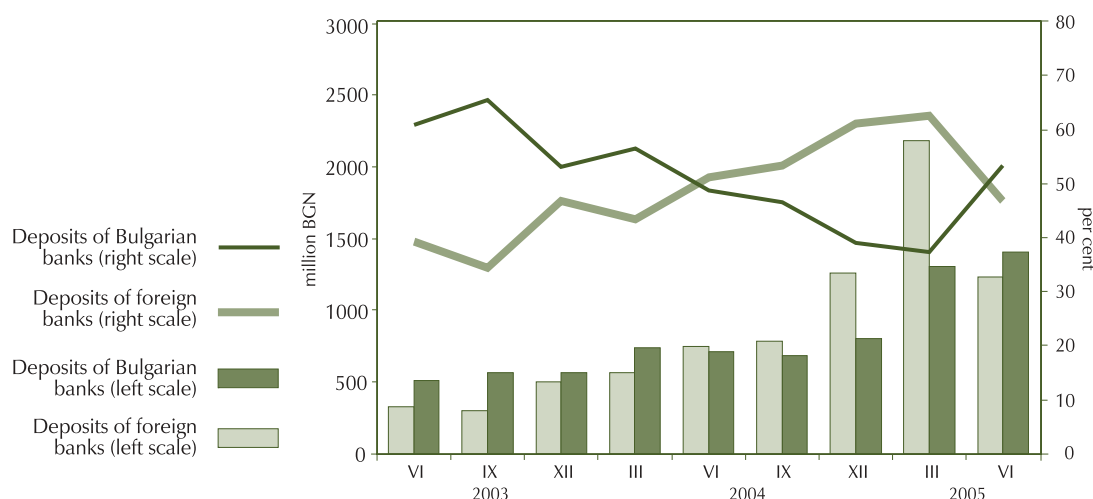
All three bank groups registered a reduction in *deposits of financial institutions* amounting to BGN 988 million at the system level, with 11 banks reporting a rise in this resource. For the first time since March 2004 the amount of deposits with local banks exceeded that of deposits with foreign banks. Over the second quarter deposits with foreign banks decreased by BGN 944 million, while deposits with local banks increased by BGN 106 million (Chart 7).<sup>3</sup>

The dynamics shown by deposits of *non-financial institutions and other customers* was similar to that of financial institutions' deposits: they reported a fall of BGN 456 million (2.47 per cent) prompted by these resources' dramatic decline of BGN 525 million (41 per cent) in foreign bank's branches and of BGN 119 million (3 per cent) in Group II banks. Over the period between June 2004 and June 2005 deposits in the system picked up by BGN 4475 million (33 per cent). As regards currency structure, over the last twelve months the increase in deposits in levs ranked first (BGN 2578 million, 41 per cent) followed by those in euro (BGN 1739 million, 45 per cent); the growth in deposits in other currencies was insignificant (BGN 157 million, 5 per cent.). With a view to deposits' internal structure, time deposits contributed most to the increase (BGN 2111 million, 34 per cent), followed by demand deposits (BGN 1933 million, 36 per cent) and savings deposits (BGN 431 million, 23 per cent).

<sup>3</sup> In fact, the amount of foreign deposits is greater since by end-June the amount of other financial institutions' deposits was almost one third of the total amount of financial institutions' deposits and probably a considerable portion of it was due to foreign institutions' deposits.

Chart 7

## Dynamics of Financial Institutions' Deposits



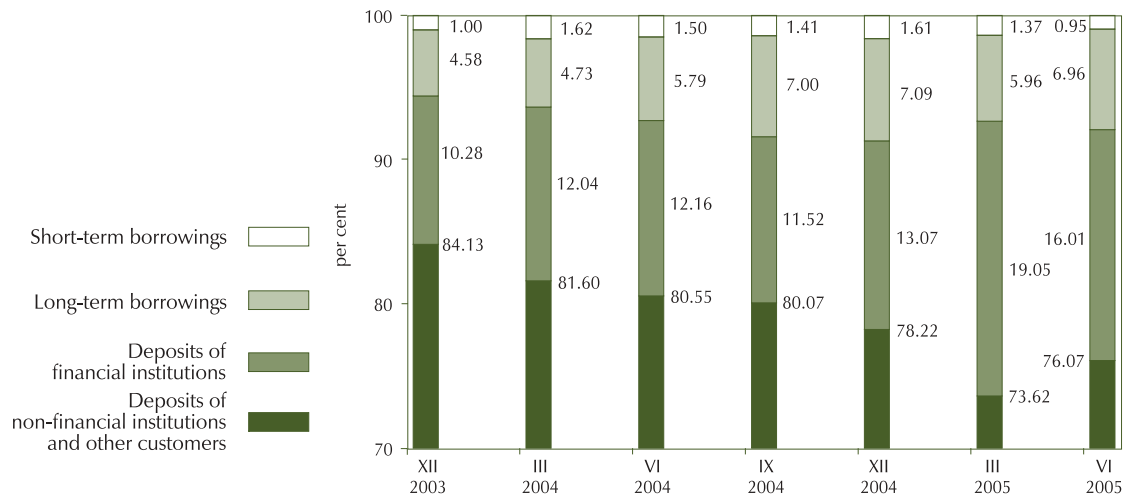
By end-June the system's *short-term funds* declined by BGN 118 million (34 per cent). As a share of borrowed funds, short-term resources decreased to 0.95 per cent against 1.36 per cent by March 2005 and 1.50 per cent a year earlier. The only borrowed resources which continued to rise in the second quarter were the *long-term borrowed resources*: BGN 154 million or 10.33 per cent. Over the review quarter its share in total borrowed funds rose by 1 percentage point to 6.96 per cent. The increase in these resources by BGN 675 million over the last twelve months was greater than the growth rate of banks' capital over the same period (BGN 598 million) indicating their role for financing asset growth. By the end of the first half of 2005 *total financing funds (excluding capital)* came to BGN 23,640,992 thousand which was BGN 1,608,808 thousand less than in the previous quarter. Between June 2004 and June 2005 funds picked up by BGN 6,869,373 thousand or 41 per cent.

By the end of the half-year resources attracted from abroad decreased by BGN 853 million (25 per cent), while resources attracted from local banks fell by BGN 99 million (3 per cent). As a result, the ratio between resources attracted from local banks and that from foreign institutions increased (from 48 against 52 per cent as of March to 54 against 46 per cent as of June). So far, there have been no indications of a reversal in financing asset growth by domestic resources. Under the present conditions of restricted lending no considerable resources from abroad are expected.

In the second quarter banking system's *equity* grew by BGN 112 million (3.85 per cent) reflecting mostly the profit increase of BGN 149 million and the paid-in shareholder capital increase of BGN 30 million.<sup>4</sup> Between June 2004 and June 2005 equity went up by 25 per cent (BGN 598 million), posting the highest growth in this aggregate since 1998. Three banks reported real rises in their paid-in shareholder capital.

<sup>4</sup> In reviewing this aggregate, it should be borne in mind that as of 30 June 2005 the International Bank for Trade and Development is excluded from computations due to revocation of its licence.

Chart 8  
Total Funds



### Proprietorship Changes

No significant proprietorship changes were reported over the second quarter of 2005.

### 2.3. Dynamics of Major Balance Sheet Aggregates by Bank Groups

Chart 9  
Market Shares of Bank Groups as of June 2004

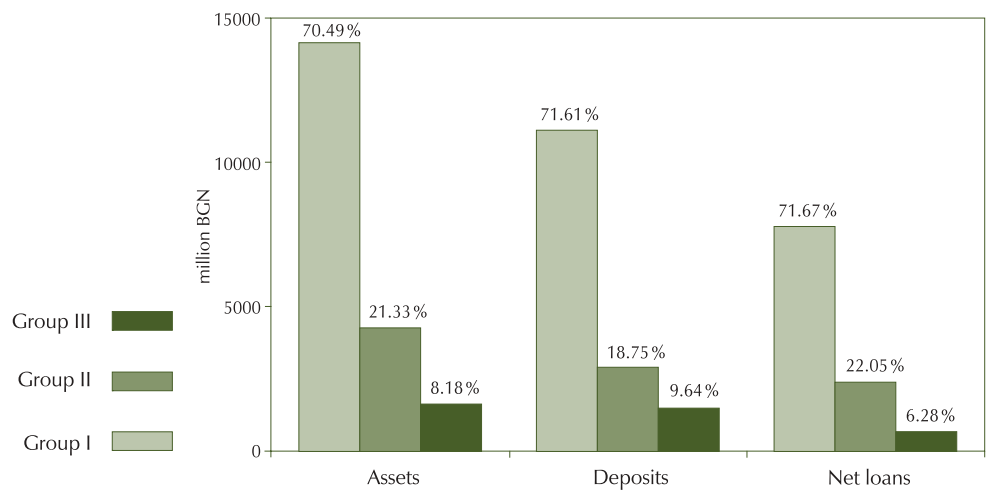




Chart 10

## Market Shares of Bank Groups as of March 2005

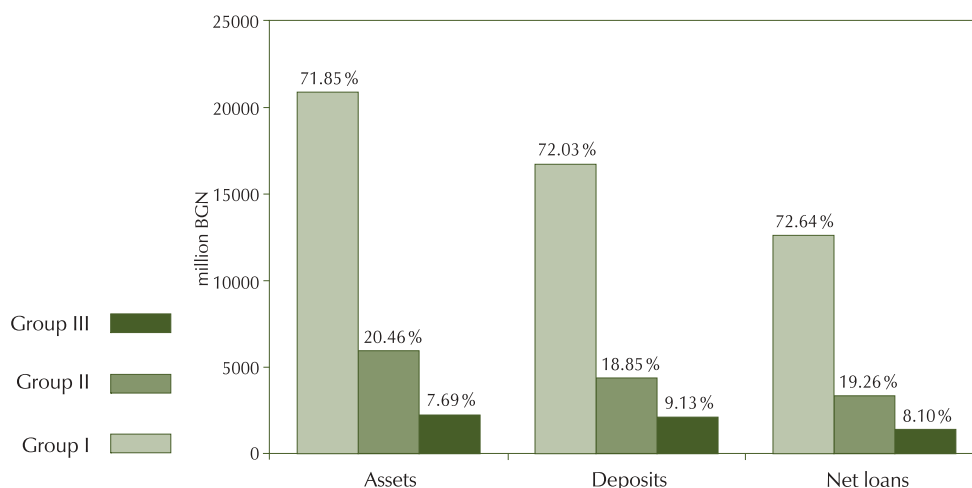
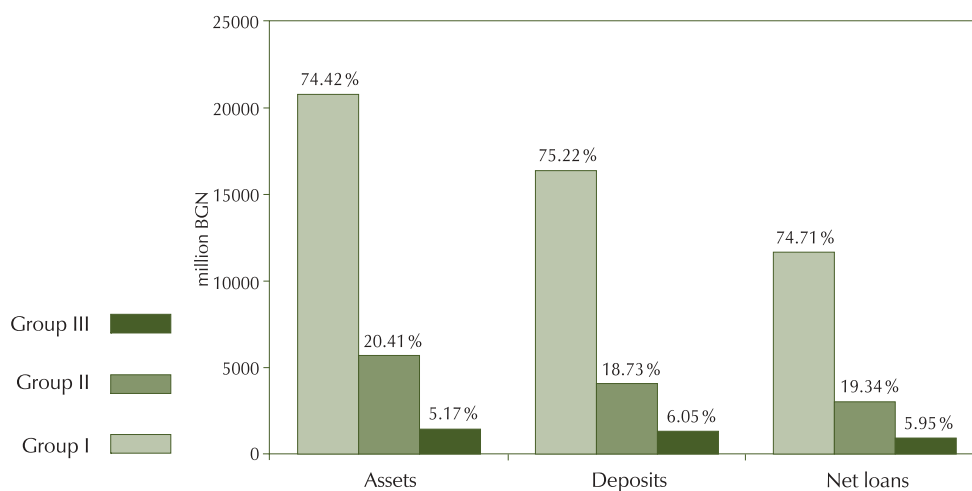


Chart 11

## Market Shares of Bank Groups as of June 2005



*Group I banks* retained their dominating positions in the market of bank services. In the last twelve months they occupied a greater market share: the assets of the ten largest banks reached 74.42 per cent of system's assets against 70.49 per cent a year earlier. This resulted from their greater abilities to offer attractive financial products capable of attracting and extending funds. Better competitiveness contributed to the increased share of this group in the system's deposit base by 3.6 percentage points to 75.22 per cent. Net loans came to 74.71 per cent (a 3 percentage points growth). The other balance sheet aggregates showed a similar dynamics, with the group reporting the largest increase in its share as regards net claims on financial institutions (by some 14 percentage points to 70 per cent of all placements in the system). The only balance sheet aggregates in which this group decreased its share slightly or insignificantly were the investment portfolios (a decline of some 4 per-

centage points to 86 per cent of all securities in investment portfolio) and equity (a decline of some 0.30 percentage points to 73.96 per cent of the system's capital). *Given growing market concentration in the ten large banks, banking system's stability will reflect mostly the behaviour and propensity of individual institutions to assume greater risks in their operations. This concerns mainly the first seven banks holding almost two thirds of the system's assets and capital.*

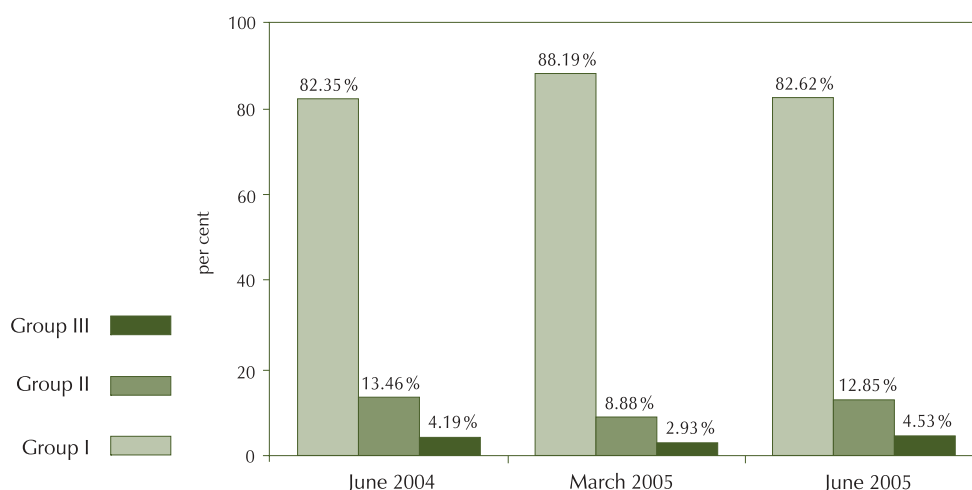
As a result of the above-mentioned processes in the group of the largest banks, the 19 *Group II banks* contracted their market shares in major segments albeit lesser than foreign bank branches. Within the last twelve months Group II decreased its share in the system's assets by 0.92 percentage points to 20.41 per cent and in net loans by 2.7 percentage points to 19.34 per cent. Deposits of the banks in this group retained their previous year's levels (18.73 per cent) which shows that most small- and medium-sized banks also managed to offer attractive products. The share of net claims on financial institutions rose by some 2 percentage points to 22.70 per cent and the group's share in investment portfolio assets grew by 4.33 percentage points to 12.17 per cent. As in Group I banks, the equity share of the group fell by nearly 1 percentage point to 23.39 per cent and the trading portfolio share by 8.25 percentage points to 27.80 per cent.

Contracting market positions of *foreign bank branches* in the reviewed twelve-month period are attributable mostly to the considerable asset growth in one of the branches by the first half of 2004, and to the pending closing of the National Bank of Greece' branch and transferring part of its assets to the United Bulgarian Bank, rather than to the competition in the sector. As a result, the market position of the six branches fell from 8.18 per cent by June 2004 to 5.17 per cent by June 2005 together with the decrease in their deposits by 3 percentage points to 6.05 per cent and in their net loans by 0.33 percentage points to 5.95 per cent.

### 3. Operational Results: State and Trends

By end-June 2005 the banking system reported a profit of BGN 277,482 thousand: a double increase of BGN 149 million compared with the first quarter. Growth on the same period of the prior year came to 24 per cent (BGN 53 million). The share of Group II banks and foreign bank branches in the system's profit increased: the former posted some 4 percentage points growth to 12.85 per cent and the latter a 1.6 percentage points growth to 4.53 per cent. However, if the absolute financial result growth was taken, it would be seen that the ten Group I banks continued to contribute mostly (BGN 116 million) despite the decline in their share to 82.62 per cent by end-June (88.19 per cent by March). Although the three largest banks (DSK, Bulbank and United Bulgarian Bank) doubled their profit between March and June, this did not preserve their share in the system's profit (53 per cent against 60 per cent as of March).

*The analysis of the half-year data confirms conclusions of previous periods that faster interest expenditure growth compared with interest income growth impacted banks' core revenue.* Between June 2003 and June 2004 interest expenditure rose by 34 per cent, while between June 2004 and June 2005 it grew by 71 per cent. Interest income growth for the former twelve-month period was 37 per cent and for the latter 42 per cent. This resulted in a net interest income growth of 32 per cent between June 2004 and June 2005 against 38 per cent in the previous period. It should be noted that expenditure on provisions rose significantly by BGN 80 million during the last twelve months (almost three times) as a result of the 55 per cent increase in classified exposures over a one-year horizon.

Chart 12  
Profit

#### Market Concentration Index (HHI)

In the review period only individual cases of concentrations in lending, deposit taking and asset amount were reported. DSK Bank retained its leading position in consumer loans (the index value was over 2000 indicating a high concentration), housing mortgage loans (over 1000: moderate concentration) and savings deposits (also moderate concentration). In the United Bulgarian Bank, the amount of extended agricultural loans corresponded to moderate concentration, while in the First Investment Bank short-term borrowings (over 4000) registered a high concentration. The index on all balance sheet positions in Group I banks showed a high concentration, most clearly pronounced in consumer loans and housing mortgage loans (over 8000) and the lowest in agricultural loans (over 3000). Group II banks reported moderate concentration in agricultural loans, other loans and claims, and in long-term borrowings (over 1000 for the three positions). These values indicate that Group I banks continued to dominate, with two to three banks being of key importance.

### 4. Banking System Risk Profile: Major Bank Risks

The second quarter of 2005 changed to a certain extent the sharpness of major system risks. The driving factor was the need to comply with restrictive measures enforced since early April. Full supervision inspections in some of the most problematic and/or aggressive lenders were also efficient. This had a curbing effect on their behaviour. Revocation of the International Bank for Trade and Development's licence did not impact adversely the depositors in the remaining banks although it was noted by market players prone to higher risk assumption. Coupled with the BNB determination to react firmly to the attempts to disregard restrictions, this predetermined *a more balanced risk profile backed by a stronger capital position*.

In the second quarter the banking system risk profile was characterized basically by:

- adherence to the limits on lending set out in BNB Ordinance No. 21;

- efforts to reduce credit portfolio under a sustained gradual change in the quality of individual credit portfolios (most clearly pronounced in consumer lending) and a decrease in the provisioning level;
- a slightly improved banking system capital position as a result of the following factors' combined effect: a fall in the total risk component of assets stemming mostly from contracted credit portfolio; actions in support of the capital base on the part of several banks by indicator values close to the admissible regulatory minimum; capitalisation (partial or full) of the profit accrued by most of the banks by end-2004;
- good liquidity maintained by banks despite their aggressive behaviour as regards lending over the last few years; resources allocated to meet liquidity adequate to institutions' risk profile.

*Decreasing lending rates did not change credit risk degree.* Irrespective of the fall in gross loans by end-June against end-March, exposures classified as other than 'standard' went up by BGN 50,564 thousand or 4.30 per cent. In a one-year horizon the trend is more clearly pronounced. Growth in classified commercial loans comprised 43.04 per cent, in consumer loans 158.25 per cent and in mortgage loans 256.83 per cent. In all three credit portfolio segments, growth in their classified portion was higher than gross growth in loans of the respective type. *A gradual but sustained trend to contaminating portfolios of some banks occurred which reflected the change in the impairment degree of basic loan products:*

- **consumer loans** classified outside the 'standard' group reached BGN 211,763 thousand (BGN 144,612 thousand by March 2005 and BGN 81,998 thousand by June 2004) comprising 6 per cent of the total amount of these loans. As of March their share came to 4.50 per cent and a year earlier to 3.66 per cent;
- **mortgage loans** showed similar trends. The portion classified outside the 'standard' group came to 4.38 per cent (3.04 per cent by March 2005 and 3.12 per cent by June 2004), their amount reaching BGN 66,060 thousand by June 2005 (BGN 37,398 thousand by March 2005 and BGN 18,513 thousand a year earlier);
- processes in the **commercial loans** segment were no exception. Their classified portion came to BGN 616,558 thousand by June 2004 (7.81 per cent); a year later they comprised BGN 881,929 thousand or 8.37 per cent of the total amount of these loans (by March 2005 they amounted to BGN 908,087 thousand and their share was 7.11 per cent).

Since mortgage and consumer loan dynamics was most clearly expressed and their growth outstripped the average growth for the system (for instance, over the twelve-month period consumer loans grew by 57.27 per cent, mortgage loans by 154.47 per cent and commercial loans 33.48 per cent), *a possible sustained worsening trend in the next three-month periods should not be disregarded.* This process will be influenced by loan maturity extension which makes more problematic the ability to assess adequately the future financial state of borrowers and particularly of those borrowing to meet current needs or buy a house. Data show that loans with a term of over one year grew by BGN 8,899,777 thousand (against BGN 8,703,963 thousand as of March and BGN 5,749,350 thousand a year earlier), their share in total loans comprising 57.02 per cent (50.14 per cent as of March and 52.85 per cent as of June 2004).

Total loans of over BGN 1,000,000 reached BGN 7,821,982 thousand: standard loans totaled 90.61 per cent, loans classified as watch 5.96 per cent, and those classified as substandard and non-performing 2.07 per cent and 1.63 per cent respectively. These loans comprised about 74 per cent of the system's commercial credit portfolio, the larger ones formed as consolidated exposures of several banks to an individual customer.

Chart 13  
Loans with a Term of over One Year/Total Loans



End-June data indicate a low degree of currency risk at the system level and in individual banks. The system was exposed mainly to assets in euro, the US dollar position was still short comprising 5.64 per cent of the system's capital and the share of the position in other currencies was disparagingly small. Assets in euro totaled EUR 5865 million and liabilities came to EUR 5172 million. The US dollar position comprised USD 2148 million in assets and USD 2451 million in liabilities.

Interest rate risk did not undergo any significant changes compared with March 2005. The cumulative GAP position was 0.40 per cent of total assets. At the level of individual banks, 13 of them reported a negative GAP position: three Group I and ten Group II banks. This does not give grounds to conclude that there were any fundamental interest disproportions potentially burdening the system with considerable risk.

## 5. Asset Quality 'A'

- *The behaviour of commercial banks between April and June 2005 in respect of asset portfolio management reflected to a great extent the measures initiated to limit credit growth.*
- *Classified assets grew faster than any other assets.*

Between April and June 2005 commercial banks' behaviour was characterized by observing the central bank requirements in respect of imposed credit limits intended to reduce the amount of required additional minimum reserves to be paid, or to avoid payment of such reserves. For the February – March period 30 banks reported a credit growth exceeding 4 per cent and only 5 institutions failed to reduce the amount of their credit portfolios within the provided for in Ordinance No. 21. These institutions paid additional minimum required reserves in the amount of BGN 236 million. It should be taken into account that some banks reduced their portfolios also by transferring loans to parent banks or lease companies owned by the banks. During the reporting quarter no changes in investment in various financial instruments occurred: diversification of portfolios by using more exotic instruments was prudently limited. Investments in Bulgarian government securities and foreign government securities from Appendices 1 and 2 of Ordinance No. 8 of the BNB continued to dominate. By the end of the review period some banks transferred securities from trading into investment port-

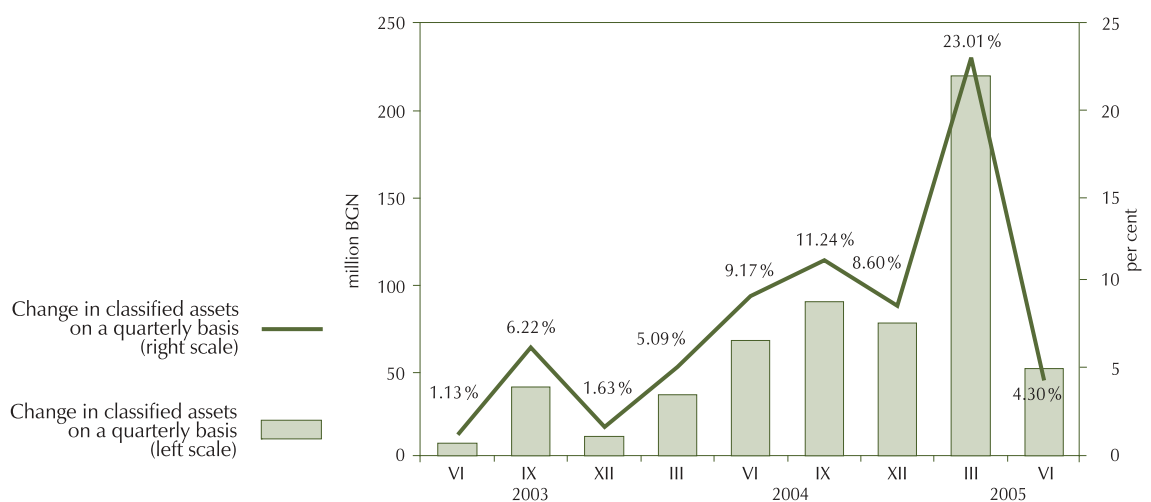
folios (including by sale and buyback of the securities of the same issues). This was intended to avoid reporting of the trading portfolio in accordance with the criteria of the new Ordinance No. 8 of the BNB (in force as of 1 July 2005).

### 5.1. The Increased Credit Risk Zone

Banks assigned a rating 3 and 4 for asset quality where the major factors responsible for problem asset volume to be above the banking system average were sustained. For some of these institutions enhanced supervisory attention reflected mainly the findings of several consecutive supervisory inspections on weaknesses in credit process management, rather than worsening in asset quality; a leaning to assume significant risks inadequate to the level of available human and information resources; business relatedness between borrowers constituting a significant risk for the credit portfolio. Important risk factors for other banks include: the practice of extending loans to companies with opacity ownership which impeded to establish relatedness; significant credit concentrations; large exposures with one-off repayment at maturity; a low degree of provisioning; a great number and serious violations of the statutory regulations and deviations from good banking practice.

Following the substantial growth of *classified assets* in the previous quarter (BGN 220 million, an increase by 23 per cent), by the end of the first half-year they rose by just BGN 51 million, or 4.30 per cent. Comparison with the first half of 2004 suggests that the upward trend in the share of classified assets in total assets will sustain in the future. This is evidenced by the accelerated growth rate of classified assets in a twelve-month horizon: for the June 2004 – June 2005 period they rose by 55 per cent or BGN 435 million against 24 per cent or BGN 152 million between June 2003 and June 2004. The values of the classified assets to gross assets median for Group I banks almost matched the values reported in the first half of 2004 (3.43 per cent), while these values for Group II banks exhibited an increase by approximately 1.7 percentage points to 5.07 per cent. This suggests that it is more difficult for small- and medium-sized banks to administer and evaluate the assumed portfolio risk.

Chart 14  
Classified Asset Growth Rates



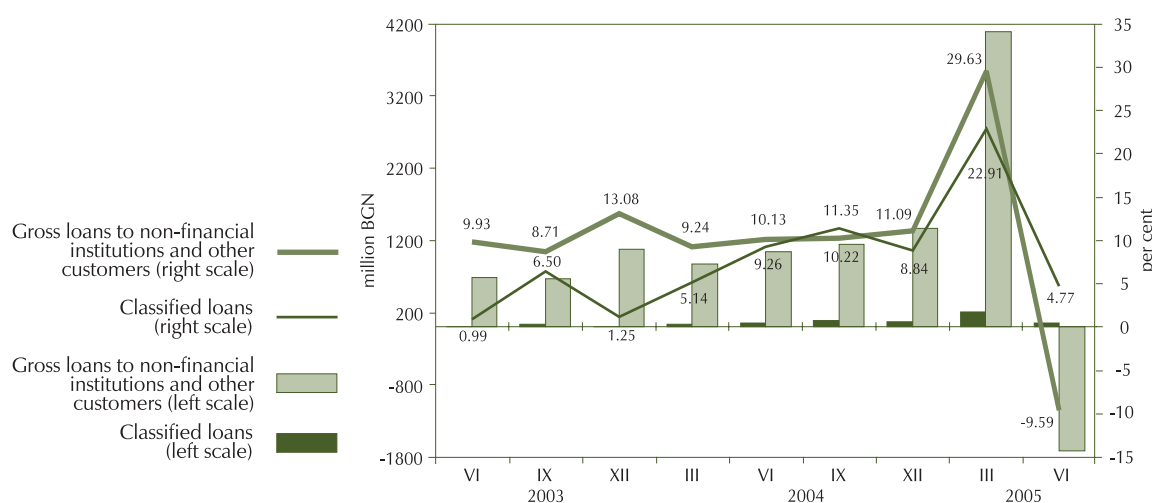
The values of the *problem asset* indicator went back to their end-2004's level (1.09 per cent), indicating a decline by BGN 16 million (5 per cent) in the quarter under review. These assets showed a trend opposite of that in classified assets: an increase by BGN 39 million or 14 per cent between June 2004 and June 2005 against BGN 86 million or 46 per cent over the prior period. Slower growth rates of these assets over the two periods under review may be explained by improving problem asset management in commercial banks. In a twelve-month horizon the number of institutions reporting values of problem assets above the system's average was sustained (13). *The level of these assets in the first half-year, as well as long-term trends indicate a low threat of a pressure on profitability or capital of individual banks and the entire system.*

Between April and June 2005 non-performing assets accounted for the largest growth in total *classified assets*: 11 per cent or BGN 34 million. Compared with the first half of 2004 the increase was 26 per cent or BGN 72 million. This was accompanied by a decline in the amount of gross classified assets: from 35.39 per cent by June 2004 to 28.72 per cent by June 2005, reflecting the faster growth of classified non-performing assets with a share of 18.64 per cent (against 9.59 per cent a year earlier). Despite the double increase in non-performing assets over the last twelve months (BGN 153 million), their amount is lower than the amount of assets classified as watch exposures (BGN 210 million or 48.32 per cent). It should be noted that half of the banks reported a percentage of non-performing exposures above the system's average.

*The classified loans to gross loans ratio* also progressively rose: by 0.61 percentage points to 7.56 per cent by June 2005. In the second quarter these loans went up by BGN 56 million or 5 per cent, and by BGN 440 million or 56 per cent on a year earlier basis, against BGN 151 million between June 2003 and June 2004. In a twelve-month horizon four Group I banks and nine Group II banks exhibited an increase in this ratio.

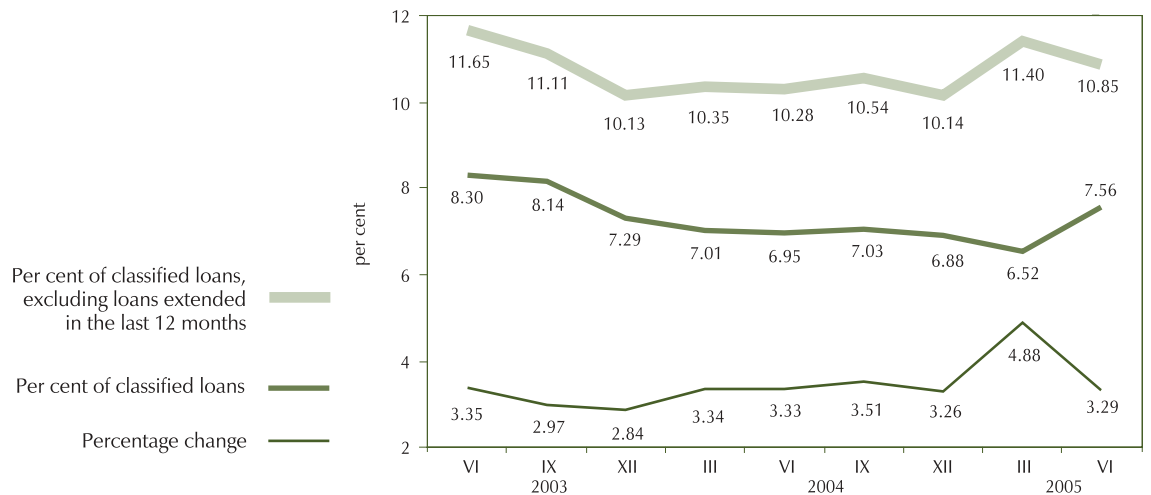
Chart 15

## Classified Loans Growth Rates



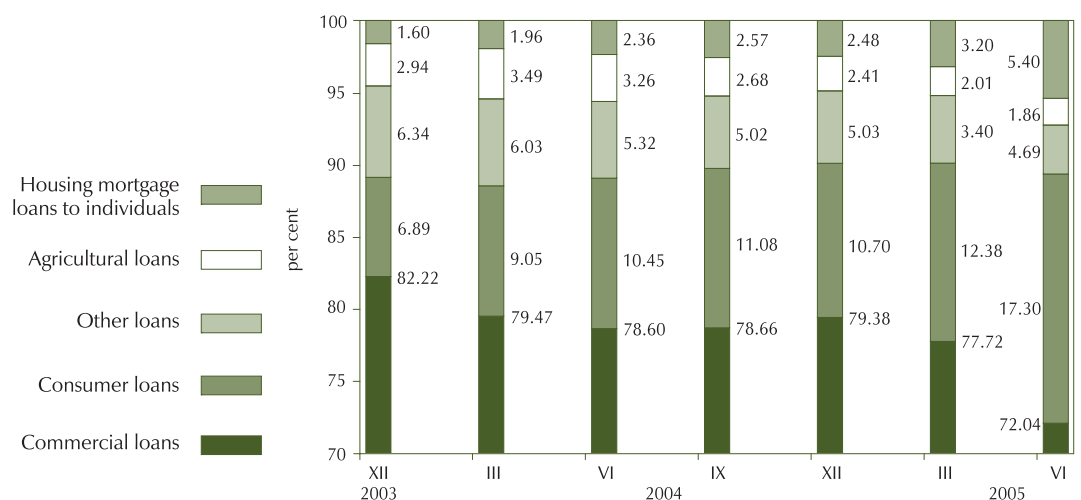
Irrespective of the fact that banks' actions associated with intensified lending distorted the picture of the asset quality, the review of the semi-annual data suggests that no changes occurred in terms of loan impairment. Taking into account that the long-term loans started impairing not earlier than in a year, it may be expected that classified loans (excluding the loans extended in the last twelve months) will vary within 10.5–11.5 per cent (Chart 16).

Chart 16  
Classified Loans



Banks' portfolio data by the end of the first six months confirmed both the supervisory inspections findings and the conclusions made in the previous analyses: banks will face more serious problems in servicing classified consumer and mortgage loans than commercial loans. Despite the larger volumes of commercial loans, their share in total classified loans went down by 6.56 per cent for a twelve-month period, accounting for 72.04 per cent by 30 June 2005. The share of consumer loans increased dramatically even in the second quarter alone: from 12.38 per cent in March to 17.30 per cent in June (the share in the corresponding period of 2004 was lower by 6.85 per cent). The dynamics of housing mortgage loans, though less pronounced, reached 5.40 per cent of total classified loans. Commercial loans exhibited the highest degree of contamination: classified loans accounted for 8 per cent of them, followed by agricultural loans (6.4 per cent), and consumer loans (6 per cent). Housing mortgage loans showed the lowest level of contamination: 4 per cent.<sup>5</sup>

Chart 17  
Classified Loans' Structure



<sup>5</sup> Compared with December 2004 no changes occurred in classified commercial loans: 8 per cent; classified agricultural loans went down slightly by 1 percentage point, while classified consumer and housing mortgage loans went up by 2 percentage points.

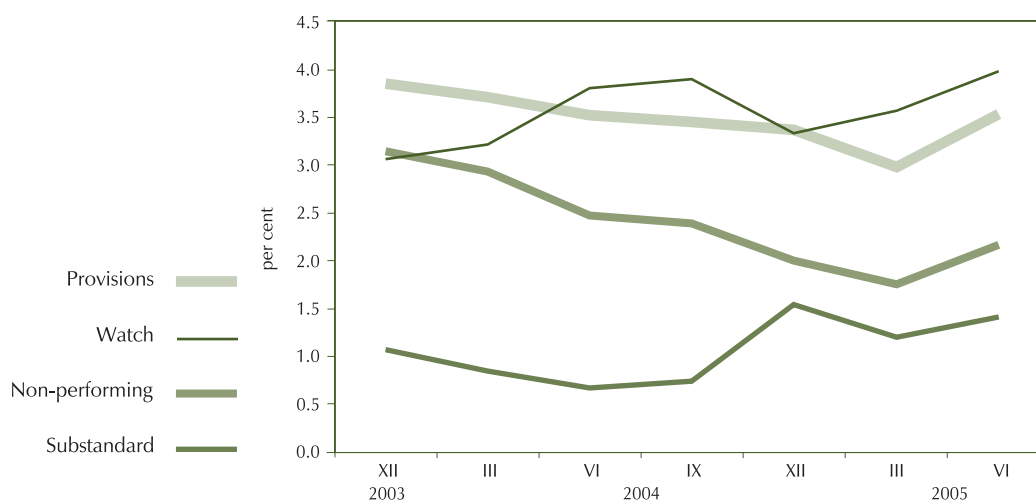


The *classification* measuring the distribution of credit risk weighted by banks suggests that the share of performing loans is retained (92.44 per cent), tending to slightly decrease in a twelve-month horizon (93.05 per cent as of June 2004). This also evidenced that the share of classified assets gradually increased. The share of substandard loans dramatically increased: from 0.67 per cent to 1.41 per cent, while the share of non-performing loans fell by 0.30 per cent to 2.17 per cent. Loans classified as watch exposures were retained at 4 per cent, also tending to slightly increase (by 0.13 percentage points).

The distribution of credit risk by bank group was as follows:

	June 2004	March 2005	June 2005
<b>Group I</b>			
Total (million BGN)	8 095	13 014	12 106
Standard (%)	93.48	93.53	92.47
Non-performing (%)	2.59	1.83	2.12
<b>Group II</b>			
Total (million BGN)	2 491	3 467	3 138
Standard (%)	91.30	91.66	91.35
Non-performing (%)	2.70	2.14	2.94
<b>Group III</b>			
Total (million BGN)	694	1 421	941
Standard (%)	94.30	97.34	95.63
Non-performing (%)	0.18	0.15	0.22

Chart 18  
Loans Classification



## 5.2. Provision Analysis

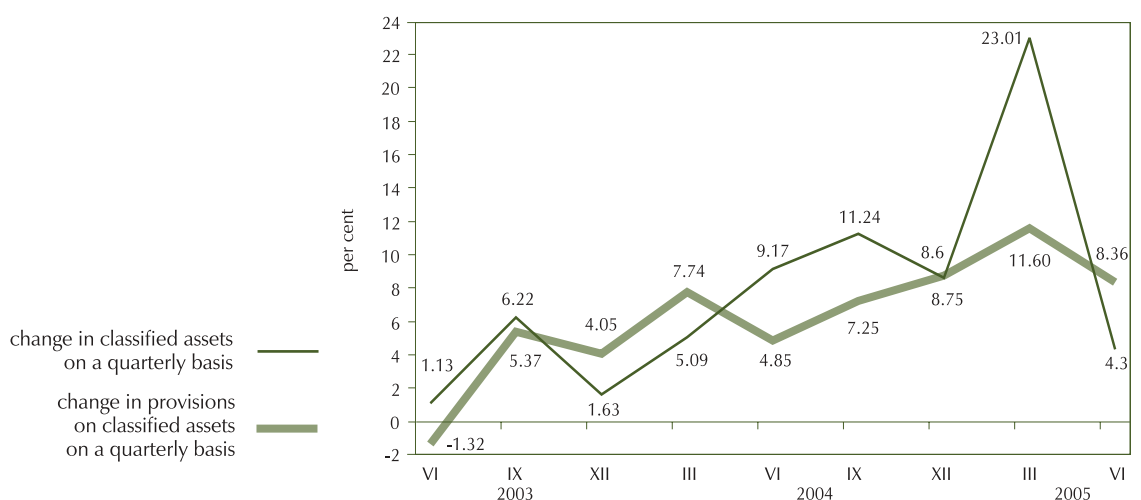
Long-term trends in provisions allocated to cover impairment loss did not indicate changes in credit risk indicators and in the commercial banks' provisioning policies. Due to the significant asset growth in the last twelve months (an increase of 39 per cent), the *gross asset provisioning degree* of

banks improved: 2.02 per cent against 1.95 per cent in June 2004, reflecting the higher growth rate of provisions during the review period (44 per cent or BGN 175 million in absolute terms). Compared with the corresponding period higher values of this ratio were reported by 14 banks, with the values of some banks signaling problems with asset quality. *Provisions on claims on non-financial institutions* rose by BGN 40 million in the second quarter (against BGN 175 million between June 2004 and June 2005), and the degree of provisioning on these claims sustained the level of the first half of 2004: 3.54 per cent. An increase in this indicator in a twelve-month horizon is reported by half of the banks. *The degree of provisioning on claims on financial institutions* was negligibly small (0.03 per cent). In the second quarter provisions indicated a decrease by BGN 3 million. As no poor quality of these type of placements was established in the course of full supervisory inspections, the ratio values caused no supervisory concerns. *The degree of classified exposure provisioning* progressively declined, reflecting the slower growth of provisions on classified claims compared with the claims themselves. Between June 2003 and June 2004 provisions and classified assets grew at the same growth rates (24 per cent) which helped sustain the ratio of 42.01 per cent, while between June 2004 and June 2005 provisions rose by 41 per cent against a 55 per cent growth in classified assets. The number of institutions allocating provisions on a portfolio basis remained unchanged (20), with *the degree of provisioning on a portfolio basis slightly increasing from the first half of 2004 in 8 of these banks*. Given the trends in consumer loan impairment, the amount of these type of provisions is likely to be insufficient and the lack of provisions in other banks (due to contamination of consumer portfolio) may cause pressure on their profitability in the following quarters.

The faster increase in total provisions compared with the growth of assets classified as non-performing led to a steady increase in the values of the *coverage indicator*: from 142 per cent by June 2004 to 163 per cent by June 2005 (169 per cent by March).

Chart 19

## Growth in Classified Exposures and Provisions Thereon



## 6. Earnings 'E'

- *The faster growth of assets than that of major income centres (interest income and income from fees and commissions), the increasing cost of financing, as well as larger expenditure on provisions due to portfolio contamination were the major factors affecting banks' profitability.*
- *The bulk of the banks reported a good level of profitability ensuring an acceptable return on assets and equity.*

The trends of early 2005 of a sustainable increase in net income from core operations, a high increase in net interest income and insignificant income from extraordinary operations were sustained in the second quarter. Irrespective of the gradual decline in profitability ratios, it should be noted that the profit growth rate of 24 per cent (BGN 53 million) between June 2004 and June 2005 exceeded significantly the 3 per cent growth (BGN 6 million) reported in the previous twelve-month period. This growth was characterized by accelerated increase in assets.<sup>6</sup> Further contamination of banks' portfolios additionally eroded their incomes, with the expenditure on provisions growing by more than 3 times. In spite of the fact that non-interest income continued to increase steadily, the rate of growth slowed down which coupled with the higher growth of non-interest expenditure exerted pressure on the profitability of some banks.

### 6.1. The High-problem Income Zone

This zone again included institutions whose earnings had been adversely affected by inappropriate management decisions, inadequate business strategies or poorly managed credit and market risks of exposures. Historically, a significant portion of earnings came from unsteady and non-traditional sources. Banks assigned a component rating of 4 were included in the zone of high-problem income. In some of these banks, the risky and unsound bank practice in lending management was unable to provide sufficient and steady core earnings and in case of emergency they relied either on earnings from assets dependable on the market situation or revaluation of assets. In other banks, core earnings were insufficient to support bank operations and may not be treated as an internal source to increase the bank's capital. The inability or reluctance of these banks' managers to solve fundamental problems associated with risks management will continue to have a negative effect on banking system profitability indicators.

Leading banking indicators were:

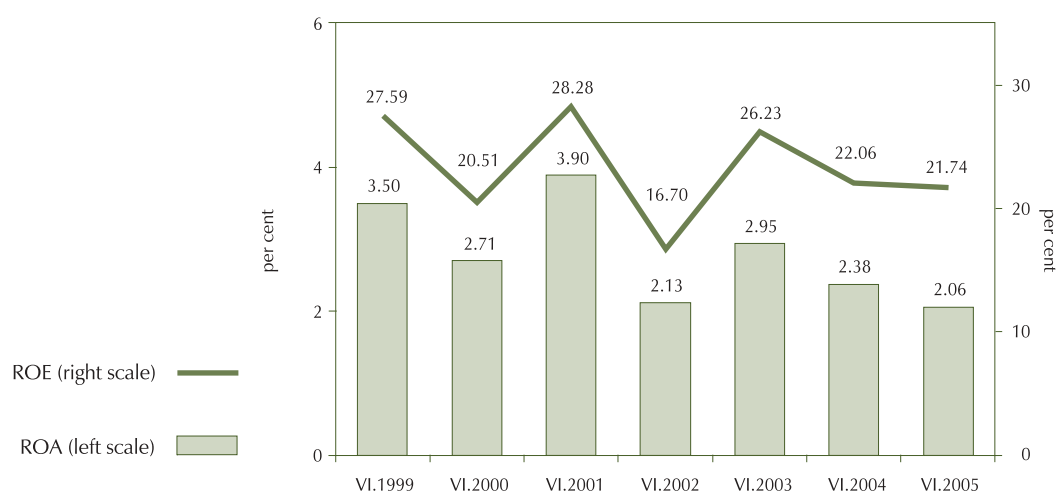
Ratio as a percentage of average assets	June 2004	June 2005
Net interest income (%)	4.98	4.59
Non-interest expenditure (%)	4.22	3.69
Extraordinary gain/loss (%)	0.07	0.03
Efficiency ratio (%)	60.58	56.67
Net result (post-tax ROA since year start) (%)	2.38	2.06
Core ROA (net income from core operations since year start) (%)	3.02	2.65
Return on equity (ROE) (%)	22.06	21.74
Average assets (million BGN)	18 794	26 969

<sup>6</sup> Between June 2003 and June 2004 banks' assets rose by 31 per cent and in the following twelve-month period by 39 per cent.

The major factors behind the falling banks' profitability indicators over the review period were the faster growth rates of assets than that of major centres of earnings (interest income and income from fees and commissions), increased price of financing and higher expenditure on provisions due to progressive portfolio contamination. *Return on assets* (ROA), a universal profitability indicator, went down from 2.38 per cent by June 2004 to 2.06 per cent by June 2005. Despite the pressure exerted by the above mentioned factors, by the end of the second quarter the banking system profit, worth BGN 277 million, increased by 24 per cent on the corresponding quarter of 2004, against a mere 3 per cent growth between June 2003 and June 2004. The values of this indicator showed that Group I banks were less profitable compared the corresponding period in 2004 (higher values of ROA were reported by only three banks), while the bulk of Group II banks (11) reported higher ROA values. In 8 banks this indicator values were under 1 per cent, with 4 of them ranging between 0.18 per cent and 0.43 per cent.

Chart 20

## Return on Assets and Return on Equity



Conclusions that small- and medium-sized banks are presently able to maintain income and expenditure at levels providing good profitability, were also confirmed by the *core ROA* indicator which includes qualitative elements of profitability. Twelve of 18 banks reported values higher than those in the corresponding half-year of 2004. The negative values in some of the banks were overcome. This suggests that these banks managed to solve fundamental problems associated with profitability management. The banking system net income from core operations (*core ROA*) went down by 0.37 percentage points in a twelve-month horizon.

As a result of the faster increase in interest expenditure (71 per cent) compared with interest income (42 per cent) between June 2004 and June 2005, the *net interest income* grew by 32 per cent against 38 per cent in the previous twelve-month period. In the June 2003 – June 2004 period interest income growth (37 per cent) outstripped the interest expenditure growth (34 per cent). The increased cost of asset financing over recent quarters led to a progressive fall in the net interest income indicator: from 4.98 per cent by June 2004 to 4.59 per cent by June 2005.

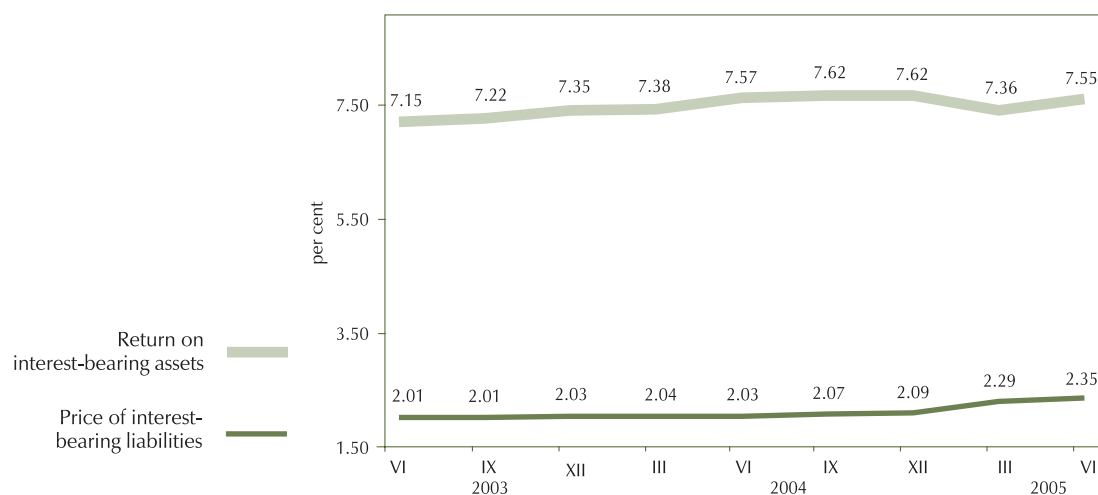
Due to a slowdown in *the share of interest-bearing assets* in the banking system gross assets by 0.73 per cent to 87.27 per cent in the last twelve months, the values of the *net interest rate margin* indicator also posted a decline: from 5.66 per cent to 5.26 per cent. In the following quarters interest income on loans is expected to increase slower as a result of enforced lending constraints, while interest expenditure will increase at the same rates. This will lead to further narrowing of the net interest rate margin.

This conclusion is also evidenced by almost simultaneous increase in *interest liabilities cost* (by 0.32 percentage points to 2.35 per cent) and *the cost of interest-bearing asset financing* (by 0.38 percentage points to 2.29 per cent). Two-thirds of the banks reported a higher price of interest liabilities by end-June 2005 compared with the corresponding period of 2004. The trends in the price of interest-bearing assets gave rise to more serious concerns: only four banks reported lower values compared with the corresponding period of 2004.

The increase in interest liabilities by 47 per cent against a growth of 42 per cent in interest-bearing assets over the last twelve months resulted in a new increase in *the excess of interest-bearing liabilities over interest-bearing assets* by 3.45 percentage points to reach 97.52 per cent. This process is ongoing in all banks, with an increasing number of banks reporting an excess of interest liabilities of more than 100 per cent (seven banks by June 2005 against three banks by June 2004).

Chart 21

### Selected Components of Net Interest Margin



No changes occurred in *non-interest income* dynamics: the rate of growth in this income (31 per cent) between June 2004 and June 2005 was lower than in the previous twelve-month period (42 per cent). This coupled with the faster growth of assets led to a new fall in the values of the non-interest income indicator: from 2.15 per cent by June 2004 to 1.97 per cent by June 2005. The structure of major non-interest income (income from fees for servicing loans and deposits, off-balance sheet fees) suggests that lending growth led to an increase in the share of income from loan service from 23 to 26 per cent in the last twelve months, while enhanced financial intermediation did not cause changes in the share of income from other fees and commissions (33 per cent). It is early yet to conclude whether repressed lending in the second quarter of 2005 boosted income from fees and commissions.

Chart 22  
Net Interest Margin

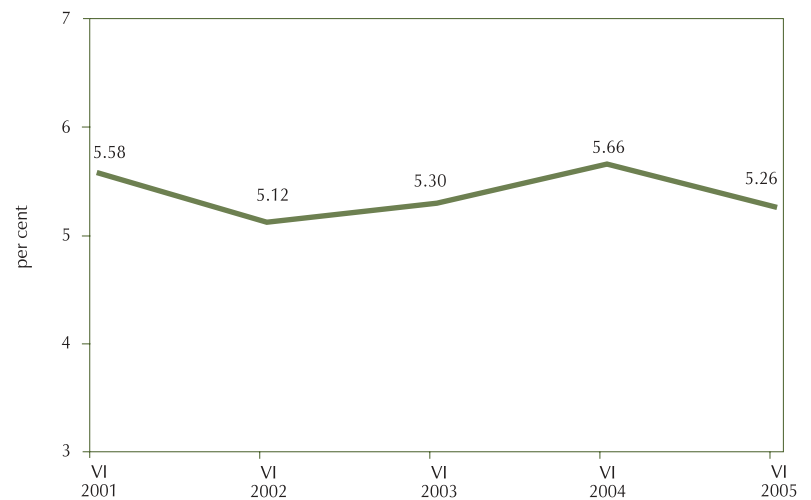
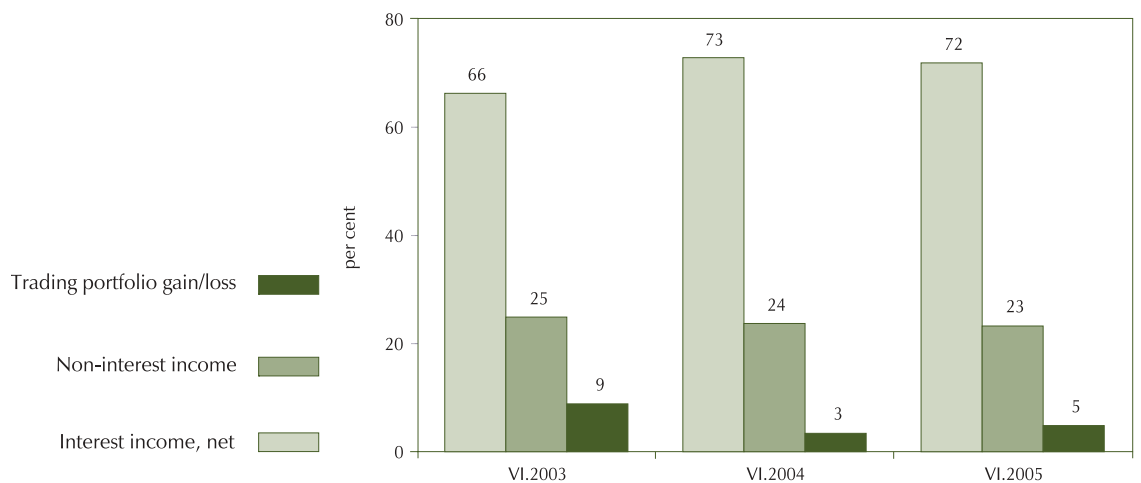


Chart 23  
Income from Core Operations



Asset growth led to a decrease in *non-interest expenditure* of banks by 0.53 percentage points to 3.69 per cent. The share of salaries in non-interest expenditure went down from 38 per cent to one third of total non-interest expenditure over the last twelve months which was offset by the increasing share of spending on advertising and hired services (from 24 per cent to 27 per cent). *The efficiency ratio* improved both during the review period (from 60.58 per cent to 56.67 per cent) and compared with the corresponding period of 2003 (63.46 per cent), indicating a good profitability of the bulk of institutions. The value of the efficiency indicator of 18 banks was above the average for the banking system. Despite the improvement in this indicator for most banks compared with June 2004, the values suggest that no adequate level of pricing has been reached yet. Expenditure on provisions posted a three-fold rise on the corresponding quarter of 2004, consistent with the increase in their share in

average assets: from 0.47 per cent to 0.92 per cent. *Return on equity* stayed good, 21.74 per cent against 22.06 per cent by June 2004.

Chart 24  
Efficiency Ratio



By the end of June 2005 bank employees under a labour contract numbered 23,532, an increase by 1268 compared with end-June 2004. The amount of assets *per* an employee reached BGN 1,187,000 against BGN 903,000 by June 2004, an increase by BGN 284,000.

## 7. Capital 'C'

- *The capital position of most banks was stable and adequate to the risk profile of banks.*
- *Banks reporting values of this regulator close to minimum admissible required prompt capital support.*

Unlike the beginning of the year and the first quarter, the banking system capital position showed **an improvement** in the second quarter, reflecting the effect of several groups of factors:

- Total capital base grew by 7.19 per cent (BGN 183 million) on March 2005, including a primary capital increase of 5.89 per cent (BGN 130 million) and a rise in additional capital reserves of 13.82 per cent (BGN 53 million);
- A decline in the total risk component of assets by 1.11 per cent (BGN 184 million) due mainly to assets with 100 per cent risk weight;
- The reaction to the BNB measures for cooling credit growth leading to the June decline in loans compared with March;
- Measures providing a prompt support to the capital base of some banks (with the Banking Supervision Department intervention) reporting values close to the admissible regulatory minimum;
- Partial and full capitalization of some banks' profit generated by the end of 2004 and the reaction to the removed opportunity for capitalizing the 2005 current profit under particular conditions pursuant to the latest amendments to Ordinance No. 8 of the BNB.

The combined effect of the above factors predetermined the increase in the total capital adequacy ratio from 15.37 per cent by March to 16.66 per cent by the end of June.

### 7.1. The Increased Capital Risk Zone

Banks with a component capital rating of 3 or lower and a total rating of 4 or lower under CAMELS/CAEL, as well as banks with a capital position put under a strong pressure by internal and external factors are included in a group of banks in which the probability for worsening of base indicators is higher than average for the banking system. This group includes banks with a capital position insufficient to ensure adequate coverage of the risk profile. Some of these banks are characterized by imbalanced operations; a sizeable amount of non-operated assets; attempts to gain a significant effect from one-off investment operations; the lending policy, especially in terms of commercial loans, deviated from the good banking practice. In some banks, the rapid asset growth exhausted the capital and the instruments employed in support of the capital, mostly by improving the capital of a second tier (subordinated term debt, hybrid instruments), were insufficient or practically depleted. There are banks in this group put under strict monitoring as a result of a delay of the managers to response to the need of urgent capital support due to an increase in total risk component of assets. This is indicative of weaknesses in capital planning and current capital position management.

### 7.2. Capital Adequacy Level and Trends

A more significant improvement in the values of the *total capital adequacy* indicator by the end of the review period was reported by 18 banks and insignificant fluctuations by the remaining 10 banks. The total capital adequacy ratio was under 13 per cent in three out of all 28 banks. The values were higher by end-June (16.66 per cent) compared with end-December (16.08 per cent) and March 2005 (15.37 per cent), but lower compared with June 2004 (18.35 per cent). *Banks' behaviour in respect to BNB restrictive measures coupled with the low sharpness of market risks gave a ground to expect that in the following quarters the capital position will correspond to the banking system risk profile.*

The processes affecting the values of the capital adequacy ratio had a positive effect on the *primary capital adequacy*. The attained level of 14.29 per cent exceeds by more than two times the regulatory minimum and is indicative of the primary capital importance in the structure of banks' capital base. For instance by June 2005 the share of the primary capital accounted for 85.75 per cent against 86.80 per cent by the end of March 2005 and 89.58 per cent a year earlier. *For regulatory purposes the sizeable share of primary capital in banks' capital structure should be also considered a sign of unused resources for prompt capital support by shareholders via debt and hybrid instruments.*

The banks' ability to provide financial resources for their operations was one of the factors for pressure on the capital positions. The high leverage levels predetermined the low levels of *primary capital leverage*, which in particular cases may be indicative of exhausted capital. *The growth of primary capital on March and December coupled with the decline in total assets during the second quarter helped improve this indicator.* By end-June the indicator's values rose to 8.88 per cent, marking a reverse trend compared with the previous two quarters. Seven banks reported improved values of this indicator.



Chart 25  
Capital Indicators Dynamics

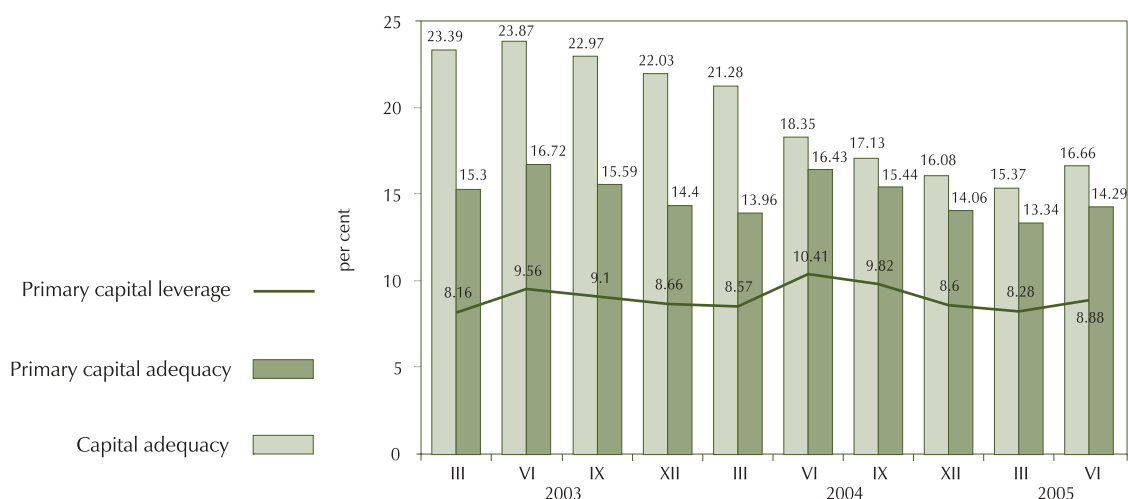
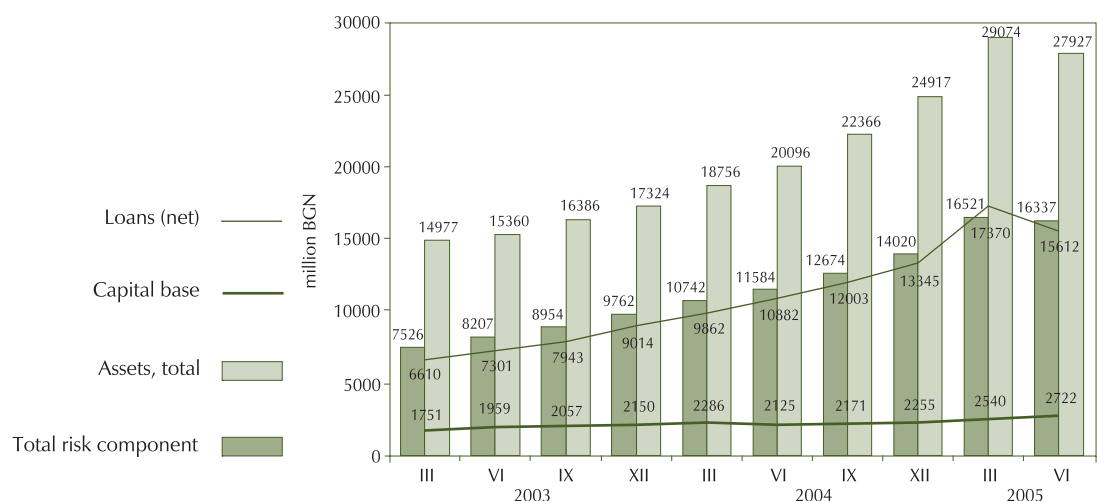


Chart 26  
Dynamics of the Major Factors Determining the Level of Capital Indicators



The degree of asset coverage is adequate to the asset structure and risk. The indicator improved from 9.54 per cent in March 2005 to 10.36 per cent in the period under review and the downward trend from the previous four quarters was reversed. Two banks reported values of this indicator close to the regulatory minimum. Constraints imposed by the BNB in respect of lending growth impacted the indicator measuring the degree of asset risk. The level of 61.67 per cent almost matched that reported by end-March (61.69 per cent). Compared with June 2004 the indicator showed a decline of 0.86 per cent.

The potential risk to capital underlying the level of *net classified assets* would account for 27.81 per cent of the banking system capital under the pessimistic scenario of full impairment (against 29.24 per cent for March 2005 and 21.57 per cent by June 2004). *Investment in fixed assets* accounted for 25.30 per cent of the banking system capital with the progressive downward trend in the previous four quarters. Two banks reported values close to the maximum admissible level.

### 7.3 Capital in Excess of Capital Base Regulation

The dynamics of capital ratios prompted an increase in capital in excess of the required regulatory minimum under Ordinance No. 8. Over the second quarter this capital reached BGN 727 million, up BGN 213 million. The capital surplus of the ten biggest banks was BGN 513 million, and the group of small- and medium-sized banks reported a surplus of BGN 214 million.

## 8. Liquidity 'L'

- *Over the review period the banking system liquidity stayed at a good level.*
- *Improvements in particular major indicators directly reflect the lower lending growth rate and stabilized borrowed funds.*

System liquidity and that at individual banks and branches has remained good in recent years. Despite aggressive lending and its large share of assets, banks allocated resources adequate to their risk profiles to liquidity needs. Enhanced financial intermediation also called for sufficient resources to meet payments. Strict BNB requirements on minimum required reserves, credit growth cooling, and more conservative assumptions by leading banks' managements on liquidity added additional stability.

### 8.1. The Increased Liquidity Risk Zone

Banks with complex and component ratings of 3 and lower, which had a very limited access to financial resources under favourable conditions, were included in this zone. Banks that may be a subject of strong depositor pressure due to external and internal reasons were paid special attention. Banks experiencing persistent liquidity difficulties (excluded from the payment system with continuous shortage of minimum required reserves with the BNB) were also included in this zone. Banks financing their operations at a high price of borrowed funds and/or seeking for servicing financial flows of big corporate and budget entities remained an object of enhanced attention.

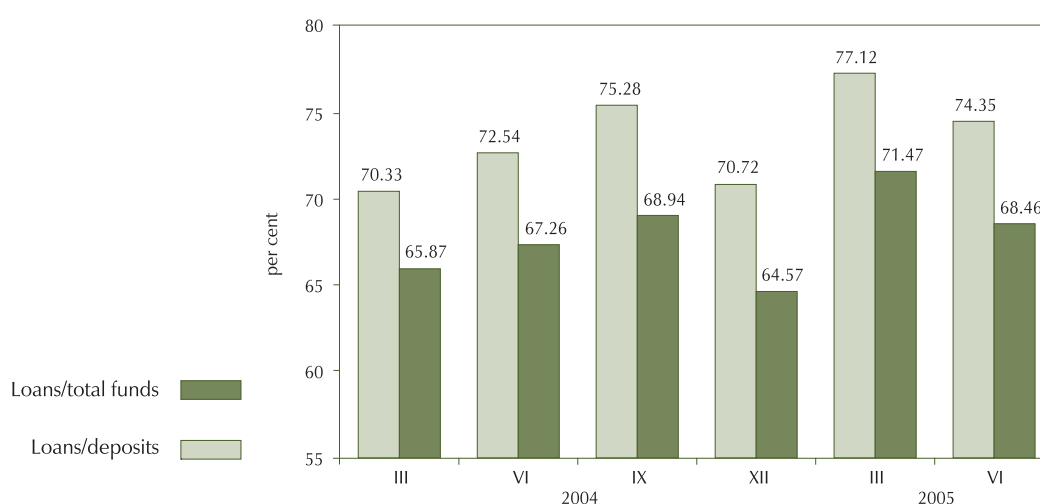
### 8.2. Major Liquidity Indicators: Level and Trends

By the end of June 2005 *tradable assets* comprised 27.39 per cent of system assets, indicating an increase compared with the previous quarter (25.17 per cent) and the end of June 2004 (26.03 per cent). This may be seen as indicating good banking system liquidity. The bulk of Group I banks reported values close to March values with insignificant fluctuations in both directions or higher values. Most medium- and small-sized banks maintained the values of this indicator high. Positive changes in tradable assets (growth of 4.53 per cent due to increases reported by 17 banks and 4 foreign bank branches) affected the dynamics of *tradable assets as a share of total borrowed funds*. The indicator displays a 31.84 per cent average asset coverage of borrowed funds by tradable assets against 28.97 per cent by the end of March.

The *liquid assets ratio* measured under BNB Ordinance No. 11 indicates a good liquidity potential of banks. The ratio rose to 30.19 per cent (against 27.70 per cent by March 2005 and 27.11 by June 2004), banks with higher risk profile maintaining higher values of the indicator. *Despite different business profiles and risk levels of small- and medium-sized banks, there is a ground to conclude that banks weaken their liquidity positions in pursuit of strengthening their market positions.*

Chart 27

### The Loans to Deposits and Loans to Total Funds Ratios



Credit dynamics in the second quarter and the reaction to lending restrictions reversed the trends in the *credit to deposits* and *credit to total funds* ratios. By the close of June 2005 they accounted for 74.35 per cent (against 77.12 per cent by March and 72.54 per cent by June 2004) and 68.46 per cent (against 71.47 per cent and 67.26 per cent respectively): closer to the levels envisaged in the decision to curb lending. *However, good asset quality of loans for the bulk of banks and branches made the high ratio values an acceptable factor.*

*The analysis of maturity imbalance* reveals that the maturity structure of assets and liabilities remains unbalanced. According to Ordinance No. 11 reports, liabilities within the interval of over seven days were not covered 100 per cent by liquid assets. At the system level, these liabilities were net cash outflows. In the short-time interval of up to seven days, seven of the 28 banks reported coverage of under 100 per cent.



## Appendix 1

Chart 28  
Total Amount of Loans by Quarter

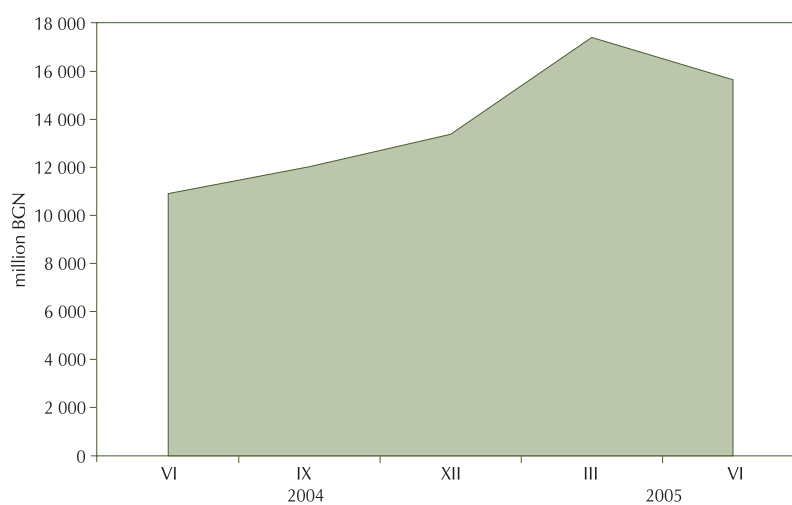


Chart 29  
Loan Structure as of June 2005

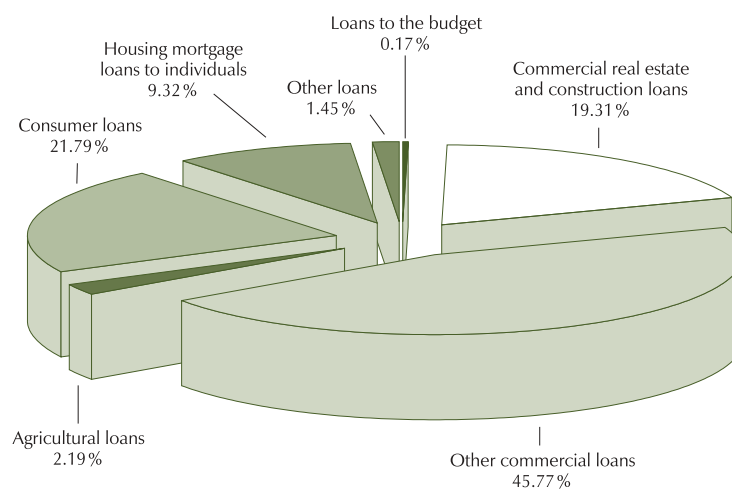


Chart 30

**Structure of Claims on Financial and Non-financial Institutions by Quarter**

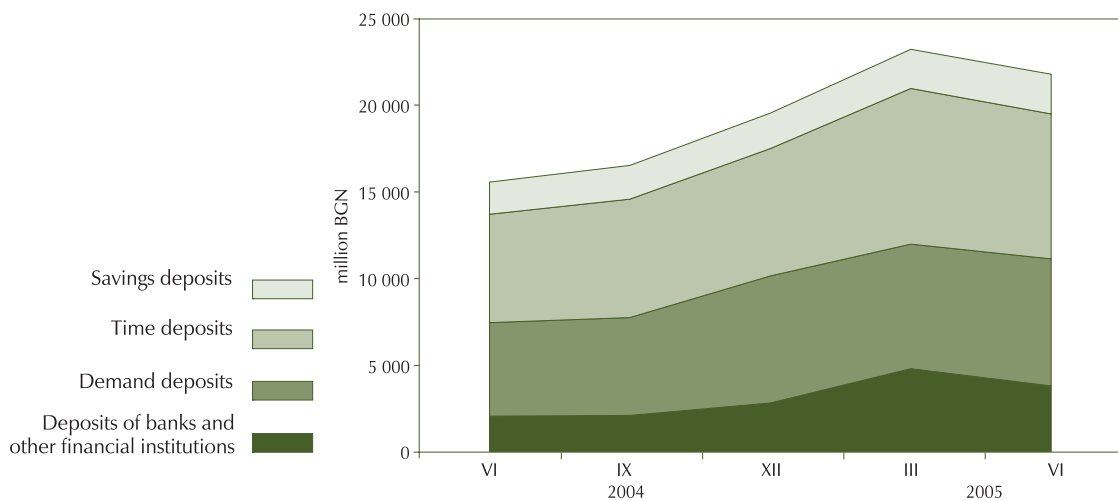


Chart 31

**The Loans to Deposits Ratios**

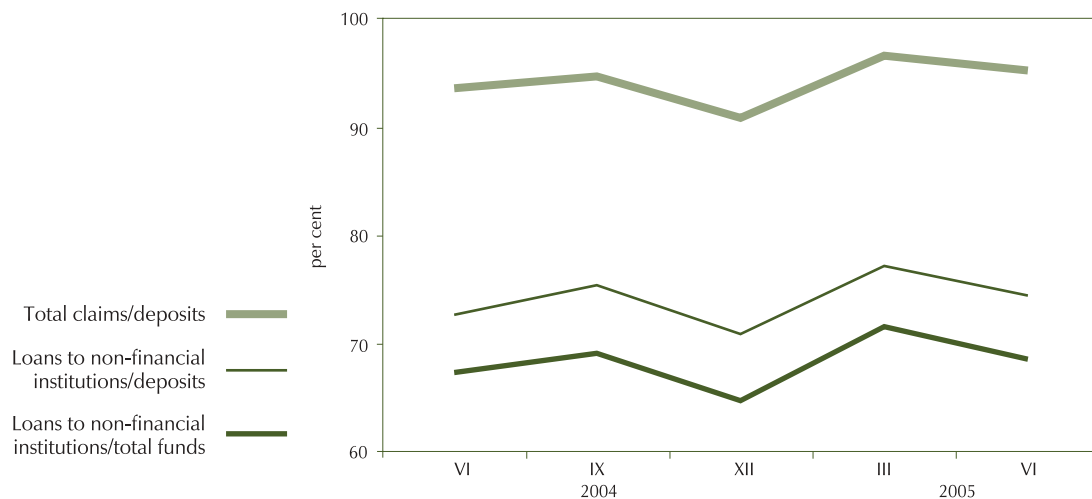


Chart 32  
Return on Assets (ROA) and Return on Equity (ROE)

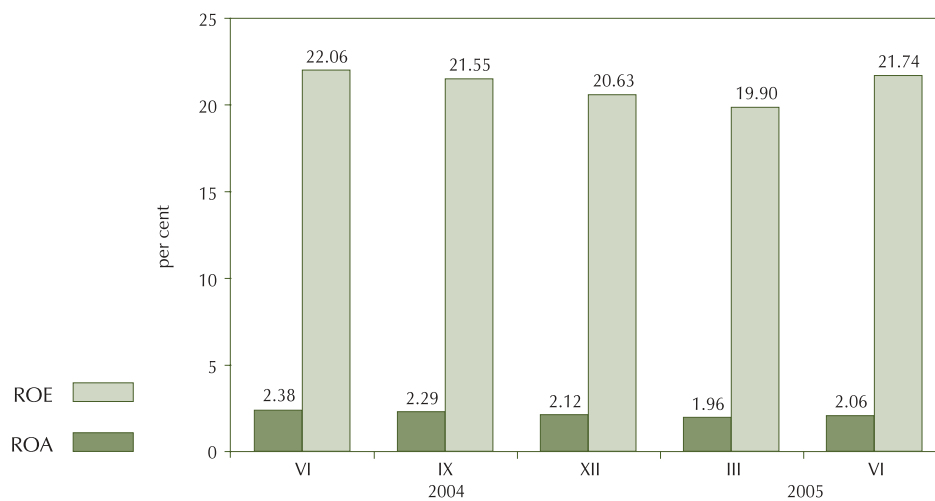
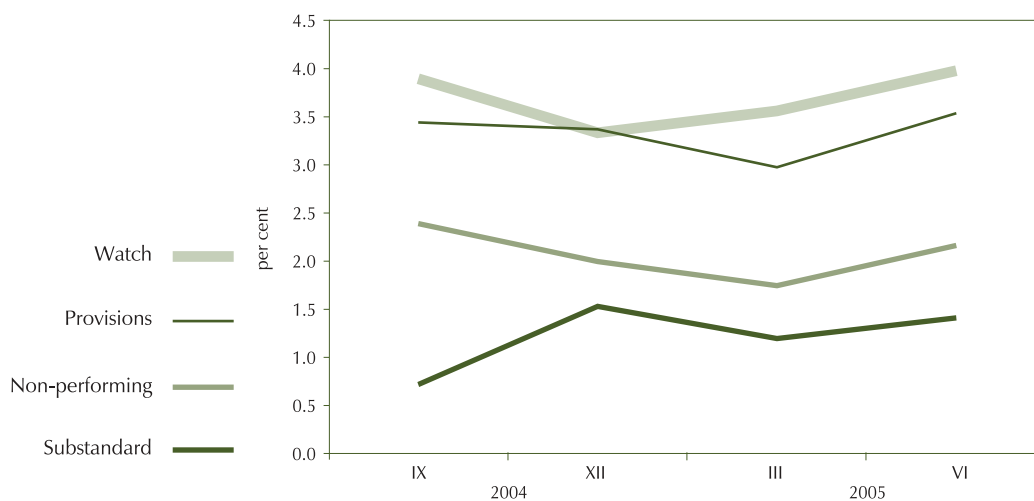


Chart 33  
Loans to Non-financial Institutions by Quarter and Allocated Provisions



## Appendix 2

## Used Indicators

## Asset Quality Ratios

1.	Problem assets as a percentage of gross assets	Gross assets past due 90 or more days + assets with discontinued interest payment + assets for resale/gross assets
2.	Classified assets as a percentage of gross assets	Gross assets classified as watch, substandard, non-performing/gross assets
3.	Classified loans as a percentage of gross loans of non-financial institutions and other customers	Gross loans classified as watch, substandard, non-performing/gross loans
4.	Degree of asset provisioning	Provisions in the balance sheet of claims on financial institutions, non-financial institutions and other customers and on other assets/gross assets

## Ratios Used to Analyse Provisions

5.	Degree of provisioning of claims on financial institutions	Provisions in the balance sheet of claims on financial institutions/gross claims on financial institutions
6.	Degree of provisioning of claims on non-financial institutions	Provisions in the balance sheet of claims on non-financial institutions and other customers/gross claims on non-financial institutions and other customers
7.	Degree of classified exposures provisioning	Total specific provisions on impairment loss under Ordinance No. 9/gross classified risk exposures
8.	Degree of portfolio basis provisioning	Provisions allocated on claims on non-financial institutions and other customers on a portfolio basis (Ordinance No. 9)/gross standard exposures on non-financial institutions and other customers to be provisioned on a portfolio basis



## Income Ratios

1.	Return on assets, ROA (net profit since early year as a percentage of average assets since early year)	Net profit since early year/average assets since early year
2.	Core ROA (net revenue from core operations since early year as a percentage of average assets since early year)	Revenue from core operations since early year (= net interest income + trading portfolio profit/loss + revenue from credit service + income from fees on off-balance sheet commitments + service charge on deposits + Other fees and commissions) – net credit provisions (only when the figure is positive) – operating expenditure (= salary and social security expenditure + net expenditure on the use of fixed assets + expenditure on hired services paid to shareholders, subsidiaries and associated companies + Other expenditure on hired services)/average assets since the beginning of the year
3.	Net interest rate margin	Net interest income since the beginning of the year/average gross interest-bearing assets since the beginning of the year
4.	Share of interest-bearing assets in the average gross assets since the beginning of the year	Average gross interest-bearing assets since the beginning of the year/average gross assets since the beginning of the year
5.	Net interest income as a percentage of average gross assets since the beginning of the year	Net interest income since the beginning of the year/average gross assets since the beginning of the year
6.	Return on interest-bearing assets (%)	Interest income since the beginning of the year/average interest-bearing assets since the beginning of the year
7.	Excess of interest liabilities	Average interest liabilities since the beginning of the year/average gross interest-bearing assets since the beginning of the year
8.	Price of interest asset financing (%)	Interest expenditure since the beginning of the year/average gross interest-bearing assets since the beginning of the year
9.	Non-interest revenue as a percentage of average assets since the beginning of the year	Non-interest revenue since the beginning of the year/average assets since the beginning of the year

10.	Efficiency ratio (non-interest expenditure since the beginning of the year as a percentage of the revenue from core operations)	Non-interest expenditure since the beginning of the year/revenue from core operations since the beginning of the year
11.	ROE (net profit since the beginning of the year as a percentage of the balance sheet capital and reserves)	Net profit since the beginning of the year/balance sheet capital and reserves

### Capital Ratios

1.	Primary capital adequacy ratio	Primary capital/total risk component
2.	Total capital adequacy ratio	Capital base/total risk component
3.	Primary capital leverage	Primary capital/total assets under Ordinance No. 8
4.	Degree of asset coverage	Capital base/total assets under Ordinance No. 8
5.	Degree of asset risk	Total risk component/ total assets under Ordinance No. 8
6.	Capital exceeding regulatory minimum under Ordinance No. 8	The smallest amount of: 1) total capital base – BGN 10,000 2) total capital base – 12 per cent of the total risk component or 3) total capital base – 6 per cent of total assets
7.	Net classified assets as a percentage of the capital base	Classified assets (watch, substandard, non-performing) less provisions on them/capital base
8.	Share of investments in fixed assets	Investments in real estate and other fixed assets/capital base

**Basic Indicators' Dynamics**

1.	Primary capital growth in previous 12 months	Primary capital (current quarter, current year) – primary capital (corresponding quarter, previous year)/primary capital (corresponding quarter, previous year)
2.	Capital base growth in previous 12 months	Capital base (current quarter, current year) – capital base (corresponding quarter, previous year)/capital base (corresponding quarter, previous year)
3.	Asset growth in previous 12 months	Total assets (current quarter, current year) – total assets (corresponding quarter, previous year)/total assets (corresponding quarter, previous year)
4.	Credit growth in previous 12 months	Gross loans (current quarter, current year) – gross loans (corresponding quarter, previous year)/gross loans (corresponding quarter, previous year)
5.	Borrowed funds growth in previous 12 months	Total borrowed funds (current quarter, current year) – total borrowed funds (corresponding quarter, previous year)/ total borrowed funds (corresponding quarter, previous year)
6.	Non-core borrowed funds growth in previous 12 months	Non-core borrowed funds (current quarter, current year) – non-core borrowed funds (corresponding quarter, previous year)/non-core borrowed funds (corresponding quarter, previous year)

### Liquidity Ratios

1.	Tradable assets as a per cent of gross assets	Tradable assets (source: <i>Ordinance No. 11</i> , cash + demand deposits in banks payable at sight or at notice of up to seven days + time deposits in banks payable at sight or at notice of up to one month + claims on repurchase agreements payable at sight or at notice of up to one month + securities in trading portfolio payable at sight or at notice of up to seven days)/gross assets
2.	Tradable assets as a per cent of total borrowed funds	Tradable assets/total borrowed funds (= total deposits + obligations under repurchase agreements + short-term borrowings + long-term borrowings + interest liabilities, source: <i>balance sheets</i> )
3.	Non-core borrowed funds as a per cent of gross assets	Non-core borrowed funds/gross assets
4.	Loans to deposits ratio	Gross loans of non-financial institutions and other customers/total deposits
5.	Pledged securities as a per cent of total securities	Pledged securities/total securities (trading portfolio + investment for sale + up to maturity)
6.	Large deposits ratio	Deposits of non-financial institutions and other customers exceeding 10 per cent of total deposits of non-financial institutions and other customers/total deposits of non-financial institutions and other customers
7.	Weighted off-balance sheet commitments as a per cent of tradable assets	Risk-weighted off-balance sheet commitments under <i>Ordinance No. 8</i> /tradable assets
8.	Primary liquidity	Cash/deposits of financial institutions + deposits of non-financial institutions + short-term borrowings + long-term borrowings
9.	Secondary liquidity	Liquid assets ratio under <i>Ordinance No. 11</i>

1. In order to ensure full comparability with quarterly data for previous periods the form of monthly *balance sheet* and *income statement* was chosen.

2. Data on individual banks are based on official quarterly reports presented by commercial banks at the BNB.

3. A bank *passport* includes basic information on the structure of shareholder capital and management, which reflect the *actual state at the time of preparing the information* (end-July 2005). Data on basic items of the balance sheet and income statement are based on relevant total lines.

4. Commercial banks are divided into groups by asset size (foreign bank branches are classified into a separate group) as follows:

**Group I:** *the first ten banks with the biggest assets. It includes Bulbank, DSK Bank, United Bulgarian Bank, HVB Bank Biochim, First Investment Bank, Raiffeisenbank, Bulgaria, Bulgarian Post Bank, SG Expressbank, Economic and Investment Bank, and DZI Bank (former Roseximbank).*

**Group II:** *the other Bulgarian banks. It includes Hebros Commercial Bank, Municipal Bank, Central Cooperative Bank, Corporate Commercial Bank, Allianz Bulgaria Commercial Bank (former Bulgaria-Invest Commercial Bank), Eurobank, Unionbank, Bulgarian-American Credit Bank, ProCredit Bank, BNP Paribas, Bulgaria, International Asset Bank (former First East International Bank), Investbank (former Neftinvestbank), Emporiki Bank, Bulgaria (former Commercial Bank of Greece, Bulgaria), Encouragement Bank, D Commerce Bank (former Demirbank, Bulgaria), Tokuda Bank, WestEast Bank, Texim Private Entrepreneurial Bank.*

**Group III:** *branches of foreign banks in Bulgaria. It includes Piraeus Bank, ING Bank N. V., National Bank of Greece C. A., Citibank N. A., Alpha Bank, T. C. Ziraat Bank.*

Banks are classified only for statistical purposes. The group classification does not imply banks' financial performance evaluation and it should not be interpreted as a rating system.

5. Appendices containing information on selected coefficients are based on reports under BNB ordinances on the capital adequacy, risk exposures evaluation and liquidity. Data on primary liquidity are based on the ratio of cash to borrowed funds, and data on secondary liquidity are based on the ratio of liquid assets to borrowed funds under BNB Ordinance No. 11. Data about net cumulative flows based on banks' reports on their liquidity are also published.



### III. Banking Supervision Regulation

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**OPEN FOREIGN CURRENCY POSITIONS OF COMMERCIAL BANKS AS OF 30 JUNE 2005**

(under Ordinance No. 4 of the BNB)

Banks	Open positions to capital base (%)
Group I	-4.20
Group II	-2.62
<b>Banking system, total</b>	<b>-3.81</b>

Source: BNB.

**CAPITAL ADEQUACY OF COMMERCIAL BANKS AS OF 30 JUNE 2005**

(under Ordinance No. 8 of the BNB)

Banks	Capital base (BGN'000)	Primary capital (BGN'000)	Total risk component (BGN'000)	Total capital adequacy (%)	Primary capital adequacy (%)	Degree of asset coverage (%)
Group I	2 056 076	1 720 953	12 837 543	16.02	13.41	9.98
Group II	666 007	613 254	3 499 631	19.03	17.52	11.74
<b>Banking system, total</b>	<b>2 722 083</b>	<b>2 334 207</b>	<b>16 337 175</b>	<b>16.66</b>	<b>14.29</b>	<b>10.36</b>

Source: BNB.

**CREDIT PORTFOLIO OF COMMERCIAL BANKS AS OF 30 JUNE 2005**  
(under Ordinance No. 9 of the BNB)

Bank groups	Loans	June 2005
<b>Group I</b>	<b>Total (BGN'000)</b>	<b>15 284 162</b>
	Standard (%)	94.03
	Watch (%)	2.93
	Substandard (%)	1.35
	Non-performing (%)	1.68
	Provisions (%)	2.89
<b>Group II</b>	<b>Total (BGN'000)</b>	<b>4 168 158</b>
	Standard (%)	93.47
	Watch (%)	3.79
	Substandard (%)	0.51
	Non-performing (%)	2.23
	Provisions (%)	2.88
<b>Group III</b>	<b>Total (BGN'000)</b>	<b>1 268 906</b>
	Standard (%)	96.76
	Watch (%)	3.06
	Substandard (%)	0.02
	Non-performing (%)	0.17
	Provisions (%)	0.97
<b>Banking system, total</b>	<b>Total (BGN'000)</b>	<b>20 721 226</b>
	Standard (%)	94.09
	Watch (%)	3.11
	Substandard (%)	1.10
	Non-performing (%)	1.70
	Provisions (%)	2.77

Source: BNB.

**LIQUIDITY OF COMMERCIAL BANKS AS OF 30 JUNE 2005**

(under Ordinance No. 11 of the BNB)

(BGN'000)

Items	Total	Overdue assets of 15 or more days/ assets in pawn	At sight up to 7 days	From 8 days to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 year
<b>Group I</b>								
Liquid assets, total	6 773 564	1 111 863						
ASSETS, TOTAL – inflow	19 988 808	1 253 422	6 540 170	1 498 344	725 170	1 051 558	2 204 627	7 968 939
BORROWED FUNDS, TOTAL (DEPOSITS)	18 518 849		5 414 906	2 819 081	1 460 204	1 187 527	1 597 516	6 039 615
Coefficient of liquid assets	30.57							
Adjusted coefficient of liquid assets to deposits			120.78	90.25	49.66	88.55	138.00	131.94
<b>Group II</b>								
Liquid assets, total	1 876 398	380 122						
ASSETS, TOTAL – inflow	5 452 393	512 414	2 050 799	208 728	323 156	509 527	658 746	1 701 437
BORROWED FUNDS, TOTAL (DEPOSITS)	4 987 248		1 206 544	807 717	563 534	707 917	640 606	1 060 930
Coefficient of liquid assets	30.00							
Adjusted coefficient of liquid assets to deposits			169.97	108.62	57.44	71.98	102.83	160.37
<b>Group III</b>								
Liquid assets, total	350 860	2 510						
ASSETS, TOTAL – inflow	1 423 794	4 386	540 791	79 980	89 265	119 697	270 398	323 663
BORROWED FUNDS, TOTAL (DEPOSITS)	1 355 129		570 556	200 511	221 084	42 145	71 840	248 993
Coefficient of liquid assets	25.71							
Adjusted coefficient of liquid assets to deposits			94.78	39.89	40.38	284.01	376.39	129.99
<b>BANKING SYSTEM, TOTAL</b>								
Liquid assets, total	9 000 822	1 494 495						
ASSETS, TOTAL – inflow	26 864 995	1 770 222	9 131 760	1 787 052	1 137 591	1 680 782	3 133 771	9 994 039
BORROWED FUNDS, TOTAL (DEPOSITS)	24 861 226		7 192 006	3 827 309	2 244 822	1 937 589	2 309 962	7 349 538
Coefficient of liquid assets	30.19							
Adjusted coefficient of liquid assets to deposits			126.97	89.30	50.68	86.75	135.66	135.98

Source: BNB.

**HIGH LIQUIDITY ASSET RATIOS**

(share of deposits, %)

Commercial bank groups		June 2005
Group I	Primary liquidity	12.45
	Secondary liquidity	30.57
Group II	Primary liquidity	12.87
	Secondary liquidity	30.00
Group III	Primary liquidity	8.24
	Secondary liquidity	25.71
<b>Banking system, total</b>	<b>Primary liquidity</b>	<b>12.27</b>
	<b>Secondary liquidity</b>	<b>30.19</b>

Source: BNB.

## IV. Balance Sheets and Income Statements

(as of June 2005)

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## BALANCE SHEET OF THE BANKING SYSTEM AS OF 30 JUNE 2005

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
<b>ASSETS</b>					
<b>Vault cash and current accounts with the BNB</b>	<b>2 671 715</b>		<b>1 590 693</b>	<b>968 298</b>	<b>112 724</b>
<b>Claims on financial institutions</b>					
Demand deposits with banks	668 633	77 086	19 645	322 099	249 803
Time deposits with banks	3 677 490	116 369	699 005	1 708 671	1 153 445
Loans to banks	53 600	196	334	30 348	22 722
Other claims on banks	11 198	0	4 676	3 543	2 979
Loans to other financial institutions	125 197	0	18 817	104 989	1 391
<b>Claims on financial institutions, total</b>	<b>4 536 118</b>	<b>193 651</b>	<b>742 477</b>	<b>2 169 650</b>	<b>1 430 340</b>
Less: specific provisions	1 547		1 095	302	150
<b>Claims on financial institutions, net</b>	<b>4 534 571</b>	<b>193 651</b>	<b>741 382</b>	<b>2 169 348</b>	<b>1 430 190</b>
<b>Claims under repurchase agreements</b>	<b>197 689</b>	<b>0</b>	<b>83 728</b>	<b>101 051</b>	<b>12 910</b>
<b>Trading portfolio</b>	<b>1 586 383</b>	<b>173</b>	<b>780 821</b>	<b>414 841</b>	<b>390 548</b>
<b>Investment portfolio</b>					
Investments held to maturity	1 189 132	0	372 227	424 481	392 424
Investments available for sale	1 074 221	0	390 967	430 886	252 368
<b>Loans to non-financial institutions and other customers</b>					
Loans to budget	26 678		26 642	36	0
Commercial loans					
Commercial real estate and construction loans	3 125 819		594 927	2 305 100	225 792
Other commercial loans	7 408 136		2 858 942	3 895 875	653 319
Agricultural loans	355 372		262 024	89 592	3 756
Consumer loans	3 526 108		3 409 343	111 476	5 289
Housing mortgage loans to individuals	1 507 633		1 089 228	403 234	15 171
Other loans	235 362	0	105 119	105 373	24 870
<b>Loans to non-financial institutions and other customers, total</b>	<b>16 185 108</b>	<b>0</b>	<b>8 346 225</b>	<b>6 910 686</b>	<b>928 197</b>
Less: specific provisions	572 894		343 228	169 306	60 360
<b>Loans to non-financial institutions and other customers, net</b>	<b>15 612 214</b>	<b>0</b>	<b>8 002 997</b>	<b>6 741 380</b>	<b>867 837</b>
Memo: purchased loans	11 027				
<b>Assets for resale</b>	<b>12 536</b>		<b>12 536</b>	<b>0</b>	<b>0</b>
<b>Investments in subsidiaries, associated and joint-venture companies</b>	<b>60 318</b>		<b>60 318</b>	<b>0</b>	<b>0</b>
<b>Other assets</b>					
Hedging derivatives	178	0	178	0	0
Other assets	169 010	362	131 244	18 557	18 847
<b>Other assets, total</b>	<b>169 188</b>	<b>362</b>	<b>131 422</b>	<b>18 557</b>	<b>18 847</b>
<b>Intangible assets</b>	<b>125 826</b>		<b>125 726</b>	<b>0</b>	<b>100</b>
<b>Premises and other fixed assets</b>	<b>692 727</b>		<b>692 229</b>	<b>0</b>	<b>498</b>
<b>Assets, total</b>	<b>27 926 520</b>	<b>194 186</b>	<b>12 985 046</b>	<b>11 268 842</b>	<b>3 478 446</b>

(continued)

(continued)		(BGN'000)			
	Total	Including			
		Related parties	BGN	EUR	Other currencies
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>					
<b>Deposits of financial institutions</b>					
Demand deposits of banks	109 595	4 370	57 833	28 524	18 868
Time deposits of banks	2 532 673	339 964	790 838	1 151 631	250 240
Deposits of other financial institutions	1 142 516	0	387 098	702 776	52 642
<b>Deposits of non-financial institutions and other customers</b>					
Demand deposits	7 330 614	0	4 637 347	1 976 156	717 111
Time deposits	8 363 924	0	3 031 753	2 974 323	2 357 848
Savings deposits	2 290 185	0	1 157 622	663 981	468 582
<b>Deposits, total</b>	<b>21 769 507</b>	<b>344 334</b>	<b>10 062 491</b>	<b>7 497 391</b>	<b>3 865 291</b>
<b>Borrowings under repurchase agreements</b>	<b>382 106</b>	<b>0</b>	<b>89 595</b>	<b>290 893</b>	<b>1 618</b>
<b>Short-term borrowings</b>					
From the BNB	0		0	0	0
From banks	205 641	0	0	155 701	49 940
Other	19 860	0	17 471	2 359	30
<b>Long-term borrowings</b>	<b>1 645 984</b>	<b>0</b>	<b>153 525</b>	<b>1 379 497</b>	<b>112 962</b>
Memo: borrowings from banks	1 254 937	0	56 389	1 169 060	29 488
<b>Subordinated term debt and debt/equity (hybrid) instruments</b>					
Subordinated term debt	168 415		25 109	142 694	612
Debt/equity (hybrid) instruments	87 850		11 045	60 631	16 174
<b>Other liabilities</b>					
Trading portfolio liabilities	15 228	272	8 241	3 759	2 956
Hedging derivatives	3 044	0	3 044	0	0
Specific provisions on off-balance sheet commitments	54 079	0	3 271	4 070	46 738
Other liabilities	541 851	31 159	354 850	96 176	59 666
<b>Liabilities, total</b>	<b>24 893 565</b>	<b>375 765</b>	<b>10 728 642</b>	<b>9 633 171</b>	<b>4 155 987</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity</b>					
Common stock	1 108 451		1 108 451		
Share premium on common stock	1 619		1 619		
Preferred stock and related premium	0		0		
<b>Reserves</b>					
Retained profit/loss, previous years	61 035	41 830	19 205		
Statutory reserves	619 637		619 637		
Other reserves	762 074	25 437	736 637		
Cumulative foreign exchange translation adjustment	0		0		
<b>Other equity components</b>					
Revaluation – fixed assets	194 420	219	194 201		
Revaluation – investments available for sale	9 876	413	9 463		
Revaluation – cash flow hedges	0	0	0		
Profit/loss, current year	277 482		277 482		
One-off effect of the change in accounting regime	-1 639	0	-1 639		
<b>Equity, total</b>	<b>3 032 955</b>	<b>67 899</b>	<b>2 965 056</b>		
<b>Liabilities, minority interest, and capital, total</b>	<b>27 926 520</b>	<b>443 664</b>	<b>13 693 698</b>	<b>9 633 171</b>	<b>4 155 987</b>
<b>Memo: credit substitutes and other off-balance sheet commitments</b>	<b>4 712 816</b>	<b>100 607</b>	<b>1 919 913</b>	<b>2 106 207</b>	<b>586 089</b>



## INCOME STATEMENT OF THE BANKING SYSTEM (June 2005)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>					
Interest income from demand deposits with banks	4 246	2 086	11	1 543	606
Interest income from time deposits with banks	43 960	1 708	4 364	16 919	20 969
Interest income from loans to banks	775	0	13	388	374
Interest income from other claims on banks	539	0	0	18	521
Interest income from loans to other financial institutions	6 344	2 681	888	2 543	232
Interest income from claims under repurchase agreements	2 563	0	1 219	1 246	98
Interest income from trading portfolio	42 472	0	26 794	8 875	6 803
Interest income from investment portfolio	42 831	0	17 976	16 326	8 529
Bulgarian government securities	27 580		16 867	8 731	1 982
Other domestic debt securities	2 429	0	916	1 114	399
Debt securities issued by foreign governments and international financial institutions	6 540		193	3 863	2 484
Other external debt securities	6 282	0	0	2 618	3 664
Interest income from loans	762 782	0	450 518	267 616	44 648
Loans to budget	1 016		995	21	0
Commercial real estate and construction loans	134 122		28 951	93 110	12 061
Other commercial loans	330 192		150 498	149 470	30 224
Agricultural loans	14 425		11 679	2 484	262
Consumer loans	210 249		205 888	4 051	310
Housing mortgage loans to individuals	64 819		49 262	14 583	974
Other loans	7 959	0	3 245	3 897	817
Dividend income	47	0	15	32	0
<b>Interest and dividend income, total</b>	<b>906 559</b>	<b>6 475</b>	<b>501 798</b>	<b>315 506</b>	<b>82 780</b>
<b>INTEREST EXPENDITURE</b>					
Interest expenditure on deposits of banks	27 753	5 683	8 806	9 758	3 506
Interest expenditure on deposits of other financial institutions	31 640	2	7 510	23 014	1 114
Interest expenditure on demand deposits of non-financial institutions and other customers	23 168	0	13 073	8 665	1 430
Interest expenditure on time deposits of non-financial institutions and other customers	125 689	0	56 323	40 337	29 029
Interest expenditure on savings deposits of non-financial institutions and other customers	14 023	0	9 828	2 992	1 203
Interest expenditure on borrowings under repurchase agreements	2 374	0	1 726	624	24
Interest expenditure on short-term borrowings	8 658	0	469	5 271	2 918
Interest expenditure on long-term borrowings	33 588	0	3 795	26 757	3 036
Interest expenditure on subordinated term debt	4 269	0	109	4 143	17
Interest expenditure on debt/equity (hybrid) instruments	1 815		46	1 081	688
Interest expenditure on other liabilities	2 069		29	946	1 090
<b>Interest expenditure, total</b>	<b>275 046</b>	<b>5 689</b>	<b>101 714</b>	<b>123 588</b>	<b>44 055</b>
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>631 513</b>	<b>786</b>	<b>400 084</b>	<b>191 918</b>	<b>38 725</b>
<b>CREDIT PROVISIONS</b>					
Accrued provisions	270 585	0			
Reintegrated provisions	146 444	0			
Credit provisions, net	124 141	0			

(continued)

(continued)		(BGN'000)			
	Total	Including			
		Related parties	BGN	EUR	Other currencies
<b>TRADING PORTFOLIO GAIN/LOSS</b>					
Gain/loss on securities trading portfolio	53 105	0			
Gain/loss on derivatives held for trading	-10 780	0			
Gain/loss on other instruments in trading portfolio	209	0			
Trading portfolio gain/loss, total	42 534	0			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>					
Gain/loss on investments available for sale	25 109	0			
Gain/loss on instruments effectively hedging investments available for sale	0	0			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>					
	<b>1 131</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>					
Loan servicing income	53 895	393			
Fee income on off-balance sheet accounts	12 932	0			
Service charges on deposits	70 105	0			
Other fees and commissions	67 157	9			
Gain/loss on assets held for resale	160	0			
Gain/loss on sale of other assets	3 293	0			
Gain/loss on foreign currency transactions	46 185	258			
Other non-interest income	11 398	0			
<b>NON-INTEREST EXPENDITURE</b>					
Salary, social security, and pension expenditure	165 851				
Occupancy expenditure, net	87 359				
External service expenditure paid to shareholders, subsidiaries and associated companies	7 546				
Other external service expenditure	135 493	447			
Other non-interest expenditure	101 429	0			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS</b>					
	<b>343 593</b>	<b>999</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>					
	<b>-22 437</b>	<b>3</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>					
	<b>3 927</b>	<b>0</b>			
<b>TAX</b>					
	<b>47 601</b>				
<b>MINORITY INTEREST</b>					
	<b>0</b>				
<b>PROFIT/LOSS, NET</b>					
	<b>277 482</b>	<b>1 002</b>			

## BALANCE SHEET OF GROUP I BANKS AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	2 038 442	1 169 500	789 130	79 812
<b>Claims on financial institutions</b>				
Demand deposits with banks	502 757	15 011	290 401	197 345
Time deposits with banks	2 542 278	486 561	1 253 531	802 186
Loans to banks	33 665	96	10 847	22 722
Other claims on banks	9 336	3 387	2 970	2 979
Loans to other financial institutions	90 375	9 421	80 954	0
<b>Claims on financial institutions, total</b>	<b>3 178 411</b>	<b>514 476</b>	<b>1 638 703</b>	<b>1 025 232</b>
Less: specific provisions	754	404	202	148
<b>Claims on financial institutions, net</b>	<b>3 177 657</b>	<b>514 072</b>	<b>1 638 501</b>	<b>1 025 084</b>
Claims under repurchase agreements	35 331	17 527	16 371	1 433
Trading portfolio	1 127 759	481 486	312 045	334 228
Investment portfolio	1 946 343	619 754	750 412	576 177
Investments held to maturity	1 123 899	356 198	386 351	381 350
Investments available for sale	822 444	263 556	364 061	194 827
<b>Loans to non-financial institutions and other customers</b>				
Loans to budget	20 260	20 260	0	0
Commercial loans	7 159 172	2 231 149	4 317 330	610 693
Commercial real estate and construction loans	1 982 984	402 078	1 425 436	155 470
Other commercial loans	5 176 188	1 829 071	2 891 894	455 223
Agricultural loans	221 599	141 344	78 210	2 045
Consumer loans	3 214 358	3 121 747	89 209	3 402
Housing mortgage loans to individuals	1 353 668	1 038 934	304 096	10 638
Other loans	136 694	71 139	50 649	14 906
<b>Loans to non-financial institutions and other customers, total</b>	<b>12 105 751</b>	<b>6 624 573</b>	<b>4 839 494</b>	<b>641 684</b>
Less: specific provisions	441 480	276 497	112 696	52 287
<b>Loans to non-financial institutions and other customers, net</b>	<b>11 664 271</b>	<b>6 348 076</b>	<b>4 726 798</b>	<b>589 397</b>
Memo: purchased loans	10 079			
Assets for resale	7 510	7 510	0	0
Investments in subsidiaries, associated and joint-venture companies	56 479	56 479	0	0
<b>Other assets</b>				
Hedging derivatives	178	178	0	0
Other assets	104 003	79 963	9 717	14 323
<b>Other assets, total</b>	<b>104 181</b>	<b>80 141</b>	<b>9 717</b>	<b>14 323</b>
Intangible assets	97 997	97 897	0	100
Premises and other fixed assets	526 043	525 545	0	498
<b>Assets, total</b>	<b>20 782 013</b>	<b>9 917 987</b>	<b>8 242 974</b>	<b>2 621 052</b>

(continued)

(continued)		(BGN'000)			
	Total	Including			
		BGN	EUR	Other currencies	
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>					
<b>Deposits of financial institutions</b>	<b>2 682 496</b>	<b>878 447</b>	<b>1 609 035</b>	<b>195 014</b>	
Demand deposits of banks	81 044	47 787	18 524	14 733	
Time deposits of banks	1 719 640	651 956	921 420	146 264	
Deposits of other financial institutions	881 812	178 704	669 091	34 017	
<b>Deposits of non-financial institutions and other customers</b>	<b>13 692 448</b>	<b>6 665 448</b>	<b>4 282 156</b>	<b>2 744 844</b>	
Demand deposits	5 295 412	3 291 610	1 479 748	524 054	
Time deposits	6 404 571	2 320 711	2 265 715	1 818 145	
Savings deposits	1 992 465	1 053 127	536 693	402 645	
<b>Deposits, total</b>	<b>16 374 944</b>	<b>7 543 895</b>	<b>5 891 191</b>	<b>2 939 858</b>	
<b>Borrowings under repurchase agreements</b>	<b>343 793</b>	<b>65 307</b>	<b>276 868</b>	<b>1 618</b>	
<b>Short-term borrowings</b>	<b>166 742</b>	<b>7 225</b>	<b>109 577</b>	<b>49 940</b>	
From the BNB	0	0	0	0	
From banks	159 517	0	109 577	49 940	
Other	7 225	7 225	0	0	
<b>Long-term borrowings</b>	<b>985 930</b>	<b>42 838</b>	<b>866 563</b>	<b>76 529</b>	
Memo: borrowings from banks	915 623	41 246	849 775	24 602	
<b>Subordinated term debt and debt/equity (hybrid) instruments</b>	<b>218 859</b>	<b>36 154</b>	<b>182 705</b>	<b>0</b>	
Subordinated term debt	147 183	25 109	122 074	0	
Debt/equity (hybrid) instruments	71 676	11 045	60 631	0	
<b>Other liabilities</b>	<b>448 676</b>	<b>284 706</b>	<b>75 051</b>	<b>88 919</b>	
Trading portfolio liabilities	12 802	7 492	2 420	2 890	
Hedging derivatives	3 044	3 044	0	0	
Specific provisions on off-balance sheet commitments	53 529	2 721	4 070	46 738	
Other liabilities	379 301	271 449	68 561	39 291	
<b>Liabilities, total</b>	<b>18 538 944</b>	<b>7 980 125</b>	<b>7 401 955</b>	<b>3 156 864</b>	
<b>Minority interest in consolidated subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Equity</b>					
Common stock	663 872	663 872			
Share premium on common stock	0	0			
Preferred stock and related premium	0	0			
Reserves	1 162 755	1 162 755			
Retained profit/loss, previous years	9 662	9 662			
Statutory reserves	495 697	495 697			
Other reserves	657 396	657 396			
Cumulative foreign exchange translation adjustment	0	0			
Other equity components	190 178	190 178			
Revaluation – fixed assets	186 027	186 027			
Revaluation – investments available for sale	4 151	4 151			
Revaluation – cash flow hedges	0	0			
Profit/loss, current year	229 256	229 256			
One-off effect of the change in accounting regime	-2 992	-2 992			
<b>Equity, total</b>	<b>2 243 069</b>	<b>2 243 069</b>			
<b>Liabilities, minority interest, and capital, total</b>	<b>20 782 013</b>	<b>10 223 194</b>	<b>7 401 955</b>	<b>3 156 864</b>	
<b>Memo: credit substitutes and other off-balance sheet commitments</b>	<b>3 184 144</b>	<b>1 299 923</b>	<b>1 419 363</b>	<b>464 858</b>	

## INCOME STATEMENT OF GROUP I BANKS (June 2005)

	(BGN'000)			
	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>				
Interest income from demand deposits with banks	1 966	2	1 495	469
Interest income from time deposits with banks	30 802	2 352	11 725	16 725
Interest income from loans to banks	567	6	199	362
Interest income from other claims on banks	521	0	3	518
Interest income from loans to other financial institutions	2 370	406	1 964	0
Interest income from claims under repurchase agreements	1 504	526	917	61
Interest income from trading portfolio	29 591	18 276	5 976	5 339
Interest income from investment portfolio	36 730	15 436	13 706	7 588
Bulgarian government securities	22 828	14 467	7 150	1 211
Other domestic debt securities	2 052	800	885	367
Debt securities issued by foreign governments and international financial institutions	5 624	169	3 098	2 357
Other external debt securities	6 226	0	2 573	3 653
Interest income from loans	564 819	364 170	171 334	29 315
Loans to budget	766	766	0	0
Commercial real estate and construction loans	77 911	18 640	51 921	7 350
Other commercial loans	222 302	99 525	101 979	20 798
Agricultural loans	7 606	5 673	1 862	71
Consumer loans	194 065	191 109	2 754	202
Housing mortgage loans to individuals	58 506	47 414	10 546	546
Other loans	3663	1043	2272	348
Dividend income	10	10	0	0
<b>Interest and dividend income, total</b>	<b>668 880</b>	<b>401 184</b>	<b>207 319</b>	<b>60 377</b>
<b>INTEREST EXPENDITURE</b>				
Interest expenditure on deposits of banks	16 484	7 191	7 101	2 192
Interest expenditure on deposits of other financial institutions	25 368	2 352	22 189	827
Interest expenditure on demand deposits of non-financial institutions and other customers	16 092	8 520	6 439	1 133
Interest expenditure on time deposits of non-financial institutions and other customers	89 984	41 922	27 689	20 373
Interest expenditure on savings deposits of non-financial institutions and other customers	10 813	8 102	2 013	698
Interest expenditure on borrowings under repurchase agreements	1 421	976	421	24
Interest expenditure on short-term borrowings	7 694	95	4 691	2 908
Interest expenditure on long-term borrowings	17 142	2 136	13 244	1 762
Interest expenditure on subordinated term debt	3 914	109	3 805	0
Interest expenditure on debt/equity (hybrid) instruments	1 125	44	1 081	0
Interest expenditure on other liabilities	1 553	3	799	751
<b>Interest expenditure, total</b>	<b>191 590</b>	<b>71 450</b>	<b>89 472</b>	<b>30 668</b>
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>477 290</b>	<b>329 734</b>	<b>117 847</b>	<b>29 709</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	180 811			
Reintegrated provisions	84 594			
Credit provisions, net	96 217			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>TRADING PORTFOLIO GAIN/LOSS</b>				
Gain/loss on securities trading portfolio	33 001			
Gain/loss on derivatives held for trading	-11 044			
Gain/loss on other instruments in trading portfolio	209			
Trading portfolio gain/loss, total	22 166			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>21 192</b>			
Gain/loss on investments available for sale	21 192			
Gain/loss on instruments effectively hedging investments available for sale	0			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>1 210</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>193 021</b>			
Loan servicing income	38 501			
Fee income on off-balance sheet accounts	7 989			
Service charges on deposits	53 804			
Other fees and commissions	47 360			
Gain/loss on assets held for resale	162			
Gain/loss on sale of other assets	2 968			
Gain/loss on foreign currency transactions	34 931			
Other non-interest income	7 306			
<b>NON-INTEREST EXPENDITURE</b>	<b>338 255</b>			
Salary, social security, and pension expenditure	110 691			
Occupancy expenditure, net	60 368			
External service expenditure paid to shareholders, subsidiaries and associated companies	3 631			
Other external service expenditure	103 903			
Other non-interest expenditure	59 662			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS</b>	<b>280 407</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-14 251</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>3 906</b>			
<b>TAX</b>	<b>40 806</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>229 256</b>			

## BALANCE SHEET OF GROUP II BANKS AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	524 801	363 097	132 100	29 604
<b>Claims on financial institutions</b>				
Demand deposits with banks	79 579	4 568	24 254	50 757
Time deposits with banks	914 338	120 425	446 376	347 537
Loans to banks	19 501	0	19 501	0
Other claims on banks	1 522	1 289	233	0
Loans to other financial institutions	14 977	5 927	7 659	1 391
<b>Claims on financial institutions, total</b>	<b>1 029 917</b>	<b>132 209</b>	<b>498 023</b>	<b>399 685</b>
Less: specific provisions	735	691	42	2
<b>Claims on financial institutions, net</b>	<b>1 029 182</b>	<b>131 518</b>	<b>497 981</b>	<b>399 683</b>
Claims under repurchase agreements	162 358	66 201	84 680	11 477
Trading portfolio	441 052	289 349	99 671	52 032
<b>Investment portfolio</b>	<b>275 397</b>	<b>128 885</b>	<b>81 965</b>	<b>64 547</b>
Investments held to maturity	65 233	16 029	38 130	11 074
Investments available for sale	210 164	112 856	43 835	53 473
<b>Loans to non-financial institutions and other customers</b>				
Loans to budget	6 418	6 382	36	0
Commercial loans	2 491 977	950 466	1 326 083	215 428
Commercial real estate and construction loans	772 222	147 817	576 027	48 378
Other commercial loans	1 719 755	802 649	750 056	167 050
Agricultural loans	129 354	116 334	11 382	1 638
Consumer loans	305 105	282 043	21 321	1 741
Housing mortgage loans to individuals	123 160	39 392	79 480	4 288
Other loans	82 227	33 792	38 506	9 929
<b>Loans to non-financial institutions and other customers, total</b>	<b>3 138 241</b>	<b>1 428 409</b>	<b>1 476 808</b>	<b>233 024</b>
Less: specific provisions	119 175	63 511	48 045	7 619
<b>Loans to non-financial institutions and other customers, net</b>	<b>3 019 066</b>	<b>1 364 898</b>	<b>1 428 763</b>	<b>225 405</b>
Memo: purchased loans	948			
Assets for resale	5 026	5 026	0	0
Investments in subsidiaries, associated and joint-venture companies	3 839	3 839	0	0
<b>Other assets</b>				
Hedging derivatives	0	0	0	0
Other assets	58 311	46 569	8 026	3 716
<b>Other assets, total</b>	<b>58 311</b>	<b>46 569</b>	<b>8 026</b>	<b>3 716</b>
Intangible assets	23 370	23 370	0	0
Premises and other fixed assets	158 488	158 488	0	0
<b>Assets, total</b>	<b>5 700 890</b>	<b>2 581 240</b>	<b>2 333 186</b>	<b>786 464</b>

(continued)

(continued)		(BGN'000)			
	Total	Including			
		BGN	EUR	Other currencies	
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>					
<b>Deposits of financial institutions</b>	<b>529 034</b>	<b>275 918</b>	<b>197 273</b>	<b>55 843</b>	
Demand deposits of banks	15 304	1 199	9 999	4 106	
Time deposits of banks	294 320	99 179	160 574	34 567	
Deposits of other financial institutions	219 410	175 540	26 700	17 170	
<b>Deposits of non-financial institutions and other customers</b>	<b>3 548 423</b>	<b>1 843 449</b>	<b>997 959</b>	<b>707 015</b>	
Demand deposits	1 480 383	1 088 212	245 576	146 595	
Time deposits	1 806 289	655 191	649 147	501 951	
Savings deposits	261 751	100 046	103 236	58 469	
<b>Deposits, total</b>	<b>4 077 457</b>	<b>2 119 367</b>	<b>1 195 232</b>	<b>762 858</b>	
<b>Borrowings under repurchase agreements</b>	<b>38 313</b>	<b>24 288</b>	<b>14 025</b>	<b>0</b>	
<b>Short-term borrowings</b>	<b>58 759</b>	<b>10 246</b>	<b>48 483</b>	<b>30</b>	
From the BNB	0	0	0	0	
From banks	46 124	0	46 124	0	
Other	12 635	10 246	2 359	30	
<b>Long-term borrowings</b>	<b>660 054</b>	<b>110 687</b>	<b>512 934</b>	<b>36 433</b>	
Memo: borrowings from banks	339 314	15 143	319 285	4 886	
<b>Subordinated term debt and debt/equity (hybrid) instruments</b>	<b>37 406</b>	<b>0</b>	<b>20 620</b>	<b>16 786</b>	
Subordinated term debt	21 232	0	20 620	612	
Debt/equity (hybrid) instruments	16 174	0	0	16 174	
<b>Other liabilities</b>	<b>119 485</b>	<b>76 519</b>	<b>25 224</b>	<b>17 742</b>	
Trading portfolio liabilities	1 956	577	1 339	40	
Hedging derivatives	0	0	0	0	
Specific provisions on off-balance sheet commitments	550	550	0	0	
Other liabilities	116 979	75 392	23 885	17 702	
<b>Liabilities, total</b>	<b>4 991 474</b>	<b>2 341 107</b>	<b>1 816 518</b>	<b>833 849</b>	
<b>Minority interest in consolidated subsidiaries</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Equity</b>					
Common stock	444 579	444 579			
Share premium on common stock	1 619	1 619			
Preferred stock and related premium	0	0			
Reserves	212 724	212 724			
Retained profit/loss, previous years	9 543	9 543			
Statutory reserves	123 940	123 940			
Other reserves	79 241	79 241			
Cumulative foreign exchange translation adjustment	0	0			
Other equity components	13 486	13 486			
Revaluation – fixed assets	8 174	8 174			
Revaluation – investments available for sale	5 312	5 312			
Revaluation – cash flow hedges	0	0			
Profit/loss, current year	35 655	35 655			
One-off effect of the change in accounting regime	1 353	1 353			
<b>Equity, total</b>	<b>709 416</b>	<b>709 416</b>			
<b>Liabilities, minority interest, and capital, total</b>	<b>5 700 890</b>	<b>3 050 523</b>	<b>1 816 518</b>	<b>833 849</b>	
<b>Memo: credit substitutes and other off-balance sheet commitments</b>	<b>919 222</b>	<b>437 399</b>	<b>417 145</b>	<b>64 678</b>	



## INCOME STATEMENT OF GROUP II BANKS (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>				
Interest income from demand deposits with banks	138	1	45	92
Interest income from time deposits with banks	9 893	1 083	4 641	4 169
Interest income from loans to banks	208	7	189	12
Interest income from other claims on banks	18	0	15	3
Interest income from loans to other financial institutions	1 046	376	438	232
Interest income from claims under repurchase agreements	1 059	693	329	37
Interest income from trading portfolio	12 236	7 924	2 872	1 440
Interest income from investment portfolio	4 828	2 038	1 976	814
Bulgarian government securities	4 206	1 898	1 537	771
Other domestic debt securities	377	116	229	32
Debt securities issued by foreign governments and international financial institutions	189	24	165	0
Other external debt securities	56	0	45	11
Interest income from loans	170 916	78 451	78 137	14 328
Loans to budget	250	229	21	0
Commercial real estate and construction loans	47 272	9 094	33 819	4 359
Other commercial loans	91 949	45 245	37 836	8 868
Agricultural loans	6 616	5 888	597	131
Consumer loans	15 750	14 409	1 243	98
Housing mortgage loans to individuals	5 134	1 388	3 343	403
Other loans	3 945	2 198	1 278	469
Dividend income	37	5	32	0
<b>Interest and dividend income, total</b>	<b>200 379</b>	<b>90 578</b>	<b>88 674</b>	<b>21 127</b>
<b>INTEREST EXPENDITURE</b>				
Interest expenditure on deposits of banks	3 156	1 152	1 269	735
Interest expenditure on deposits of other financial institutions	5 746	4 928	560	258
Interest expenditure on demand deposits of non-financial institutions and other customers	4 469	3 651	604	214
Interest expenditure on time deposits of non-financial institutions and other customers	33 653	13 348	11 908	8 397
Interest expenditure on savings deposits of non-financial institutions and other customers	3 126	1 712	923	491
Interest expenditure on borrowings under repurchase agreements	948	745	203	0
Interest expenditure on short-term borrowings	964	374	580	10
Interest expenditure on long-term borrowings	16 446	1 659	13 513	1 274
Interest expenditure on subordinated term debt	355	0	338	17
Interest expenditure on debt/equity (hybrid) instruments	690	2	0	688
Interest expenditure on other liabilities	509	26	147	336
<b>Interest expenditure, total</b>	<b>70 062</b>	<b>27 597</b>	<b>30 045</b>	<b>12 420</b>
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>130 317</b>	<b>62 981</b>	<b>58 629</b>	<b>8 707</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	86 703			
Reintegrated provisions	59 658			
Credit provisions, net	27 045			

(continued)

(continued)		(BGN'000)		
	Total	Including		
		BGN	EUR	Other currencies
<b>TRADING PORTFOLIO GAIN/LOSS</b>				
Gain/loss on securities trading portfolio	19 404			
Gain/loss on derivatives held for trading	76			
Gain/loss on other instruments in trading portfolio	0			
Trading portfolio gain/loss, total	19 480			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>3 150</b>			
Gain/loss on investments available for sale	3 150			
Gain/loss on instruments effectively hedging investments available for sale	0			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>-79</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>59 310</b>			
Loan servicing income	14 266			
Fee income on off-balance sheet accounts	4 246			
Service charges on deposits	14 583			
Other fees and commissions	15 835			
Gain/loss on assets held for resale	-2			
Gain/loss on sale of other assets	325			
Gain/loss on foreign currency transactions	6915			
Other non-interest income	3 142			
<b>NON-INTEREST EXPENDITURE</b>	<b>138 765</b>			
Salary, social security, and pension expenditure	48 704			
Occupancy expenditure, net	24 187			
External service expenditure paid to shareholders, subsidiaries and associated companies	3 915			
Other external service expenditure	24 119			
Other non-interest expenditure	37 840			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS</b>	<b>46 368</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-6 337</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>54</b>			
<b>TAX</b>	<b>4 430</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>35 655</b>			

## BALANCE SHEET OF GROUP III BANKS AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
<b>Vault cash and current accounts with the BNB</b>	<b>108 472</b>		<b>108 472</b>	<b>58 096</b>	<b>47 068</b>	<b>3 308</b>
<b>Claims on financial institutions</b>						
Demand deposits with banks	86 297	77 086	9 211	66	7 444	1 701
Time deposits with banks	220 874	116 369	104 505	92 019	8 764	3 722
Loans to banks	434	196	238	238	0	0
Other claims on banks	340	0	340	0	340	0
Loans to other financial institutions	19 845	0	19 845	3 469	16 376	0
<b>Claims on financial institutions, total</b>	<b>327 790</b>	<b>193 651</b>	<b>134 139</b>	<b>95 792</b>	<b>32 924</b>	<b>5 423</b>
Less: specific provisions	58	0	58	0	58	0
<b>Claims on financial institutions, net</b>	<b>327 732</b>	<b>193 651</b>	<b>134 081</b>	<b>95 792</b>	<b>32 866</b>	<b>5 423</b>
<b>Claims under repurchase agreements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Trading portfolio</b>	<b>17 572</b>	<b>173</b>	<b>17 399</b>	<b>9 986</b>	<b>3 125</b>	<b>4 288</b>
<b>Investment portfolio</b>	<b>41 613</b>	<b>0</b>	<b>41 613</b>	<b>14 555</b>	<b>22 990</b>	<b>4 068</b>
Investments held to maturity	0	0	0	0	0	0
Investments available for sale	41 613	0	41 613	14 555	22 990	4 068
<b>Loans to non-financial institutions and other customers</b>	<b>941 116</b>	<b>0</b>	<b>941 116</b>	<b>293 243</b>	<b>594 384</b>	<b>53 489</b>
Loans to budget	0		0	0	0	0
Commercial loans	882 806	0	882 806	272 254	557 562	52 990
Commercial real estate and construction loans	370 613		370 613	45 032	303 637	21 944
Other commercial loans	512 193		512 193	227 222	253 925	31 046
Agricultural loans	4 419		4 419	4 346	0	73
Consumer loans	6 645		6 645	5 553	946	146
Housing mortgage loans to individuals	30 805		30 805	10 902	19 658	245
Other loans	16 441	0	16 441	188	16 218	35
<b>Loans to non-financial institutions and other customers, total</b>	<b>941 116</b>	<b>0</b>	<b>941 116</b>	<b>293 243</b>	<b>594 384</b>	<b>53 489</b>
Less: specific provisions	12 239	0	12 239	3 220	8 565	454
<b>Loans to non-financial institutions and other customers, net</b>	<b>928 877</b>	<b>0</b>	<b>928 877</b>	<b>290 023</b>	<b>585 819</b>	<b>53 035</b>
<b>Memo: purchased loans</b>						
related parties	0					
unrelated parties	0					
<b>Assets for resale</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other assets</b>						
Hedging derivatives	0	0	0	0	0	0
Other assets	6 696	362	6 334	4 712	814	808
<b>Other assets, total</b>	<b>6 696</b>	<b>362</b>	<b>6 334</b>	<b>4 712</b>	<b>814</b>	<b>808</b>
<b>Intangible assets</b>	<b>4 459</b>		<b>4 459</b>	<b>4 459</b>	<b>0</b>	<b>0</b>
<b>Premises and other fixed assets</b>	<b>8 196</b>		<b>8 196</b>	<b>8 196</b>	<b>0</b>	<b>0</b>
<b>Assets, total</b>	<b>1 443 617</b>	<b>194 186</b>	<b>1 249 431</b>	<b>485 819</b>	<b>692 682</b>	<b>70 930</b>

(continued)

(continued)		(BGN'000)				
	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>LIABILITIES, RESERVES, AND FINANCIAL RESULT</b>						
<b>Deposits of financial institutions</b>	<b>573 254</b>	<b>344 334</b>	<b>228 920</b>	<b>81 404</b>	<b>76 623</b>	<b>70 893</b>
Demand deposits of banks	13 247	4 370	8 877	8 847	1	29
Time deposits of banks	518 713	339 964	178 749	39 703	69 637	69 409
Deposits of other financial institutions	41 294	0	41 294	32 854	6 985	1 455
<b>Deposits of non-financial institutions and other customers</b>	<b>743 852</b>	<b>0</b>	<b>743 852</b>	<b>317 825</b>	<b>334 345</b>	<b>91 682</b>
Demand deposits	554 819	0	554 819	257 525	250 832	46 462
Time deposits	153 064	0	153 064	55 851	59 461	37 752
Savings deposits	35 969	0	35 969	4 449	24 052	7 468
<b>Deposits, total</b>	<b>1 317 106</b>	<b>344 334</b>	<b>972 772</b>	<b>399 229</b>	<b>410 968</b>	<b>162 575</b>
<b>Borrowings under repurchase agreements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Short-term borrowings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
From the BNB	0	0	0	0	0	0
From banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Long-term borrowings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Memo: borrowings from banks	0	0	0	0	0	0
<b>Other liabilities</b>	<b>46 041</b>	<b>31 431</b>	<b>14 610</b>	<b>8 181</b>	<b>3 730</b>	<b>2 699</b>
Trading portfolio liabilities	470	272	198	172	0	26
Hedging derivatives	0	0	0	0	0	0
Specific provisions on off-balance sheet commitments	0	0	0	0	0	0
Other liabilities	45 571	31 159	14 412	8 009	3 730	2 673
<b>Liabilities, total</b>	<b>1 363 147</b>	<b>375 765</b>	<b>987 382</b>	<b>407 410</b>	<b>414 698</b>	<b>165 274</b>
<b>Reserves and financial result</b>						
Reserves	67 267	67 267				
Retained profit/loss, previous years	41 830	41 830				
Other reserves	25 437	25 437				
Revaluation reserves	632	632				
Revaluation – fixed assets	219	219				
Revaluation – investments available for sale	413	413				
Revaluation – cash flow hedges	0	0				
Profit/loss, current year	12 571		12 571	12 571		
One-off effect of the change in accounting regime	0	0				
<b>Reserves and financial result, total</b>	<b>80 470</b>	<b>67 899</b>	<b>12 571</b>	<b>12 571</b>		
<b>Liabilities, reserves, and financial result, total</b>	<b>1 443 617</b>	<b>443 664</b>	<b>999 953</b>	<b>419 981</b>	<b>414 698</b>	<b>165 274</b>
<b>Memo: credit substitutes and other off-balance sheet commitments</b>	<b>609 450</b>	<b>100 607</b>	<b>508 843</b>	<b>182 591</b>	<b>269 699</b>	<b>56 553</b>

**INCOME STATEMENT OF GROUP III BANKS**  
 (June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>						
Interest income from demand deposits with banks	2 142	2 086	56	8	3	45
Interest income from time deposits with banks	3 265	1 708	1 557	929	553	75
Interest income from loans to banks	0	0	0	0	0	0
Interest income from other claims on banks	0	0	0	0	0	0
Interest income from loans to other financial institutions	2 928	2 681	247	106	141	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	645	0	645	594	27	24
Interest income from investment portfolio	1 273	0	1 273	502	644	127
Bulgarian government securities	546		546	502	44	0
Other domestic debt securities	0	0	0	0	0	0
External debt securities issued by foreign governments and international financial institutions	727		727	0	600	127
Other external debt securities	0	0	0	0	0	0
Interest income from loans	27 047	0	27 047	7 897	18 145	1 005
Loans to budget	0		0	0	0	0
Commercial real estate and construction loans	8 939		8 939	1 217	7 370	352
Other commercial loans	15 941		15 941	5 728	9 655	558
Agricultural loans	203		203	118	25	60
Consumer loans	434		434	370	54	10
Housing mortgage loans to individuals	1 179		1 179	460	694	25
Other loans	351	0	351	4	347	0
Dividend income	0	0	0	0	0	0
<b>Interest and dividend income, total</b>	<b>37 300</b>	<b>6 475</b>	<b>30 825</b>	<b>10 036</b>	<b>19 513</b>	<b>1 276</b>
<b>INTEREST EXPENDITURE</b>						
Interest expenditure on deposits of banks	8 113	5 683	2 430	463	1 388	579
Interest expenditure on deposits of other financial institutions	526	2	524	230	265	29
Interest expenditure on demand deposits of non-financial institutions and other customers	2 607	0	2 607	902	1 622	83
Interest expenditure on time deposits of non-financial institutions and other customers	2 052	0	2 052	1 053	740	259
Interest expenditure on savings deposits of non-financial institutions and other customers	84	0	84	14	56	14
Interest expenditure on borrowings under repurchase agreements	5	0	5	5	0	0
Interest expenditure on short-term borrowings	0	0	0	0	0	0
Interest expenditure on long-term borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	7	4	3	0	0	3
<b>Interest expenditure, total</b>	<b>13 394</b>	<b>5 689</b>	<b>7 705</b>	<b>2 667</b>	<b>4 071</b>	<b>967</b>
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>23 906</b>	<b>786</b>	<b>23 120</b>	<b>7 369</b>	<b>15 442</b>	<b>309</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	3 071	0	3 071			
Reintegrated provisions	2 192	0	2 192			
Credit provisions, net	879	0	879			

(continued)

(continued)		(BGN'000)			
	Total	Related parties	Unrelated parties		
			Total	BGN	EUR
<b>TRADING PORTFOLIO GAIN/LOSS</b>					
Gain/loss on trading portfolio securities	700	0	700		
Gain/loss on derivatives held for trading	188	0	188		
Gain/loss on other instruments in trading portfolio	0	0	0		
Total trading portfolio gain/loss	888	0	888		
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>767</b>	<b>0</b>	<b>767</b>		
Gain/loss on investments available for sale	767	0	767		
Gain/loss on instruments effectively hedging investments available for sale	0	0	0		
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>OTHER NON-INTEREST INCOME</b>	<b>12 794</b>	<b>660</b>	<b>12 134</b>		
Loan servicing income	1 128	393	735		
Fee income on off-balance sheet accounts	697	0	697		
Service charges on deposits	1 718	0	1 718		
Other fees and commissions	3 962	9	3 953		
Gain/loss on assets held for resale	0	0	0		
Gain/loss on sale of other assets	0	0	0		
Gain/loss on foreign currency transactions	4 339	258	4 081		
Other non-interest income	950	0	950		
<b>NON-INTEREST EXPENDITURE</b>	<b>20 658</b>	<b>447</b>	<b>20 211</b>		
Salary, social security, and pension expenditure	6 456		6 456		
Occupancy expenditure, net	2 804		2 804		
External service expenditure	7 471	447	7 024		
Other non-interest expenditure	3 927	0	3 927		
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS</b>	<b>16 818</b>	<b>999</b>	<b>15 819</b>		
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-1 849</b>	<b>3</b>	<b>-1 852</b>		
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-33</b>	<b>0</b>	<b>-33</b>		
<b>TAX</b>	<b>2 365</b>		<b>2 365</b>		
<b>PROFIT/LOSS, NET</b>	<b>12 571</b>	<b>1 002</b>	<b>11 569</b>		

## V. Balance Sheets and Income Statements of Individual Commercial Banks\*

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\* Banks are arranged in alphabetical order, not according to bank code.





**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	52 925	31 931	18 368	2 626
Claims on financial institutions, net	78 600	13 997	22 652	41 951
Claims under repurchase agreements	68 581	8 107	48 997	11 477
Trading portfolio	79 209	53 986	18 785	6 438
Investment portfolio	43 788	16 679	16 035	11 074
Loans to non-financial institutions and other customers, net	199 705	114 947	77 807	6 951
Loans to budget	323	323	0	0
Commercial loans	141 875	88 703	46 638	6 534
Commercial real estate and construction loans	45 504	28 452	15 741	1 311
Other commercial loans	96 371	60 251	30 897	5 223
Agricultural loans	7 330	7 208	122	0
Consumer loans	19 097	15 005	3 874	218
Housing mortgage loans to individuals	36 720	7 648	28 868	204
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	205 345	118 887	79 502	6 956
Less: specific provisions	5 640	3 940	1 695	5
Assets for resale	49	49	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	2 681	2 475	175	31
Intangible assets	1 486	1 486	0	0
Premises and other fixed assets	10 252	10 252	0	0
Assets, total	537 276	253 909	202 819	80 548
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	126 107	103 197	7 813	15 097
Demand deposits of banks	12	6	2	4
Time deposits of banks	26 555	19 904	6 651	0
Deposits of other financial institutions	99 540	83 287	1 160	15 093
Deposits of non-financial institutions and other customers	301 773	134 331	102 809	64 633
Demand deposits	96 455	72 188	17 142	7 125
Time deposits	172 930	56 026	64 710	52 194
Savings deposits	32 388	6 117	20 957	5 314
Deposits, total	427 880	237 528	110 622	79 730
Borrowings under repurchase agreements	8 487	0	8 487	0
Short-term borrowings	0	0	0	0
Long-term borrowings	55 537	3 357	52 180	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	6 942	4 618	2 020	304
Liabilities, total	498 846	245 503	173 309	80 034
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	38 430	38 430		
Shareholder capital	19 000	19 000		
Reserves	15 736	15 736		
Profit/loss, current year	3 694	3 694		
Liabilities, minority interest, and capital, total	537 276	283 933	173 309	80 034
Memo: credit substitutes and other off-balance sheet commitments	104 285	27 178	67 244	9 863

\* Former Bulgaria-Invest Commercial Bank.


**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>15 385</b>	<b>7 969</b>	<b>5 828</b>	<b>1 588</b>
Interest income from claims on financial institutions	1 157	281	427	449
Interest income from claims under repurchase agreements	288	11	241	36
Interest income from trading portfolio	1 702	1 218	419	65
Interest income from investment portfolio	1 267	417	500	350
Interest income from loans	10 971	6 042	4 241	688
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>8 100</b>	<b>4 504</b>	<b>2 529</b>	<b>1 067</b>
Interest expenditure on deposits of financial institutions	3 443	3 186	22	235
Interest expenditure on deposits of non-financial institutions and other customers	3 090	1 303	965	822
Interest expenditure on borrowings under repurchase agreements	134	15	119	0
Interest expenditure on borrowings	1 433	0	1 423	10
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>7 285</b>	<b>3 465</b>	<b>3 299</b>	<b>521</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	2 293			
Reintegrated provisions	1 638			
Credit provisions, net	655			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>2 684</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>-79</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>3 716</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>7 824</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>5 127</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-781</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>652</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>3 694</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

**License granted by the BNB** Resolution No. 345 of 3 June 1997 of the BNB Governing Council.  
License updated by Order No. 100-00515 of 22 November 1999 and amended by  
Order No. RD 22-0446 of 27 October 2000, Order No. RD 22-0469 of 20 June 2002

**Legal registration** Company file No. 12684 of 1997, vol. 487, p. 202, lot No. 44383

**Address of the head office** 79 Knyaginya Maria-Luiza Blvd., Sofia 1000  
tel. 02/988 54 88; 921 54 04  
Website: www.allianz.bg

**Management**

**Supervisory Board** Oleg Nikolov Nedialkov – Chairman  
Sofia Kamenova Hristova – Deputy Chairman  
Emil Dimitrov Gavrilov – Deputy Chairman  
Maxim Stanev Sirakov

Temenouga Nenova Matrakchieva  
Radka Stefanova Rasina

**Management Board** Dimitar Georgiev Zhelev – Chairman  
Strahil Nikolov Vidinov – Deputy Chairman  
Galya Dimitrova Dimitrova  
Georgi Yanchev Momchilov  
Hristo Borisov Babev

**Shareholders**  
(shares over 10%)

Allianz Bulgaria Holding Ltd. – 79.61%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	13 439	0	13 439	12 002	827	610
Claims on financial institutions, net	4 081	0	4 081	4 000	37	44
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	12	0	12	12	0	0
Loans to non-financial institutions and other customers, net	123 077	0	123 077	11 451	101 288	10 338
Loans to budget	0	0	0	0	0	0
Commercial loans	106 087	0	106 087	11 409	84 371	10 307
Commercial real estate and construction loans	73 701	0	73 701	2 470	61 555	9 676
Other commercial loans	32 386	0	32 386	8 939	22 816	631
Agricultural loans	0	0	0	0	0	0
Consumer loans	59	0	59	31	28	0
Housing mortgage loans to individuals	784	0	784	74	679	31
Other loans	16 217	0	16 217	0	16 217	0
Loans to non-financial institutions and other customers, total	123 147	0	123 147	11 514	101 295	10 338
Less: specific provisions	70	0	70	63	7	0
Assets for resale	0	0	0	0	0	0
Other assets, net	1 790	362	1 428	1 320	0	108
Intangible assets	11	0	11	11	0	0
Premises and other fixed assets	3 192	0	3 192	3 192	0	0
Assets, total	145 602	362	145 240	31 988	102 152	11 100
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	86 866	33 524	53 342	13 598	36 342	3 402
Demand deposits of banks	0	0	0	0	0	0
Time deposits of banks	68 251	33 524	34 727	0	31 491	3 236
Deposits of other financial institutions	18 615	0	18 615	13 598	4 851	166
Deposits of non-financial institutions and other customers	51 620	0	51 620	12 450	33 353	5 817
Demand deposits	27 717	0	27 717	7 001	19 839	877
Time deposits	14 662	0	14 662	4 415	7 380	2 867
Savings deposits	9 241	0	9 241	1 034	6 134	2 073
Deposits, total	138 486	33 524	104 962	26 048	69 695	9 219
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	1 151	930	221	109	68	44
Liabilities, total	139 637	34 454	105 183	26 157	69 763	9 263
Reserves and financial result, total	5 965	5 043	922	922		
Reserves	5 043	5 043	0	0		
Profit/loss, current year	922	0	922	922		
Liabilities, reserves, and financial result, total	145 602	39 497	106 105	27 079	69 763	9 263
Memo: credit substitutes and other off-balance sheet commitments	34 086	0	34 086	11 179	19 989	2 918



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>INTEREST AND DIVIDEND INCOME</b>	<b>3 543</b>	<b>1</b>	<b>3 542</b>	<b>414</b>	<b>2865</b>	<b>263</b>
Interest income from claims on financial institutions	64	1	63	63	0	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	3 479	0	3 479	351	2865	263
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>1 432</b>	<b>690</b>	<b>742</b>	<b>264</b>	<b>407</b>	<b>71</b>
Interest expenditure on deposits of financial institutions	1 193	690	503	191	269	43
Interest expenditure on deposits of non-financial institutions and other customers	239	0	239	73	138	28
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>2 111</b>	<b>-689</b>	<b>2 800</b>	<b>150</b>	<b>2458</b>	<b>192</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	70	0	70			
Reintegrated provisions	0	0	0			
Credit provisions, net	70	0	70			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>509</b>	<b>0</b>	<b>509</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 493</b>	<b>0</b>	<b>1 493</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>1 057</b>	<b>-689</b>	<b>1 746</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>48</b>	<b>0</b>	<b>48</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-20</b>	<b>0</b>	<b>-20</b>			
<b>TAX</b>	<b>163</b>	<b>0</b>	<b>163</b>			
<b>PROFIT/LOSS, NET</b>	<b>922</b>	<b>-689</b>	<b>1 611</b>			



## ALPHA BANK, SOFIA BRANCH

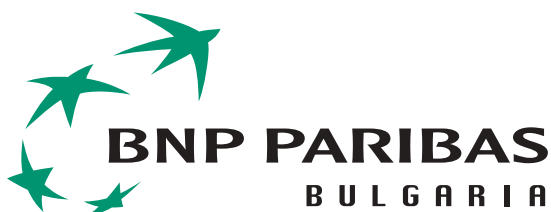
### STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Resolution No. 31 of 2 February 1995 of the BNB Governing Council; Order No. 100-00564 of 22 December 1999 for license update. Order No. RD22-571 of 27 November 2000: the BNB grants a permit to Alpha Bank AE, Athens, Greece, as a legal successor of the Ionian and Popular Bank of Greece, Athens (licensed by Order No. 100-00564 of 22 December 1999), to conduct bank activities through a branch named 'Alpha Bank, Sofia Branch'
<b>Legal registration</b>	Entered in the Commercial Register on company file No. 4005, vol. 280, p. 156 by Resolution No. 2 of 1 September 1995 of the Sofia City Court
<b>Address</b>	11 Narodno Sabranie Square, Sofia 1000 tel. 02/981 65 54 Website: <a href="http://www.alphabank.bg">www.alphabank.bg</a>
<b>Management</b>	The branch is represented by two persons with first signature or with first and second signatures put jointly, i. e. with the signatures of: Yoannis Yordanis Yordanidis – Governor, and Teoni Georgios Ziguraki – Deputy Governor, put jointly, or with the signature of one of them and one of the signatures of the deputy governors entitled to second signature: Iskrenna Stefanova Makarieva
<b>Shareholders</b> (shares over 10%)	Branch of Alpha Bank AE, Athens, Greece

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	24 665	18 862	5 456	347
Claims on financial institutions, net	75 474	4 772	58 002	12 700
Claims under repurchase agreements	17 908	0	17 908	0
Trading portfolio	3 594	3 580	0	14
Investment portfolio	11 711	6 929	3 626	1 156
Loans to non-financial institutions and other customers, net	184 058	37 039	124 552	22 467
Loans to budget	0	0	0	0
Commercial loans	184 404	37 571	125 325	21 508
Commercial real estate and construction loans	40 972	0	40 972	0
Other commercial loans	143 432	37 571	84 353	21 508
Agricultural loans	0	0	0	0
Consumer loans	197	192	3	2
Housing mortgage loans to individuals	358	358	0	0
Other loans	1 407	0	371	1 036
Loans to non-financial institutions and other customers, total	186 366	38 121	125 699	22 546
Less: specific provisions	2 308	1 082	1 147	79
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	808	203	599	6
Intangible assets	69	69	0	0
Premises and other fixed assets	14 612	14 612	0	0
Assets, total	332 899	86 066	210 143	36 690
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	120 523	35 897	74 872	9 754
Demand deposits of banks	8 050	283	5 831	1 936
Time deposits of banks	106 595	31 504	68 271	6 820
Deposits of other financial institutions	5 878	4 110	770	998
Deposits of non-financial institutions and other customers	149 692	60 628	57 814	31 250
Demand deposits	130 782	54 620	52 398	23 764
Time deposits	18 910	6 008	5 416	7 486
Savings deposits	0	0	0	0
Deposits, total	270 215	96 525	132 686	41 004
Borrowings under repurchase agreements	9 251	9 251	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	4 274	3 485	693	96
Liabilities, total	283 740	109 261	133 379	41 100
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	49 159	49 159		
Shareholder capital	36 000	36 000		
Reserves	11 746	11 746		
Profit/loss, current year	1 413	1 413		
Liabilities, minority interest, and capital, total	332 899	158 420	133 379	41 100
Memo: credit substitutes and other off-balance sheet commitments	178 352	67 070	99 271	12 011



## INCOME STATEMENT

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>5 959</b>	<b>1 270</b>	<b>3 600</b>	<b>1 089</b>
Interest income from claims on financial institutions	606	19	373	214
Interest income from claims under repurchase agreements	51	0	51	0
Interest income from trading portfolio	197	79	0	118
Interest income from investment portfolio	172	137	24	11
Interest income from loans	4 933	1 035	3 152	746
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>1 550</b>	<b>607</b>	<b>570</b>	<b>373</b>
Interest expenditure on deposits of financial institutions	898	264	400	234
Interest expenditure on deposits of non-financial institutions and other customers	498	313	123	62
Interest expenditure on borrowings under repurchase agreements	30	30	0	0
Interest expenditure on borrowings	0	0	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	124	0	47	77
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>4 409</b>	<b>663</b>	<b>3 030</b>	<b>716</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	2 026			
Reintegrated provisions	1 888			
Credit provisions, net	138			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>3</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>24</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>2 593</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>5 313</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>1 578</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>68</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>233</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 413</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	No. 349 of 14 November 1994 by Resolution of the BNB Governing Council accompanied by Letter No. 440-01046 of 25 November 1994 and Order No. 100-00496 of 18 November 1999 of the BNB Governor for license update
<b>Legal registration</b>	Company file No. 22740 of 1994, lot No. 21406, vol. 259, p. 142
<b>Address of the head office</b>	2 Tsar Osvoboditel Blvd., Sofia 1000 tel. 02/921 86 40; 921 86 50 Website: <a href="http://www.bnparibas-bg.com">www.bnparibas-bg.com</a>
<b>Management</b>	
Supervisory Board	Matthieu Lacaze  Gilles Franck  Arnaud Denis Jean-Sebastien Tellier
Management Board	Ullrich-Günther Schubert – Chief Executive Director  Ivailo Lyubomirov Lyubomirov – Executive Director  Loic Prime – Executive Director  Blagoi Vankov Bochev – Executive Director
<b>Shareholders</b> (shares over 10%)	
	Bank Nationale de Paris, France – 100%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	259 261	105 403	144 975	8 883
Claims on financial institutions, net	442 697	662	174 145	267 890
Claims under repurchase agreements	0	0	0	0
Trading portfolio	134 209	84 980	43 616	5 613
Investment portfolio	815 433	316 416	180 219	318 798
Loans to non-financial institutions and other customers, net	1 477 880	625 925	753 777	98 178
Loans to budget	1 800	1 800	0	0
Commercial loans	1 258 453	431 700	729 252	97 501
Commercial real estate and construction loans	212 771	53 270	157 778	1 723
Other commercial loans	1 045 682	378 430	571 474	95 778
Agricultural loans	23 894	21 647	1 606	641
Consumer loans	69 020	63 940	2 905	2 175
Housing mortgage loans to individuals	171 605	139 398	32 207	0
Other loans	1 588	217	45	1 326
Loans to non-financial institutions and other customers, total	1 526 360	658 702	766 015	101 643
Less: specific provisions	48 480	32 777	12 238	3 465
Assets for resale	34	34	0	0
Investments in unconsolidated subsidiaries and associated companies	7965	7965	0	0
Other assets	9 739	9 030	620	89
Intangible assets	49 879	49 879	0	0
Premises and other fixed assets	105 976	105 976	0	0
Assets, total	3 303 073	1 306 270	1 297 352	699 451
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	60 327	36 214	9 816	14 297
Demand deposits of banks	16 852	974	6 180	9 698
Time deposits of banks	25 827	23 002	0	2 825
Deposits of other financial institutions	17 648	12 238	3 636	1 774
Deposits of non-financial institutions and other customers	2 443 071	695 158	1 078 052	669 861
Demand deposits	1 318 993	531 961	573 306	213 726
Time deposits	1 117 876	162 529	502 060	453 287
Savings deposits	6 202	668	2 686	2 848
Deposits, total	2 503 398	731 372	1 087 868	684 158
Borrowings under repurchase agreements	43 678	43 678	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	4 438	0	4 438	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	183 990	96 714	26 295	60 981
Liabilities, total	2 735 504	871 764	1 118 601	745 139
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	567 569	567 569		
Shareholder capital	166 370	166 370		
Reserves	348 023	348 023		
Profit/loss, current year	53 176	53 176		
Liabilities, minority interest, and capital, total	3 303 073	1 439 333	1 118 601	745 139
Memo: credit substitutes and other off-balance sheet commitments	532 662	217 796	174 282	140 584

**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>93 757</b>	<b>42 834</b>	<b>37 873</b>	<b>13 050</b>
Interest income from claims on financial institutions	7 236	44	2 999	4 193
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	5 479	2 372	2 599	508
Interest income from investment portfolio	19 879	8 753	5 947	5 179
Interest income from loans	61 162	31 664	26 328	3 170
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>14 927</b>	<b>3 584</b>	<b>8 558</b>	<b>2 785</b>
Interest expenditure on deposits of financial institutions	1 342	507	754	81
Interest expenditure on deposits of non-financial institutions and other customers	11 568	2 657	6 957	1 954
Interest expenditure on borrowings under repurchase agreements	420	420	0	0
Interest expenditure on borrowings	53	0	53	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	1 544	0	794	750
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>78 830</b>	<b>39 250</b>	<b>29 315</b>	<b>10 265</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	20 865			
Reintegrated provisions	8 437			
Credit provisions, net	12 428			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>2 680</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>866</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>837</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>29 540</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>38 197</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>62 128</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>461</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>9 413</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>53 176</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Licensed by Resolution of the BNB Governing Council of 25 February 1991, updated by Order No. 100-00485 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Entered under No. 17 of 21 February 1964 of the Sofia Regional Court on company file No. 9 of 1964 and in the Commercial Register under No. 503, vol. 5, p. 99 on company file No. 2010 of 1990 of the Sofia City Court
<b>Address of the head office</b>	7 Sveta Nedelya Sq., Sofia 1000 tel. 02/923 21 11 Website: <a href="http://www.bulbank.bg">www.bulbank.bg</a>
<b>Management</b>	
Supervisory Board	Andrea Moneta – Chairman  Alberto Fausto Galmarini – Deputy Chairman  Massimiliano Moi  Dimitar Georgiev Zhelev  Ivan Stancioff  Jan Bielecki  Marcello Arloto
Management Board	Levon Hampartsumyan – Chairman and Chief Executive Director  Alessandro Decio – Deputy Chairman and Chief Operating Director, Executive Director  Kalinka Kirova  Stanislav Georgiev  Lyubomir Ignatov Punchev
<b>Shareholders</b> (shares over 10%)	UniCredito Italiano S. A. – 85.19%

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	19 111	2 751	15 753	607
Claims on financial institutions, net	37 967	2 511	12 645	22 811
Claims under repurchase agreements	0	0	0	0
Trading portfolio	73	42	31	0
Investment portfolio	13 271	1 097	6 476	5 698
Loans to non-financial institutions and other customers, net	242 339	1 892	211 479	28 968
Loans to budget	0	0	0	0
Commercial loans	243 690	2 226	218 858	22 606
Commercial real estate and construction loans	165 451	106	149 470	15 875
Other commercial loans	78 239	2 120	69 388	6 731
Agricultural loans	4 021	0	3 171	850
Consumer loans	379	0	379	0
Housing mortgage loans to individuals	10 310	0	6 906	3 404
Other loans	4 961	0	0	4 961
Loans to non-financial institutions and other customers, total	263 361	2 226	229 314	31 821
Less: specific provisions	21 022	334	17 835	2 853
Assets for resale	459	459	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	416	369	30	17
Intangible assets	262	262	0	0
Premises and other fixed assets	4 335	4 335	0	0
Assets, total	318 233	13 718	246 414	58 101
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	14 307	3 625	10 433	249
Demand deposits of banks	0	0	0	0
Time deposits of banks	2 035	2 035	0	0
Deposits of other financial institutions	12 272	1 590	10 433	249
Deposits of non-financial institutions and other customers	50 926	7 801	26 617	16 508
Demand deposits	20 136	5 737	12 253	2 146
Time deposits	30 790	2 064	14 364	14 362
Savings deposits	0	0	0	0
Deposits, total	65 233	11 426	37 050	16 757
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	2 359	0	2 359	0
Long-term borrowings	168 561	0	145 270	23 291
Subordinated term debt and debt/equity (hybrid) instruments	16 174	0	0	16 174
Other liabilities	2 717	1 715	699	303
Liabilities, total	255 044	13 141	185 378	56 525
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	63 189	63 189		
Shareholder capital	12 746	12 746		
Reserves	40 879	40 879		
Profit/loss, current year	9 564	9 564		
Liabilities, minority interest, and capital, total	318 233	76 330	185 378	56 525
Memo: credit substitutes and other off-balance sheet commitments	50 725	716	49 198	811

**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>24 309</b>	<b>174</b>	<b>20 662</b>	<b>3 473</b>
Interest income from claims on financial institutions	430	9	211	210
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	3	3	0	0
Interest income from investment portfolio	315	24	211	80
Interest income from loans	23 561	138	20 240	3 183
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>6 798</b>	<b>85</b>	<b>4 838</b>	<b>1 875</b>
Interest expenditure on deposits of financial institutions	112	45	59	8
Interest expenditure on deposits of non-financial institutions and other customers	587	40	263	284
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	5 411	0	4 516	895
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	688	0	0	688
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>17 511</b>	<b>89</b>	<b>15 824</b>	<b>1 598</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	11 231			
Reintegrated provisions	5 328			
Credit provisions, net	5 903			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>30</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>76</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>2 657</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>4 462</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>9 909</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>836</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>1 181</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>9 564</b>			

## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Resolution of the BNB Governing Council of 11 July 1996; updated in accordance with the Law on Banks by BNB Order No. 100-000476 of 30 December 1999
<b>Legal registration</b>	Entered by Resolution No.1 of 3 December 1996 of the Sofia City Court on company file No. 12587 of 1996, lot No. 35659, vol. 397, p. 180
<b>Address of the head office</b>	16 Krakra Str., Sofia 1504 tel. 02/965 83 58 e-mail: bacb@baefinvest.com
<b>Management</b>	The Bank is managed and represented jointly by each two of the executive directors: Franc Luis Bauer, Stoyan Nikolov Dinchiyski and Dimitar Stoyanov Vuchev
<b>Board of Directors</b>	Franc Luis Bauer  Stephen William Filo  Dimitar Stoyanov Vuchev  Michael Hunsberger  Dennis Earl Fiehler  Marshal Lee Miller  Stoyan Nikolov Dinchiyski
<b>Shareholders</b> (shares over 10%)	Bulgarian-American Investment Fund – 99.9%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	86 395	54 854	22 898	8 643
Claims on financial institutions, net	125 262	15	90 878	34 369
Claims under repurchase agreements	18 013	1 034	16 979	0
Trading portfolio	7 207	6 410	0	797
Investment portfolio	66 457	44 254	22 203	0
Loans to non-financial institutions and other customers, net	331 603	225 621	69 231	36 751
Loans to budget	54	54	0	0
Commercial loans	235 963	139 316	59 524	37 123
Commercial real estate and construction loans	36 978	19 891	17 087	0
Other commercial loans	198 985	119 425	42 437	37 123
Agricultural loans	27 065	24 658	2 407	0
Consumer loans	50 196	49 773	395	28
Housing mortgage loans to individuals	23 326	15 403	7 719	204
Other loans	800	738	3	59
Loans to non-financial institutions and other customers, total	337 404	229 942	70 048	37 414
Less: specific provisions	5 801	4 321	817	663
Assets for resale	115	115	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	18 813	10 011	6 097	2 705
Intangible assets	3 024	3 024	0	0
Premises and other fixed assets	23 574	23 574	0	0
Assets, total	680 463	368 912	228 286	83 265
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	19 923	17 179	2 629	115
Demand deposits of banks	145	100	45	0
Time deposits of banks	9 956	8 000	1 956	0
Deposits of other financial institutions	9 822	9 079	628	115
Deposits of non-financial institutions and other customers	540 234	324 955	140 754	74 525
Demand deposits	195 954	176 061	12 707	7 186
Time deposits	312 758	135 007	115 999	61 752
Savings deposits	31 522	13 887	12 048	5 587
Deposits, total	560 157	342 134	143 383	74 640
Borrowings under repurchase agreements	10 181	10 181	0	0
Short-term borrowings	21 572	0	21 572	0
Long-term borrowings	9 603	9 603	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	19 648	10 454	1 514	7 680
Liabilities, total	621 161	372 372	166 469	82 320
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	59 302	59 302		
Shareholder capital	32 338	32 338		
Reserves	26 409	26 409		
Profit/loss, current year	555	555		
Liabilities, minority interest, and capital, total	680 463	431 674	166 469	82 320
Memo: credit substitutes and other off-balance sheet commitments	49 173	31 473	9 005	8 695



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>20 722</b>	<b>13 354</b>	<b>4 670</b>	<b>2 698</b>
Interest income from claims on financial institutions	1 374	18	893	463
Interest income from claims under repurchase agreements	175	158	16	1
Interest income from trading portfolio	107	103	0	4
Interest income from investment portfolio	1 429	855	543	31
Interest income from loans	17 637	12 220	3 218	2 199
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>7 693</b>	<b>3 823</b>	<b>2 733</b>	<b>1 137</b>
Interest expenditure on deposits of financial institutions	250	167	2	81
Interest expenditure on deposits of non-financial institutions and other customers	6 456	3 049	2 610	797
Interest expenditure on borrowings under repurchase agreements	495	495	0	0
Interest expenditure on borrowings	150	93	57	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	342	19	64	259
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>13 029</b>	<b>9 531</b>	<b>1 937</b>	<b>1 561</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	6 732			
Reintegrated provisions	3 089			
Credit provisions, net	3 643			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>614</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>-34</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>9 239</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>18 479</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>726</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-73</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>98</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>555</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Resolution No. 14 of 25 February 1991 of the BNB Governing Council. Updated by Order No. 100-00493 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Resolution of the Sofia City Court of 28 March 1991 on company file No. 5227 of 1991, lot No. 334, vol. 4, p. 11
<b>Address of the head office</b>	103 Rakovski Str., Sofia 1000 tel. 02/926 62 66 Website: www.ccbank.bg
<b>Management</b>	The company is represented jointly by two of the executive directors Borislav Yavorov Chilikov, Georgi Dimitrov Konstantinov, Lazar Petrov Iliev and Victor Ivanov Mechkarov, or by one of them and the procurator Tihomir Angelov Atanasov
<b>Supervisory Board</b>	Nikola Alexandrov Damyanov – Chairman  CCB Group Assets Management EAD  Central Cooperative Union represented by Petar Ivanov Stefanov
<b>Management Board</b>	Alexander Asenov Vodenicharov – Chairman  Georgi Dimitrov Konstantinov – Executive Director  Borislav Yavorov Chilikov – Executive Director  Lazar Petrov Iliev – Executive Director  Victor Ivanov Mechkarov – Executive Director  Alexander Dimitrov Kerezov  Tsvetan Tsankov Botev  Biser Yordanov Slavkov
<b>Procurator</b>	Tihomir Angelov Atanasov
<b>Shareholders</b> (shares over 10%)	CCB Group Assets Management EAD – 67%

**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	8 657	0	8 657	8 110	306	241
Claims on financial institutions, net	168 639	82 142	86 497	86 022	340	135
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	456	173	283	0	12	271
Investment portfolio	14 220	0	14 220	14 220	0	0
Loans to non-financial institutions and other customers, net	116 942	0	116 942	58 628	57 141	1 173
Loans to budget	0	0	0	0	0	0
Commercial loans	121 004	0	121 004	58 911	60 828	1 265
Commercial real estate and construction loans	15 685	0	15 685	0	15 685	0
Other commercial loans	105 319	0	105 319	58 911	45 143	1 265
Agricultural loans	0	0	0	0	0	0
Consumer loans	100	0	100	100	0	0
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	36	0	36	1	0	35
Loans to non-financial institutions and other customers, total	121 140	0	121 140	59 012	60 828	1 300
Less: specific provisions	4 198	0	4 198	384	3 687	127
Assets for resale	0	0	0	0	0	0
Other assets, net	1 100	0	1 100	904	140	56
Intangible assets	648	0	648	648	0	0
Premises and other fixed assets	452	0	452	452	0	0
Assets, total	311 114	82 315	228 799	168 984	57 939	1 876
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	10 343	260	10 083	1 381	7 707	995
Demand deposits of banks	260	260	0	0	0	0
Time deposits of banks	5 868	0	5 868	0	5 868	0
Deposits of other financial institutions	4 215	0	4 215	1 381	1 839	995
Deposits of non-financial institutions and other customers	282 638	0	282 638	151 453	109 843	21 342
Demand deposits	257 429	0	257 429	146 820	98 425	12 184
Time deposits	25 209	0	25 209	4 633	11 418	9 158
Savings deposits	0	0	0	0	0	0
Deposits, total	292 981	260	292 721	152 834	117 550	22 337
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	14 902	10 974	3 928	2 757	543	628
Liabilities, total	307 883	11 234	296 649	155 591	118 093	22 965
Reserves and financial result, total	3 231	719	2 512	2 512		
Reserves	719	719	0	0		
Profit/loss, current year	2 512	0	2 512	2 512		
Liabilities, reserves, and financial result, total	311 114	11 953	299 161	158 103	118 093	22 965
Memo: credit substitutes and other off-balance sheet commitments	148 451	42 239	106 212	55 770	37 992	12 450


**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>INTEREST AND DIVIDEND INCOME</b>	<b>4 216</b>	<b>1 365</b>	<b>2 851</b>	<b>1 897</b>	<b>935</b>	<b>19</b>
Interest income from claims on financial institutions	1 986	1 365	621	621	0	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	521	0	521	490	31	0
Interest income from loans	1 709	0	1 709	786	904	19
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>1 498</b>	<b>4</b>	<b>1 494</b>	<b>579</b>	<b>845</b>	<b>70</b>
Interest expenditure on deposits of financial institutions	271	0	271	39	204	28
Interest expenditure on deposits of non-financial institutions and other customers	1 220	0	1 220	540	641	39
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	7	4	3	0	0	3
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>2 718</b>	<b>1 361</b>	<b>1 357</b>	<b>1 318</b>	<b>90</b>	<b>-51</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	694	0	694			
Reintegrated provisions	2 062	0	2 062			
Credit provisions, net	-1 368	0	-1 368			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>141</b>	<b>0</b>	<b>141</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>738</b>	<b>0</b>	<b>738</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>2 310</b>	<b>0</b>	<b>2 310</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>4 069</b>	<b>427</b>	<b>3 642</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>3 206</b>	<b>934</b>	<b>2 272</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-247</b>	<b>0</b>	<b>-247</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TAX</b>	<b>447</b>	<b>0</b>	<b>447</b>			
<b>PROFIT/LOSS, NET</b>	<b>2 512</b>	<b>934</b>	<b>1 578</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Order No. RD 22-319 of 22 June 2000 and Order No. RD 22-319 of 11 December 2000 amending Order No. RD 22-319 of 22 June 2000 which permitted Citibank N. A., Sofia Branch to conduct transactions under Article 1, para. 2, item 4 of the Law on Banks excluding purchases of shares and issuance of shares on its own account.
<b>Legal registration</b>	Entered under No. 57 183, vol. 627, reg. I, p. 132 on company file No. 8611 of the Sofia City Court of 2000
<b>Address of the branch</b>	2 Knyaginya Maria-Luiza Blvd., floor 5, Sofia 1000 tel. 02/917 51 00; 917 51 01; 917 51 02
<b>Management</b>	
Management Board	Amin Manekia – Country Corporate Officer  Chavdar Petrov Risin  Silvana Vasileva Gruncharova  Grigoriy Ananiev Ananiev  Borislava Stoyanova Zhhereva–Naimoushina
<b>Shareholders</b> (shares over 10%)	Branch of Citibank N. A., New York, the USA



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	42 630	23 284	17 789	1 557
Claims on financial institutions, net	116 934	82	66 083	50 769
Claims under repurchase agreements	485	485	0	0
Trading portfolio	20 070	16 954	3 116	0
Investment portfolio	1 212	1 209	3	0
Loans to non-financial institutions and other customers, net	228 551	94 109	111 352	23 090
Loans to budget	0	0	0	0
Commercial loans	216 445	88 802	103 549	24 094
Commercial real estate and construction loans	13 663	5 450	7 504	709
Other commercial loans	202 782	83 352	96 045	23 385
Agricultural loans	546	546	0	0
Consumer loans	1 693	1 458	162	73
Housing mortgage loans to individuals	811	289	480	42
Other loans	10 906	3 626	7 280	0
Loans to non-financial institutions and other customers, total	230 401	94 721	111 471	24 209
Less: specific provisions	1 850	612	119	1 119
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	5	5	0	0
Other assets	4 742	4 680	60	2
Intangible assets	457	457	0	0
Premises and other fixed assets	13 890	13 890	0	0
Assets, total	428 976	155 155	198 403	75 418
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	17 234	10 151	7 002	81
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	17 234	10 151	7 002	81
Deposits of non-financial institutions and other customers	365 563	158 064	135 179	72 320
Demand deposits	163 594	95 676	36 140	31 778
Time deposits	112 796	18 318	72 135	22 343
Savings deposits	89 173	44 070	26 904	18 199
Deposits, total	382 797	168 215	142 181	72 401
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	226	226	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	4 904	1 054	122	3 728
Liabilities, total	387 927	169 495	142 303	76 129
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 049	41 049		
Shareholder capital	30 000	30 000		
Reserves	8 515	8 515		
Profit/loss, current year	2 534	2 534		
Liabilities, minority interest, and capital, total	428 976	210 544	142 303	76 129
Memo: credit substitutes and other off-balance sheet commitments	87 638	43 213	37 918	6 507



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>12 110</b>	<b>4 538</b>	<b>5 933</b>	<b>1 639</b>
Interest income from claims on financial institutions	1 513	89	998	426
Interest income from claims under repurchase agreements	13	4	9	0
Interest income from trading portfolio	515	465	50	0
Interest income from investment portfolio	28	28	0	0
Interest income from loans	10 041	3 952	4 876	1 213
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>5 577</b>	<b>2 581</b>	<b>2 183</b>	<b>813</b>
Interest expenditure on deposits of financial institutions	445	197	247	1
Interest expenditure on deposits of non-financial institutions and other customers	5 103	2 355	1 936	812
Interest expenditure on borrowings under repurchase agreements	2	2	0	0
Interest expenditure on borrowings	23	23	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	4	4	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>6 533</b>	<b>1 957</b>	<b>3 750</b>	<b>826</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	654			
Reintegrated provisions	908			
Credit provisions, net	-254			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>918</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>116</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>2 526</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>8 059</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>2 288</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>693</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>447</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>2 534</b>			


**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution No. 24 of 21 January 1994. Pursuant to the provisions of § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks, the license was updated by Order No. 100-00499 of the BNB Governor dated 18 November 1999
<b>Legal registration</b>	Resolution of the Sofia City Court of 6 May 1994 on company file No. 3989 of 1994, lot No. 568, vol. 11, reg. II, p. 29. Changed by Resolution No. 8 of the Sofia City Court dated 19 June 2000.
<b>Address of the head office</b>	10 Graf Ignatiev Str., Sofia 1000 tel. 02/980 93 62 Website: <a href="http://www.corpbank.bg">www.corpbank.bg</a>
<b>Management</b>	
Supervisory Board	Tsvetan Radoev Vasilev – Chairman  Zlatozar Krustev Surlekov  Yancho Panayotov Angelov
Management Board	Ilian Atanasov Zafirov – Executive Director  Orlin Nikolov Rousev – Executive Director  Lyubomir Ivanov Vesov – Executive Director
<b>Shareholders</b> (shares over 10%)	Bromak – 86.68% directly, and jointly with Victoria Insurance Company (indirectly) – 93.34%



**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	8 273	3 989	2 998	1 286
Claims on financial institutions, net	4 087	1 500	2 187	400
Claims under repurchase agreements	0	0	0	0
Trading portfolio	17 059	10 579	6 393	87
Investment portfolio	1 090	4	1 086	0
Loans to non-financial institutions and other customers, net	29 975	8 471	14 391	7 113
Loans to budget	0	0	0	0
Commercial loans	29 181	8 058	13 998	7 125
Commercial real estate and construction loans	3 949	214	3 735	0
Other commercial loans	25 232	7 844	10 263	7 125
Agricultural loans	0	0	0	0
Consumer loans	1 104	518	469	117
Housing mortgage loans to individuals	0	0	0	0
Other loans	78	0	78	0
Loans to non-financial institutions and other customers, total	30 363	8 576	14 545	7 242
Less: specific provisions	388	105	154	129
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	173	164	2	7
Intangible assets	107	107	0	0
Premises and other fixed assets	1 197	1 197	0	0
Assets, total	61 961	26 011	27 057	8 893
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	7 895	1 532	6 286	77
Demand deposits of banks	660	0	588	72
Time deposits of banks	5 380	0	5 380	0
Deposits of other financial institutions	1 855	1 532	318	5
Deposits of non-financial institutions and other customers	30 713	8 333	10 025	12 355
Demand deposits	20 128	5 373	6 993	7 762
Time deposits	9 342	2 602	2 451	4 289
Savings deposits	1 243	358	581	304
Deposits, total	38 608	9 865	16 311	12 432
Borrowings under repurchase agreements	1 623	0	1 623	0
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 737	654	1 907	176
Liabilities, total	42 968	10 519	19 841	12 608
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	18 993	18 993		
Shareholder capital	20 000	20 000		
Reserves	-1 585	-1 585		
Profit/loss, current year	578	578		
Liabilities, minority interest, and capital, total	61 961	29 512	19 841	12 608
Memo: credit substitutes and other off-balance sheet commitments	11 839	2 916	7 416	1 507

\* Former Demirbank, Bulgaria.


**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>2 014</b>	<b>694</b>	<b>914</b>	<b>406</b>
Interest income from claims on financial institutions	166	3	74	89
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	394	230	164	0
Interest income from investment portfolio	36	0	36	0
Interest income from loans	1 418	461	640	317
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>429</b>	<b>83</b>	<b>207</b>	<b>139</b>
Interest expenditure on deposits of financial institutions	194	37	101	56
Interest expenditure on deposits of non-financial institutions and other customers	199	46	70	83
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	0	0	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	36	0	36	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>1 585</b>	<b>611</b>	<b>707</b>	<b>267</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	259			
Reintegrated provisions	246			
Credit provisions, net	13			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>293</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>1 419</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>2 271</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>1 013</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-437</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>2</b>			
<b>TAX</b>	<b>0</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>578</b>			



**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	No. 100-000101 of 12 March 1999
<b>Legal registration</b>	Resolution No. 1 of the Sofia City Court dated 15 April 1999, company file No. 3936 of 1999
<b>Address of the head office</b>	8 Tsar Osvoboditel Blvd., Sofia 1000 tel. 02/935 71 71 Website: www.dbank.bg
<b>Management</b>	
Supervisory Board	Tayfun Bayazit – Chairman  Huseyin Faik Acikalin  Ismail Hasan Akchakayaluoglu  Dinc Uner  Mevlyut Tyufan Darbaz
Management Board	Muammer Akşit Ozkural – Chief Executive Director  Rafi Karagiol – Executive Director  Sinan Kircali – Executive Director  Ognyan Yordanov – Executive Director
<b>Shareholders</b> (shares over 10%)	
	Isil Dogan – 50%  Halit Djangalluoglu – 40%


**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	395 335	282 414	103 667	9 254
Claims on financial institutions, net	410 975	107 013	184 352	119 610
Claims under repurchase agreements	0	0	0	0
Trading portfolio	84 153	34 841	27 364	21 948
Investment portfolio	348 444	151 845	146 691	49 908
Loans to non-financial institutions and other customers, net	2 560 213	2 254 119	272 511	33 583
Loans to budget	1 294	1 294	0	0
Commercial loans	511 306	295 498	185 030	30 778
Commercial real estate and construction loans	33 255	21 978	11 119	158
Other commercial loans	478 051	273 520	173 911	30 620
Agricultural loans	8 148	7 554	594	0
Consumer loans	1 589 843	1 582 461	7 144	238
Housing mortgage loans to individuals	517 214	430 696	83 851	2 667
Other loans	2 068	2 030	11	27
Loans to non-financial institutions and other customers, total	2 629 873	2 319 533	276 630	33 710
Less: specific provisions	69 660	65 414	4 119	127
Assets for resale	60	60	0	0
Investments in unconsolidated subsidiaries and associated companies	18043	18043	0	0
Other assets	16 454	16 302	139	13
Intangible assets	4 487	4 487	0	0
Premises and other fixed assets	127 404	127 404	0	0
Assets, total	3 965 568	2 996 528	734 724	234 316
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	199 081	155 686	43 352	43
Demand deposits of banks	112	112	0	0
Time deposits of banks	165 599	122 562	43 037	0
Deposits of other financial institutions	33 370	33 012	315	43
Deposits of non-financial institutions and other customers	2 991 362	2 293 979	466 233	231 150
Demand deposits	545 790	514 324	26 686	4 780
Time deposits	1 555 914	1 061 324	317 361	177 229
Savings deposits	889 658	718 331	122 186	49 141
Deposits, total	3 190 443	2 449 665	509 585	231 193
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	278 237	0	278 237	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	53 098	49 133	3 072	893
Liabilities, total	3 521 778	2 498 798	790 894	232 086
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	443 790	443 790		
Shareholder capital	93 984	93 984		
Reserves	292 384	292 384		
Profit/loss, current year	57 422	57 422		
Liabilities, minority interest, and capital, total	3 965 568	2 942 588	790 894	232 086
Memo: credit substitutes and other off-balance sheet commitments	225 346	99 658	107 752	17 936



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>165 693</b>	<b>141 252</b>	<b>20 399</b>	<b>4 042</b>
Interest income from claims on financial institutions	2 544	94	928	1 522
Interest income from claims under repurchase agreements	3	3	0	0
Interest income from trading portfolio	1 864	955	621	288
Interest income from investment portfolio	10 279	4 843	4 427	1 009
Interest income from loans	151 003	135 357	14 423	1 223
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>34 521</b>	<b>26 492</b>	<b>6 870</b>	<b>1 159</b>
Interest expenditure on deposits of financial institutions	1 740	862	719	159
Interest expenditure on deposits of non-financial institutions and other customers	30 129	25 604	3 525	1 000
Interest expenditure on borrowings under repurchase agreements	26	26	0	0
Interest expenditure on borrowings	2 626	0	2 626	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>131 172</b>	<b>114 760</b>	<b>13 529</b>	<b>2 883</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	46 148			
Reintegrated provisions	26 192			
Credit provisions, net	19 956			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>4 383</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>20</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>423</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>26 255</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>72 265</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>70 032</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-2 378</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>10 232</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>57 422</b>			


**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	State Savings Bank (SSB) was transformed into a commercial bank according to Ordinance No. 59 of 25 November 1998 of the Council of Ministers pursuant to the Law on Transformation of the SSB (Darjaven Vestnik, issue 28 of 1998). Order RD 22-0882 of the BNB Governor dated 26 September 2002 for DSK Bank's license. By Resolution No. 10 of 8 January 2003 the Sofia City Court entered the change in the name of DSK Bank reflecting its legal status: sole equity proprietorship company, named DSK Bank EAD.
<b>Legal registration</b>	Resolution No. 1 of the Sofia City Court of 26 January 1999, company file No. 756 of 1999, lot No. 875, vol. 16, reg. II, p. 22
<b>Address of the head office</b>	19 Moskovska Str., Sofia 1036 tel. 02/9391 220 Website: www.dskbank.bg
<b>Management</b>	
Supervisory Board	Sándor Csányi – Chairman  Zoltán Spéder – Deputy Chairman  László Wolf – Deputy Chairman  Gyula Pap
Management Board	Violina Marinova Spasova – Chairman, Chief Executive Director  Diana Decheva Miteva – Executive Director  Georgi Dinev Zhelev – Executive Director  Kalin Nikolov Klisarov – Executive Director  Miroslav Stanimirov Vichev – Member of the Management Board and Procurator
Procurator	Doroteya Nikolaeva Nikolova
<b>Shareholders</b> (shares over 10%)	OTP Bank RT, Budapest – 100%



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BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	97 888	88 757	5 671	3 460
Claims on financial institutions, net	354 580	24 170	221 612	108 798
Claims under repurchase agreements	0	0	0	0
Trading portfolio	89 860	57 617	17 100	15 143
Investment portfolio	63 174	7 804	33 169	22 201
Loans to non-financial institutions and other customers, net	300 868	160 195	69 789	70 884
Loans to budget	6 973	6 973	0	0
Commercial loans	224 138	100 196	57 089	66 853
Commercial real estate and construction loans	91 409	40 657	15 419	35 333
Other commercial loans	132 729	59 539	41 670	31 520
Agricultural loans	1 904	1 904	0	0
Consumer loans	20 474	19 461	973	40
Housing mortgage loans to individuals	43 885	32 448	9 853	1 584
Other loans	7 977	266	3 671	4 040
Loans to non-financial institutions and other customers, total	305 351	161 248	71 586	72 517
Less: specific provisions	4 483	1 053	1 797	1 633
Assets for resale	375	375	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	14 109	12 362	750	997
Intangible assets	1 068	1 068	0	0
Premises and other fixed assets	18 453	18 453	0	0
Assets, total	940 375	370 801	348 091	221 483
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	61 020	22 387	34 824	3 809
Demand deposits of banks	2 865	2 537	0	328
Time deposits of banks	33 536	0	33 536	0
Deposits of other financial institutions	24 619	19 850	1 288	3 481
Deposits of non-financial institutions and other customers	763 483	294 851	253 643	214 989
Demand deposits	291 652	178 830	95 757	17 065
Time deposits	437 283	97 463	147 096	192 724
Savings deposits	34 548	18 558	10 790	5 200
Deposits, total	824 503	317 238	288 467	218 798
Borrowings under repurchase agreements	11 365	11 365	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	36 154	36 154	0	0
Other liabilities	12 107	5 624	3 281	3 202
Liabilities, total	884 129	370 381	291 748	222 000
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	56 246	56 246		
Shareholder capital	50 000	50 000		
Reserves	4 624	4 624		
Profit/loss, current year	1 622	1 622		
Liabilities, minority interest, and capital, total	940 375	426 627	291 748	222 000
Memo: credit substitutes and other off-balance sheet commitments	74 303	52 023	14 868	7 412

\* Former Roseximbank.



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DZI BANK

**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>19 345</b>	<b>8 032</b>	<b>5 725</b>	<b>5 588</b>
Interest income from claims on financial institutions	4 175	221	2 367	1 587
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	2 187	1 745	280	162
Interest income from investment portfolio	350	22	269	59
Interest income from loans	12 633	6 044	2 809	3 780
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>10 493</b>	<b>3 230</b>	<b>3 360</b>	<b>3 903</b>
Interest expenditure on deposits of financial institutions	350	274	18	58
Interest expenditure on deposits of non-financial institutions and other customers	9 967	2 780	3 342	3 845
Interest expenditure on borrowings under repurchase agreements	4	4	0	0
Interest expenditure on borrowings	17	17	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	153	153	0	0
Interest expenditure on other liabilities	2	2	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>8 852</b>	<b>4 802</b>	<b>2 365</b>	<b>1 685</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	1 137			
Reintegrated provisions	1 109			
Credit provisions, net	28			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>177</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>162</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>-54</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>7 597</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>18 366</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>-1 660</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>689</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>2 879</b>			
<b>TAX</b>	<b>286</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 622</b>			





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Balance Sheets and Income Statements of Individual Commercial Banks

## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Roseximbank is a successor of the Trakia United Private Commercial Bank, Plovdiv, licensed by Resolution No. 77 of the BNB Governing Council dated 13 March 1995; Order No. 100-000251 of 17 July 1998 of the BNB Governor for licensing Roseximbank AD; Order No. 100-00514 of the BNB Governor dated 22 November 1999 amending the previous Order; Order No. RD 22-413 of the BNB Governor dated 28 July 2000 amending the previous Order. Order No. RD22-1093 of the BNB Deputy Governor heading the Banking Supervision Department dated 9 July 2004, permitting Roseximbank AD to change its name in the license to DZI Bank AD.
<b>Legal registration</b>	Resolution No. 1 of 10 March 1998 of the Sofia City Court, company file No. 3006 of 1998; entered under No. 45652, v. 500, reg. I, p. 128.
<b>Address of the head office</b>	4-6 Dondukov Blvd., Sofia 1000 tel. 02/9307 136, 980 25 38 Website: www.dzibank.bg
<b>Management</b>	
Supervisory Board	DZI AD, represented by Vesela Ognyanova Kyuleva – Chairman  Asen Raikov Oshanov – Deputy Chairman  DZI General Insurance, represented by Milena Kamenova Plocheva  Contract Holding Company, represented by Yuriy Alexandrov Kyulev  Maxim Moncho Behar
Management Board	Diana Zhivkova Mladenova – Chairman and Executive Director  Krasimir Totev Angarski – Chief Executive Director  Tatyana Todorova Yankova – Executive Director  Mincho Hristov Mihov – Executive Director  Iliyan Stoyanov Mitev – Executive Director  Radka Ganeva Ganeva – Executive Director  Plamen Borisov Itsov  Stanimir Metodiev Hristov
Chief Procurator	Emil Alexandrov Kyulev
Procurator	Plamen Yordanov Milkov
<b>Shareholders</b> (shares over 10%)	DZI AD – 50.09%; jointly with related parties – 69.78%  Bank Austria Creditanstalt – 24.84%

**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	94 063	73 544	15 094	5 425
Claims on financial institutions, net	455 676	2 011	284 002	169 663
Claims under repurchase agreements	1 253	0	0	1 253
Trading portfolio	67 371	43 449	1 704	22 218
Investment portfolio	26 930	25 179	1 751	0
Loans to non-financial institutions and other customers, net	287 342	126 885	96 593	63 864
Loans to budget	100	100	0	0
Commercial loans	300 965	105 871	114 201	80 893
Commercial real estate and construction loans	73 820	10 682	32 273	30 865
Other commercial loans	227 145	95 189	81 928	50 028
Agricultural loans	180	180	0	0
Consumer loans	19 298	18 414	820	64
Housing mortgage loans to individuals	3 678	287	3 224	167
Other loans	34 655	34 489	149	17
Loans to non-financial institutions and other customers, total	358 876	159 341	118 394	81 141
Less: specific provisions	71 534	32 456	21 801	17 277
Assets for resale	427	427	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	11 966	5 661	3 553	2 752
Intangible assets	383	383	0	0
Premises and other fixed assets	29 067	29 067	0	0
Assets, total	974 478	306 606	402 697	265 175
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	122 497	42 799	76 825	2 873
Demand deposits of banks	36 400	36 196	170	34
Time deposits of banks	35 136	0	35 136	0
Deposits of other financial institutions	50 961	6 603	41 519	2 839
Deposits of non-financial institutions and other customers	731 694	203 301	264 827	263 566
Demand deposits	188 090	141 136	32 316	14 638
Time deposits	512 595	50 485	218 646	243 464
Savings deposits	31 009	11 680	13 865	5 464
Deposits, total	854 191	246 100	341 652	266 439
Borrowings under repurchase agreements	2 500	2 500	0	0
Short-term borrowings	13 318	0	0	13 318
Long-term borrowings	10 788	0	10 788	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	7 806	6 839	772	195
Liabilities, total	888 603	255 439	353 212	279 952
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	85 875	85 875		
Shareholder capital	56 000	56 000		
Reserves	28 256	28 256		
Profit/loss, current year	1 619	1 619		
Liabilities, minority interest, and capital, total	974 478	341 314	353 212	279 952
Memo: credit substitutes and other off-balance sheet commitments	20 189	17 768	1 856	565

**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>27 341</b>	<b>10 256</b>	<b>10 203</b>	<b>6 882</b>
Interest income from claims on financial institutions	5 258	47	3 856	1 355
Interest income from claims under repurchase agreements	75	55	0	20
Interest income from trading portfolio	1 355	1 192	2	161
Interest income from investment portfolio	687	325	119	243
Interest income from loans	19 965	8 636	6 226	5 103
Dividend income	1	1	0	0
<b>INTEREST EXPENDITURE</b>	<b>19 665</b>	<b>2 465</b>	<b>9 535</b>	<b>7 665</b>
Interest expenditure on deposits of financial institutions	3 042	708	2 277	57
Interest expenditure on deposits of non-financial institutions and other customers	16 223	1 755	6 870	7 598
Interest expenditure on borrowings under repurchase agreements	2	2	0	0
Interest expenditure on borrowings	398	0	388	10
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>7 676</b>	<b>7 791</b>	<b>668</b>	<b>-783</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	21 156			
Reintegrated provisions	5 192			
Credit provisions, net	15 964			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>-2 901</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>19 281</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>9 064</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>15 129</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>2 027</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-305</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-103</b>			
<b>TAX</b>	<b>0</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 619</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution No. 26 of 27 January 1995; the bank was renamed by Order No. RD 22-482 of 29 September 2000. Pursuant to § 47 of the Transitional and Final Provisions of the Law on Amendments to the Law on Banks the license was updated by Order No. 100-00502 of the BNB Governor of 18 November 1999.
<b>Legal registration</b>	Resolution No.1 of 8 March 1995 of the Sofia City Court on company file No. 2757 of 1995, lot No. 665, vol. 12, reg. II, p. 126
<b>Address of the head office</b>	2 Slavyanska Str., Sofia 1000 tel. 02/9399 240; 9399 400 Website: www.eibank.bg
<b>Management</b>	
Supervisory Board	Tsvetelina Borislavova Karagiozova – Chairman  Valentina Radkova Ivanova – Deputy Chairman  Bost AD, represented by Evgeni Stoyanov Palyov*
Management Board	Vasil Stefanov Simov – Chairman and Executive Director  Danail Mihailov Kamenov – Executive Director  Anton Nikolaev Andonov  Alexander Alexandrov Denev  Vladimir Trifonov Penchev
<b>Shareholders</b> (shares over 10%)	Katex AD – 13.21% directly, and together with related parties Runo-Kazanlak AD and Tsvetelina B. Karagiozova – 16.38%  Tsvetelina Borislavova Karagiozova – 16.38% directly, and indirectly – through Katex AD and related Runo-Kazanlak AD

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\* Court registration is pending.



BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	8 906	5 055	3 742	109
Claims on financial institutions, net	37 886	1 990	32 000	3 896
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	1 163	73	961	129
Loans to non-financial institutions and other customers, net	52 724	1 603	49 956	1 165
Loans to budget	0	0	0	0
Commercial loans	55 688	1 596	52 847	1 245
Commercial real estate and construction loans	14 572	0	14 572	0
Other commercial loans	41 116	1 596	38 275	1 245
Agricultural loans	106	106	0	0
Consumer loans	45	45	0	0
Housing mortgage loans to individuals	1 573	0	1 573	0
Other loans	40	0	40	0
Loans to non-financial institutions and other customers, total	57 452	1 747	54 460	1 245
Less: specific provisions	4 728	144	4 504	80
Assets for resale	155	155	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	402	292	109	1
Intangible assets	149	149	0	0
Premises and other fixed assets	5 205	5 205	0	0
Assets, total	106 590	14 522	86 768	5 300
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	28 451	3 777	23 606	1 068
Demand deposits of banks	0	0	0	0
Time deposits of banks	25 649	1 000	23 581	1 068
Deposits of other financial institutions	2 802	2 777	25	0
Deposits of non-financial institutions and other customers	33 147	10 922	17 987	4 238
Demand deposits	18 357	7 092	8 303	2 962
Time deposits	14 790	3 830	9 684	1 276
Savings deposits	0	0	0	0
Deposits, total	61 598	14 699	41 593	5 306
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	19 609	0	19 609	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	957	496	449	12
Liabilities, total	82 164	15 195	61 651	5 318
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	24 426	24 426		
Shareholder capital	17 852	17 852		
Reserves	5 830	5 830		
Profit/loss, current year	744	744		
Liabilities, minority interest, and capital, total	106 590	39 621	61 651	5 318
Memo: credit substitutes and other off-balance sheet commitments	11 923	1 890	9 034	999

\* Former Commercial Bank of Greece (Bulgaria).


**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>2 753</b>	<b>138</b>	<b>2 485</b>	<b>130</b>
Interest income from claims on financial institutions	207	91	54	62
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	31	0	31	0
Interest income from loans	2 515	47	2 400	68
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>829</b>	<b>100</b>	<b>692</b>	<b>37</b>
Interest expenditure on deposits of financial institutions	410	31	361	18
Interest expenditure on deposits of non-financial institutions and other customers	170	69	82	19
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	249	0	249	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>1 924</b>	<b>38</b>	<b>1 793</b>	<b>93</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	1 067			
Reintegrated provisions	593			
Credit provisions, net	474			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>-9</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>1 285</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 786</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>940</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-55</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>141</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>744</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	BNB Order No. 100-01112 of 8 September 1997; updated by Order No. 100-00501 of the BNB Governor dated 18 November 1999; amended by Order No. RD 22-0447 of the BNB Governor dated 7 September 2000; Order No. RD 22-186 of the Deputy Governor heading the Banking Supervision Department dated 6 February 2004, permitting Commercial Bank of Greece – Bulgaria to change its name in the license to Emporiki Bank – Bulgaria.
<b>Legal registration</b>	Resolution No. 1 of the Sofia City Court of 28 November 1994, company file No. 21376 of 1994, lot No. 20768, vol. 253, p. 168.
<b>Address of the head office</b>	4 Laiosh Koshut Str., Sofia 1606 tel. 02/917 17 17
<b>Management</b>	
Supervisory Board	Leonidas Aristotelis Zonios – Chairman  Ioannis Vassilios Xippas – Deputy Chairman  Dionisios Panayotis Divaris  Georgios Iraklis Vlahakis  Evangelos Konstantinos Athanasiou
Management Board	Elefterios Patroclos Baharopoulos – Chairman and Chief Executive Director  Georgios Vassilios Tzamos – Executive Director  Teodor Nikolov Palev – Executive Director
<b>Shareholders</b> (shares over 10%)	Commercial Bank of Greece, Athens – 100%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	4 325	4 260	50	15
Claims on financial institutions, net	8 696	3 277	5 356	63
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	16 547	7 039	9 508	0
Loans to non-financial institutions and other customers, net	63 365	27 821	35 544	0
Loans to budget	0	0	0	0
Commercial loans	61 132	22 110	39 022	0
Commercial real estate and construction loans	49 921	13 539	36 382	0
Other commercial loans	11 211	8 571	2 640	0
Agricultural loans	7 527	7 527	0	0
Consumer loans	184	184	0	0
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	68 843	29 821	39 022	0
Less: specific provisions	5 478	2 000	3 478	0
Assets for resale	8	8	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	203	200	2	1
Intangible assets	185	185	0	0
Premises and other fixed assets	2 317	2 317	0	0
Assets, total	95 646	45 107	50 460	79
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	1 046	1 012	5	29
Demand deposits of banks	577	577	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	469	435	5	29
Deposits of non-financial institutions and other customers	3 882	3 229	617	36
Demand deposits	3 496	2 923	570	3
Time deposits	163	83	47	33
Savings deposits	223	223	0	0
Deposits, total	4 928	4 241	622	65
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	1 816	0	1 816	0
Long-term borrowings	52 446	5 422	47 024	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	382	382	0	0
Liabilities, total	59 572	10 045	49 462	65
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	36 074	36 074		
Shareholder capital	29 574	29 574		
Reserves	4 570	4 570		
Profit/loss, current year	1 930	1 930		
Liabilities, minority interest, and capital, total	95 646	46 119	49 462	65
Memo: credit substitutes and other off-balance sheet commitments	19 667	5 609	14 058	0





## INCOME STATEMENT

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>4 600</b>	<b>1 881</b>	<b>2 718</b>	<b>1</b>
Interest income from claims on financial institutions	108	55	52	1
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	293	204	89	0
Interest income from loans	4 167	1 622	2 545	0
Dividend income	32	0	32	0
<b>INTEREST EXPENDITURE</b>	<b>700</b>	<b>66</b>	<b>634</b>	<b>0</b>
Interest expenditure on deposits of financial institutions	5	5	0	0
Interest expenditure on deposits of non-financial institutions and other customers	6	5	1	0
Interest expenditure on borrowings under repurchase agreements	1	1	0	0
Interest expenditure on borrowings	688	55	633	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>3 900</b>	<b>1 815</b>	<b>2 084</b>	<b>1</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	700			
Reintegrated provisions	471			
Credit provisions, net	229			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>41</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>371</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 811</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>2 272</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-1</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>341</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 930</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Order No. 100-000078 of 25 February 1999 of the BNB Governor
<b>Legal registration</b>	Resolution No. 1 of the Sofia City Court of 11 March 1999 on company file No. 3400 of 1999
<b>Address of the head office</b>	1 Dyakon Ignatii Str., Sofia 1000 tel. 02/930 63 33 Website: www.nasbank.bg
<b>Management</b>	The Bank is managed and represented jointly by the executive directors Dimitar Kirilov Dimitrov and Sasho Petrov Chakalski or by each of the executive directors and the procurator Krasimirka Davitkova Velinova-Saeva.
<b>Supervisory Board</b>	Iliya Nikolov Lingorski – Chairman  Atanas Slavchev Katsarчев – Deputy Chairman  Dimitar Hristov Hadzhinikolov
<b>Management Board</b>	Dimitar Kirilov Dimitrov – Chairman and Executive Director  Sasho Petrov Chakalski – Executive Director  Dimitar Nikolov Tadarakov
<b>Procurator</b>	Krasimirka Davitkova Velinova-Saeva
<b>Shareholders</b> (shares over 10%)	Ministry of Finance – 99.995%

**BALANCE SHEET AS OF 30 JUNE 2005**

	(BGN'000)			
	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	52 324	37 497	12 167	2 660
Claims on financial institutions, net	121 665	22 807	25 204	73 654
Claims under repurchase agreements	306	306	0	0
Trading portfolio	60 475	27 766	9 312	23 397
Investment portfolio	9 130	237	3	8 890
Loans to non-financial institutions and other customers, net	210 441	120 072	73 699	16 670
Loans to budget	0	0	0	0
Commercial loans	159 616	74 529	68 612	16 475
Commercial real estate and construction loans	42 301	13 882	23 397	5 022
Other commercial loans	117 315	60 647	45 215	11 453
Agricultural loans	8 138	6 688	662	788
Consumer loans	44 813	43 600	1 209	4
Housing mortgage loans to individuals	6 446	2 438	3 971	37
Other loans	426	292	55	79
Loans to non-financial institutions and other customers, total	219 439	127 547	74 509	17 383
Less: specific provisions	8 998	7 475	810	713
Assets for resale	1 212	1 212	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	3 417	3 362	30	25
Intangible assets	367	367	0	0
Premises and other fixed assets	14 193	14 193	0	0
Assets, total	473 530	227 819	120 415	125 296
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	16 065	13 453	74	2 538
Demand deposits of banks	0	0	0	0
Time deposits of banks	2 185	0	0	2 185
Deposits of other financial institutions	13 880	13 453	74	353
Deposits of non-financial institutions and other customers	380 223	157 145	96 871	126 207
Demand deposits	92 796	51 948	17 852	22 996
Time deposits	287 427	105 197	79 019	103 211
Savings deposits	0	0	0	0
Deposits, total	396 288	170 598	96 945	128 745
Borrowings under repurchase agreements	2 006	2 006	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	28 734	15 107	13 627	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	9 105	4 120	4 222	763
Liabilities, total	436 133	191 831	114 794	129 508
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	37 397	37 397		
Shareholder capital	25 823	25 823		
Reserves	9 405	9 405		
Profit/loss, current year	2 169	2 169		
Liabilities, minority interest, and capital, total	473 530	229 228	114 794	129 508
Memo: credit substitutes and other off-balance sheet commitments	78 948	70 490	6 703	1 755



## INCOME STATEMENT

(June 2005)

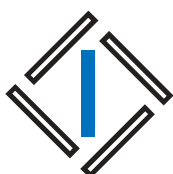
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>16 823</b>	<b>9 477</b>	<b>4 803</b>	<b>2 543</b>
Interest income from claims on financial institutions	1 196	338	229	629
Interest income from claims under repurchase agreements	10	10	0	0
Interest income from trading portfolio	1 389	755	163	471
Interest income from investment portfolio	0	0	0	0
Interest income from loans	14 228	8 374	4 411	1 443
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>8 637</b>	<b>3 926</b>	<b>2 303</b>	<b>2 408</b>
Interest expenditure on deposits of financial institutions	497	413	34	50
Interest expenditure on deposits of non-financial institutions and other customers	7 164	3 115	1 691	2 358
Interest expenditure on borrowings under repurchase agreements	76	76	0	0
Interest expenditure on borrowings	898	320	578	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	2	2	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>8 186</b>	<b>5 551</b>	<b>2 500</b>	<b>135</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	5 499			
Reintegrated provisions	2 621			
Credit provisions, net	2 878			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>5 699</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>50</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>4 965</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>10 444</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>5 578</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-3 061</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>348</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>2 169</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

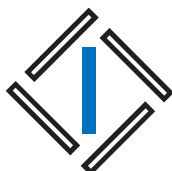
<b>License granted by the BNB</b>	Protocol of Meeting of the BNB Governing Council No. 101-00013 of 2 March 1994, Order No. 100-000484 of 3 October 1997 of the BNB Governor; license updated by Order No. 100-00503 of the BNB Governor dated 18 November 1999
<b>Legal registration</b>	Company file No. 24013 of 1993 of the Sofia City Court, lot No. 15059, vol. 194, p. 174
<b>Address of the head office</b>	43 Cherni Vrah Blvd., Sofia 1407 tel. 02/969 07 60 Website: www.eurobank.bg
<b>Management</b>	
Supervisory Board*	Ioannis Kyriakopoulos George Mantakas Michael Colakides
Management Board	Emil Angelov Angelov – Chairman Bisser Parashkevov Mitrikov – Deputy Chairman Anton Hristov Todorov Ivelina Yordanova Decheva Konstantin Angelov Yordanov Yuriy Asenov Stanchev
Executive Members of the Management Board	Emil Angelov Angelov Bisser Parashkevov Mitrikov Yuriy Asenov Stanchev
<b>Shareholders</b> (shares over 10%)	Piraeus Bank, Athen, Greece – 99.66%

\* Entry in the Sofia City Court is pending.


**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

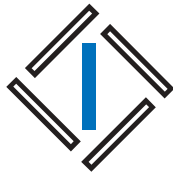
	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	194 367	81 602	105 696	7 069
Claims on financial institutions, net	232 443	4 374	149 173	78 896
Claims under repurchase agreements	10 126	241	9 885	0
Trading portfolio	17 882	4 456	1 360	12 066
Investment portfolio	492 556	74 516	280 867	137 173
Loans to non-financial institutions and other customers, net	1 215 735	450 629	629 710	135 396
Loans to budget	0	0	0	0
Commercial loans	955 007	238 098	583 556	133 353
Commercial real estate and construction loans	659 601	127 817	459 837	71 947
Other commercial loans	295 406	110 281	123 719	61 406
Agricultural loans	35 113	29 138	5 478	497
Consumer loans	126 620	104 309	21 778	533
Housing mortgage loans to individuals	105 059	83 251	20 701	1 107
Other loans	21 105	9 893	4 559	6 653
Loans to non-financial institutions and other customers, total	1 242 904	464 689	636 072	142 143
Less: specific provisions	27 169	14 060	6 362	6 747
Assets for resale	1 456	1 456	0	0
Investments in unconsolidated subsidiaries and associated companies	4 035	4 035	0	0
Other assets	9 924	7 363	1 017	1 544
Intangible assets	474	374	0	100
Premises and other fixed assets	50 584	50 086	0	498
Assets, total	2 229 582	679 132	1 177 708	372 742
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	650 581	24 864	603 840	21 877
Demand deposits of banks	673	117	153	403
Time deposits of banks	20 853	14 401	4 657	1 795
Deposits of other financial institutions	629 055	10 346	599 030	19 679
Deposits of non-financial institutions and other customers	948 662	411 969	261 461	275 232
Demand deposits	447 805	280 139	105 102	62 564
Time deposits	500 857	131 830	156 359	212 668
Savings deposits	0	0	0	0
Deposits, total	1 599 243	436 833	865 301	297 109
Borrowings under repurchase agreements	219 310	7 351	211 959	0
Short-term borrowings	153 424	7 225	109 577	36 622
Long-term borrowings	71 459	0	46 857	24 602
Subordinated term debt and debt/equity (hybrid) instruments	60 626	0	60 626	0
Other liabilities	6 804	5 724	922	158
Liabilities, total	2 110 866	457 133	1 295 242	358 491
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	118 716	118 716		
Shareholder capital	10 000	10 000		
Reserves	98 741	98 741		
Profit/loss, current year	9 975	9 975		
Liabilities, minority interest, and capital, total	2 229 582	575 849	1 295 242	358 491
Memo: credit substitutes and other off-balance sheet commitments	331 567	144 671	92 418	94 478



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>72 989</b>	<b>27 966</b>	<b>33 688</b>	<b>11 335</b>
Interest income from claims on financial institutions	2 496	148	699	1 649
Interest income from claims under repurchase agreements	676	34	642	0
Interest income from trading portfolio	2 296	1 638	117	541
Interest income from investment portfolio	2 192	124	1 251	817
Interest income from loans	65 329	26 022	30 979	8 328
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>46 254</b>	<b>4 827</b>	<b>33 377</b>	<b>8 050</b>
Interest expenditure on deposits of financial institutions	20 808	83	20 015	710
Interest expenditure on deposits of non-financial institutions and other customers	12 505	4 587	4 086	3 832
Interest expenditure on borrowings under repurchase agreements	237	55	180	2
Interest expenditure on borrowings	9 671	102	6 063	3 506
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	3 033	0	3 033	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>26 735</b>	<b>23 139</b>	<b>311</b>	<b>3 285</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	7 987			
Reintegrated provisions	4 582			
Credit provisions, net	3 405			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>5 969</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>-11</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>4</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>17 373</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>31 060</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>15 605</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-3 854</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>1 776</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>9 975</b>			


**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Limited license: Resolution of the BNB Governing Council No. 278 of 1 October 1993. Full license: Resolution of the BNB Governing Council No. 273 of 14 September 1995. License update: Order No. 100-00498 of the BNB Governor dated 18 November 1999 in accordance with the Law on Banks.
<b>Legal registration</b>	Entered in the Commercial Register by Resolution of the Sofia City Court on company file No. 18045 of 1993, lot No. 11941, vol. 163, p. 106.
<b>Address of the head office</b>	10 Stefan Karadzha Str., Sofia 1000 tel. 02/910 01 Website: <a href="http://www.fibank.bg">www.fibank.bg</a>
<b>Management</b>	
Supervisory Board	Georgi Dimitrov Moutafchiev – Chairman  David Cameron Mathew  Radka Veselinova Mineva  Todor Breshkov
Management Board	Jonathan Henry Martyn Harfield – Chief Executive Director  Matio Alexandrov Mateev – Deputy Chief Executive Director  Maya Lyubenova Georgieva – Executive Director  Yordan Velichkov Skorchev – Executive Director  Evgeni Krustev Lukanov – Executive Director  Ivan Stefanov Ivanov  Evgeniya Dimitrova Stoyanova  Maya Oyfalosh
<b>Shareholders</b> (shares over 10%)	Ivailo Dimitrov Moutafchiev – 31.83%  Tseko Todorov Minev – 31.83%  European Bank for Reconstruction and Development – 20%  First Financial Brokerage House – 13.89%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	59 297	50 904	5 190	3 203
Claims on financial institutions, net	111 104	27 715	22 875	60 514
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	55 040	18 822	1 938	34 280
Loans to non-financial institutions and other customers, net	379 532	236 734	138 391	4 407
Loans to budget	588	587	1	0
Commercial loans	211 442	100 898	106 188	4 356
Commercial real estate and construction loans	72 200	23 539	48 661	0
Other commercial loans	139 242	77 359	57 527	4 356
Agricultural loans	23 124	18 104	5 020	0
Consumer loans	135 168	128 244	6 901	23
Housing mortgage loans to individuals	15 550	5 956	9 420	174
Other loans	18 174	3 918	14 021	235
Loans to non-financial institutions and other customers, total	404 046	257 707	141 551	4 788
Less: specific provisions	24 514	20 973	3 160	381
Assets for resale	1 922	1 922	0	0
Investments in unconsolidated subsidiaries and associated companies	2334	2334	0	0
Other assets	12 142	11 525	165	452
Intangible assets	10 474	10 474	0	0
Premises and other fixed assets	23 811	23 811	0	0
Assets, total	655 656	384 241	168 559	102 856
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	19 625	1 155	18 470	0
Demand deposits of banks	3	3	0	0
Time deposits of banks	18 386	0	18 386	0
Deposits of other financial institutions	1 236	1 152	84	0
Deposits of non-financial institutions and other customers	476 962	267 574	106 904	102 484
Demand deposits	174 474	152 668	13 615	8 191
Time deposits	238 231	93 769	70 118	74 344
Savings deposits	64 257	21 137	23 171	19 949
Deposits, total	496 587	268 729	125 374	102 484
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	27 197	6 226	20 823	148
Subordinated term debt and debt/equity (hybrid) instruments	19 896	0	19 896	0
Other liabilities	27 508	25 447	1 698	363
Liabilities, total	571 188	300 402	167 791	102 995
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	84 468	84 468		
Shareholder capital	41 103	41 103		
Reserves	55 786	55 786		
Profit/loss, current year	-12 421	-12 421		
Liabilities, minority interest, and capital, total	655 656	384 870	167 791	102 995
Memo: credit substitutes and other off-balance sheet commitments	68 459	34 977	30 361	3 121



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>21 048</b>	<b>13 413</b>	<b>6 274</b>	<b>1 361</b>
Interest income from claims on financial institutions	1 246	94	457	695
Interest income from claims under repurchase agreements	20	19	1	0
Interest income from trading portfolio	411	211	1	199
Interest income from investment portfolio	608	119	186	303
Interest income from loans	18 763	12 970	5 629	164
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>4 868</b>	<b>2 530</b>	<b>1 698</b>	<b>640</b>
Interest expenditure on deposits of financial institutions	130	43	61	26
Interest expenditure on deposits of non-financial institutions and other customers	3 889	2 401	885	603
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	526	83	432	11
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	320	0	320	0
Interest expenditure on other liabilities	3	3	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>16 180</b>	<b>10 883</b>	<b>4 576</b>	<b>721</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	32 533			
Reintegrated provisions	23 771			
Credit provisions, net	8 762			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>1 202</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>1 585</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>9 190</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>32 823</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>-13 428</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-1 171</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>-2 178</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>-12 421</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution No.177 of 3 June 1993 of the BNB Governing Council, updated in accordance with the Law on Banks by Order No. 100-00489 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Entered in the registers of the Plovdiv Regional Court by Resolution No. 6965 of 8 June 1993
<b>Address of the head office</b>	37 Tsar Boris III Obedinitel Blvd., Plovdiv 4018 tel. 032/63 18 76; 62 88 70 Website: www.hebros.bg
<b>Management</b>	
Supervisory Board	Helmut Bernkopf – Chairman  Ludwig Wagner – Deputy Chairman  Josef Duregger
Management Board	Peter Harold – Chairman and Chief Executive Director  Ludmil Gatchev – Executive Director  Alexander Tsachev – Executive Director  Vesselin Denchev – Executive Director
Procurator	Georgi Kostadinov Zamanov
<b>Shareholders</b> (shares over 10%)	Bank Austria Creditanstalt – 89.92%  HVB Bank Biochim – 9.99%

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	193 544	74 880	110 687	7 977
Claims on financial institutions, net	357 313	192 086	157 070	8 157
Claims under repurchase agreements	2 824	1 200	1 624	0
Trading portfolio	237 595	93 051	59 913	84 631
Investment portfolio	44 904	15 557	0	29 347
Loans to non-financial institutions and other customers, net	1 270 301	563 811	684 743	21 747
Loans to budget	8 202	8 202	0	0
Commercial loans	960 559	321 659	615 851	23 049
Commercial real estate and construction loans	461 820	96 508	362 565	2 747
Other commercial loans	498 739	225 151	253 286	20 302
Agricultural loans	15 131	10 430	4 701	0
Consumer loans	280 799	232 434	48 160	205
Housing mortgage loans to individuals	59 631	21 129	37 155	1 347
Other loans	11 583	9 902	19	1 662
Loans to non-financial institutions and other customers, total	1 335 905	603 756	705 886	26 263
Less: specific provisions	65 604	39 945	21 143	4 516
Assets for resale	2 578	2 578	0	0
Investments in unconsolidated subsidiaries and associated companies	24 614	24 614	0	0
Other assets	6 322	5 908	222	192
Intangible assets	4 073	4 073	0	0
Premises and other fixed assets	45 970	45 970	0	0
Assets, total	2 190 038	1 023 728	1 014 259	152 051
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	647 476	226 254	332 733	88 489
Demand deposits of banks	941	588	141	212
Time deposits of banks	634 710	215 822	330 624	88 264
Deposits of other financial institutions	11 825	9 844	1 968	13
Deposits of non-financial institutions and other customers	1 079 395	577 483	306 733	195 179
Demand deposits	584 824	427 005	117 562	40 257
Time deposits	302 655	80 133	121 704	100 818
Savings deposits	191 916	70 345	67 467	54 104
Deposits, total	1 726 871	803 737	639 466	283 668
Borrowings under repurchase agreements	66 527	0	64 909	1 618
Short-term borrowings	0	0	0	0
Long-term borrowings	109 155	381	108 774	0
Subordinated term debt and debt/equity (hybrid) instruments	45 641	0	45 641	0
Other liabilities	55 443	31 642	15 218	8 583
Liabilities, total	2 003 637	835 760	874 008	293 869
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	186 401	186 401		
Shareholder capital	36 842	36 842		
Reserves	130 978	130 978		
Profit/loss, current year	18 581	18 581		
Liabilities, minority interest, and capital, total	2 190 038	1 022 161	874 008	293 869
Memo: credit substitutes and other off-balance sheet commitments	942 953	338 910	503 978	100 065

\* Former Biochim Commercial Bank.

**INCOME STATEMENT**

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>59 029</b>	<b>32 352</b>	<b>22 013</b>	<b>4 664</b>
Interest income from claims on financial institutions	6 041	1 600	1 695	2 746
Interest income from claims under repurchase agreements	193	77	102	14
Interest income from trading portfolio	5 123	2 651	1 878	594
Interest income from investment portfolio	160	83	0	77
Interest income from loans	47 503	27 932	18 338	1 233
Dividend income	9	9	0	0
<b>INTEREST EXPENDITURE</b>	<b>16 641</b>	<b>8 126</b>	<b>6 892</b>	<b>1 623</b>
Interest expenditure on deposits of financial institutions	8 802	4 780	3 023	999
Interest expenditure on deposits of non-financial institutions and other customers	4 939	2 997	1 338	604
Interest expenditure on borrowings under repurchase agreements	600	344	236	20
Interest expenditure on borrowings	1 688	4	1 684	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	611	0	611	0
Interest expenditure on other liabilities	1	1	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>42 388</b>	<b>24 226</b>	<b>15 121</b>	<b>3 041</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	15 228			
Reintegrated provisions	4 455			
Credit provisions, net	10 773			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>1 082</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>8</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>25 455</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>37 171</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>20 989</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>1 046</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>3 454</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>18 581</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	No. 140-00415 of 5 September 1995, Resolution No. 266 of 4 September 1995 of the BNB Governing Council. License updated in accordance with requirements of § 47 of the Transitional and Final Provisions of the Law on Amendments to the Law on Banks by Order No. 100-00486 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Resolution of 13 September 1995 of the Sofia City Court on company file No. 14835 of 1995 of the Sofia City Court, entered in the Commercial Register, lot No. 691, vol. 13, reg. I, p. 12
<b>Address of the head office</b>	1 Ivan Vazov Str., Sofia 1026 tel. 02/926 92 10 Website: <a href="http://www.biochim.com">www.biochim.com</a>
<b>Management</b>	
Supervisory Board	Regina Prehofer– Chairman  Wolfgang Haler  Wolfgang Helpa  Wolfgang Edelmueller  Heinz Meidlinger  Helmut Bernkopf  Josef Duregger
Management Board	Peter Harold – Chairman and Chief Executive Director  Emiliya Stefanova Palibachiyska – Executive Director  Maria Dimova Ilieva – Executive Director  Ludwig Wagner
<b>Shareholders</b> (shares over 10%)	Bank Austria Creditanstalt – 99.59%

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	36 948	0	36 948	23 411	12 867	670
Claims on financial institutions, net	106 403	89 791	16 612	5 757	7 204	3 651
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	17 116	0	17 116	9 986	3 113	4 017
Investment portfolio	46	0	46	46	0	0
Loans to non-financial institutions and other customers, net	156 744	0	156 744	107 558	39 488	9 698
Loans to budget	0	0	0	0	0	0
Commercial loans	143 550	0	143 550	94 438	39 487	9 625
Commercial real estate and construction loans	4 632	0	4 632	4 632	0	0
Other commercial loans	138 918	0	138 918	89 806	39 487	9 625
Agricultural loans	4 419	0	4 419	4 346	0	73
Consumer loans	1 908	0	1 908	1 908	0	0
Housing mortgage loans to individuals	8 304	0	8 304	8 304	0	0
Other loans	183	0	183	182	1	0
Loans to non-financial institutions and other customers, total	158 364	0	158 364	109 178	39 488	9 698
Less: specific provisions	1 620	0	1 620	1 620	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	1 849	0	1 849	1 028	450	371
Intangible assets	178	0	178	178	0	0
Premises and other fixed assets	1 169	0	1 169	1 169	0	0
Assets, total	320 453	89 791	230 662	149 133	63 122	18 407
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	22 864	66	22 798	10 324	203	12 271
Demand deposits of banks	8 943	66	8 877	8 847	1	29
Time deposits of banks	11 970	0	11 970	0	0	11 970
Deposits of other financial institutions	1 951	0	1 951	1 477	202	272
Deposits of non-financial institutions and other customers	261 092	0	261 092	103 265	121 502	36 325
Demand deposits	217 377	0	217 377	78 377	113 686	25 314
Time deposits	43 715	0	43 715	24 888	7 816	11 011
Savings deposits	0	0	0	0	0	0
Deposits, total	283 956	66	283 890	113 589	121 705	48 596
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	11 891	8 374	3 517	1 671	359	1 487
Liabilities, total	295 847	8 440	287 407	115 260	122 064	50 083
Reserves and financial result, total	24 606	22 237	2 369	2 369		
Reserves	22 237	22 237	0	0		
Profit/loss, current year	2 369	0	2 369	2 369		
Liabilities, reserves, and financial result, total	320 453	30 677	289 776	117 629	122 064	50 083
Memo: credit substitutes and other off-balance sheet commitments	195 981	0	195 981	67 931	95 297	32 753

**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>INTEREST AND DIVIDEND INCOME</b>	<b>8 139</b>	<b>2 142</b>	<b>5 997</b>	<b>4 219</b>	<b>1269</b>	<b>509</b>
Interest income from claims on financial institutions	2 943	2 142	801	325	381	95
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	594	0	594	594	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	4 602	0	4 602	3 300	888	414
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>2 401</b>	<b>50</b>	<b>2 351</b>	<b>834</b>	<b>1254</b>	<b>263</b>
Interest expenditure on deposits of financial institutions	372	50	322	159	23	140
Interest expenditure on deposits of non-financial institutions and other customers	2 024	0	2 024	670	1 231	123
Interest expenditure on borrowings under repurchase agreements	5	0	5	5	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>5 738</b>	<b>2 092</b>	<b>3 646</b>	<b>3 385</b>	<b>15</b>	<b>246</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	16	0	16			
Reintegrated provisions	5	0	5			
Credit provisions, net	11	0	11			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>560</b>	<b>0</b>	<b>560</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>6 596</b>	<b>0</b>	<b>6 596</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>8 165</b>	<b>20</b>	<b>8 145</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>4 718</b>	<b>2 072</b>	<b>2 646</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-1 774</b>	<b>0</b>	<b>-1 774</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TAX</b>	<b>575</b>	<b>0</b>	<b>575</b>			
<b>PROFIT/LOSS, NET</b>	<b>2 369</b>	<b>2 072</b>	<b>297</b>			



**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution No.199 of 16 June 1994 of the BNB Governing Council; License updated by Order No. 100-00563 of 22 December 1999
<b>Legal registration</b>	Company file No. 11357 of 26 July 1994
<b>Address of the branch</b>	12 Emil Bersinski Str., Ivan Vazov District, Sofia 1408 tel. 02/917 64 00 Website: <a href="http://www.ing.bg">www.ing.bg</a>
<b>Management</b>	Jan Willem Overwater – Country Manager  Frank Hawkes – Chief Operating Officer  Vladimir Boyanov Tchimov – Head of Legal and Compliance Department
<b>Shareholders</b> (shares over 10%)	Sole shareholder: ING Group N. V./4972



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	18 513	10 100	7 894	519
Claims on financial institutions, net	15 837	56	307	15 474
Claims under repurchase agreements	0	0	0	0
Trading portfolio	102	102	0	0
Investment portfolio	25 607	19 070	4 649	1 888
Loans to non-financial institutions and other customers, net	162 537	99 634	51 893	11 010
Loans to budget	1 736	1 736	0	0
Commercial loans	110 531	64 220	37 205	9 106
Commercial real estate and construction loans	23 911	7 524	14 860	1 527
Other commercial loans	86 620	56 696	22 345	7 579
Agricultural loans	11 596	11 596	0	0
Consumer loans	2 880	2 617	172	91
Housing mortgage loans to individuals	1 501	206	1 295	0
Other loans	35 525	19 948	13 225	2 352
Loans to non-financial institutions and other customers, total	163 769	100 323	51 897	11 549
Less: specific provisions	1 232	689	4	539
Assets for resale	139	139	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	3 867	3 379	200	288
Intangible assets	160	160	0	0
Premises and other fixed assets	13 829	13 829	0	0
Assets, total	240 591	146 469	64 943	29 179
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	15 859	9 020	5 822	1 017
Demand deposits of banks	56	34	0	22
Time deposits of banks	15 597	8 808	5 819	970
Deposits of other financial institutions	206	178	3	25
Deposits of non-financial institutions and other customers	159 921	87 845	42 024	30 052
Demand deposits	87 559	69 620	11 410	6 529
Time deposits	62 664	14 508	26 800	21 356
Savings deposits	9 698	3 717	3 814	2 167
Deposits, total	175 780	96 865	47 846	31 069
Borrowings under repurchase agreements	1 200	1 200	0	0
Short-term borrowings	6 969	120	6 849	0
Long-term borrowings	13 434	13 434	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	10 289	3 628	5 912	749
Liabilities, total	207 672	115 247	60 607	31 818
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	32 919	32 919		
Shareholder capital	20 050	20 050		
Reserves	8 693	8 693		
Profit/loss, current year	4 176	4 176		
Liabilities, minority interest, and capital, total	240 591	148 166	60 607	31 818
Memo: credit substitutes and other off-balance sheet commitments	62 424	46 338	14 560	1 526

\* Former First East International Bank, UNIBANK.

**INCOME STATEMENT**

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>8 146</b>	<b>5 332</b>	<b>2 194</b>	<b>620</b>
Interest income from claims on financial institutions	147	7	13	127
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	494	386	88	20
Interest income from investment portfolio	0	0	0	0
Interest income from loans	7 505	4 939	2 093	473
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>2 247</b>	<b>926</b>	<b>922</b>	<b>399</b>
Interest expenditure on deposits of financial institutions	99	58	37	4
Interest expenditure on deposits of non-financial institutions and other customers	2 148	868	885	395
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	0	0	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>5 899</b>	<b>4 406</b>	<b>1 272</b>	<b>221</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	1 110			
Reintegrated provisions	407			
Credit provisions, net	703			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>457</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>149</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>3 963</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>5 510</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>4 255</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-93</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>14</b>			
<b>TAX</b>	<b>0</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>4 176</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Protocol No. 42 of the BNB Governing Council dated 25 October 1989. License updated under § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks, Order No. 100-00492 of the BNB Governor dated 17 November 1999.
<b>Legal registration</b>	Resolution of the Sofia City Court of 6 May 1991, company file No. 2367
<b>Address of the head office</b>	81–83 Todor Alexandrov Blvd., Sofia 1303 tel. 02/812 01 11; 920 43 03 Website: <a href="http://www.iabank.com">www.iabank.com</a>
<b>Management</b>	
Supervisory Board	Ivan Minkov Dragnevski – Chairman  Georgi Stoinev Harizanov – Deputy Chairman  Georgi Borislavov Georgiev  Trayan Georgiev Lyalev  Mladen Ivanov Moutafchiyski
Management Board	Anna Dimitrova Sabeva – Chairman and Governor  Rositsa Asenova Tosheva – Executive member of the Management Board and Deputy Governor  Ivan Yovev Kolev  Yuri Jaque Aroio
<b>Shareholders</b> (shares over 10%)	Dynatrade International – 25.51%

**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	28 164	19 243	7 360	1 561
Claims on financial institutions, net	51 860	17 021	27 470	7 369
Claims under repurchase agreements	796	0	796	0
Trading portfolio	22 773	18 953	2 689	1 131
Investment portfolio	5 460	2 328	3 132	0
Loans to non-financial institutions and other customers, net	101 068	65 121	23 025	12 922
Loans to budget	35	0	35	0
Commercial loans	81 309	46 627	22 404	12 278
Commercial real estate and construction loans	28 669	10 620	12 568	5 481
Other commercial loans	52 640	36 007	9 836	6 797
Agricultural loans	11 235	11 235	0	0
Consumer loans	11 164	9 830	690	644
Housing mortgage loans to individuals	436	255	181	0
Other loans	517	468	0	49
Loans to non-financial institutions and other customers, total	104 696	68 415	23 310	12 971
Less: specific provisions	3 628	3 294	285	49
Assets for resale	17	17	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 110	954	155	1
Intangible assets	601	601	0	0
Premises and other fixed assets	3 797	3 797	0	0
Assets, total	215 646	128 035	64 627	22 984
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	18 067	13 714	4 287	66
Demand deposits of banks	1 049	26	978	45
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	17 018	13 688	3 309	21
Deposits of non-financial institutions and other customers	159 229	74 619	63 134	21 476
Demand deposits	41 027	32 060	7 274	1 693
Time deposits	106 781	38 429	50 292	18 060
Savings deposits	11 421	4 130	5 568	1 723
Deposits, total	177 296	88 333	67 421	21 542
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	30	0	0	30
Long-term borrowings	19 157	9 320	9 837	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 006	1 234	506	266
Liabilities, total	198 489	98 887	77 764	21 838
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	17 157	17 157		
Shareholder capital	16 000	16 000		
Reserves	754	754		
Profit/loss, current year	403	403		
Liabilities, minority interest, and capital, total	215 646	116 044	77 764	21 838
Memo: credit substitutes and other off-balance sheet commitments	28 970	14 741	12 751	1 478

\* Former Neftinvestbank.

**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>6 421</b>	<b>4 011</b>	<b>1 629</b>	<b>781</b>
Interest income from claims on financial institutions	422	276	100	46
Interest income from claims under repurchase agreements	31	20	11	0
Interest income from trading portfolio	665	481	172	12
Interest income from investment portfolio	0	0	0	0
Interest income from loans	5 303	3 234	1 346	723
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>3 346</b>	<b>1 538</b>	<b>1 437</b>	<b>371</b>
Interest expenditure on deposits of financial institutions	586	446	136	4
Interest expenditure on deposits of non-financial institutions and other customers	2 382	948	1 067	367
Interest expenditure on borrowings under repurchase agreements	52	52	0	0
Interest expenditure on borrowings	326	92	234	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>3 075</b>	<b>2 473</b>	<b>192</b>	<b>410</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	1 454			
Reintegrated provisions	443			
Credit provisions, net	1 011			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>808</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>590</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>1 820</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>4 613</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>669</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-223</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>10</b>			
<b>TAX</b>	<b>53</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>403</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

**License granted by the BNB** Resolution No. 364 of the BNB Governing Council of 1 December 1994, updated in accordance with the Law on Banks by Order No. 100-000574 of 27 December 1999

**Legal registration** Resolution No.1 of the Sofia City Court dated 16 December 1994

**Address of the head office** 155 Rakovski Str., Sofia 1000  
tel. 02/981 77 34; 9305 130  
Website: www.ibank.bg

**Management**

**Supervisory Board** Petya Ivanova Barakova-Slavova – Chairman  
Vincom AD, represented by Krastinka Radkova Stoyanova – Deputy Chairman  
Festa Holding AD, represented by Petya Slavova

**Management Board** Vladimir Ivanov Vladimirov – Chairman and Executive Director  
Kiril Savov Grigorov – Executive Director  
Pencho Stoyanov Cherkezov

**Shareholders**  
(shares over 10%)

Festa Holding – 63%  
Vincom – 19.37%  
DZI General Insurance – 10.41%



# MUNICIPAL BANK PLC

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	44 248	40 534	1 916	1 798
Claims on financial institutions, net	104 282	22 362	58 748	23 172
Claims under repurchase agreements	56 269	56 269	0	0
Trading portfolio	152 353	128 337	21 637	2 379
Investment portfolio	1 777	1 757	0	20
Loans to non-financial institutions and other customers, net	147 406	80 836	52 422	14 148
Loans to budget	3 447	3 447	0	0
Commercial loans	134 958	65 182	56 191	13 585
Commercial real estate and construction loans	51 653	12 812	36 582	2 259
Other commercial loans	83 305	52 370	19 609	11 326
Agricultural loans	2 829	2 829	0	0
Consumer loans	12 570	12 202	368	0
Housing mortgage loans to individuals	5 829	4 090	1 720	19
Other loans	5 588	4 562	482	544
Loans to non-financial institutions and other customers, total	165 221	92 312	58 761	14 148
Less: specific provisions	17 815	11 476	6 339	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 795	1 771	22	2
Intangible assets	2 503	2 503	0	0
Premises and other fixed assets	8 748	8 748	0	0
Assets, total	519 381	343 117	134 745	41 519
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	21 922	15 733	2 102	4 087
Demand deposits of banks	1 760	156	118	1 486
Time deposits of banks	12 040	8 001	1 467	2 572
Deposits of other financial institutions	8 122	7 576	517	29
Deposits of non-financial institutions and other customers	390 032	317 541	39 002	33 489
Demand deposits	268 824	250 365	11 081	7 378
Time deposits	110 373	62 478	24 177	23 718
Savings deposits	10 835	4 698	3 744	2 393
Deposits, total	411 954	333 274	41 104	37 576
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	15 887	0	15 887	0
Long-term borrowings	41 056	811	40 245	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	8 532	5 630	1 456	1 446
Liabilities, total	477 429	339 715	98 692	39 022
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 952	41 952		
Shareholder capital	25 000	25 000		
Reserves	13 985	13 985		
Profit/loss, current year	2 967	2 967		
Liabilities, minority interest, and capital, total	519 381	381 667	98 692	39 022
Memo: credit substitutes and other off-balance sheet commitments	42 390	29 737	8 355	4 298





## INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>14 308</b>	<b>8 897</b>	<b>4 240</b>	<b>1 171</b>
Interest income from claims on financial institutions	786	109	490	187
Interest income from claims under repurchase agreements	470	470	0	0
Interest income from trading portfolio	4 431	3 478	910	43
Interest income from investment portfolio	25	25	0	0
Interest income from loans	8 595	4 814	2 840	941
Dividend income	1	1	0	0
<b>INTEREST EXPENDITURE</b>	<b>4 033</b>	<b>1 615</b>	<b>2 023</b>	<b>395</b>
Interest expenditure on deposits of financial institutions	281	209	17	55
Interest expenditure on deposits of non-financial institutions and other customers	2 171	1 393	438	340
Interest expenditure on borrowings under repurchase agreements	1	1	0	0
Interest expenditure on borrowings	1 580	12	1 568	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>10 275</b>	<b>7 282</b>	<b>2 217</b>	<b>776</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	5 050			
Reintegrated provisions	1 749			
Credit provisions, net	3 301			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>4 120</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>31</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>3 898</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>11 088</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>3 935</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-320</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>648</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>2 967</b>			



# MUNICIPAL BANK PLC

## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Order No. 100-00491 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Resolution No. 1 of 4 April 1996 of the Sofia City Court on company file No. 5197 of 1996, lot No. 737, reg. II, vol. 13, p. 138
<b>Address of the head office</b>	6 Vrabcha Str., Sofia 1000 tel. 02/930 01 11 Website: <a href="http://www.municipalbank.bg">www.municipalbank.bg</a>
<b>Management</b>	
Supervisory Board	Lyubomir Vladimirov Pavlov Ventsislav Stoyanov Nikolov Petar Dimitrov Dzhorinski
Management Board	Vanya Georgieva Vasileva – Chief Executive Director Vasil Svilenov Piralkov – Executive Director Angel Kirilov Gekov – Executive Director Vladimir Todorov Hristov Vasil Petrov Vasilev
Procurators	Raiko Ivanov Karagiozov Todor Nikolov Vanev
<b>Shareholders</b> (shares over 10%)	
	Sofia Municipality – 67%



# NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

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## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	3 242	0	3 242	3 242	0	0
Claims on financial institutions, net	12 405	12 388	17	0	17	0
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	15	0	15	15	0	0
Loans to non-financial institutions and other customers, net	5 159	0	5 159	0	5 159	0
Loans to budget	0	0	0	0	0	0
Commercial loans	5 159	0	5 159	0	5 159	0
Commercial real estate and construction loans	5 159	0	5 159	0	5 159	0
Other commercial loans	0	0	0	0	0	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	0	0	0	0	0	0
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Loans to non-financial institutions and other customers, total	5 159	0	5 159	0	5 159	0
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	245	0	245	213	32	0
Intangible assets	128	0	128	128	0	0
Premises and other fixed assets	36	0	36	36	0	0
Assets, total	21 230	12 388	8 842	3 634	5 208	0
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	7 268	7 248	20	2	3	15
Demand deposits of banks	774	774	0	0	0	0
Time deposits of banks	6 474	6 474	0	0	0	0
Deposits of other financial institutions	20	0	20	2	3	15
Deposits of non-financial institutions and other customers	2 187	0	2 187	117	931	1 139
Demand deposits	188	0	188	53	95	40
Time deposits	841	0	841	17	345	479
Savings deposits	1 158	0	1 158	47	491	620
Deposits, total	9 455	7 248	2 207	119	934	1 154
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	8 018	7 945	73	73	0	0
Liabilities, total	17 473	15 193	2 280	192	934	1 154
Reserves and financial result, total	3 757	2 385	1 372	1 372		
Reserves	2 385	2 385	0	0		
Profit/loss, current year	1 372	0	1 372	1 372		
Liabilities, reserves, and financial result, total	21 230	17 578	3 652	1 564	934	1 154
Memo: credit substitutes and other off-balance sheet commitments	24 930	0	24 930	178	24 566	186



## NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

### INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>INTEREST AND DIVIDEND INCOME</b>	<b>3 379</b>	<b>2 692</b>	<b>687</b>	<b>6</b>	<b>656</b>	<b>25</b>
Interest income from claims on financial institutions	2 721	2 692	29	6	22	1
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	51	0	51	0	27	24
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	607	0	607	0	607	0
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>1 929</b>	<b>1 682</b>	<b>247</b>	<b>15</b>	<b>185</b>	<b>47</b>
Interest expenditure on deposits of financial institutions	1 894	1 682	212	12	169	31
Interest expenditure on deposits of non-financial institutions and other customers	35	0	35	3	16	16
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>1 450</b>	<b>1 010</b>	<b>440</b>	<b>-9</b>	<b>471</b>	<b>-22</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	0	0	0			
Reintegrated provisions	0	0	0			
Credit provisions, net	0	0	0			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>187</b>	<b>0</b>	<b>187</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>608</b>	<b>402</b>	<b>206</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>692</b>	<b>0</b>	<b>692</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>1 553</b>	<b>1 412</b>	<b>141</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>62</b>	<b>0</b>	<b>62</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-1</b>	<b>0</b>	<b>-1</b>			
<b>TAX</b>	<b>242</b>	<b>0</b>	<b>242</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 372</b>	<b>1 412</b>	<b>-40</b>			



# NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

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## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

**License granted by the BNB** Resolution No. 78 of 13 March 1995 of the BNB Governing Council. License updated under § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks. Order No. 100-00565 of 22 December 1999.

**Legal registration** Resolution of 6 March 1996 of the Sofia City Court, entered in the Commercial Register, company file No. 100924 of 1995, lot No. 30385, vol. 348, p. 176.

**Address of the branch** 96 Rakovski Str., Sofia 1000  
tel. 02/981 50 10; 980 29 96  
Website: [www.nbg.gr](http://www.nbg.gr)

### Management

Moissis Romanidis-Kyriakidis – Governor

Donka Yordanova Popovska – Deputy Governor

### Shareholders (shares over 10%)

A branch of the National Bank of Greece, Athens



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	44 018	0	44 018	9 903	32 514	1 601
Claims on financial institutions, net	24 306	4 759	19 547	8	18 446	1 093
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	262	0	262	262	0	0
Loans to non-financial institutions and other customers, net	526 677	0	526 677	112 231	382 697	31 749
Loans to budget	0	0	0	0	0	0
Commercial loans	506 956	0	506 956	107 446	367 717	31 793
Commercial real estate and construction loans	271 436	0	271 436	37 930	221 238	12 268
Other commercial loans	235 520	0	235 520	69 516	146 479	19 525
Agricultural loans	0	0	0	0	0	0
Consumer loans	4 350	0	4 350	3 409	872	69
Housing mortgage loans to individuals	21 717	0	21 717	2 524	18 979	214
Other loans	5	0	5	5	0	0
Loans to non-financial institutions and other customers, total	533 028	0	533 028	113 384	387 568	32 076
Less: specific provisions	6 351	0	6 351	1 153	4 871	327
Assets for resale	0	0	0	0	0	0
Other assets, net	1 639	0	1 639	1 176	190	273
Intangible assets	3 135	0	3 135	3 135	0	0
Premises and other fixed assets	3 277	0	3 277	3 277	0	0
Assets, total	603 314	4 759	598 555	129 992	433 847	34 716
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	442 643	299 966	142 677	56 099	32 368	54 210
Demand deposits of banks	0	0	0	0	0	0
Time deposits of banks	426 150	299 966	126 184	39 703	32 278	54 203
Deposits of other financial institutions	16 493	0	16 493	16 396	90	7
Deposits of non-financial institutions and other customers	135 604	0	135 604	48 880	64 627	22 097
Demand deposits	46 096	0	46 096	23 717	15 863	6 516
Time deposits	63 938	0	63 938	21 795	31 337	10 806
Savings deposits	25 570	0	25 570	3 368	17 427	4 775
Deposits, total	578 247	299 966	278 281	104 979	96 995	76 307
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	9 889	3 208	6 681	3 455	2 687	539
Liabilities, total	588 136	303 174	284 962	108 434	99 682	76 846
Reserves and financial result, total	15 178	10 113	5 065	5 065		
Reserves	10 113	10 113	0	0		
Profit/loss, current year	5 065	0	5 065	5 065		
Liabilities, reserves, and financial result, total	603 314	313 287	290 027	113 499	99 682	76 846
Memo: credit substitutes and other off-balance sheet commitments	205 444	58 368	147 076	47 256	91 588	8 232

**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>17 150</b>	<b>264</b>	<b>16 886</b>	<b>3 480</b>	<b>13 086</b>	<b>320</b>
Interest income from claims on financial institutions	504	264	240	25	196	19
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	25	0	25	12	13	0
Interest income from loans	16 621	0	16 621	3 443	12877	301
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>6 063</b>	<b>3 263</b>	<b>2 800</b>	<b>963</b>	<b>1 355</b>	<b>482</b>
Interest expenditure on deposits of financial institutions	4 909	3 263	1 646	292	988	366
Interest expenditure on deposits of non-financial institutions and other customers	1 154	0	1 154	671	367	116
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>11 087</b>	<b>-2 999</b>	<b>14 086</b>	<b>2 517</b>	<b>11 731</b>	<b>-162</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	2 291	0	2 291			
Reintegrated provisions	125	0	125			
Credit provisions, net	2 166	0	2 166			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>29</b>	<b>0</b>	<b>29</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>2 682</b>	<b>258</b>	<b>2 424</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>5 713</b>	<b>0</b>	<b>5 713</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>5 919</b>	<b>-2 741</b>	<b>8 660</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>37</b>	<b>3</b>	<b>34</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-12</b>	<b>0</b>	<b>-12</b>			
<b>TAX</b>	<b>879</b>	<b>0</b>	<b>879</b>			
<b>PROFIT/LOSS, NET</b>	<b>5 065</b>	<b>-2 738</b>	<b>7 803</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	By Resolution No. 80 of 18 March 1993 the BNB Governing Council granted a license to <i>Xiosbank, Athens</i> , to conduct bank transactions in Sofia under Article 1, para. 2 of the Law on Banks and Credit Activity. License updated under § 47 of the Transitional and Final Provisions of the Law on Amendments to the Law on Banks by Order No. 100-00562 of 22 December 1999. By Resolution No. 11 of 15 February 2001 of the Sofia City Court the change in the branch name was entered in the Commercial Register, vol. 133, p. 82, lot No. 8939: Xiosbank, Sofia branch, is renamed to Piraeus Bank, Sofia branch, due to effected merger of Xiosbank, Athens, Greece, and Piraeus Bank, Athens, Greece.
<b>Legal registration</b>	Resolution of the Sofia City Court of 27 April 1993, lot No. 8931, vol. 133, reg. I, p. 52.
<b>Address of the branch</b>	3 Vitosha Blvd., Sofia 1000 tel.02/980 89 03; 980 56 54 Website: <a href="http://www.piraeusbank.gr">www.piraeusbank.gr</a>
<b>Management</b>	Athanasios Aristeidis Koutsopoulos Georgios Aristopenis Haralampakis Margarita Dobрева Petrova–Karidi Zhasmina Stoilova Uzunova Silva Videnova Nakova
<b>Management Board</b>	Piraeus Bank, Sofia Branch, is managed jointly by each two of the five authorized governors: Athanasios Aristeidis Koutsopoulos Georgios Aristopenis Haralampakis Margarita Dobрева Petrova–Karidi Zhasmina Stoilova Uzunova Silva Videnova Nakova
<b>Shareholders</b> (shares over 10%)	A branch of Piraeus Bank, Athens



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	109 712	58 073	46 242	5 397
Claims on financial institutions, net	90 937	57 481	6 562	26 894
Claims under repurchase agreements	15 308	14 181	947	180
Trading portfolio	88 005	21 298	18 306	48 401
Investment portfolio	67 610	9 751	48 489	9 370
Loans to non-financial institutions and other customers, net	905 905	462 316	414 951	28 638
Loans to budget	0	0	0	0
Commercial loans	557 264	213 615	316 466	27 183
Commercial real estate and construction loans	66 922	21 478	41 355	4 089
Other commercial loans	490 342	192 137	275 111	23 094
Agricultural loans	3 793	3 688	105	0
Consumer loans	227 269	226 587	580	102
Housing mortgage loans to individuals	100 868	41 516	58 579	773
Other loans	48 079	5 522	41 916	641
Loans to non-financial institutions and other customers, total	937 273	490 928	417 646	28 699
Less: specific provisions	31 368	28 612	2 695	61
Assets for resale	895	895	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	14 180	5 120	1 388	7 672
Intangible assets	8 427	8 427	0	0
Premises and other fixed assets	25 257	25 257	0	0
Assets, total	1 326 236	662 799	536 885	126 552
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	176 109	100 391	65 036	10 682
Demand deposits of banks	3 611	2 647	343	621
Time deposits of banks	145 136	77 004	61 661	6 471
Deposits of other financial institutions	27 362	20 740	3 032	3 590
Deposits of non-financial institutions and other customers	802 556	411 441	229 550	161 565
Demand deposits	267 889	186 070	61 266	20 553
Time deposits	339 080	147 073	106 650	85 357
Savings deposits	195 587	78 298	61 634	55 655
Deposits, total	978 665	511 832	294 586	172 247
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	170 781	0	170 781	0
Subordinated term debt and debt/equity (hybrid) instruments	15 807	0	15 807	0
Other liabilities	49 539	40 500	1 794	7 245
Liabilities, total	1 214 792	552 332	482 968	179 492
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	111 444	111 444		
Shareholder capital	51 250	51 250		
Reserves	48 884	48 884		
Profit/loss, current year	11 310	11 310		
Liabilities, minority interest, and capital, total	1 326 236	663 776	482 968	179 492
Memo: credit substitutes and other off-balance sheet commitments	304 107	231 523	52 588	19 996



**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>43 660</b>	<b>25 493</b>	<b>14 994</b>	<b>3 173</b>
Interest income from claims on financial institutions	1 851	288	460	1 103
Interest income from claims under repurchase agreements	392	311	60	21
Interest income from trading portfolio	1 855	642	479	734
Interest income from investment portfolio	2 273	376	1 693	204
Interest income from loans	37 289	23 876	12 302	1 111
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>12 158</b>	<b>4 280</b>	<b>6 859</b>	<b>1 019</b>
Interest expenditure on deposits of financial institutions	2 152	282	1 564	306
Interest expenditure on deposits of non-financial institutions and other customers	5 829	3 560	1 557	712
Interest expenditure on borrowings under repurchase agreements	74	74	0	0
Interest expenditure on borrowings	3 936	364	3 572	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	161	0	161	0
Interest expenditure on other liabilities	6	0	5	1
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>31 502</b>	<b>21 213</b>	<b>8 135</b>	<b>2 154</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	8 614			
Reintegrated provisions	3 921			
Credit provisions, net	4 693			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>6 483</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>890</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>16 019</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>30 748</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>19 453</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-4 864</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-1 094</b>			
<b>TAX</b>	<b>2 185</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>11 310</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution No. 21 of 14 March 1991 and No.104 of 31 March 1992 of the BNB Governing Council; updated by Order No. 100-00488 of 17 November 1999
<b>Legal registration</b>	Entered by Resolution of the Sofia City Court on company file No. 10646 of 1991, lot No. 14, vol. 4, p. 91
<b>Address of the head office</b>	14 Tsar Osvoboditel Blvd., Sofia 1048 tel. 02/816 60 00 Website: <a href="http://www.postbank.bg">www.postbank.bg</a>
<b>Management</b>	
Supervisory Board	George Gondicas David Watson Andrew Stone
Management Board	Antonios C. Hassiotis – Chief Executive Director Theodore Karakassis – Executive Director Athanasios Dionissios Petropoulos – Executive Director Asen Vasilev Yagodin – Executive Director
<b>Shareholders</b> (shares over 10%)	ALIKO/CEN Balkan Holdings Limited – 97.20%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	37 404	33 574	2 007	1 823
Claims on financial institutions, net	33 558	1 050	30 079	2 429
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	8 671	95	7 749	827
Loans to non-financial institutions and other customers, net	316 080	156 826	155 223	4 031
Loans to budget	0	0	0	0
Commercial loans	289 731	139 554	146 195	3 982
Commercial real estate and construction loans	17 388	1 556	15 232	600
Other commercial loans	272 343	137 998	130 963	3 382
Agricultural loans	5 286	5 286	0	0
Consumer loans	13 562	13 123	434	5
Housing mortgage loans to individuals	13 681	2 495	11 116	70
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	322 260	160 458	157 745	4 057
Less: specific provisions	6 180	3 632	2 522	26
Assets for resale	7	7	0	0
Investments in unconsolidated subsidiaries and associated companies	500	500	0	0
Other assets	3 392	3 160	175	57
Intangible assets	1 397	1 397	0	0
Premises and other fixed assets	5 854	5 854	0	0
Assets, total	406 863	202 463	195 233	9 167
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	38 876	21 167	3 090	14 619
Demand deposits of banks	2 812	0	2 431	381
Time deposits of banks	22 325	7 891	196	14 238
Deposits of other financial institutions	13 739	13 276	463	0
Deposits of non-financial institutions and other customers	181 752	109 846	50 522	21 384
Demand deposits	55 785	42 477	10 822	2 486
Time deposits	124 716	66 821	39 180	18 715
Savings deposits	1 251	548	520	183
Deposits, total	220 628	131 013	53 612	36 003
Borrowings under repurchase agreements	1 650	1 650	0	0
Short-term borrowings	10 126	10 126	0	0
Long-term borrowings	121 076	18 193	97 997	4 886
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 526	3 511	1 294	721
Liabilities, total	359 006	164 493	152 903	41 610
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	47 857	47 857		
Shareholder capital	34 500	34 500		
Reserves	8 237	8 237		
Profit/loss, current year	5 120	5 120		
Liabilities, minority interest, and capital, total	406 863	212 350	152 903	41 610
Memo: credit substitutes and other off-balance sheet commitments	34 311	18 195	12 083	4 033



## INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>22 535</b>	<b>12 300</b>	<b>9 722</b>	<b>513</b>
Interest income from claims on financial institutions	873	20	585	268
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	241	0	216	25
Interest income from loans	21 421	12 280	8 921	220
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>6 899</b>	<b>3 249</b>	<b>3 194</b>	<b>456</b>
Interest expenditure on deposits of financial institutions	693	569	24	100
Interest expenditure on deposits of non-financial institutions and other customers	2 473	1 654	588	231
Interest expenditure on borrowings under repurchase agreements	61	61	0	0
Interest expenditure on borrowings	3 672	965	2 582	125
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>15 636</b>	<b>9 051</b>	<b>6 528</b>	<b>57</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	8 983			
Reintegrated provisions	6 909			
Credit provisions, net	2 074			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>230</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>3 255</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>11 101</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>5 946</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>0</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>63</b>			
<b>TAX</b>	<b>889</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>5 120</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Order No. RD 22-442 of 25 September 2001
<b>Legal registration</b>	No. 64 228 , vol. 733, reg. I, p. 116 on company file No. 9478 of the Sofia City Court of 2001
<b>Address of the head office</b>	131 Hristo Botev Blvd., Sofia 1233 tel. 02/921 71 00; 921 71 41 Website: <a href="http://www.procreditbank.bg">www.procreditbank.bg</a>
<b>Management</b>	
Supervisory Board	Klaus-Peter Zeitinger – Chairman  Judith Brandsma – Deputy Chairman  Christoph Freytag  Helmut Toellner  Hanns Martin Hagen
Management Board	Susanne Decker – Chairman  Kai Ilm  Petar Slavchev Slavov  Emilia Hristova Tsareva
<b>Shareholders</b> (shares over 10%)	
	ProCredit Holding AG – 20.29%
	European Bank for Reconstruction and Development – 19.71%
	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH – 19.71%
	Commerzbank AG – 19.71%
	International Financial Corporation – 19.3%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	380 746	280 670	92 558	7 518
Claims on financial institutions, net	338 709	20 315	253 622	64 772
Claims under repurchase agreements	5 064	1 149	3 915	0
Trading portfolio	192 190	47 907	98 199	46 084
Investment portfolio	85 631	17 064	59 187	9 380
Loans to non-financial institutions and other customers, net	1 209 321	320 612	813 619	75 090
Loans to budget	0	0	0	0
Commercial loans	1 013 091	158 466	775 163	79 462
Commercial real estate and construction loans	231 207	6 826	220 053	4 328
Other commercial loans	781 884	151 640	555 110	75 134
Agricultural loans	18 196	2 559	14 811	826
Consumer loans	165 309	159 498	5 806	5
Housing mortgage loans to individuals	48 136	4 567	42 077	1 492
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	1 244 732	325 090	837 857	81 785
Less: specific provisions	35 411	4 478	24 238	6 695
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	540	540	0	0
Other assets	6 689	4 415	1 487	787
Intangible assets	6 113	6 113	0	0
Premises and other fixed assets	13 340	13 340	0	0
Assets, total	2 238 343	712 125	1 322 587	203 631
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	363 429	69 967	247 335	46 127
Demand deposits of banks	9 370	1 865	7 452	53
Time deposits of banks	335 068	56 528	232 767	45 773
Deposits of other financial institutions	18 991	11 574	7 116	301
Deposits of non-financial institutions and other customers	1 325 850	460 478	688 463	176 909
Demand deposits	746 146	342 940	314 392	88 814
Time deposits	579 704	117 538	374 071	88 095
Savings deposits	0	0	0	0
Deposits, total	1 689 279	530 445	935 798	223 036
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	270 542	1 210	217 405	51 927
Subordinated term debt and debt/equity (hybrid) instruments	60 631	0	60 631	0
Other liabilities	46 548	20 386	21 222	4 940
Liabilities, total	2 067 000	552 041	1 235 056	279 903
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	171 343	171 343		
Shareholder capital	94 932	94 932		
Reserves	53 575	53 575		
Profit/loss, current year	22 836	22 836		
Liabilities, minority interest, and capital, total	2 238 343	723 384	1 235 056	279 903
Memo: credit substitutes and other off-balance sheet commitments	458 165	104 595	304 689	48 881



## INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>54 486</b>	<b>18 550</b>	<b>31 962</b>	<b>3 974</b>
Interest income from claims on financial institutions	2 970	102	1 684	1 184
Interest income from claims under repurchase agreements	60	24	35	1
Interest income from trading portfolio	4 777	4 777	0	0
Interest income from investment portfolio	910	910	0	0
Interest income from loans	45 769	12 737	30 243	2 789
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>14 960</b>	<b>3 000</b>	<b>9 263</b>	<b>2 697</b>
Interest expenditure on deposits of financial institutions	1 601	497	550	554
Interest expenditure on deposits of non-financial institutions and other customers	8 017	2 493	4 537	987
Interest expenditure on borrowings under repurchase agreements	7	0	5	2
Interest expenditure on borrowings	4 254	10	3 090	1 154
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 081	0	1 081	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>39 526</b>	<b>15 550</b>	<b>22 699</b>	<b>1 277</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	10 735			
Reintegrated provisions	8 405			
Credit provisions, net	2 330			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>1 746</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>-6</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>14 733</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>27 065</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>26 604</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>426</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-164</b>			
<b>TAX</b>	<b>4 030</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>22 836</b>			





## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

**License granted by the BNB** Resolution No. 198 of 16 June 1994 of the BNB Governing Council, updated by Order No. 100-00497 of the BNB Governor dated 18 November 1999

**Legal registration** Resolution of the Sofia City Court of 1 August 1994 on company file No. 14195, lot No. 18414, vol. 230, p. 38

**Address of the head office** 18–20 Gogol Str., Sofia 1000  
tel. 02/919 85 101  
Website: [www.rbb.bg](http://www.rbb.bg)

### Management

Supervisory Board Herbert Stepic – Chairman

Heinz Heudel

Peter Lenkh

Management Board Momchil Ivanov Andreev – Chairman and Executive Director

Tsenka Kalcheva Petkova – Executive Director

Evelina Miltenova Georgieva – Executive Director

Jan Majtan – Executive Director

**Shareholders**  
(shares over 10%)

Raiffeisen International Bank-Holding AG – 100%

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	88 416	31 381	50 158	6 877
Claims on financial institutions, net	139 812	11 259	18 268	110 285
Claims under repurchase agreements	0	0	0	0
Trading portfolio	30 345	22 767	915	6 663
Investment portfolio	791	787	4	0
Loans to non-financial institutions and other customers, net	596 389	377 946	192 660	25 783
Loans to budget	34	34	0	0
Commercial loans	355 221	126 350	194 678	34 193
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	355 221	126 350	194 678	34 193
Agricultural loans	1 582	739	843	0
Consumer loans	242 429	242 421	4	4
Housing mortgage loans to individuals	14 385	11 261	1 947	1 177
Other loans	5 719	5 308	138	273
Loans to non-financial institutions and other customers, total	619 370	386 113	197 610	35 647
Less: specific provisions	22 981	8 167	4 950	9 864
Assets for resale	478	478	0	0
Investments in unconsolidated subsidiaries and associated companies	500	500	0	0
Other assets	5 185	4 385	523	277
Intangible assets	1 716	1 716	0	0
Premises and other fixed assets	46 410	46 410	0	0
Assets, total	910 042	497 629	262 528	149 885
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	74 675	44 728	29 945	2
Demand deposits of banks	4	4	0	0
Time deposits of banks	58 180	28 843	29 337	0
Deposits of other financial institutions	16 491	15 881	608	2
Deposits of non-financial institutions and other customers	676 465	340 234	150 156	186 075
Demand deposits	199 914	161 048	27 588	11 278
Time deposits	304 163	152 376	70 405	81 382
Savings deposits	172 388	26 810	52 163	93 415
Deposits, total	751 140	384 962	180 101	186 077
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	1	1	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	22 948	17 755	2 472	2 721
Liabilities, total	774 089	402 718	182 573	188 798
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	135 953	135 953		
Shareholder capital	28 530	28 530		
Reserves	92 221	92 221		
Profit/loss, current year	15 202	15 202		
Liabilities, minority interest, and capital, total	910 042	538 671	182 573	188 798
Memo: credit substitutes and other off-balance sheet commitments	96 749	48 250	34 503	13 996

## INCOME STATEMENT

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>30 963</b>	<b>23 196</b>	<b>5 773</b>	<b>1 994</b>
Interest income from claims on financial institutions	1 445	2	256	1 187
Interest income from claims under repurchase agreements	3	3	0	0
Interest income from trading portfolio	671	671	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	28 844	22 520	5 517	807
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>7 090</b>	<b>5 439</b>	<b>1 093</b>	<b>558</b>
Interest expenditure on deposits of financial institutions	944	795	149	0
Interest expenditure on deposits of non-financial institutions and other customers	6 146	4 644	944	558
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	0	0	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>23 873</b>	<b>17 757</b>	<b>4 680</b>	<b>1 436</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	7 426			
Reintegrated provisions	6 059			
Credit provisions, net	1 367			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>645</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>16 887</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>17 506</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>22 532</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-4 647</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>2 683</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>15 202</b>			

## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	License No. 00246 of 4 June 1993, updated in accordance with the Law on Banks by Order No. 100-00490 of the BNB Governor dated 17 November 1999
<b>Legal registration</b>	Resolution No. 4024 of 24 June 1993 of the Varna Regional Court. A permit was given to Expressbank to be renamed SG Expressbank by Order No. 100-00504 of the BNB Governor dated 18 November 1999.
<b>Address of the head office</b>	92 Vladislav Varnenchik Blvd., Varna 9000 tel. 052/686 100; 02/937 04 76 Website: <a href="http://www.sgexpressbank.bg">www.sgexpressbank.bg</a>
<b>Management</b>	
Supervisory Board	Jacques Tournebize – Chairman  Roger Bernard Servonet – Deputy Chairman  Jean-Louis Mattei  Andre-Marc Prudent
Management Board	Philippe Charles Lhotte – Chairman and Chief Executive Officer  Philippe Ives Victor Lame – Deputy Chairman and Executive Director  Krassimir Georgiev Zhilov – Executive Director  Maria Stoyanova Dobрева  Zhivka Stoyanova Sarachinova  Elenka Petrova Bakalova
<b>Shareholders</b> (shares over 10%)	Societe Generale, Paris – 97.95%



# T. C. ZIRAAT BANK, SOFIA BRANCH

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## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
<b>ASSETS</b>						
Vault cash and current accounts with the BNB	2 168	0	2 168	1 428	554	186
Claims on financial institutions, net	11 898	4 571	7 327	5	6 822	500
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	27 058	0	27 058	0	22 990	4 068
Loans to non-financial institutions and other customers, net	278	0	278	155	46	77
Loans to budget	0	0	0	0	0	0
Commercial loans	50	0	50	50	0	0
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	50	0	50	50	0	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	228	0	228	105	46	77
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Loans to non-financial institutions and other customers, total	278	0	278	155	46	77
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	73	0	73	71	2	0
Intangible assets	359	0	359	359	0	0
Premises and other fixed assets	70	0	70	70	0	0
Assets, total	41 904	4 571	37 333	2 088	30 414	4 831
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>						
Deposits of financial institutions	3 270	3 270	0	0	0	0
Demand deposits of banks	3 270	3 270	0	0	0	0
Time deposits of banks	0	0	0	0	0	0
Deposits of other financial institutions	0	0	0	0	0	0
Deposits of non-financial institutions and other customers	10 711	0	10 711	1 660	4 089	4 962
Demand deposits	6 012	0	6 012	1 557	2 924	1 531
Time deposits	4 699	0	4 699	103	1 165	3 431
Savings deposits	0	0	0	0	0	0
Deposits, total	13 981	3 270	10 711	1 660	4 089	4 962
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	190	0	190	116	73	1
Liabilities, total	14 171	3 270	10 901	1 776	4 162	4 963
Reserves and financial result, total	27 733	27 402	331	331		
Reserves	27 402	27 402	0	0		
Profit/loss, current year	331	0	331	331		
Liabilities, reserves, and financial result, total	41 904	30 672	11 232	2 107	4 162	4 963
Memo: credit substitutes and other off-balance sheet commitments	558	0	558	277	267	14



## T. C. ZIRAAT BANK, SOFIA BRANCH

### INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			Other currencies
			Total	BGN	EUR	
<b>INTEREST AND DIVIDEND INCOME</b>	<b>873</b>	<b>11</b>	<b>862</b>	<b>20</b>	<b>702</b>	<b>140</b>
Interest income from claims on financial institutions	117	11	106	3	98	5
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	727	0	727	0	600	127
Interest income from loans	29	0	29	17	4	8
Dividend income	0	0	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>71</b>	<b>0</b>	<b>71</b>	<b>12</b>	<b>25</b>	<b>34</b>
Interest expenditure on deposits of financial institutions	0	0	0	0	0	0
Interest expenditure on deposits of non-financial institutions and other customers	71	0	71	12	25	34
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>802</b>	<b>11</b>	<b>791</b>	<b>8</b>	<b>677</b>	<b>106</b>
<b>CREDIT PROVISIONS</b>						
Accrued provisions	0	0	0			
Reintegrated provisions	0	0	0			
Credit provisions, net	0	0	0			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>89</b>	<b>0</b>	<b>89</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>526</b>	<b>0</b>	<b>526</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA</b>						
<b>INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>365</b>	<b>11</b>	<b>354</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>25</b>	<b>0</b>	<b>25</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TAX</b>	<b>59</b>	<b>0</b>	<b>59</b>			
<b>PROFIT/LOSS, NET</b>	<b>331</b>	<b>11</b>	<b>320</b>			



## T. C. ZIRAAT BANK, SOFIA BRANCH

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### STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Order No. 100-000218 of 26 June 1998 of the BNB Governor. By Order No. RD 22-512 of 19 October 2000 changes were made in item 6 on transactions under Article 54, para. 1 of the Law on Public Offering of Securities and item 9 was repealed; item 6 was repealed by Order No. RD 22-458 of 2 October 2001 of the BNB Governor.
<b>Legal registration</b>	Company file No. 8801 of 1998 of the Sofia City Court, lot No. 863, vol. 15, p. 173
<b>Address of the branch</b>	19 Sveta Nedelya Sq., Sofia 1000 tel. 02/980 00 87 e-mail: ziraat@medicom.bg
<b>Management</b>	
Management Board	Sezgin Bayar – President  Gurgan Sener – Vice President
<b>Shareholders</b> (shares over 10%)	
	T. C. Ziraat Bank, Ankara – 100%



## TEXIM PRIVATE ENTREPRENEURIAL BANK

### BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	2 127	953	1 089	85
Claims on financial institutions, net	10 079	1 745	2 658	5 676
Claims under repurchase agreements	0	0	0	0
Trading portfolio	622	622	0	0
Investment portfolio	46	46	0	0
Loans to non-financial institutions and other customers, net	19 048	6 600	9 678	2 770
Loans to budget	0	0	0	0
Commercial loans	12 081	4 603	5 362	2 116
Commercial real estate and construction loans	1 510	134	1 376	0
Other commercial loans	10 571	4 469	3 986	2 116
Agricultural loans	1 757	1 757	0	0
Consumer loans	1 644	374	1 258	12
Housing mortgage loans to individuals	254	0	215	39
Other loans	3 561	35	2 912	614
Loans to non-financial institutions and other customers, total	19 297	6 769	9 747	2 781
Less: specific provisions	249	169	69	11
Assets for resale	516	516	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	2 237	2 157	21	59
Intangible assets	140	140	0	0
Premises and other fixed assets	5 542	5 542	0	0
Assets, total	40 357	18 321	13 446	8 590
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	27	10	17	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	27	10	17	0
Deposits of non-financial institutions and other customers	17 973	8 774	4 110	5 089
Demand deposits	6 717	4 114	1 785	818
Time deposits	9 925	3 935	2 066	3 924
Savings deposits	1 331	725	259	347
Deposits, total	18 000	8 784	4 127	5 089
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	5 766	1 781	3 985	0
Subordinated term debt and debt/equity (hybrid) instruments	1 336	0	724	612
Other liabilities	1 099	918	180	1
Liabilities, total	26 201	11 483	9 016	5 702
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	14 156	14 156		
Shareholder capital	10 000	10 000		
Reserves	3 793	3 793		
Profit/loss, current year	363	363		
Liabilities, minority interest, and capital, total	40 357	25 639	9 016	5 702
Memo: credit substitutes and other off-balance sheet commitments	1 132	728	0	404





# TEXIM PRIVATE ENTREPRENEURIAL BANK

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## INCOME STATEMENT (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>1 294</b>	<b>615</b>	<b>516</b>	<b>163</b>
Interest income from claims on financial institutions	78	5	13	60
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	21	21	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	1 195	589	503	103
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>395</b>	<b>269</b>	<b>46</b>	<b>80</b>
Interest expenditure on deposits of financial institutions	2	2	0	0
Interest expenditure on deposits of non-financial institutions and other customers	197	106	28	63
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	161	161	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	35	0	18	17
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>899</b>	<b>346</b>	<b>470</b>	<b>83</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	111			
Reintegrated provisions	25			
Credit provisions, net	86			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>2</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>657</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 425</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>47</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>316</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>0</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>363</b>			



## TEXIM PRIVATE ENTREPRENEURIAL BANK

### STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Protocol Resolution No. 243 of 4 March 1992 of the BNB Governing Council, Resolution No. 248 of 11 April 1997 of the BNB Governing Council. License updated by Order No. 100-00570 of the BNB Governor dated 23 December 1999.
<b>Legal registration</b>	Company file No. 24103 of the Sofia City Court of 1992, lot No. 4542, vol. 89, p. 180
<b>Address of the head office</b>	107 Knyaginya Maria-Luiza Blvd., Sofia 1202 tel. 02/9359 300; 9359 301 Website: <a href="http://www.teximbank.bg">www.teximbank.bg</a>
<b>Management</b>	
Supervisory Board	Marieta Georgieva Naidenova  Rosen Ivanov Chobanov  Madlena Dimova Dimova
Management Board	Maria Petrova Vidolova – Chairman and Chief Executive Director  Elena Borisova Delcheva – Executive Director  Roumen Emilov Vasilev
<b>Shareholders</b> (shares over 10%)	
	Paton Anstalt – 27.33%
	Marieta Georgieva Naidenova – 15.24%
	Pavlina Georgieva Naidenova – 15.09%

## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	5 101	3 240	1 512	349
Claims on financial institutions, net	12 269	11	7 737	4 521
Claims under repurchase agreements	0	0	0	0
Trading portfolio	10 926	4 237	6 689	0
Investment portfolio	542	541	1	0
Loans to non-financial institutions and other customers, net	41 331	21 755	17 655	1 921
Loans to budget	0	0	0	0
Commercial loans	35 084	16 164	16 900	2 020
Commercial real estate and construction loans	4 022	2 065	1 329	628
Other commercial loans	31 062	14 099	15 571	1 392
Agricultural loans	4 195	4 195	0	0
Consumer loans	2 951	2 093	836	22
Housing mortgage loans to individuals	132	90	42	0
Other loans	244	205	39	0
Loans to non-financial institutions and other customers, total	42 606	22 747	17 817	2 042
Less: specific provisions	1 275	992	162	121
Assets for resale	13	13	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	219	177	3	39
Intangible assets	133	133	0	0
Premises and other fixed assets	2 392	2 392	0	0
Assets, total	72 926	32 499	33 597	6 830
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	6 754	6 199	391	164
Demand deposits of banks	0	0	0	0
Time deposits of banks	500	500	0	0
Deposits of other financial institutions	6 254	5 699	391	164
Deposits of non-financial institutions and other customers	28 859	8 749	5 599	14 511
Demand deposits	12 104	7 097	3 292	1 715
Time deposits	16 755	1 652	2 307	12 796
Savings deposits	0	0	0	0
Deposits, total	35 613	14 948	5 990	14 675
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	6 300	6 300	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	667	531	73	63
Liabilities, total	42 580	21 779	6 063	14 738
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	30 346	30 346		
Shareholder capital	45 000	45 000		
Reserves	-16 575	-16 575		
Profit/loss, current year	1 921	1 921		
Liabilities, minority interest, and capital, total	72 926	52 125	6 063	14 738
Memo: credit substitutes and other off-balance sheet commitments	7 400	3 181	2 843	1 376

**INCOME STATEMENT**  
 (June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>3 012</b>	<b>1 657</b>	<b>1 144</b>	<b>211</b>
Interest income from claims on financial institutions	148	14	102	32
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	263	139	119	5
Interest income from investment portfolio	0	0	0	0
Interest income from loans	2 601	1 504	923	174
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>579</b>	<b>225</b>	<b>51</b>	<b>303</b>
Interest expenditure on deposits of financial institutions	74	72	1	1
Interest expenditure on deposits of non-financial institutions and other customers	456	104	50	302
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	49	49	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>2 433</b>	<b>1 432</b>	<b>1 093</b>	<b>-92</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	368			
Reintegrated provisions	380			
Credit provisions, net	-12			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>296</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>875</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 638</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>1 978</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-22</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>-35</b>			
<b>TAX</b>	<b>0</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 921</b>			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	No. 14004410 of 5 October 1994 by Resolution No. 365 of 1 December 1994 of the BNB Governing Council. License updated in accordance with the requirements of § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks by Order No. 100-00571 of the BNB Governor dated 23 December 1999. License by Order No. RD22-147 of 30 January 2003 to conduct bank operations in Bulgaria and abroad under Article No. 1, paras. 1 and 2 of the Law on Banks.
<b>Legal registration</b>	Resolution No. 4196 of 15 July 2002 of the Plovdiv Regional Court on company file No. 4463 of 2001 of the Plovdiv Regional Court, entered in the Commercial Register, lot No. 31, vol. 23, p. 122.
<b>Address of the head office</b>	1, Sixth of September Str., Sofia 1000 tel. 02/981 21 05; 937 00 30
<b>Management</b>	
Supervisory Board	Takahito Ohashi – Chairman  International Hospital Services Co., represented by Rumen Slaveikov Serbezov  Tokushukai, Sofia, represented by Lyubomir Petrov Dachev, Lachezar Kostadinov Dinchev and Momchil Tsenov Krustev
Management Board	Lozana Lyubenova Slavchova – Chairman and Executive Director  Svetlozar Georgiev Karaneshev – Executive Director  Stoyan Peikov Stoyanov – Executive Director
<b>Shareholders</b> (shares over 10%)	International Hospital Services Co. – 93.84%



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	23 791	19 531	2 434	1 826
Claims on financial institutions, net	77 045	10 073	29 213	37 759
Claims under repurchase agreements	0	0	0	0
Trading portfolio	66 293	17 485	31 019	17 789
Investment portfolio	10 366	7 683	2 098	585
Loans to non-financial institutions and other customers, net	243 987	46 423	174 880	22 684
Loans to budget	235	235	0	0
Commercial loans	230 829	38 601	169 461	22 767
Commercial real estate and construction loans	131 495	4 700	112 440	14 355
Other commercial loans	99 334	33 901	57 021	8 412
Agricultural loans	6 361	6 361	0	0
Consumer loans	7 269	2 747	4 020	502
Housing mortgage loans to individuals	5 785	114	5 576	95
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	250 479	48 058	179 057	23 364
Less: specific provisions	6 492	1 635	4 177	680
Assets for resale	414	414	0	0
Investments in unconsolidated subsidiaries and associated companies	1000	1000	0	0
Other assets	1 523	1 479	40	4
Intangible assets	1 373	1 373	0	0
Premises and other fixed assets	3 959	3 959	0	0
Assets, total	429 751	109 420	239 684	80 647
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	33 982	18 625	15 192	165
Demand deposits of banks	171	14	0	157
Time deposits of banks	25 227	11 536	13 691	0
Deposits of other financial institutions	8 584	7 075	1 501	8
Deposits of non-financial institutions and other customers	250 437	96 674	81 596	72 167
Demand deposits	81 287	55 741	14 317	11 229
Time deposits	160 741	40 497	61 609	58 635
Savings deposits	8 409	436	5 670	2 303
Deposits, total	284 419	115 299	96 788	72 332
Borrowings under repurchase agreements	3 915	0	3 915	0
Short-term borrowings	0	0	0	0
Long-term borrowings	74 751	9 202	57 441	8 108
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	9 587	6 611	2 165	811
Liabilities, total	372 672	131 112	160 309	81 251
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	57 079	57 079		
Shareholder capital	15 412	15 412		
Reserves	32 756	32 756		
Profit/loss, current year	8 911	8 911		
Liabilities, minority interest, and capital, total	429 751	188 191	160 309	81 251
Memo: credit substitutes and other off-balance sheet commitments	52 252	32 918	16 559	2 775

**INCOME STATEMENT**

(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>15 338</b>	<b>3 581</b>	<b>9 499</b>	<b>2 258</b>
Interest income from claims on financial institutions	735	35	178	522
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	1 644	355	786	503
Interest income from investment portfolio	278	204	60	14
Interest income from loans	12 676	2 982	8 475	1 219
Dividend income	4	4	0	0
<b>INTEREST EXPENDITURE</b>	<b>6 702</b>	<b>1 304</b>	<b>3 600</b>	<b>1 798</b>
Interest expenditure on deposits of financial institutions	513	331	153	29
Interest expenditure on deposits of non-financial institutions and other customers	4 112	907	1 679	1 526
Interest expenditure on borrowings under repurchase agreements	96	12	84	0
Interest expenditure on borrowings	1 981	54	1 684	243
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>8 636</b>	<b>2 277</b>	<b>5 899</b>	<b>460</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	5 804			
Reintegrated provisions	9 192			
Credit provisions, net	-3 388			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>2 414</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>301</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>6 449</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>8 597</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>12 591</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-2 104</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>1 576</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>8 911</b>			



## STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005

<b>License granted by the BNB</b>	Protocol Resolution of 20 October 1994 of the BNB Governing Council accompanied by Letter No. 140-00332 of 2 November 1994 and Order No. 100-00494 of 17 November 1999 of the BNB Governor for license update.
<b>Legal registration</b>	Company file No. 31533 of 1992, lot No. 648, vol. 12, p. 75
<b>Address of the head office</b>	10–12 Damyan Gruev Str., Sofia 1606 tel. 02/9153 333; 9153 315 Website: <a href="http://www.unionbank.bg">www.unionbank.bg</a>
<b>Management</b>	
Supervisory Board	Emanuil Yankov Manolov – Chairman Emil Ivanov Ivanov – Deputy Chairman Andrew Seton Boras, represented by Georgi Nikolov Atanasov
Management Board	Ivan Totev Radev – Chairman and Chief Executive Director Anna Ivanova Asparouhova – Deputy Chairman and Executive Director Todor Kostadinov Nikolov* – Executive Director Dorcho Dimitrov Ilchev – Executive Director Ivailo Tsvetanov Donchev
<b>Shareholders</b> (shares over 10%)	Union Group – 29.06% European Bank for Reconstruction and Development – 15% Boras – 14.14%

\* Todor Kostadinov Nikolov was removed from office on 4 July 2005 (entry in the Sofia City Court is pending).





**BALANCE SHEET AS OF 30 JUNE 2005**

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	225 110	92 776	114 382	17 952
Claims on financial institutions, net	354 515	94 701	189 695	70 119
Claims under repurchase agreements	756	756	0	0
Trading portfolio	186 149	71 120	43 568	71 461
Investment portfolio	870	835	35	0
Loans to non-financial institutions and other customers, net	1 840 317	1 005 638	798 445	36 234
Loans to budget	1 857	1 857	0	0
Commercial loans	1 023 168	239 696	746 044	37 428
Commercial real estate and construction loans	152 179	22 862	125 037	4 280
Other commercial loans	870 989	216 834	621 007	33 148
Agricultural loans	113 658	63 505	50 072	81
Consumer loans	473 297	472 222	1 039	36
Housing mortgage loans to individuals	289 207	274 381	14 502	324
Other loans	3 920	3 512	141	267
Loans to non-financial institutions and other customers, total	1 905 107	1 055 173	811 798	38 136
Less: specific provisions	64 790	49 535	13 353	1 902
Assets for resale	1 207	1 207	0	0
Investments in unconsolidated subsidiaries and associated companies	782	782	0	0
Other assets	9 613	9 595	18	0
Intangible assets	21 377	21 377	0	0
Premises and other fixed assets	63 582	63 582	0	0
Assets, total	2 704 278	1 362 369	1 146 143	195 766
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	327 301	155 157	165 329	6 815
Demand deposits of banks	10 216	2 747	4 085	3 384
Time deposits of banks	265 595	113 794	150 665	1 136
Deposits of other financial institutions	51 490	38 616	10 579	2 295
Deposits of non-financial institutions and other customers	1 929 910	976 554	583 038	370 318
Demand deposits	704 309	528 157	125 773	50 379
Time deposits	754 444	319 960	251 363	183 121
Savings deposits	471 157	128 437	205 902	136 818
Deposits, total	2 257 211	1 131 711	748 367	377 133
Borrowings under repurchase agreements	413	413	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	70 529	41 246	29 283	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	10 393	10 389	3	1
Liabilities, total	2 338 546	1 183 759	777 653	377 134
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	365 732	365 732		
Shareholder capital	75 964	75 964		
Reserves	252 255	252 255		
Profit/loss, current year	37 513	37 513		
Liabilities, minority interest, and capital, total	2 704 278	1 549 491	777 653	377 134
Memo: credit substitutes and other off-balance sheet commitments	198 103	44 729	132 429	20 945


**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>101 617</b>	<b>71 253</b>	<b>24 689</b>	<b>5 675</b>
Interest income from claims on financial institutions	2 210	220	442	1 548
Interest income from claims under repurchase agreements	101	18	78	5
Interest income from trading portfolio	3 984	1 633	0	2 351
Interest income from investment portfolio	0	0	0	0
Interest income from loans	95 322	69 382	24 169	1 771
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>14 881</b>	<b>10 007</b>	<b>3 665</b>	<b>1 209</b>
Interest expenditure on deposits of financial institutions	1 071	755	221	95
Interest expenditure on deposits of non-financial institutions and other customers	11 566	7 467	2 985	1 114
Interest expenditure on borrowings under repurchase agreements	51	51	0	0
Interest expenditure on borrowings	2 193	1 734	459	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>86 736</b>	<b>61 246</b>	<b>21 024</b>	<b>4 466</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	41 515			
Reintegrated provisions	16 242			
Credit provisions, net	25 273			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>1 902</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>-18</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>30 098</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>50 748</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>42 697</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>-825</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>2 388</b>			
<b>TAX</b>	<b>6 747</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>37 513</b>			



**UNITED  
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Balance Sheets and Income Statements of Individual Commercial Banks

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Resolution of the BNB Governing Council of 25 February 1991. Updated by Order No. 100-00487 of 17 November 1999.
<b>Legal registration</b>	Entered on company file No. 31848 of the Sofia City Court of 1992, lot No. 376, vol. 8, p. 105
<b>Address of the head office</b>	5 Sv. Sofia Str., Sofia 1000 tel. 02/811 28 00 Website: www.ubb.bg
<b>Management</b>	
Board of Directors	Stilian Petkov Vatev – Chief Executive Director  Christos Katsanis – Executive Director  Radka Ivanova Toncheva – Executive Director  Agis Leopoulos  Alexandros Tourkolias  Efstratios-Georgios Arapoglou  Anthimos Thomopoulos  Ioannis Pechlivanidis  Konstantinos Othoneos*
<b>Shareholders</b> (shares over 10%)	National Bank of Greece – 99.9%

\* The new member of the Board of Directors was elected by the General Shareholders' Meeting on 1 August 2005. Certification by the BNB is pending.



## BALANCE SHEET AS OF 30 JUNE 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>ASSETS</b>				
Vault cash and current accounts with the BNB	6 602	2 535	3 477	590
Claims on financial institutions, net	6 577	534	3 887	2 156
Claims under repurchase agreements	0	0	0	0
Trading portfolio	296	296	0	0
Investment portfolio	3 519	1 022	2 497	0
Loans to non-financial institutions and other customers, net	65 316	19 394	37 585	8 337
Loans to budget	0	0	0	0
Commercial loans	58 018	11 706	37 804	8 508
Commercial real estate and construction loans	28 063	3 333	24 119	611
Other commercial loans	29 955	8 373	13 685	7 897
Agricultural loans	8 238	8 238	0	0
Consumer loans	189	38	151	0
Housing mortgage loans to individuals	448	50	398	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	66 893	20 032	38 353	8 508
Less: specific provisions	1 577	638	768	171
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	371	211	141	19
Intangible assets	483	483	0	0
Premises and other fixed assets	981	981	0	0
Assets, total	84 145	25 456	47 587	11 102
<b>LIABILITIES, MINORITY INTEREST, AND CAPITAL</b>				
Deposits of financial institutions	22 371	472	15 182	6 717
Demand deposits of banks	9	0	6	3
Time deposits of banks	21 890	0	15 176	6 714
Deposits of other financial institutions	472	472	0	0
Deposits of non-financial institutions and other customers	27 105	6 419	16 395	4 291
Demand deposits	10 908	2 452	7 622	834
Time deposits	16 197	3 967	8 773	3 457
Savings deposits	0	0	0	0
Deposits, total	49 476	6 891	31 577	11 008
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	16 601	11 705	4 896	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 605	2 031	314	260
Liabilities, total	68 682	20 627	36 787	11 268
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	15 463	15 463		
Shareholder capital	15 800	15 800		
Reserves	-1 371	-1 371		
Profit/loss, current year	1 034	1 034		
Liabilities, minority interest, and capital, total	84 145	36 090	36 787	11 268
Memo: credit substitutes and other off-balance sheet commitments	29 334	6 029	19 786	3 519

**INCOME STATEMENT**  
(June 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
<b>INTEREST AND DIVIDEND INCOME</b>	<b>3 602</b>	<b>1 277</b>	<b>1 843</b>	<b>482</b>
Interest income from claims on financial institutions	111	4	79	28
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	105	25	80	0
Interest income from loans	3 386	1 248	1 684	454
Dividend income	0	0	0	0
<b>INTEREST EXPENDITURE</b>	<b>680</b>	<b>166</b>	<b>385</b>	<b>129</b>
Interest expenditure on deposits of financial institutions	270	5	174	91
Interest expenditure on deposits of non-financial institutions and other customers	147	35	74	38
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	263	126	137	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
<b>INTEREST AND DIVIDEND INCOME, NET</b>	<b>2 922</b>	<b>1 111</b>	<b>1 458</b>	<b>353</b>
<b>CREDIT PROVISIONS</b>				
Accrued provisions	829			
Reintegrated provisions	0			
Credit provisions, net	829			
<b>TRADING PORTFOLIO GAIN/LOSS</b>	<b>-60</b>			
<b>GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE</b>	<b>0</b>			
<b>GAIN/LOSS ON INVESTMENTS HELD TO MATURITY</b>	<b>0</b>			
<b>OTHER NON-INTEREST INCOME</b>	<b>432</b>			
<b>NON-INTEREST EXPENDITURE</b>	<b>1 521</b>			
<b>GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS</b>	<b>944</b>			
<b>FOREIGN EXCHANGE REVALUATION GAIN/LOSS</b>	<b>91</b>			
<b>EXTRAORDINARY GAIN/LOSS</b>	<b>0</b>			
<b>TAX</b>	<b>1</b>			
<b>MINORITY INTEREST</b>	<b>0</b>			
<b>PROFIT/LOSS, NET</b>	<b>1 034</b>			



**WestEast Bank**

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2005**

<b>License granted by the BNB</b>	Order No. RD 22-1067 of 13 August 2003 of the BNB Governor entitling the WestEast Bank to conduct bank operations in Bulgaria and abroad.
<b>Legal registration</b>	Resolution of the Sofia City Court No. 1 of 28 August 2003, company file No. 9270 of 2003, lot No. 78318, vol. 927, reg. I, p. 158
<b>Address of the head office</b>	36 Dragan Tsankov Blvd., Sofia 1040 Interpred World Trade Center, Bl. B, No. 105 tel. 02/970 24 10 Website: <a href="http://www.westeastbank.bg">www.westeastbank.bg</a>
<b>Management</b>	
Supervisory Board	Boris Pesjak – Chairman  Darko Horvat – Deputy Chairman  Janez Sencar  Ales Okorn  Andrej Hazabent
Management Board	Dusan Valencic – Chairman  Nabil Khalil Issa – Executive Director  Margarita Atanasova Gencheva – Executive Director
Procurator	Safi Said Harb
<b>Shareholders</b> (shares over 10%)	  Aktiva Holdings BV, Amsterdam – 72.51%  LB Maxima, Ljubljana – 24.50%