

Commercial Banks in Bulgaria

October – December 2005



BULGARIAN
NATIONAL
BANK

Commercial Banks in Bulgaria



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I. State of the Banking System

(fourth quarter of 2005)

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1. Introduction

This report includes analyses of major trends in the banking system during the fourth 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, capital position 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 financial position 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 analysed bank.

The classification of commercial banks into three groups was retained: Group I with the ten largest banks, Group II with 18 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 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 (these fluctuations will continue to attract attention in analysing the profiles of relevant banks, and their significance for the bank group or banking system is not underestimated).

2. The Banking System

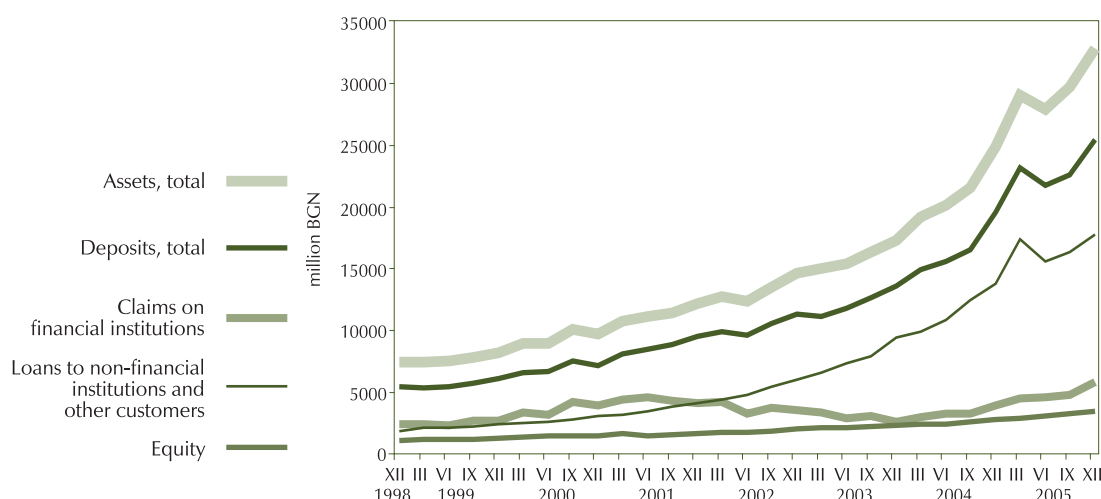
2.1. Structure, Changes, and Trends

In the last quarter of 2005 banking system assets accelerated their growth on the previous quarter: by end-December they reached BGN 32,850,884,000. The 10.6 per cent change (BGN 3142 million) was lower than in the respective quarter of 2004 when the reported increase came to 15.6 per cent (BGN 3368 million).¹ The seasonal end-year pattern was most clearly pronounced in December when credit institutions' enhanced lending led to the expansion of the balance sheet figure by BGN 2388 million and to the considerable monthly increase of 7.8 per cent.² The quarterly asset growth was financed by increased deposits of non-financial and financial institutions (by BGN 1451 million and BGN 1309 million respectively). Only three banks contracted their activities compared with the first nine months of 2005.

¹ The 2003 to 2004 growth reflected to a great extent payments on energy distribution companies' privatisation amounting to BGN 1354 million.

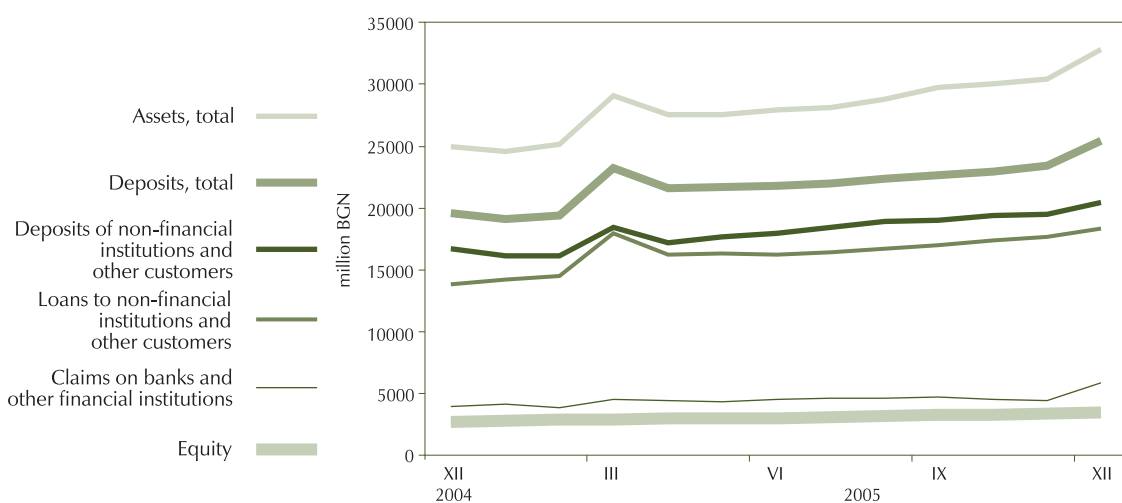
² Balance sheet figure growth in the *Claims on financial institutions* item resulted from several banks' accumulated turnover.

Chart 1
Dynamics of Major Balance Sheet Aggregates by Quarter



Between December 2004 and December 2005 banking system assets picked up by BGN 7934 million (31.84 per cent): down 12 percentage points on the prior one-year period. The major factors behind asset growth were the ten largest banks' contributions both in the previous 12 months and in the fourth quarter. However, it should be noted that while in a one-year horizon they contributed by nearly three-fourths of the growth, their share in the quarterly increase contracted to 61.5 per cent due to intensified activities of foreign bank branches and of Group II banks.

Chart 2
Dynamics of Major Balance Sheet Aggregates



Changes in banks' balance sheet aggregates include:

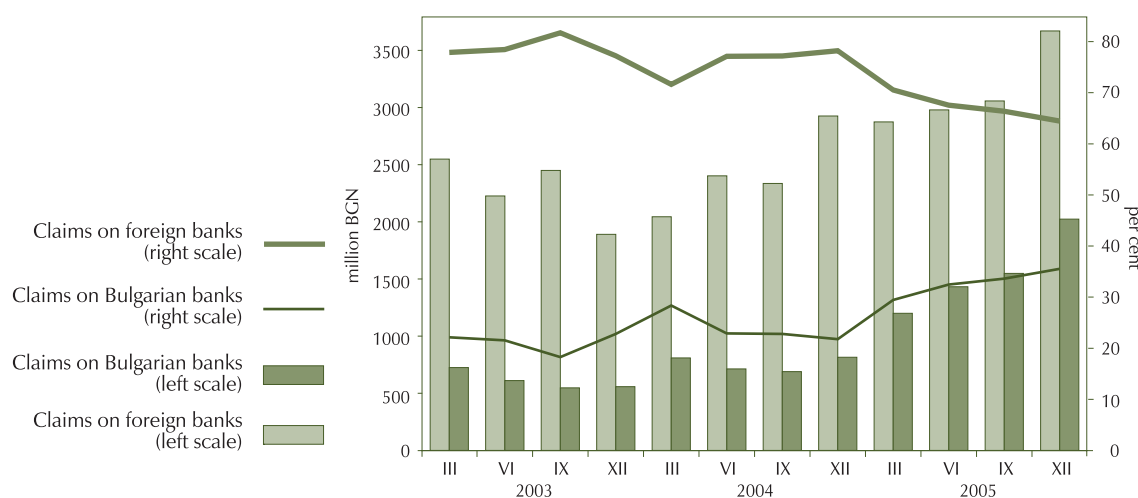
Cash went up by BGN 356 million (12.3 per cent) on the first nine months of 2005, with eight banks reporting declines. The share of this balance sheet aggregate in banking system assets went up

insignificantly to 9.9 per cent. Cash growth in the fourth quarter reflected depositing additional minimum reserves by banks which had exceeded their limits by the third quarter of the year. Over the last 12 months cash increased by BGN 573 million, with the 21.5 per cent rise considerably lower than that in the 2003 to 2004 period.

By the end of 2005 *net claims on financial institutions* were the most dynamic balance sheet item, with a 22.7 per cent (BGN 1079 million) increase, reflecting mainly banks' time deposits of BGN 950 million (up by 23.5 per cent). By end-December claims on financial institutions reached BGN 5842 million, expanding their share in banking system assets to 17.8 per cent (against 15.8 per cent a year earlier). Deposits with Bulgarian banks showed a steady growth. Their dynamics was strongly affected by the buoyant activity on the interbank money market in December and by record-high transactions effected on the last working day of the year.³ The increase was most clearly pronounced in time deposits, since overnight deposits are reported under this item, comprising 94 per cent of deposits on the interbank market. Placements rose by BGN 1388 million (31.2 per cent) in the last month of the year. Over 2005 growth in deposits with financial institutions (48.9 per cent or BGN 1919 million) was significantly higher than growth in loans (32.9 per cent) due to credit restrictions imposed by the BNB. In the last quarter ten institutions' claims on banks and other financial institutions declined. The rise in this balance sheet item by group was as follows: Group I banks saw a rise of BGN 304 million, Group II banks of BGN 599 million, and foreign bank branches of BGN 176 million. In the fourth quarter of 2005 claims on foreign institutions increased by BGN 613 million (20 per cent) which was 56.8 per cent of growth in deposits with financial institutions. As a result of redirecting free resources to short-term low-risk and relatively high-yield financial instruments, time deposits with non-resident banks went up most dramatically (BGN 522 million or 20.4 per cent). However, it should be noted the downward trend in placements with foreign institutions: by end-2004 they comprised three-fourths of claims on financial institutions against 64.2 per cent by 30 September 2005 and 62.8 per cent at the close of 2005.

Chart 3

Claims on Financial Institutions



³ As a result of the high level liquidity on the money market, the volume of registered transactions in December reached BGN 5476 million; on 30 December 2005 alone a turnover of BGN 932 million was reported. Intensive turnover on the interbank market could also be ascribable to some banks' attempts to extend their market shares by increasing the assets at the end of the year.

In the fourth quarter *trading portfolio assets* picked up by 3.4 per cent (BGN 66 million), their share in the banking system assets slightly falling to 6.2 per cent. Group I banks contributed entirely to this increase since Group II and Group III credit institutions reported drops. Over the year investments in trading portfolio stayed almost unchanged (up by merely 0.8 per cent or BGN 16 million) reflecting the position risk capital requirement in case of sizable trading portfolios introduced in July 2005.⁴ The sustained upward trend in investments in securities of local issuers was preserved in the reviewed quarter. Bank dealers' strong interest in risk-free Bulgarian government securities boosted their growth by BGN 124 million through purchases of bonds denominated in euro and US dollars.⁵ The share of foreign issuers' securities declined by BGN 25 million mainly due to the contacted portfolio of other countries' government securities. Thus, the weight of foreign securities in trading portfolio fell by 1.4 percentage points to 5.6 per cent on the previous quarter and by 29 percentage points over the last 12 months. Securities of issuers outside the list under BNB Ordinance No. 8 Appendices 1 and 2 and corporate securities decreased. They occupied nearly three-fourths of total foreign issuers' securities. As a result, their share in the banking system's trading portfolio dropped to 4.3 per cent. The rise in Bulgarian government securities denominated in euro and US dollars changed the currency structure of trading portfolio, with 39 per cent of investments denominated in national currency, 33 per cent in euro and 28 in other currencies by 31 December 2005.

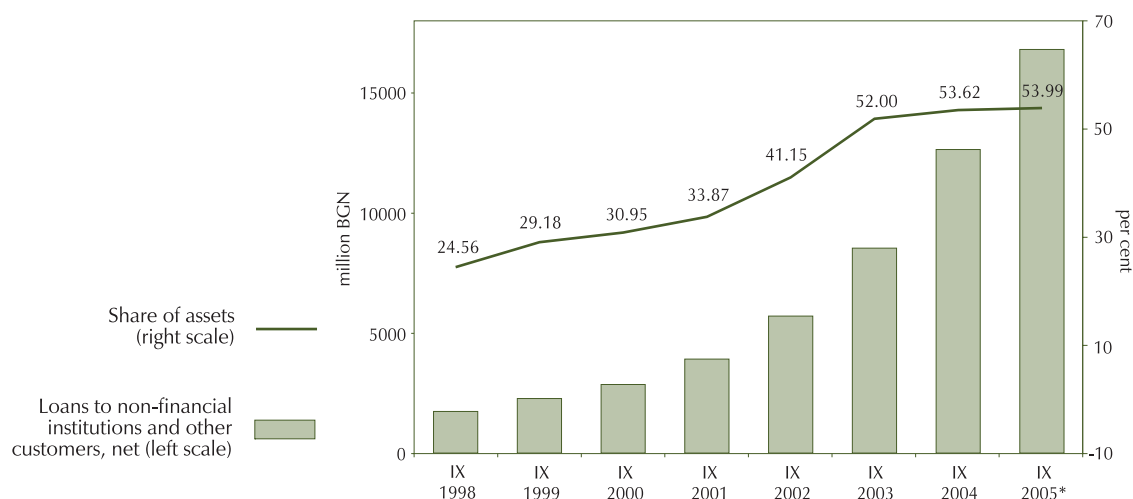
Over the last quarter *investment portfolio* grew by 11 per cent or BGN 267 million and over the year by 50.1 per cent (BGN 900 million). It retained its share of 8.2 per cent in the system's assets on 30 September 2005: up 1 percentage point on the close of 2004. Securities denominated in leva contributed to more than half of investment portfolio growth. By end-December 2005 the share of securities in national currency rose by some 2 percentage points to 35.9 per cent, while investments in euro comprised 41.2 per cent (12 months earlier the proportion between securities in leva and those in euro was 42.8 per cent to 32.5 per cent). Over the fourth quarter investment portfolio continued to grow thanks to investments available for sale (BGN 313 million or 25.3 per cent), while investments held to maturity contracted (BGN 46 million or 3.9 per cent). As a result, securities available for sale occupied 57.6 per cent of the system's investment portfolio (their share was 40.1 per cent a year earlier). Dynamics of both portfolios was mainly influenced by transactions in corporate securities. Matured corporate securities of foreign issuers were the factor behind the drop in investments held to maturity. Acquired corporate bonds of local companies (growth of BGN 200 million) and securities of foreign issuers (up BGN 60 million) pushed the system's investments available for sale. The increasing interest in this type of debt instruments and the process of transforming assets from trading into investment portfolio boosted the share of placements in foreign issuers' debt securities by meeting the criteria of reporting at fair value: from 4.6 per cent in December 2004 to 25.9 per cent a year later.

⁴ Twelve commercial banks do not allocate own funds for covering position risk under Ordinance No. 8 due to lack of sizable trading portfolios.

⁵ By end-2005 investment in Bulgarian government securities occupied 83.4 per cent of domestic issuers' securities and 77.9 per cent of the banking system's trading portfolio.

Chart 4

Loans to Non-financial Institutions and Other Customers

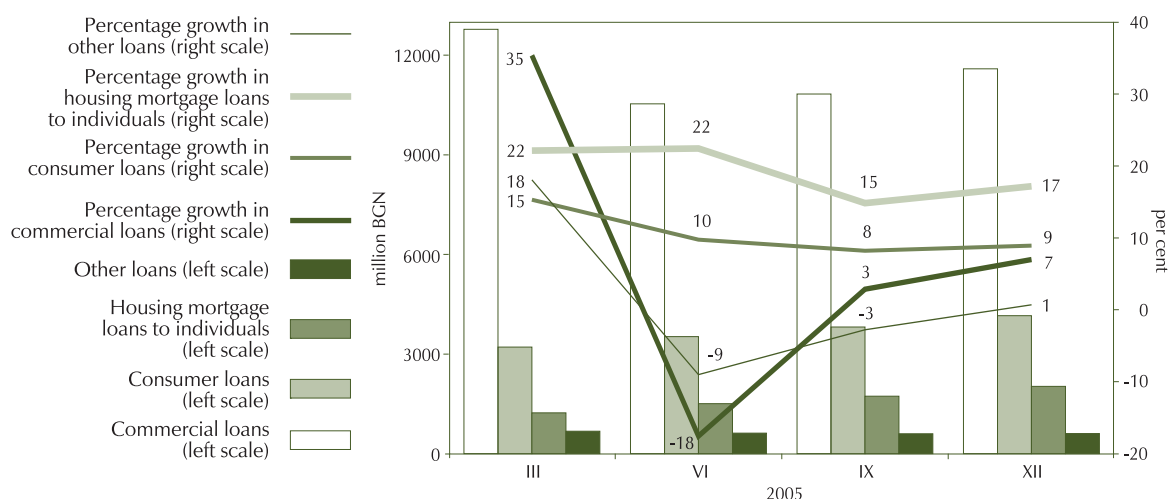


* Annual Accounting Reports data for the 1998 to 2004 period and December data for 2005.

Between October and December 2005 *gross loans* increased by BGN 1397 million (8.2 per cent), with only two banks and two foreign branches reporting declines. Over the year gross loans went up by BGN 4568 million (33.1 per cent). Net loans (overall portfolio less the amount of allocated provisions) remained the most significant balance sheet item in assets with a 54 per cent share (55.2 per cent as of 30 September 2005 and 53.6 per cent 12 months earlier). Net loans increased by BGN 1344 million (8.2 per cent) in the fourth quarter and by BGN 4392 million (32.9 million) in a one-year horizon. Over three-fourths of loan growth was due to Group I banks, with four institutions of this group contributing by more than half of newly extended loans. Over the year Group II banks registered a 9.1 growth in loans (BGN 288 million).

Chart 5

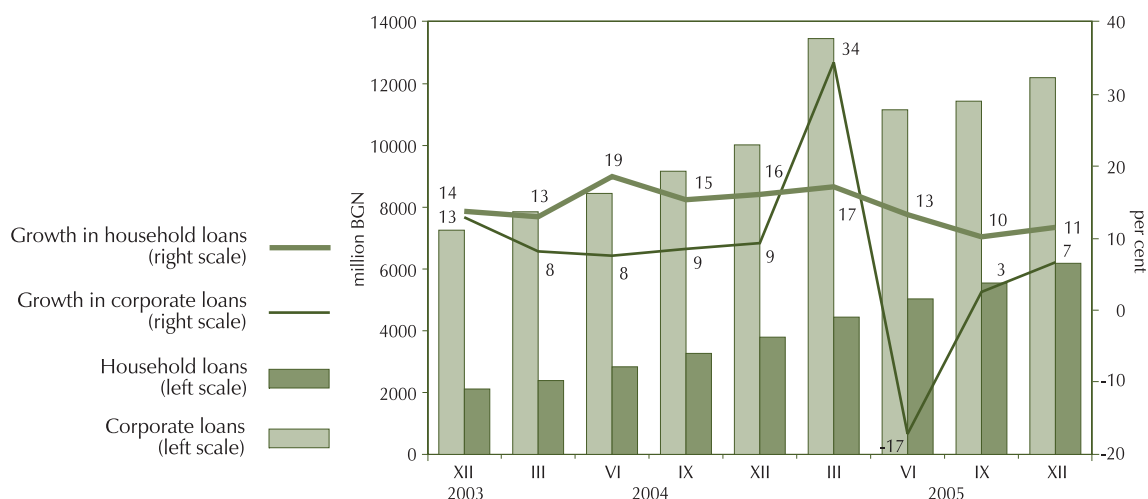
Loan Dynamics



No significant changes occurred in the portfolio's internal structure compared with the previous quarter. Housing mortgage loans' share slightly increased from 10.2 per cent to 11 per cent at the expense of commercial loans' share which contracted to 63.1 per cent. The upward trend in consumer loan growth (by 8.9 per cent or BGN 340 million) and housing mortgage loan growth (by 17.2 per cent or BGN 297 million) was sustained. Over the period newly extended commercial loans totaled BGN 756 million (up by 7 per cent) with growth in other commercial loans predominating (BGN 472 million). In a one-year horizon, the amount of new loans extended to individuals (consumer and mortgage loans) came to BGN 2389 million, exceeding that of newly extended commercial loans (BGN 2149 million). This trend reflected some banks' strategies to boost retail banking. The low base from which it started predetermined considerably higher one-year growth (101.2 per cent in mortgage loans and 49.1 per cent in consumer loans) compared with growth in commercial loans (22.8 per cent). It is of note that agricultural loans reduced their share in the last quarter of 2005: the only portfolio segment reporting a fall (BGN 7 million or 2 per cent). By contrast, during the same quarter of 2004 this type of loans posted an increase of BGN 27 million or 9.4 per cent. The currency structure of portfolio's growth indicates a greater demand for loans in levs (53.5 per cent growth on an annual basis), followed by those in euro (49.4 per cent), whereas newly extended loans in other currencies continued dipping (down 2.8 per cent). This led to an insignificant change in the loan portfolio currency structure, with lev loans prevailing slightly (52.2 per cent of total loans) by the end of 2005. The share of loans in euro comprised 43.7 per cent and those in other currencies 4.1 per cent.

Chart 6

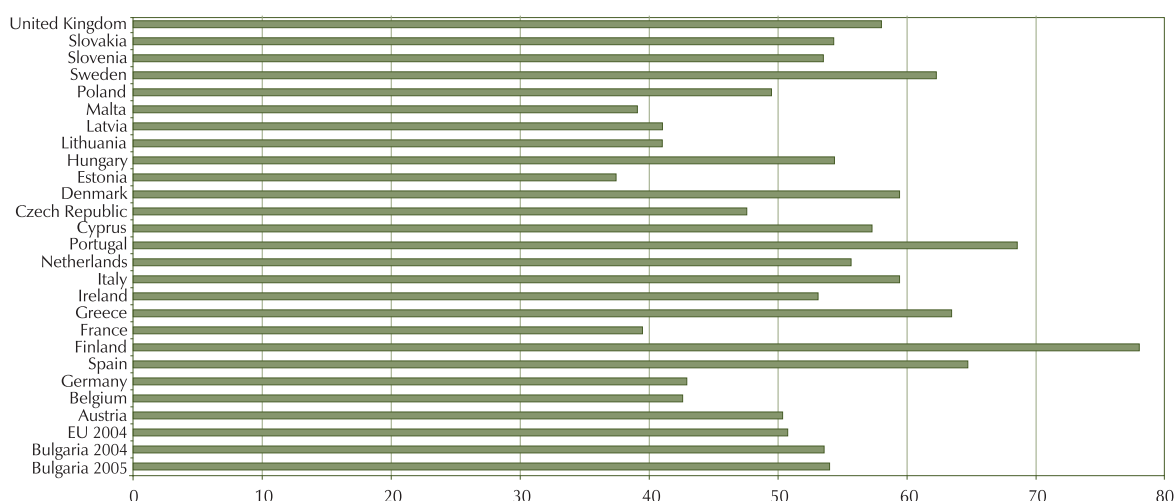
Dynamics of Corporate and Household Loans*



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

In the short horizon, BNB expectations are for a gradual decrease in loan growth rates, including in those extended to individuals. However, given the degree of the credit market development and increased competition, the share of loans extended to individuals in total loan portfolio will continue to rise (within a year their share grew by 7 percentage points to 34.7 per cent).

Chart 7
Share of Loans in Total Assets



As seen from data on the EU and individual member countries,⁶ lending rates and asset restructuring of Bulgarian banks resulted in values above the EU average. The share of claims on the public sector in the assets' structure ranked Bulgarian banks above credit institutions of more than half EU countries. The 2001 data would have put the Bulgarian banking sector at the bottom of the chart which explicitly indicates the intensity of overtaking within three years only. However, it should be noted that in 2005 BNB measures managed to slow down the rate of undertaking new credit risks by Bulgarian banks. As a result, the credit portfolio share in assets stabilized at a value close to the EU average.

2.2. Liabilities and Equity Structure

It worths noting that the previous quarter's downward trend in deposits attracted from financial institutions reversed, their high growth coming to BGN 1309 million (35.8 per cent). As in claims on banks and other financial institutions, the increase was realized mainly in the last month of 2005. In the fourth quarter deposits of non-financial corporations went up by BGN 1451 million, their growth accelerating to 7.6 per cent. The total deposit base which is a main source of financing banking system's assets rose by BGN 2761 million (12.2 per cent) reaching BGN 25,413 million. Over the last 12 months deposits of financial and non-financial institutions picked up by BGN 5884 million (30.1 per cent).

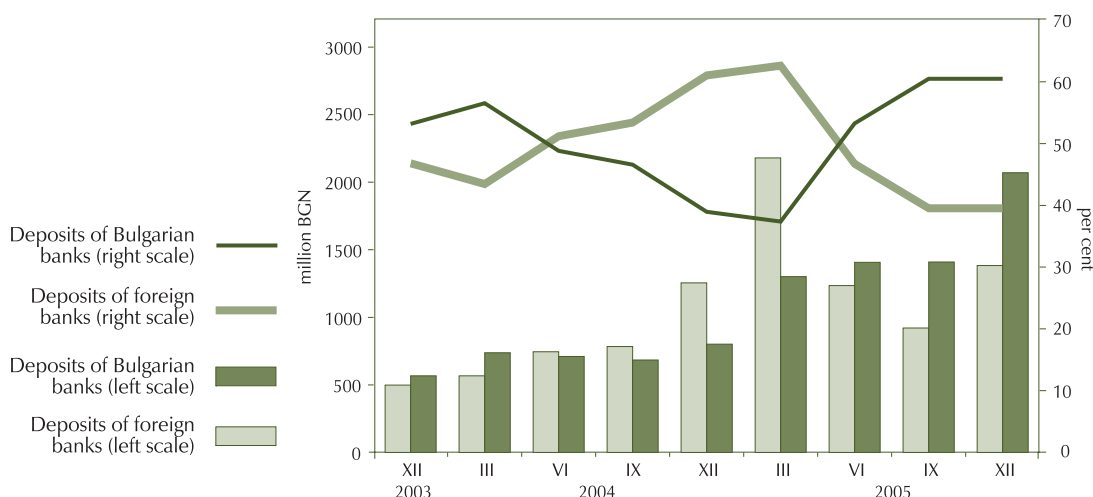
The sizable quarterly increase in *deposits of financial institutions* by BGN 1309 million to BGN 4966 million was attributable to 24 banks.⁷ Banks' time deposits registered the most substantial growth of BGN 909 million (39.1 per cent), more than half of them attracted from foreign credit institutions. Two-thirds of growth in deposits of financial institutions was due to Group I banks and almost one-fourth to Group II banks. However, medium- and small-sized banks reported the most dynamic change with a considerably higher increase than the banking system average: 54 per cent

⁶ In the charts comparing EU countries and Bulgaria, the 2004 data on 24 countries are based on the ECB publication *EU Banking Sector Stability*, October 2005, while BNB data are used for Bulgaria.

⁷ The enhanced demand for resources on the interbank money market in the last days of the year stems from equalizing budget accounts and transferring balances to the BNB.

(BGN 310 million). Dynamics of deposits attracted from foreign financial institutions reversed in the fourth quarter of 2005. By end-December deposits by non-resident banks went up by BGN 462 million (50.2 per cent), whereas the annual rise was just BGN 128 million (10.2 per cent). Over the fourth quarter time deposits went up by BGN 490 million (59.1 per cent), while demand deposits declined by BGN 27 million (29.2 per cent). As a result, foreign banks' contribution to deposits of financial institutions picked up from 37.7 per cent to 40.1 per cent.

Chart 8
Dynamics of Financial Institutions' Deposits



Resources attracted from non-financial institutions also registered an accelerated growth of BGN 1451 million (7.6 per cent). By end-December deposits of non-financial institutions and other customers reached BGN 20,446 million, posting an increase of BGN 3714 million (22.2 per cent) over the last 12 months. This item indicated a decline in eight banks. As regards deposits' internal structure, time deposits reported the highest growth (BGN 2525 million or 34.3 per cent) followed by demand deposits (BGN 825 million or 11.2 per cent) and savings deposit (BGN 365 million or 17.8 per cent).

The analysis of the currency structure of financial and non-financial customers' *total deposit base* showed that in a one-year horizon lev-denominated deposits ranked first (up BGN 3415 million, bringing about 58 per cent of the change), followed by euro-denominated deposits (up BGN 1941 million or 33 per cent of the growth). As a result, by end-2005 attracted funds in national currency occupied 47.5 per cent of the total deposit base and those in euro 34.3 per cent.

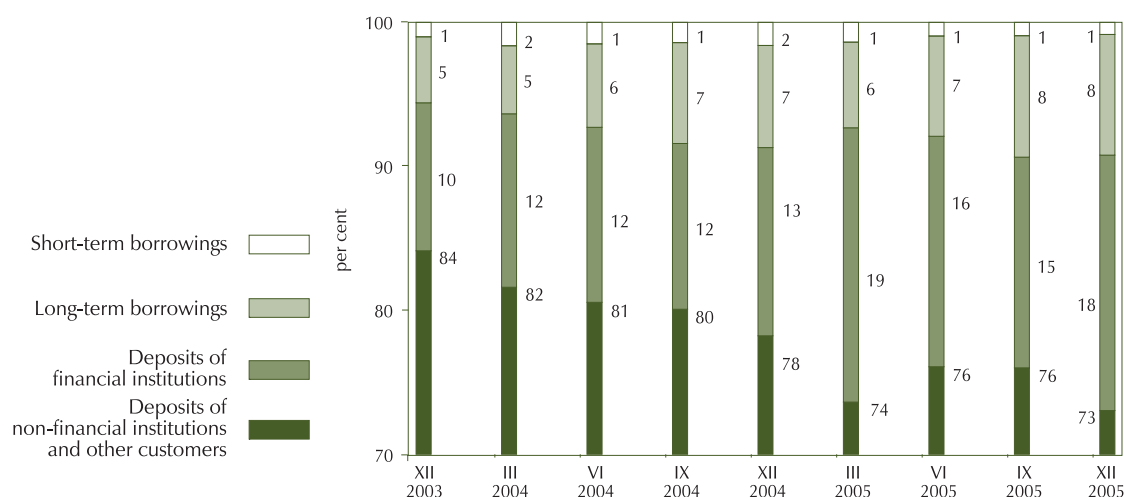
In the reporting quarter *short-term borrowings* slightly went up by BGN 3 million (1.5 per cent), whereas a decline of BGN 108 million (31.5 per cent) was registered over the year. Short-term borrowings' dynamics was the factor behind their contracting share in financing funds from 1.6 per cent by end-2004 to 0.8 per cent a year later.

Long-term borrowings were more intensively employed as an alternative source of liquidity. They grew by BGN 237 million (11.2 per cent) in the fourth quarter and by BGN 828 million (54.6 per cent) over 2005. The annual growth was mostly attributable to Group I banks (an increase of BGN 815 million). During the last 12 months the share of long-term borrowings in funding sources rose from 7.1 per cent to 8.4 per cent, remaining unchanged on 30 September 2005. Although in the quar-

ter under review half of Group II banks reported declines in these funds, 43 per cent of the increase was due to small- and medium-sized banks. By end-December 2005 this group owned 28.7 per cent of the banking system's long-term borrowings. Long-term loans extended by foreign banks formed 88.7 per cent of borrowings received from credit institutions. Of total long-term borrowings in the banking sector, 83.4 per cent was denominated in euro and merely 4.4 per cent in other currencies which entailed no significant currency risk.

In the last quarter of 2005 total *financing funds* (excluding capital) grew by BGN 3001 million (12 per cent). Over the year they picked up by BGN 6604 million (30.9 per cent).

Chart 9
Total Funds



Between September and December 2005 resources attracted from abroad showed just the opposite dynamics compared with the previous two quarters. Liabilities of local institutions and foreign bank branches to non-resident banks rose by BGN 588 million (24.5 per cent), with the three-month increase exceeding the indicator's annual growth (BGN 525 million or 21.3 per cent).

In the fourth quarter the *equity* balance sheet aggregate picked up by BGN 172 million. Its 5.3 per cent quarterly growth was 3 percentage points lower than credit growth. The current year profit growth of BGN 123 million (26.6 per cent), as well as the support of capital by common stock issued by three banks contributed most significantly to equity growth. In a one-year horizon the banking system's equity increased by BGN 714 million or 26.1 per cent.

Proprietorship Changes

Over the review quarter the 20 per cent share of the European Bank for Reconstruction and Development in the capital of the First Investment Bank was transferred to two foreign companies, Growth Management Limited Hillside and Apex Fund Limited, each of them acquiring 10 per cent of the bank's shares.

ProCredit Holding AG became a majority shareholder in ProCredit Bank. Its share in the bank's capital was increased from 19.71 per cent to 59.13 per cent as a result of transferring the shares of Internationale Micro Investitionen AG (20.29 per cent) and International Finance Corporation (19.13 per cent) to it.

Valhamar Group Ltd (British Virgin Islands), through Novator Finance Bulgaria Sarl – Luxembourg, a company owned directly and personally by it, was granted a permit to acquire up to 2,370,488 shares totaling BGN 23,704,880 (up to 34 per cent of the capital of the Economic and Investment Bank following its increase from BGN 56 million to BGN 69.7 million).

2.3. Dynamics of Major Balance Sheet Aggregates by Bank Group

Chart 10

Market Shares of Bank Groups as of December 2004

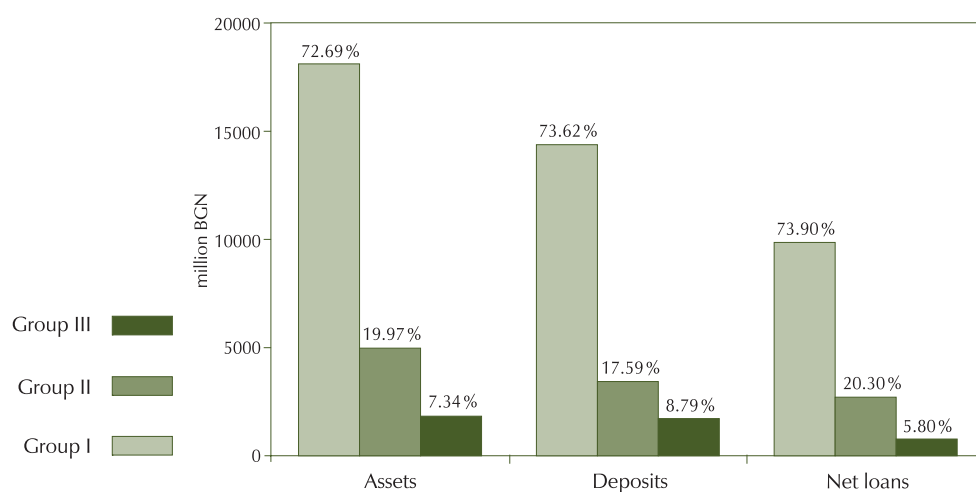


Chart 11

Market Shares of Bank Groups as of September 2005

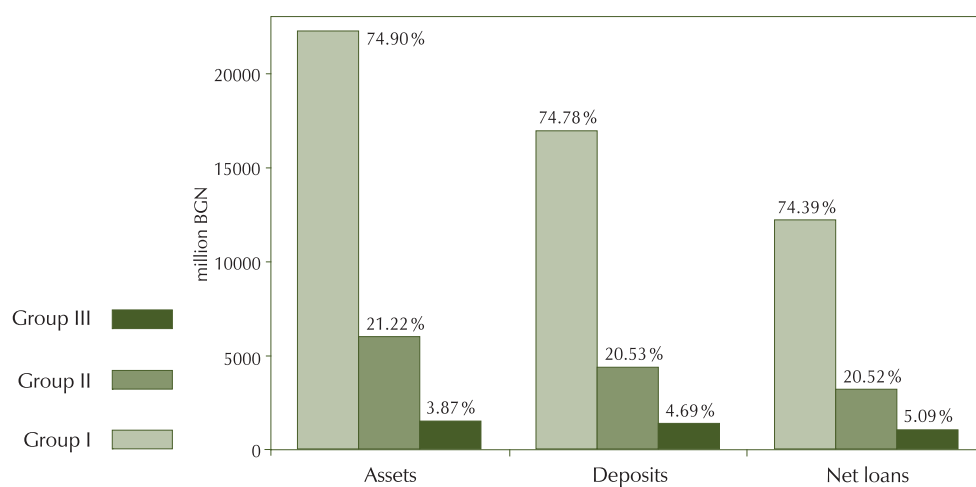
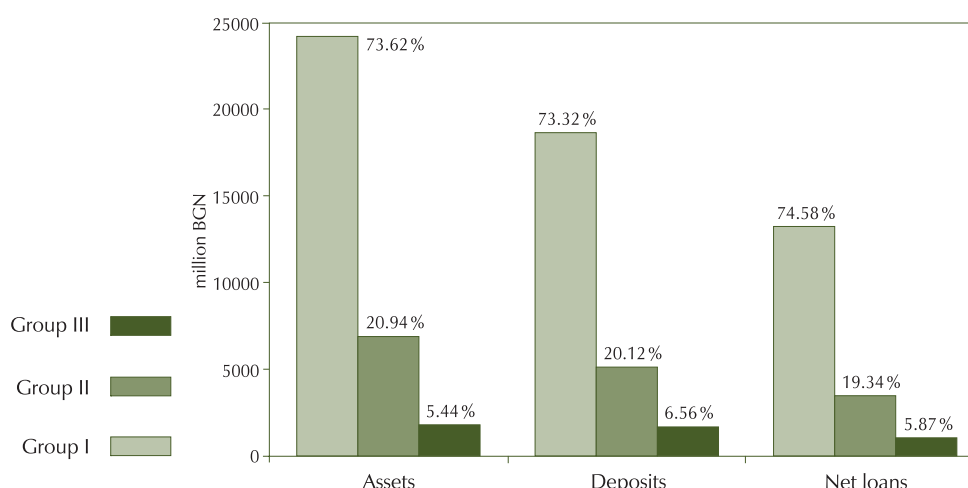


Chart 12

Market Shares of Bank Groups as of December 2005

In the quarter under review market shares of the three bank groups underwent no sizable changes. *The ten largest banks* retained their dominating positions in the market of bank services. Backed by international experience, they managed to increase their market share in the system's assets by 0.9 percentage points to 73.6 per cent in a year. The group's share in the system's extended loans and equity grew at similar rates (0.8 percentage points) to 74.7 per cent for the former aggregate and to 74.1 per cent for the latter. As regards placements with banks, the group's share went up by 6.9 per cent and regarding assets in trading portfolio by 2.1 per cent, although at the expense of the contracting shares of investment portfolio, repo operations and cash. Group I banks reported a more clearly pronounced change in short-term borrowings: their share dipped by 35 percentage points to 55.8 per cent, which was partially offset by the expanded share of the group in long-term borrowings (by 14.8 percentage points). The group's share in credit substitutes and other off-balance-sheet commitments went up by 9.2 percentage points to 72.2 per cent.

Contracted activities of foreign bank branches in a one-year horizon enabled not only the ten largest banks but also the *18 Group II banks* to expand their shares in the system's assets (medium- and small-sized banks' share rose by 1 percentage point to 20.9 per cent). The shares of Group II banks in most of the system's balance sheet aggregates increased, with repo agreements, investment portfolio and claims on financial institutions posting the most substantial growth (by 19.4 percentage points, 6.1 percentage points and 4.9 percentage points respectively). In the last 12 months the group extended its share mostly in short-term borrowings: from 9.1 per cent to 44.2 per cent. Unlike Group I, the Group II banks' share in long-term borrowings declined by 14.8 percentage points. The change *vis-à-vis* the banking system's deposit base was positive: up 2.5 percentage points to 20.1 per cent. The group's share in net loans fell by 0.8 percentage points to 19.6 per cent and in off-balance-sheet commitments by 6.5 percentage points.

Foreign bank branches' share in assets decreased by 1.9 percentage points to 5.4 per cent in a year and their contribution to net loans was retained. Contracting market positions of Group III banks are attributable mostly to reduced activities of the National Bank of Greece' branch which is in the process of voluntary liquidation.

3. Operational Results: State and Trends

The banking system ended 2005 with a net profit of BGN 584 million. The financial result grew by BGN 123 million (26.6 per cent) on the third quarter and by BGN 150 million (34.6 per cent) on the same period of 2004. A detailed analysis of the trends, income sources and individual banks' contribution is presented in the *Earnings* Section.

Net interest income played a leading role in forming the banking system's profit. Over the year it went up by BGN 332 million (32.4 per cent), reporting a decreasing growth on the 2003 to 2004 period (36.4 per cent). In 2005 increase in interest and dividend income grew rapidly by 40.7 per cent, with the change of BGN 567 million reflecting banking system's expanded credit portfolio. Concurrently, interest expenditure rates picked up considerably: from 39.7 per cent between 2003 and 2004 to 64.2 per cent in 2005. Non-interest expenditure showed positive dynamics: in both periods subject to comparison growth ranged between 23.1 and 23.4 per cent.

Chart 13

Profit

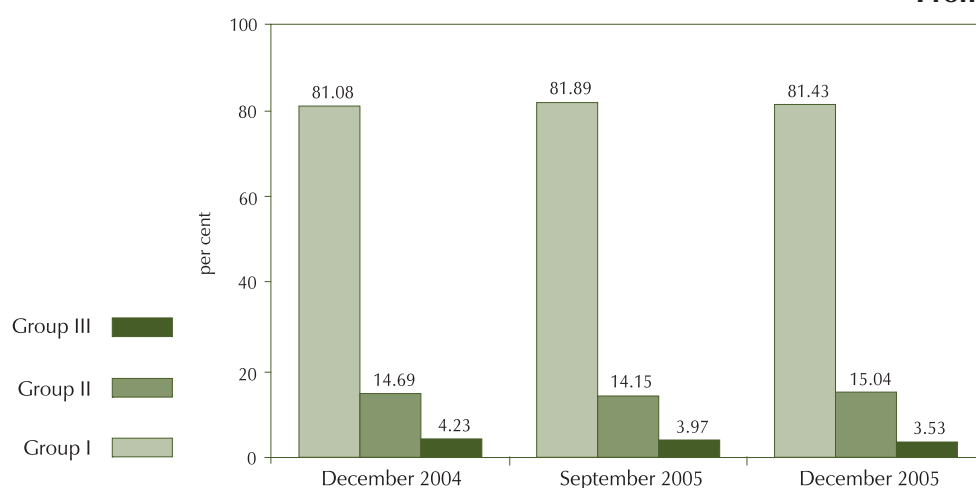
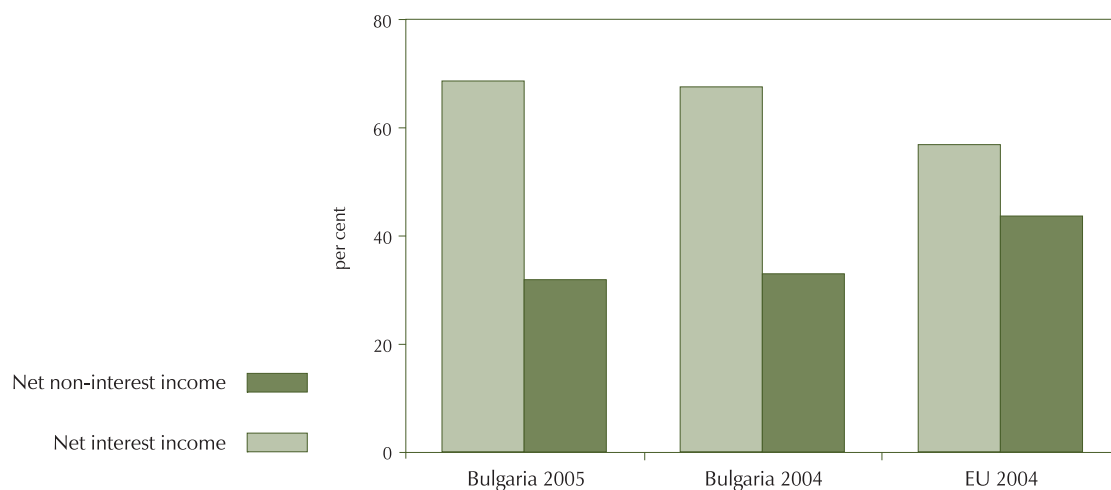


Chart 14

Income Structure



Comparison of income structure data between the Bulgarian banking system and that of the EU indicates the greater share of Bulgarian banks' net interest income. The major reasons for this were higher levels of interest margin and lower diversity of financial intermediation channels in Bulgaria. Non-interest income came mainly from fees on deposits and loans and to a lesser degree from other financial services income.

Market Concentration Index (HHI)

Concentration index showed no changes to new dominating positions. The first two institutions with the largest assets, DSK Bank and Bulbank, continued to dominate. High concentration was observed in all items of the ten Group I largest banks, while Group II banks reported the HHI highest values in agricultural loans and short-term borrowings.

4. Banking System Risk Profile: Major Bank Risks

Major risks, their dynamics and characteristics experienced no significant changes in the last quarter of 2005. The period was a logical ending of the processes dominated the banking system over the last 12 months. Banking system's risk characteristics involved:

As regards asset structure and quality:

- Good asset quality was retained, albeit high levels of problem consumer and mortgage loans in some banks;
- Placements with high investment grade institutions were maintained;
- Good quality of investment and trading portfolios.

As regards credit activity:

- The share of loans in assets approximated 55 per cent;
- Dynamic lending was coupled with innovation in bank products offered;
- Intensified competition in the segment of individuals and households resulted in high annual and quarterly growth in consumer and mortgage loans;
- Alternative forms of lending through investment in corporate securities gained ground;
- Most banks complied with lending constraints, also by transferring credit risk to financial institutions and leasing companies not subject to banking supervision.

As regards risks related to income and expenditure management:

- Good interest income and earnings from trading and investment portfolio operations were maintained;
- Operating expenditure (despite innovation and development expenses) grew at moderate rates;
- Asset provisioning rules and levels at most banks were adequate to risks;
- Extra income contribution to forming earnings from operations remained negligibly low for most financial institutions;
- With a few exceptions, a good level of net income from core operations was attained, thus eliminating the risk of capital erosion due to insufficient earnings.

Maintaining stable own funds contributed to major bank risk coverage.

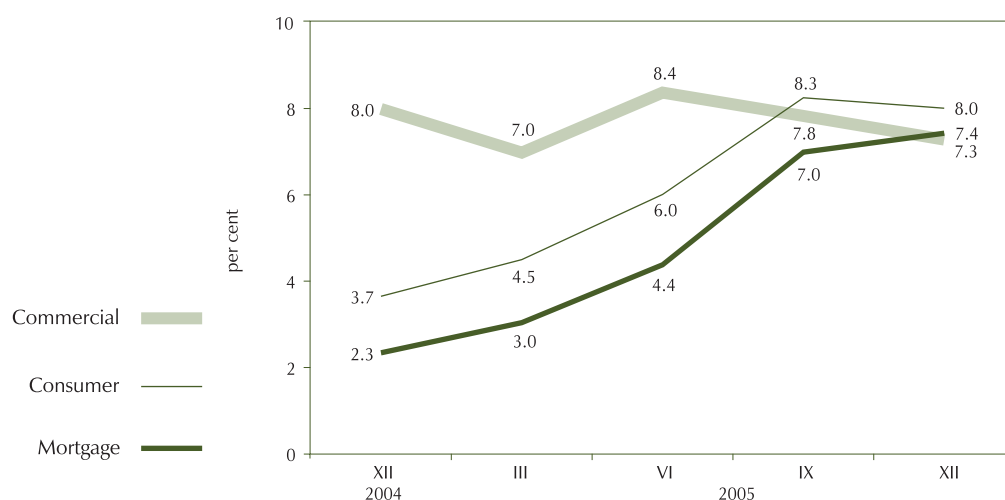
The level of liquidity was good.

Most commercial banks adhered to supervisory regulators.

Credit risk was affected by lower credit growth on an annual basis, with its major characteristics for the reporting period and at the end of 2005 involving sound quality level of corporate segment placements and high problem consumer and mortgage loans. By the close of the review period classified commercial loans totaled BGN 844,037,000 (7.28 per cent of total commercial loans), up some BGN 89 million on December 2004. Over the same period classified consumer loans tripled: from BGN 101,712,000 in December 2004 to BGN 332,697,000 in December 2005 (8.01 per cent of total consumer loans). Classified mortgage loans rose from BGN 23,606,000 by end-2004 to BGN 150,716,000 by end-2005. The reporting quarter gave no additional reasons to change the analysis of trends in the classified portion of consumer and mortgage loans.

Chart 15

Classified Loans as a Share of Total Loans (by Portfolio)



The *corporate segment* is mostly well-known, having a credit history and covered by financial services offered by banks. Good prospects for return on investment underpinned permanently good credit quality. Large corporate customers had exposures to more than one bank, obligations serviced regularly. Data on loans of over BGN 1 million show that 91.79 per cent of them were classified standard, and merely 1.62 per cent non-performing (91.38 per cent to 2.01 per cent as of September).

Upward trends in credit maturities continued. Loans with a term of over 1 year rose by approximately BGN 939 million on September to reach BGN 10,417 million. This growth reflected mainly the increased interest in retail banking and loans to small and medium businesses. Given the retained maturity structure of liabilities, the above processes called for maintaining adequate liquidity assets to meet larger cash outflows.

A new element of bank policy in the area of the corporate segment was *the change in channels of financial resource distribution*. As measures to curb credit growth affect commercial credit, some banks turned to local issuers through investments in corporate securities. At the end of 2005 these investments approximated BGN 340 million. By contrast to classical credit, risks are higher here due both to lower security of this type of placements (usually the securities themselves and/or promissory notes by the issuer) and differences in reporting. For instance, if a given corporate bond is included in investment portfolio (in the absence of a sufficiently large bond market), its reporting at amortized value may not fully reflect actual impairment conditions (especially if management does not assess

regularly circumstances for investment impairment). As a result, conditions for earnings appreciation are created. These and some other considerations underlay the BNB Governing Council decision to include these instruments in restrictions on credit portfolio growth.

Chart 16

Loans with a Term of over 1 Year/Total Loans



More disturbing trends emerged in the sector of *individuals and households* (covered by consumer and mortgage loans). The fourth quarter of 2005 confirmed the conviction that banks almost exhausted their possibilities to finance high income households of good solvency and sound economic position. More often individuals whose income source and reliability can hardly be assessed were among borrowers. Progressive indebtedness of the household sector gave grounds for concerns about the increasing sensitivity to various shocks: *inter alia*, changes in interest rates on extended loans, in housing and rent prices, lower incomes due to higher inflation.

By end-2005 *market risk* occupied 3.78 per cent of system's capital. Seven of 28 banks reported no trading portfolio. In four banks, own funds engaged in market risk coverage dropped below 1 per cent. The internal structure was dominated by *position risk*, primarily in the form of debt instruments. The equivalent of risk-weighted assets was covered by 90.49 per cent of the capital attracted to cover market risk. *Currency risk* was minimized mostly due to the continuing policy of investment and operations in euro. Adequate capital coverage was reported for all balance sheet items generating *interest rate risk*. Despite imbalances between assets and liabilities, the GAP position was still low (-1.43 per cent). It reflected discrepancies in the shortest time horizons and was not entirely hedged through available market instruments.

Liquidity risk retained its parameters unchangeable on previous periods. The system and individual banks maintained a good level of liquidity assets in total assets, the liquid asset ratio coming to 31.3 per cent. Practically, the banking system is capable of meeting large payments under a liquidity crisis hypothesis up to 30 per cent of total borrowings. It is considered that such level guarantees high depositor confidence.

5. Asset Quality 'A'

- *Over the fourth quarter and whole year no significant changes occurred in banks' behaviour with respect to investing free resources in high risk assets.*
- *Significant growth in cash and placements with banks (by BGN 1435 million) prompted overall risk profile mitigation corresponding to the processes observed at the close of 2004.*

Between December 2004 and December 2005 credit activity at most banks was controlled following BNB-imposed measures, credit slowdown enabling banks to reorganize their information and human resources with a view to managing lending activities. Most banks adhered to credit growth limits, with few institutions showing higher-than-set limits under Ordinance No. 21 after the first quarter of 2005. Credit risk was leading in the last 12 months. Higher growth rates of consumer and mortgage loans failed to subdue their impairment rates. Of note are sustained growth rates of the classified portion of these loans in comparison with the previous two quarters. Classified consumer loans grew by 6 per cent in the fourth quarter, against 49 per cent in the previous quarter, while classified mortgage loans rose by 25 per cent against 83 per cent over the prior quarter. Increases in placements with banks and in cash by the end of the fourth quarter led to a decreased share of loans in assets (by 1.2 percentage points to 54 per cent) thus slightly decreasing the parameters of the system's risk profile.

Despite changed conditions on the bank market throughout 2005 associated with limited opportunities of institutions to invest financing (obtained from parent banks or through issuing bond loans on local and/or foreign markets) in high yield assets, no significant changes in higher risk instrument investment were reported. Although some institutions strived to diversify their portfolios by including untraditional products, investments in securities of the Bulgarian government and governments and central banks under BNB Ordinance Appendices 1 and 2 continued dominating bank portfolios. The reporting quarter saw no sizable changes in major factors determining asset quality.

5.1. The Increased Credit Risk Zone

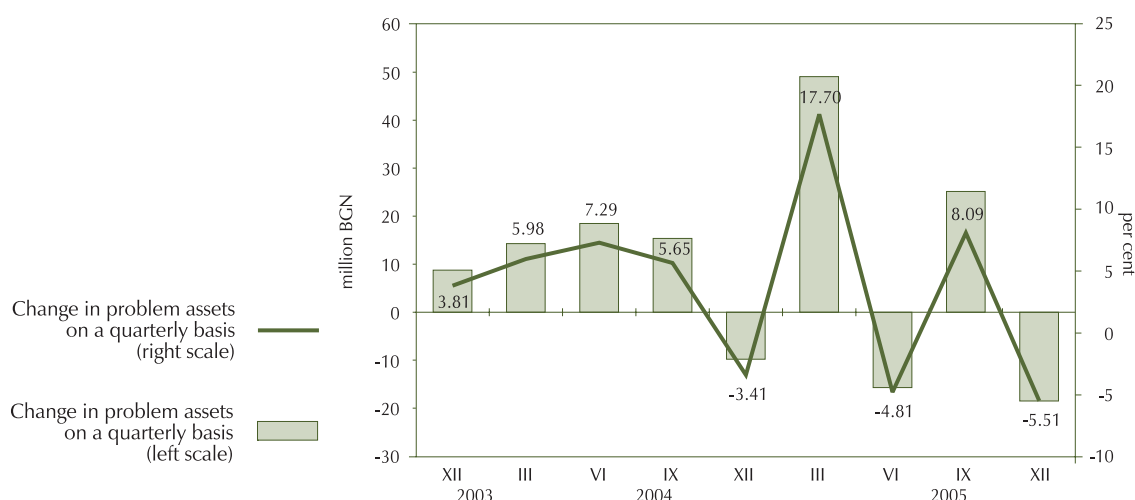
Institutions assigned asset quality ratings of 3 or lower were included in this zone along with those with higher-than-usual risk profile. In some of them, credit growth was significant, the degree of provisioning was low and reduced borrowings from customers were compensated by short-term resources from financial institutions. Banks which remained in this zone for long periods or were included here over the last year were characterized by hidden risks of business relatedness, opaque transactions with related (including economically) persons and/or off-shore companies, significant credit concentrations and attempts to evade BNB regulatory requirements (mainly reporting large exposures and those to related persons).

5.2. Asset Quality Level and Trends

Major indicators of asset quality showed the following dynamics: the reporting one-year period saw cyclic dynamics in growth rates of classified and problem assets (in the first and second quarters both classified and problem assets picked up), whereas in the third and fourth quarters their rates slowed down. Over the last 12 months problem assets increased slower (14 per cent) than in the previous period (2003 – 2004: 16 per cent) prompting their gradual fall from 1.09 per cent as of December 2004 to 0.95 per cent of gross assets as of December 2005 (1.11 as of September). This reflected also the decrease in these assets by BGN 18 million over the fourth quarter. Data on overdue loans over 90 days and those without accruing interest confirm above conclusions about more serious problems in consumer portfolios (including mortgage loans), rather than in corporate portfolios. For a year the share of these overdue consumer and mortgage loans in total overdue loans over 90 days

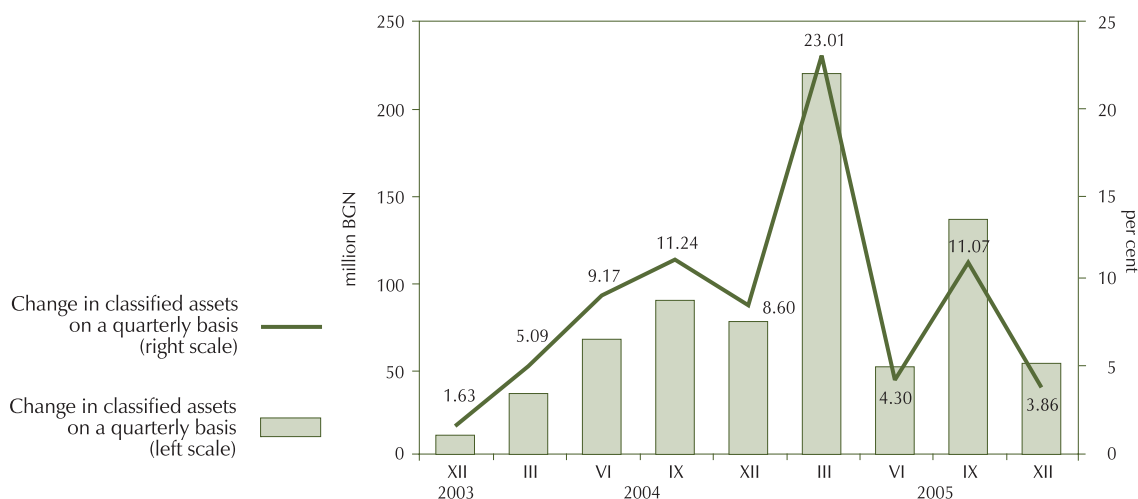
rose by 10 percentage points to 27 per cent, while that of commercial loans remained unchanged. Nevertheless, if problem asset rates match those in the previous two years, no concerns about capital erosion or worsening bank earnings emerge.

Chart 17

Problem Asset Growth Rates

The change in classified assets by BGN 53 million (4 per cent) in the reviewed quarter matched the change registered in the second quarter of 2005. Slowing credit impairment rates led to a fall in classified assets as a share of gross assets: from 4.49 per cent to 4.22 per cent (BGN 1414 million). No change in the classified portion of assets occurred: in the last year the banking system reported higher impairment growth, 48 per cent (BGN 458 million) compared with the previous 12-month period (39 per cent or BGN 266 million) against gross asset growth of 32 per cent and 44 per cent respectively. In the fourth quarter almost one-third of banks reported decreases in classified assets. However, the progressive increase in some banks gave grounds for concerns about the quality of individual credit portfolios.

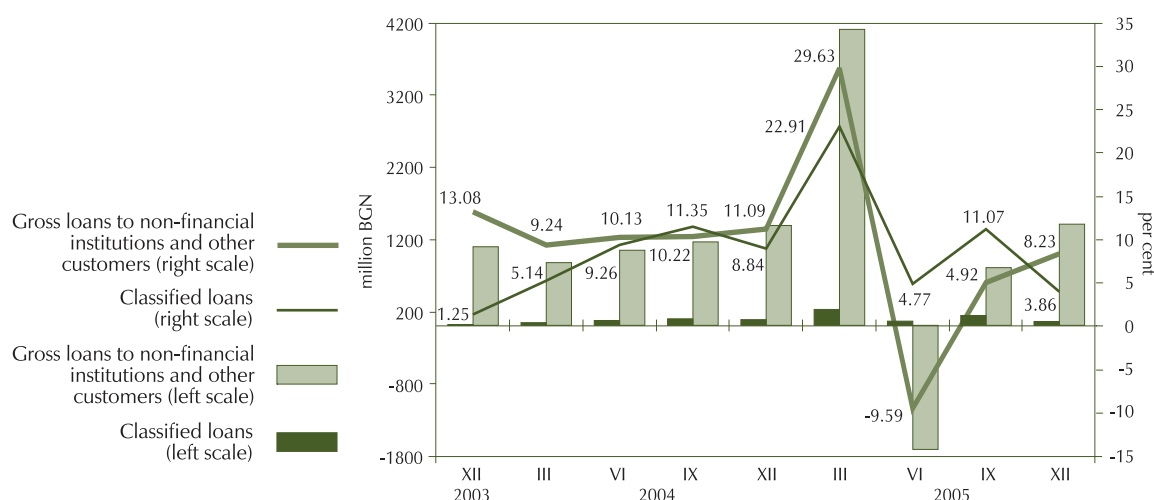
Chart 18

Classified Asset Growth Rates

Since classified assets consist almost entirely of *classified loans*,⁸ their dynamics followed the same pattern. Slowing rates over the fourth quarter (4 per cent or BGN 53 million) were accompanied by a falling share in gross assets to 7.68 per cent *vis-à-vis* 8.01 per cent as of September. The one-year dynamics confirmed the above conclusions: measures to curb lending outlined accelerating impairment rates of 'old' loans. Between December 2003 and December 2004 classified loans grew slower (39 per cent or BGN 268 million) than newly extended loans (47 per cent), whereas in 2005 the trend reversed, these loans rising by 49 per cent (BGN 462 million) over the last 12 months against a 33 per cent credit growth. Most banks reported higher values of this indicator compared with the same period of the prior year.

Chart 19

Growth Rates of Loans and Classified Loans

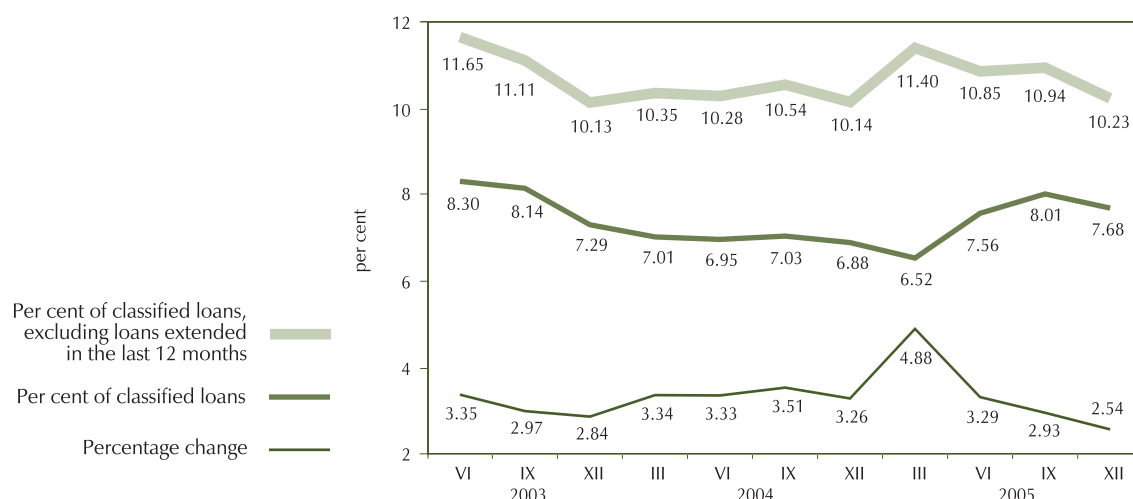


Over the last 3 quarters no change occurred in the structure of classified assets: watch assets, classified in the lowest risk group, occupied the biggest share (53 per cent) followed by non-performing assets (29 per cent) and substandard (18 per cent). Over a one-year horizon watch assets grew fastest boosting their share in the classified claims' structure by 4 percentage points. This trend was mostly offset by falls in substandard assets. Despite significant growth in classified assets over the last year, asset quality was positively affected by the improved structure of the portion classified outside watch assets: by the end of 2005 16 banks reported over 50 per cent of their classified claims into the lowest risk group as compared to 11 banks in the same period of 2004.

At the close of 2005, as in the fourth quarters of 2003 and 2004, a significant drop in recalculated values of classified assets was reported through 'eliminating' loans extended during the last 12 months (see Chart 20). Similar processes occur at the end of each financial year, major reasons for the change ascribable to writing off loans at the expense of provisions, better debt servicing by borrowers, banks' efforts to increase overdue obligations repayment, striving to achieve improved financial results at the end of the year.

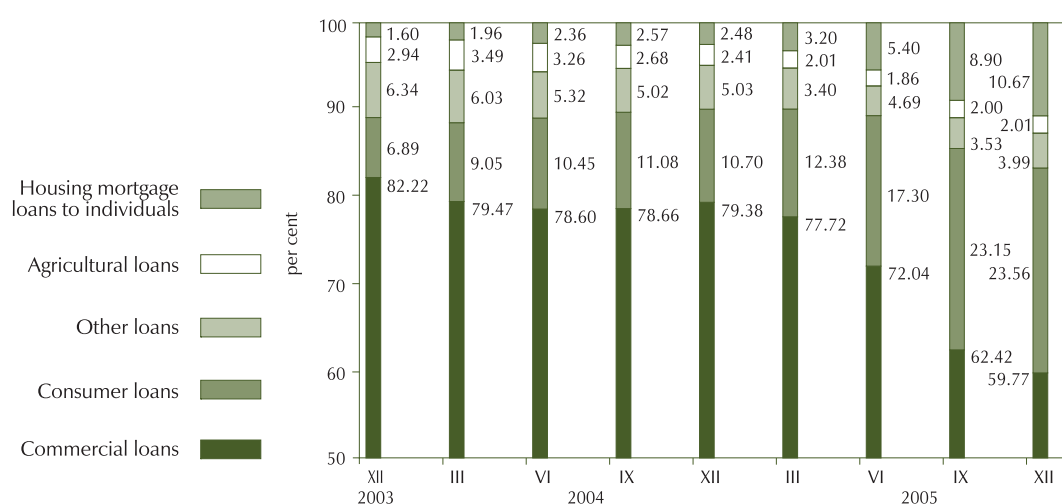
⁸ The amount of other classified assets was negligibly low: below 1 per cent of total classified assets.

Chart 20
Classified Loans



The fourth quarter saw no changes in 'contamination' of individual credit portfolios. For a year the share of classified commercial loans fell by nearly 20 percentage points to 60 per cent in the classified claims' structure, while shares of consumer and mortgage loans rose by 13 and 8 percentage points respectively. Hence, the share of both segments reached one-third of overall classified loans against 13 per cent a year earlier.

Chart 21
Classified Loans' Structure



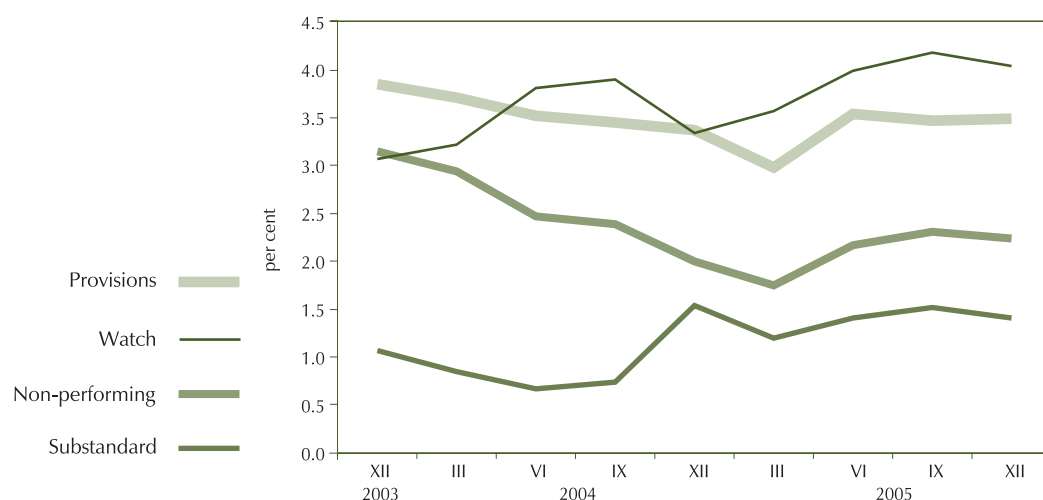
As a result of slowing growth in classified claims, standard loans returned to their half-year level of 92.32 per cent. However, in a one-year horizon they slightly fell reflecting more moderate credit growth. The largest internal migration was reported in the watch group: growth by BGN 280 million with an increasing share to 4.04 per cent (3.34 per cent a year earlier). Non-performing loans grew by BGN 132 million and their share reached 2.24 per cent (2.01 per cent as of December 2004).

The asset quality by commercial bank group was as follows:

		December 2004	September 2005	December 2005
Group I	Total (million BGN)	10 211	12 646	13 730
	Standard (%)	93.25	91.76	91.97
	Non-performing (%)	2.06	2.27	2.25
Group II	Total (million BGN)	2 806	3 305	3 593
	Standard (%)	91.99	91.53	92.47
	Non-performing (%)	2.29	3.08	2.70
Group III	Total (million BGN)	786	1 031	1 057
	Standard (%)	95.33	96.30	96.24
	Non-performing (%)	0.23	0.36	0.48

Chart 22

Loans Classification



5.3. Provision Analysis

Values of indicators measuring the degree of asset provisioning evidenced no significant change in banks' provision policy. *The gross asset provisioning degree* matched the September level at 1.92 per cent, with a slight increase over the last 12 months reflecting faster provision growth compared with credit growth (1.85 per cent as of December 2004). Otherwise, low provisioning in some institutions of the increased credit risk zone did not actually reflect their risk profile.

Similar trends emerged in *the degree of provisioning for claims on non-financial institutions*: unchanged on September at 3.49 per cent but higher than in December 2004 (3.37 per cent). For a year these provisions rose by BGN 176 million, growth in provisions (38 per cent) exceeding that in loans (33 per cent). Group I banks' provisioning rose on the end of 2004 as a result of the increased share of loans classified outside standard, whereas Group II banks reported just the opposite trend. The highest values were registered by increased credit risk zone banks. Given good quality of investments

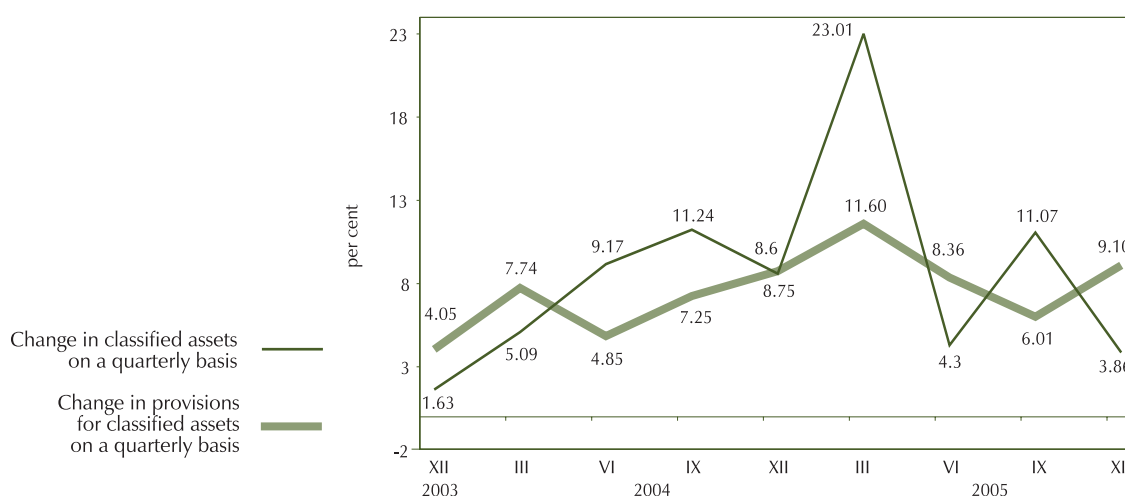
in local and foreign banks, the declining *degree of provisioning for claims on financial institutions* from 0.11 per cent to 0.03 per cent caused no serious concern.

Over the last 12 months *the degree of classified exposure provisioning* went down from 40.56 per cent to 38.33 per cent. It should be noted, however, that in the fourth quarter provisions rose twice faster than classified exposures prompting a pickup in this indicator on September (36.49 per cent). This reflected mostly higher provisioning rates of classified consumer and mortgage loans over the reporting quarter. Despite higher values on December 2004 reported by half Group I banks, values of this group fell by 6.25 percentage points to 35.87 per cent. Only two Group II banks registered increasing values which resulted in more sizable decline in provisioning (by 16 percentage points).

The degree of provisioning on a portfolio basis (1.18 per cent) slightly decreased on September, still higher on the end of 2004 (1.08 per cent). Although the number of institutions allocating provisions on a portfolio basis was sustained in the last 12 month (seven Group I banks and 11 Group II banks), the composition changed.

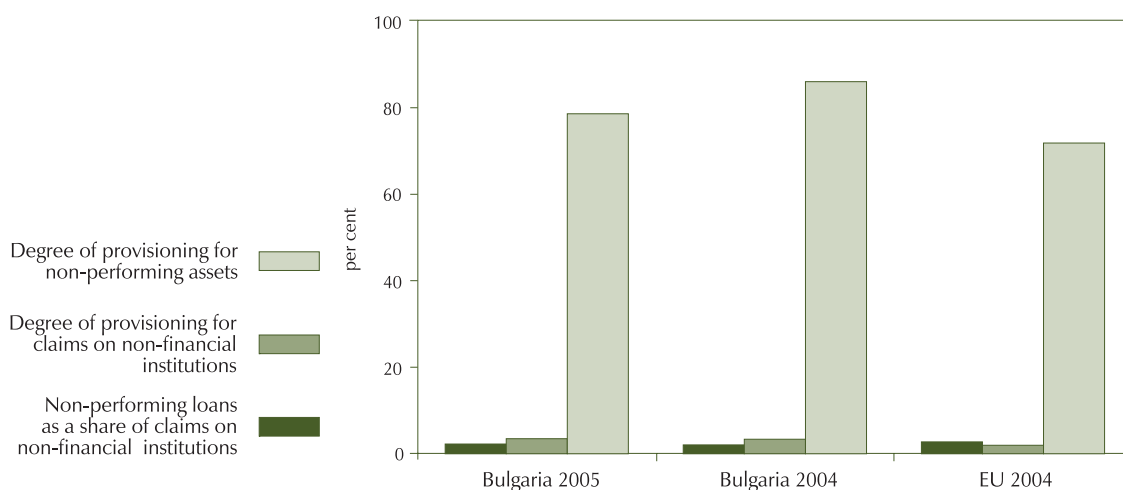
Chart 23

Growth in Classified Exposures and Provisions Thereon



The increased amount of total allocated provisions along with slowing growth rates of classified non-performing assets boosted the coverage degree from 150 per cent in September to 156 per cent by end-2005 (167 per cent as of December 2004).

Comparison with EU banks regarding credit quality put the Bulgarian banking system in a favourable light. The non-performing loans' share (overdue over 90 days) was lower than the EU average along with higher risk coverage. However, it is important to note that the coverage degree reflected more stringent provisioning criteria for classified loans in Bulgaria and more conservative treatment of collaterals satisfying high liquidity requirements.

Chart 24
Credit Quality

6. Earnings 'E'

- *Despite accelerating asset impairment rates over the last 12 months, good asset quality coupled with diversified financial intermediation and subdued operating expenditure growth provided opportunities for most banks to ensure acceptable return on assets and on equity.*

The last quarter of 2005 saw no changes in trends observed since early 2005: gradual declines in key earnings indicators due to slowing growth in most interest-bearing assets combined with higher cost of operations financing, increased provisions resulting from gradual 'contamination' of portfolios, a pressure by competitors on offered interest rates and hence a gradual interest spread narrowing. The analysis of the system's interest income and expenditure structure shows that over the last 12 months no significant change occurred in weights of individual types of interest income in total interest income, while interest expenditure exhibited different dynamics as a result of changed manner of financing. Despite slowing credit growth, credit interest income remained the largest (84 per cent), with an increased share of interest income from consumer and mortgage loans from one-third to 37 per cent. Irrespective of clearly pronounced reorientation toward financing through short-term and long-term borrowings, the share of interest expenditure remained unchanged at 15 per cent for both periods. Simultaneously, the share of interest income from banks' and other financial institutions' deposits rose significantly (from 16 per cent to 21 per cent) at the expense of interest expenditure on non-financial institutions' deposits (down from 65 per cent to 60 per cent of total interest expenditure). Between December 2004 and December 2005 banking system profit growth was 35 per cent (BGN 150 million) against 14 per cent (BGN 54 million) over the prior 12-month period. Slowing net interest income growth was driven by sustainable non-interest income and identical non-interest expenditure rates for both periods.

6.1. The High-problem Income Zone

During several quarterly periods the zone included banks which belonged to the increased credit risk zone. Most characteristic features of these institutions were: their management was not capable or did not wish to control effectively financial and operating expenditure; inadequate business strate-

gies generating losses were applied; lack of capacity to manage and control exposures related to credit and market risks. More important reasons which have affected and will affect negatively profitability of some institutions include: high levels of non-earnings and low-earnings assets, exposures with negative net income, high external service expenditure, high operating expenditure. At other banks, earnings were insufficient with a view of their high risk profile, unstable key components impacted largely by lower provision expenditure and/or exposed to currency risk.

6.2. Earnings Level and Trends

Leading banking indicators were:

Ratio as a percentage of average assets	December 2004	December 2005
Net interest income (%)	4.92	4.68
Non-interest expenditure (%)	4.31	3.83
Extraordinary gain/loss (%)	0.05	0.16
Efficiency ratio (%)	63.04	59.15
Net result (post-tax ROA since year start) (%)	2.12	2.05
Core ROA (income from core operations since year start) (%)	2.65	2.59
Return on equity (ROE) (%)	20.63	22.07
Average assets (million BGN)	20 483	28 483

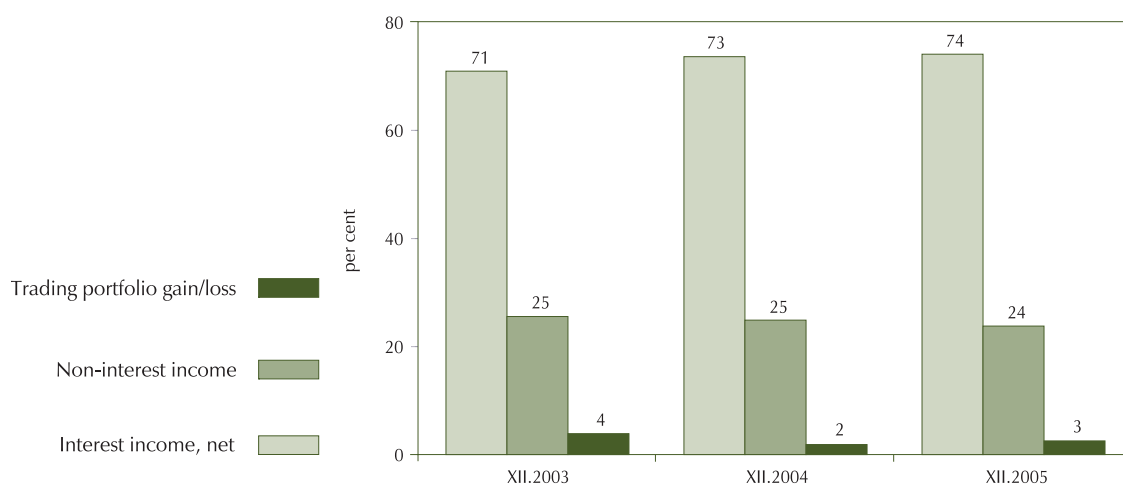
Chart 25

Return on Assets and Return on Equity



Despite the continuing gradual decline in earnings indicators, key end-year indicators showed good and sound core operations income. Most banks managed to compensate limited opportunities for credit growth (hence higher interest income) through diversifying financial intermediation and getting control over major expenditure centres. Non-interest expenditure at the banking system level stabilized (up 23 per cent for both 12-month periods), whereas non-interest income rose faster in the last 12 months (34 per cent) than in the previous period (22 per cent). No significant changes occurred in the internal structure of core operations income compared with the December 2003 to December 2004 period: interest income occupied nearly 74 per cent of core operations income, with non-interest income forming less than one-fourth and trading portfolio gain merely 3 per cent.

Chart 26
Income from Core Operations



Measured by the *Return on Assets indicator (ROA)*, banking system earnings came to 2.05 per cent *vis-à-vis* 2.12 per cent as of December 2004. Albeit lower values reported by half of the banks, medians for the two groups were higher: up by 0.42 percentage points to 2.42 per cent for Group I banks and by 0.24 points to 1.59 per cent for Group II banks. With a few exceptions, institutions registering worsened ROA reported also analogous trends in the *core ROA coefficient*. At the banking system level however, it fell slightly: from 2.65 per cent to 2.59 per cent. At the same time, the two bank groups experienced opposite trends: a significant drop in Group I banks by 0.42 percentage points to 2.09 per cent and an increase of 0.14 points to 2.01 per cent in Group II banks.

The slowdown in net interest income growth from 36 per cent between December 2003 and December 2004 to 32 per cent over the past 12 months, combined with faster banking asset growth, prompted declines in *net interest income* over a one-year horizon: from 4.92 per cent to 4.68 per cent. Similarly, higher median values of *net interest margin* were coupled with shrinking average values for the system from 5.62 per cent to 5.37 per cent. Major factors behind the decrease in net interest margin of most banks include gradually increased prevalence of interest-bearing liabilities and rising financing price of interest-bearing assets.

The contracting share of *interest-bearing assets* (from 87.45 per cent to 87.1 per cent, a decline at most banks) combined with a sizable pickup in the prevalence of *interest-bearing liabilities over interest-bearing assets* (from 95.37 per cent to 97.74 per cent) added more pressure on banks' capability to generate good income. Eight banks reported values over 100 per cent. The *interest-bearing liabilities price* reached 2.42 per cent against 2.09 per cent a year earlier, the trend more clearly pronounced in Group II banks with median values higher than the system average. Yet it should be noted that only one Group I bank reported a fall in this indicator, while one-third of Group II banks registered lower values. *Financing price of interest-bearing assets* showed similar dynamics: up 0.37 points over a one-year horizon to 2.37 per cent due to increased values at the same banks (with few exceptions). Comparatively more limited access to cheap resources affected asset financing, the small and medium-sized banks maintaining values above the banking system's average (2.74 per cent). Compared with the previous 12 months, both financing price of interest-bearing assets and of interest-bearing liabilities rose faster, another prove of their increasing role for the system's profitability.

The shrinking share of interest-bearing assets was accompanied by an increase in *return on interest-bearing assets*: from 7.62 per cent to 7.74 per cent. Two adverse trends were observed in banks with higher degree of classified loans: the increased share of classified loans over the last 12 months at some banks was coupled with increased return on interest-bearing assets, whereas at other banks declines in classified loans did not accompany higher values of this indicator.

Although the *non-interest income* rate was higher in the last 12 months (34 per cent) compared with the prior one-year period (22 per cent), its share in average banking assets continued falling: from 2.01 per cent to 1.94 per cent (2.17 per cent as of December 2003). Half the banks reported declining values.

Chart 27

Selected Profitability Ratios

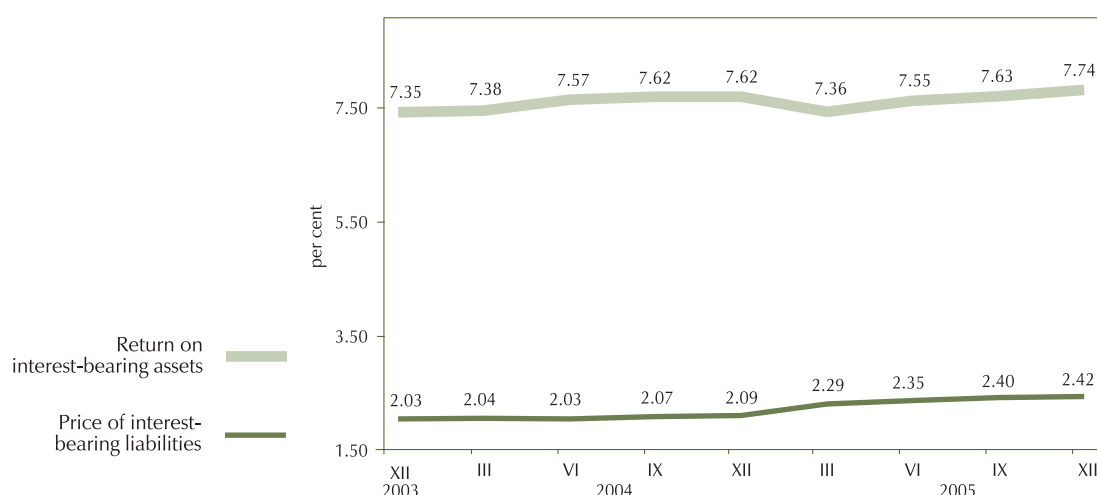
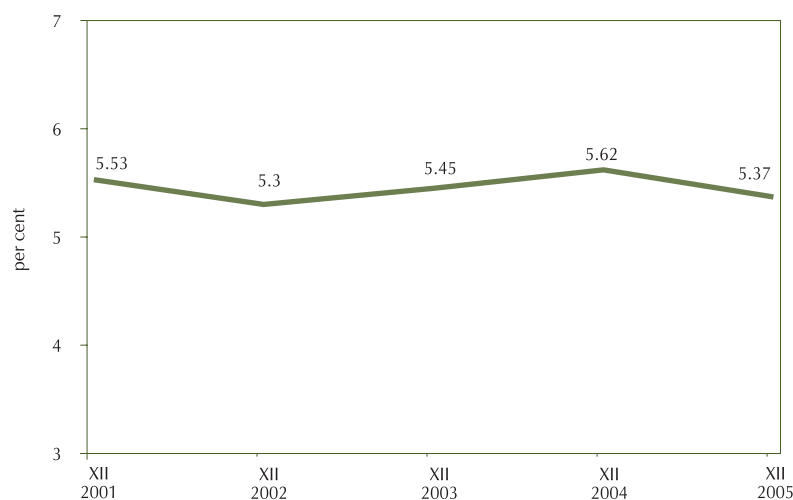


Chart 28

Net Interest Margin



In tandem with return on interest-bearing assets, the declining *non-interest expenditure's* share had a positive effect on more gradual declines in banking system earnings. This was the other indicator which improved both on end-2004 (from 4.31 per cent to 3.83 per cent) and end-2003 (4.59 per cent). Only four banks registered higher levels of this indicator. Slowing non-interest expenditure rates seen also in the previous periods, coupled with outstripping growth of core operations income, led to a steady fall in the *efficiency ratio*: from 63.04 per cent to 59.15 per cent. Retained high values reported by some banks show serious weaknesses in managing these institutions.

Chart 29
Efficiency Ratio

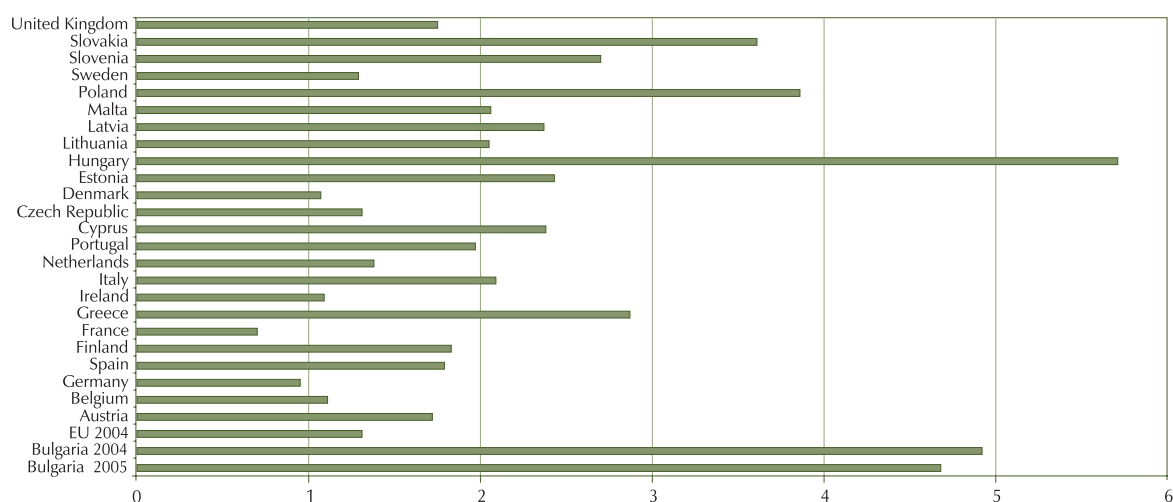


Credit provisions remained below 1 per cent of average banking assets, their 75 per cent growth on end-2004 boosting the indicator by 0.17 percentage points. By end-2005 the banking system reported a *foreign currency revaluation loss* of BGN 23 million. *Extraordinary profit* quadrupled on the prior period, its contribution to overall earnings remaining insignificant.

Lower equity growth compared with profit growth over the last 12 months ensured higher ROE at 22.07 per cent against 20.63 per cent a year earlier.

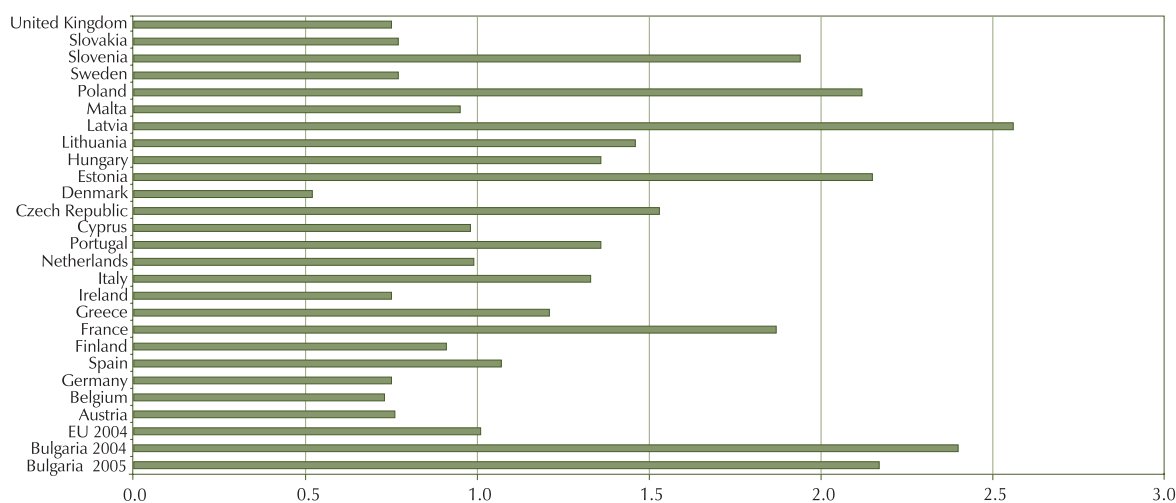
Charts depicting EU banking system profitability show that Bulgarian banks reported higher earnings level and correspondingly a competitive ROE level as a result mainly of higher interest rate margin applied by domestic banks.

Chart 30
Net Interest Income



High net interest income of the Bulgarian banking system compared with EU member states points to still higher net interest margin in Bulgaria compared with the euro area, albeit amid price pressure and increasing competition. Significant credit growth, combined with the increasing volume of financial services to households and small and medium businesses over recent years, also contributed to Bulgaria's higher net interest margin compared with EU countries which have developed financial markets. The Chart shows that though insignificantly in a one-year horizon, net interest income in Bulgaria tended to gradually decrease due to resource price rises and slowing credit rates.

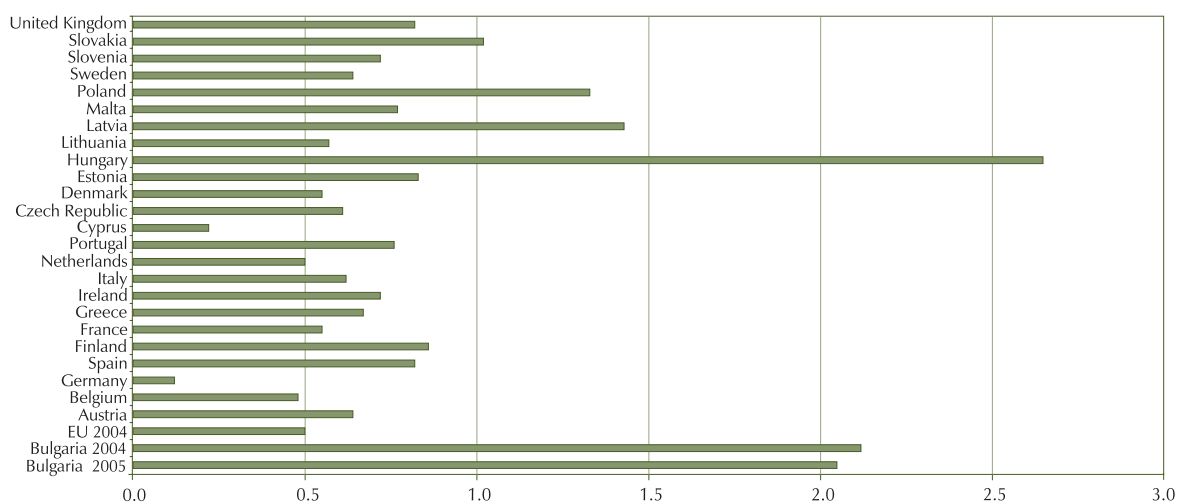
Chart 31
Net Non-interest Income



Thanks to net non-interest income realized by the banking system, Bulgaria ranks with EU leaders. Nevertheless, the level of financial intermediation is still insufficiently developed in Bulgaria. It is proved by lower share of net non-interest income in the structure of banking system income com-

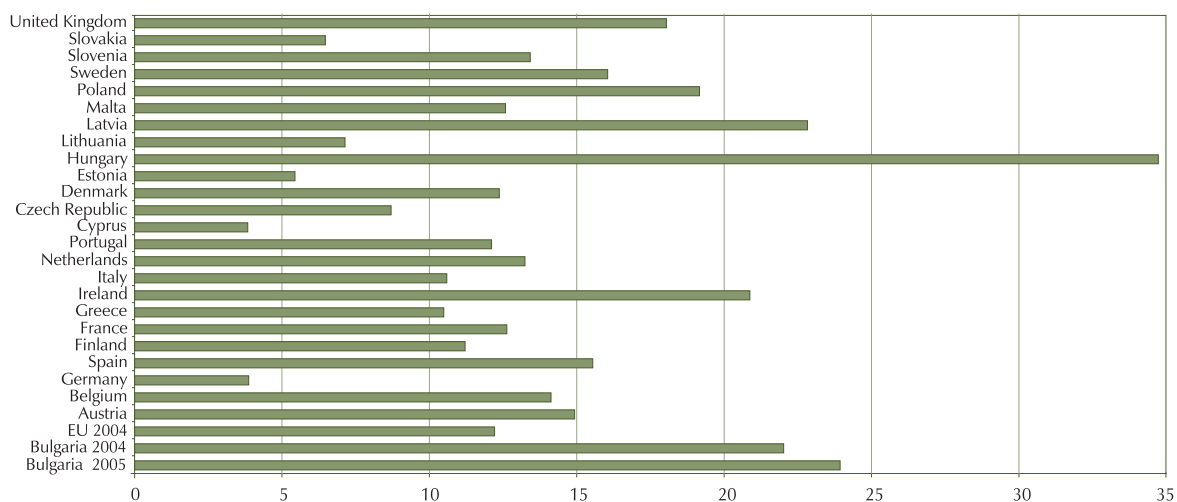
pared with other countries.⁹ Cross-selling bank services (insurance and banking) and expanding credit card business at some domestic banks have not yet diversified fee and commission income sources in contrast to other European banking systems.

Chart 32

Return on Assets (ROA)

Return on assets reported by BNB-licensed banks significantly exceeded EU member states' ROA, reflecting the above factors: high net interest margin; steady growth in corporate loans and especially household loans; though less pronounced, diversification of non-interest income. Although Bulgarian banks were limited in raising credit interest income over the last year, retaining ROA levels above those of the EU is quite possible in a short-term horizon. This is driven by prospects for developing untraditional business lines and modernizing and reorganizing bank activities.

Chart 33

Return on Tier 1 Capital (ROE)

⁹ By end-2004 the non-interest income's share was 32.8 per cent of total income against 43.4 per cent for the EU (see Chart 14).

Driven by high bank earnings, the tier 1 capital ratio of the Bulgarian banking system exceeded that of most EU member states, its value doubling the EU average at the end of 2005. Retention of this indicator at present levels depends mostly on sustaining good asset quality along with higher interest margins on corporate and consumer loans compared with most EU countries.

At the end of 2005 bank employees under a labour contract numbered 24,150, an increase of 1697 on end-2004. Correspondingly, the amount of assets *per* employee reached BGN 1,360,000 against BGN 1,100,000 by the close of the previous year (an increase of about BGN 260,000).

7. Capital 'C'

- *Capital position of most banks remained sound and adequate to institutions' risk profiles.*
- *Internal capital support sources (by origin and capacity) were sufficient at the banking system level, although estimated uncertain and limited in individual institutions.*

The reporting quarter saw gradual declines in the ratios measuring capital adequacy. Reasons underlying these trends are similar to those already analyzed: a gradual overall asset increase seen in total risk component growth; progressive credit growth adding to an increased share of assets risk-weighted at 100 per cent; use of additional capital resources to cover trading portfolios of banks measuring market risk; impossibility to use current profit for capital support. Thus, capital support sources were reduced to a number of tier 1 and tier 2 capital instruments.

Over the fourth quarter more significant changes in assets and own funds of the banking system include:

- Own funds increased by BGN 87,413,000 (3.05 per cent), tier 1 capital growth (BGN 37,352,000 or 1.55 per cent) almost matching that of tier 2 capital (BGN 49,676,000 or 9.36 per cent). The subordinated term debt's share remained unchanged within the tier 2 capital structure.
- Total risk component grew by BGN 1,463,967, 000 (8.12 per cent), credit risk positions contributing most to growth. Their growth reached BGN 1,521,482,000 (8.82 per cent). The amount of the RWA equivalent for market risk declined by BGN 57,515,000 (-7.23 per cent). Falls were reported in items measuring debt instruments risk (BGN -30,323,000), capital instruments risk (BGN -10,870,000) and currency risk (BGN -16,396,000).

Irrespective of positive capital position assessments, the reporting period was characterized by:

- Quite strong optimism in assessing asset risk.
- Weaknesses in planning and managing capital growth which may be seen in late reaction by management bodies of some banks.
- Maintaining capital adequacy levels meeting regulatory requirements, rather than economic value of equity.

As a result, some banks admitted quite frequent fluctuations in their capital positions around minimum admissible levels, in individual cases regulators being violated.

7.1. The Increased Capital Risk Zone

Banks included in this zone experienced threat of capital erosion as a result of the overall risk profile. This stipulation is met by banks assigned a capital rating of 3 or lower and institutions with capital regulator violations or high risk appetite. Classification of banks into this group does not necessarily suppose a strong threat to solvency. However, their capital position management and higher risk profile required an increased supervisory attention.

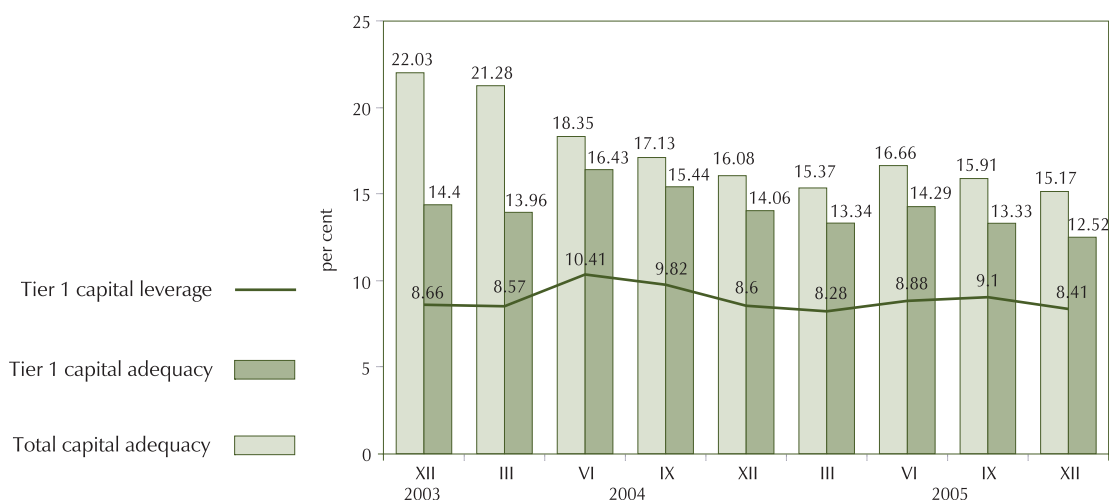
7.2. Capital Adequacy Level and Trends

The reporting quarter saw further declining *capital adequacy*. At the end of December it reached 15.17 per cent (15.91 per cent in September and 16.08 per cent in December 2004). The drop should not be interpreted as a negative trend, since most banks reported high values which guaranteed adequate coverage of asset risk. Analogous trends were registered in *tier 1 capital adequacy*. By end-2005 it fell to 12.52 per cent, still remaining twice higher than minimum admissible levels. Having in mind the banking own funds' structure (the tier 1 capital's share was 82.53 per cent), the potential for attracting capital resources in the form of tier 2 capital instruments may be used.

By end-December (by contrast to the prior quarter) the tier 1 capital leverage went down: from 9.1 per cent as of September to 8.41 per cent as of December 2005. It is a normal fluctuation reflecting a slight indebtedness growth (respectively growth in banks' capacity to attract funds for financing operations). This ratio may also indicate market positions within the system: the ten largest banks reported values usually lower than prevailing ones in the group of medium and small institutions.

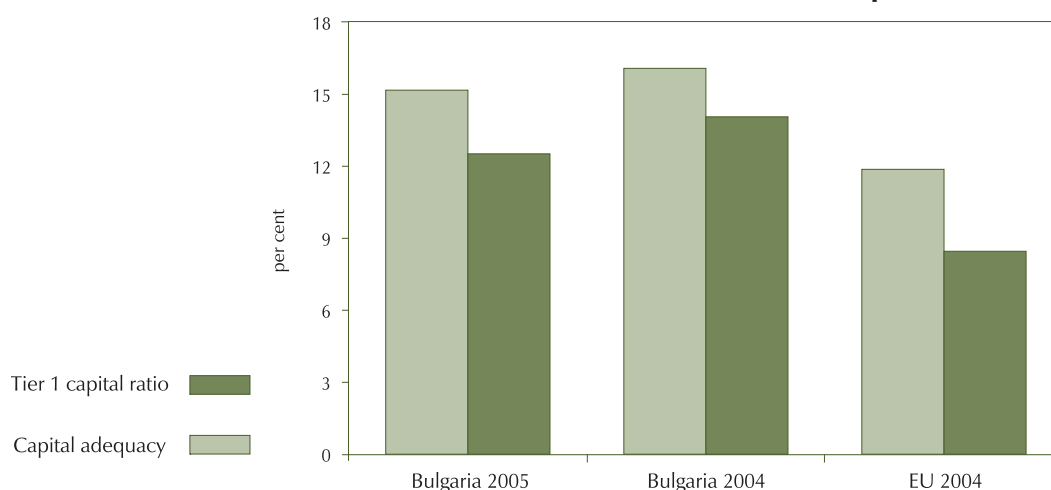
Chart 34

Capital Indicators Dynamics



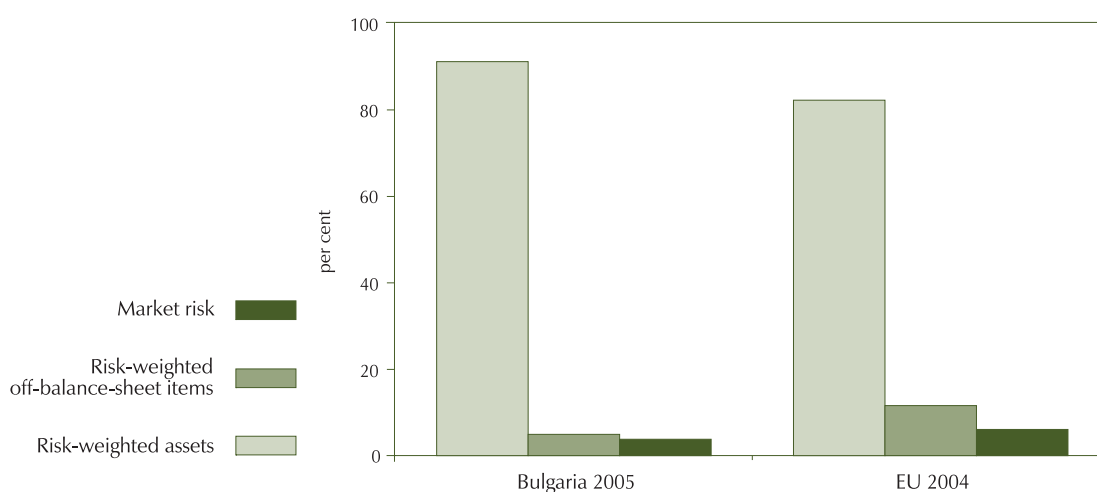
If comparing the above values with capital indicators of EU banks, higher adequacy maintained by local banks may be seen. Following the EU supervisory experience, Bulgarian supervisors try to reach solvency levels which are some percentage points higher than minimum admissible values. Given the 8 per cent capital adequacy ratio requirement in the European Union, it reached 11.87 per cent for 2004. In Bulgaria, it was 16.08 per cent in 2004 and 15.17 per cent as of December 2005 (compared to the 12 per cent capital adequacy requirement).

Chart 35
Capital Indicators



The Chart depicting asset risk component structure shows lower degree of Bulgarian banks' vulnerability to market risk. This reflects both the relatively undeveloped local market of financial instruments and constraints imposed on subsidiaries by parent companies. These constraints affect market risk-bearing instruments, as well as limitations and rules. Thus, less capital is required to cover market risk. Risk-bearing off-balance-sheet items of Bulgarian banks required significantly less capital equivalent. The bulk of their capital (91.27 per cent) was held against credit risk on balance sheet exposures.

Chart 36
Risk Component Structure



As an indicator of possible capital threat, net classified assets as a share of own funds did not worsen by the end of the year. The value of 29.47 per cent (30.11 per cent as of September and 25.18 per cent as of December 2004) reflected certain worsening of credit quality, especially in the portion of consumer and mortgage loans. Analysts see a problem corporate segment in some banks and worsening in performance of consumer loans in other institutions.

7.3 Capital in Excess of Capital Base Regulation

Capital in excess is a positive indicator of banking system capacity to maintain a constant buffer in case of negative changes in asset quality. It amounted to BGN 617 million, down some BGN 89 million on September. Capital in excess was practically exhausted in banks reporting critically close values of capital adequacy indicators. It is insufficient in those institutions which registered higher capital ratios but sharper risk profile. Based on end-year operating profits and banks' cautious policy in dividend distribution, retention and even a slight increase in capital above the regulatory requirements of BNB Ordinance No. 8 may be expected.

Investments in fixed assets, subject to capital regulation, retained their low values in most banks over the reporting period. They totaled BGN 770,665,000 (quarterly growth of BGN 63,809,000) occupying 26.06 per cent of banking system capital (24.63 per cent in September). One bank reported a minimum violation, and few institutions' values were quite close to the admissible 50 per cent level.

8. Liquidity 'L'

- *The 18 per cent tradable assets growth over the fourth quarter reduced the pressure on banking system's liquidity position.*
- *Better liquidity component ratings compared to end-2004 and inspection findings during the past year confirm the conclusion that banks were cautious in managing liquidity.*

Between December 2004 and December 2005 banking liquidity remained good which was seen in most banks' higher values and better component ratings compared with end-2004. During the reviewed quarter liquidity posed no serious threats to commercial banks, with dynamics in major balance sheet aggregates (assets, deposits and loans) boosting key liquidity ratios.

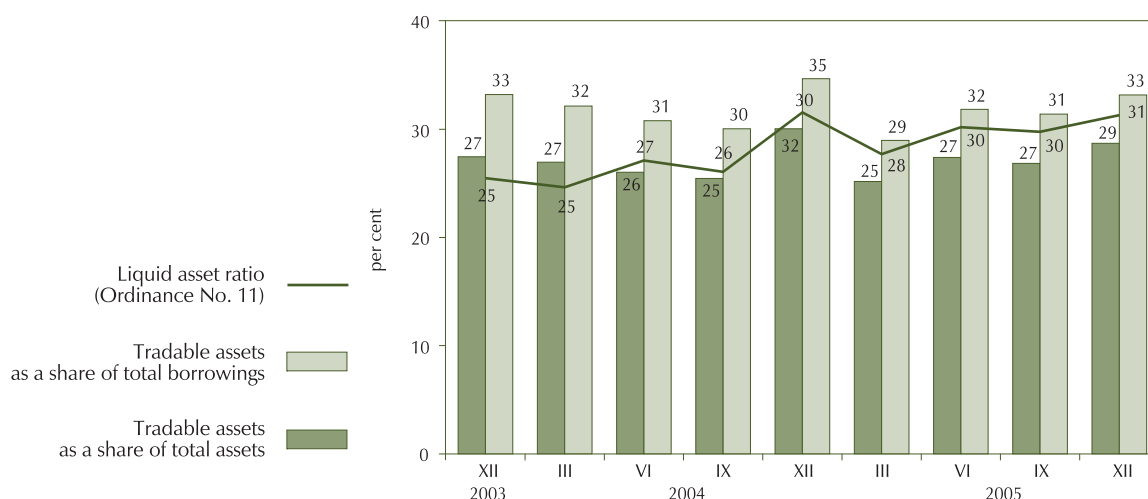
8.1. The Increased Liquidity Risk Zone

Banks with component rating of 3 for liquidity and complex rating of 3 or lower were included in this zone. These institutions were characterized by *inter alia*: comparatively limited access to the financial market under the conditions identical to banks with good liquidity management; increased sensitivity to various factors (external: i. e. unfavourable publications, internal: shareholder structure changes); higher-than-usual problem asset quality and resulting unstable income; strong dependence of institution's financing on non-core borrowed funds; large deposit concentrations. Also included were banks experiencing persistent liquidity difficulties (excluded from the payment system, with continuous shortage of minimum required reserves with the BNB).

8.2. Major Liquidity Indicators: Level and Trends

The trend to gradual falls in liquidity indicators reversed in the review period. *Tradable assets* grew by BGN 1454 million (18 per cent) on end-September. This trend, coupled with lower asset growth (11 per cent), alleviated pressure on liquidity position (most likely in short-term horizon only). *Tradable assets as a share of total assets* reached 28.7 per cent *vis-à-vis* 26.84 per cent as of September and 30.04 per cent a year earlier. Excepting five Group I banks and seven Group II banks, the rest institutions reported moderate to high growth in the values of this indicator. Changes in the tradable assets volume prompted a 1.8 percentage point increase in the *degree of borrowed funds coverage* to 33.17 per cent (34.67 per cent as of December 2004). With a very few exceptions, higher values were reported by banks registering an increased share of tradable assets in total assets.

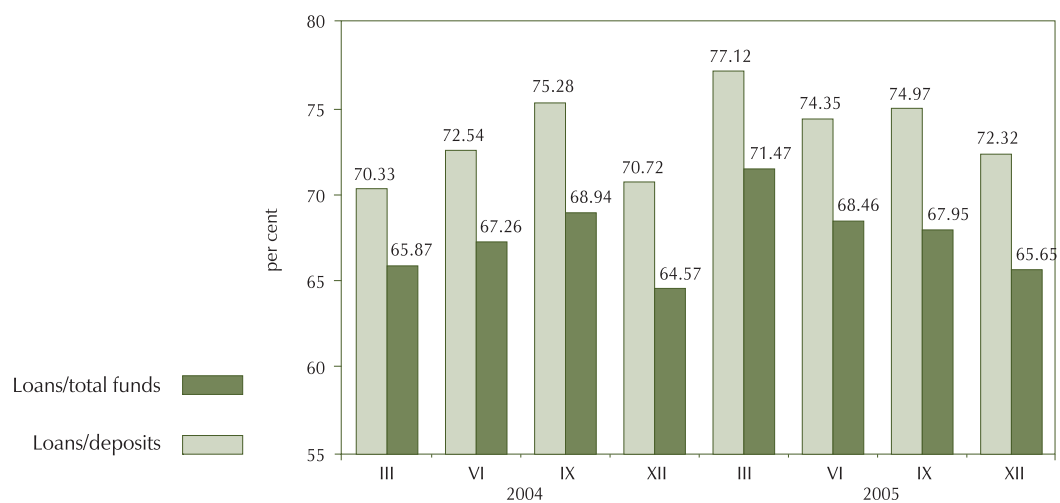
Chart 37
Major Liquidity Indicators Dynamics



The significant deposit base growth by end-2005 (12 per cent) led to a decrease in the *loans to deposits* ratio: from 74.97 per cent by end-September to 72.32 per cent. Comparison with end-2004 values shows that slowing credit growth rates had no significant effect on this indicator: a merely 1.6 percentage point increase was reported. Actually, the recalculated value of the loans to deposits ratio for December 2004 came to 75.99 per cent (taking into account the effect of temporary resources), down nearly 4 percentage points. Almost half of the banks reported higher-than-average values, with a few banks registering several times bigger values due to specificity of their financing. Similar trends occurred in the *loans to total funds* ratio: a 2.3 percentage point fall to 65.65 per cent compared with the previous quarter, reflecting lower values in the said 18 banks. External financing provided by parent banks to some institutions and syndicated loans to other institutions boosted the volume of *non-core borrowed funds* and their share in assets: from 13.09 per cent in September to 15.84 per cent in December 2005 (12.6 per cent in December 2004).

Significant inflows by the end of the reporting period measured by changes in tradable assets (up 18 per cent or BGN 1454 million) had no significant effect on the maturity structure of assets and liabilities at the banking system level. The maturity imbalance was most clearly pronounced in the horizon between 1 and 6 months for which the degree of liquid assets coverage remained below recommended 100 per cent, for the period between 1 and 3 months accounting for 50 per cent and between 3 and 6 months 75 per cent. The *liquid asset ratio* came to 31.3 per cent (29.76 per cent as of September and 31.56 per cent as of the corresponding period of 2004), Group II banks reporting the highest degree of coverage at 35.3 per cent (as seen in the table under Ordinance No. 11). The maturity structure analysis and key ratio dynamics give grounds to conclude that most banks pursued conservative policy in managing their liquidity. However, of note is the fact that these are most easily manipulated indicators, and banks may 'improve' them within just a few days at the end of each reporting period. Solely on-site inspections may reliably confirm each institution's prudent liquidity policy.

Chart 38

The Loans to Deposits and Loans to Total Funds Ratios

Appendix 1

Chart 39
Total Amount of Loans by Quarter



Chart 40
Loan Structure as of December 2005

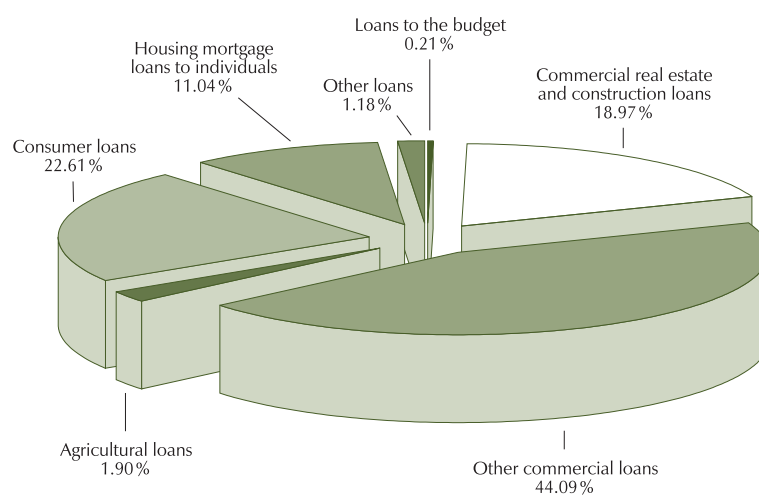


Chart 41

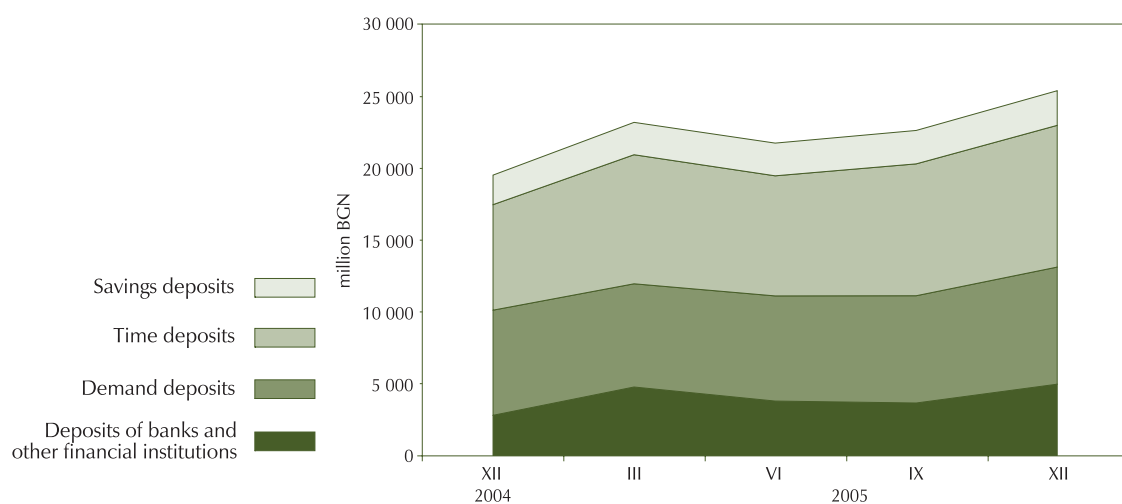
Claims on Financial and Non-financial Institutions by Quarter

Chart 42

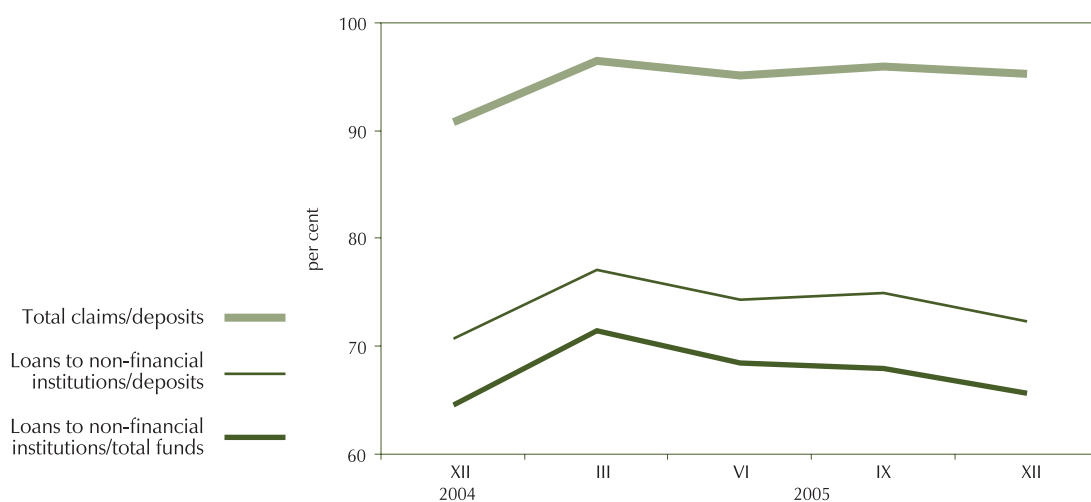
The Loans to Deposits Ratios

Chart 43

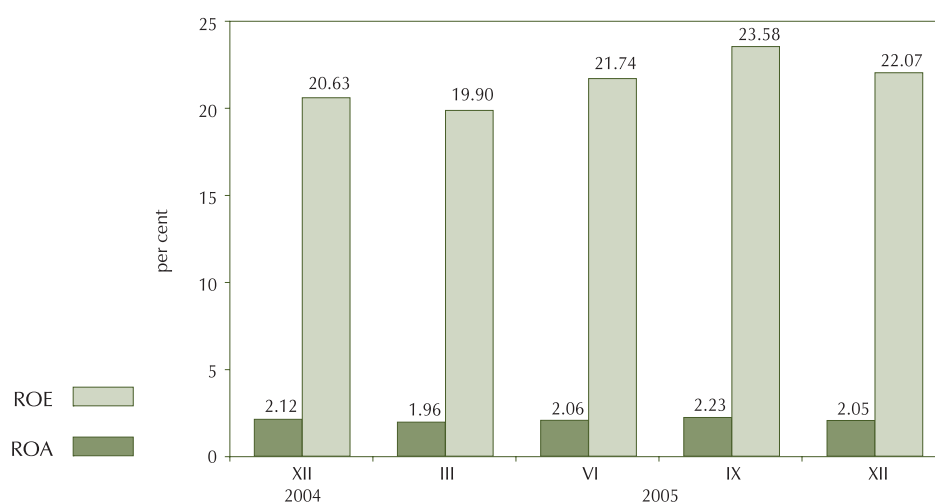
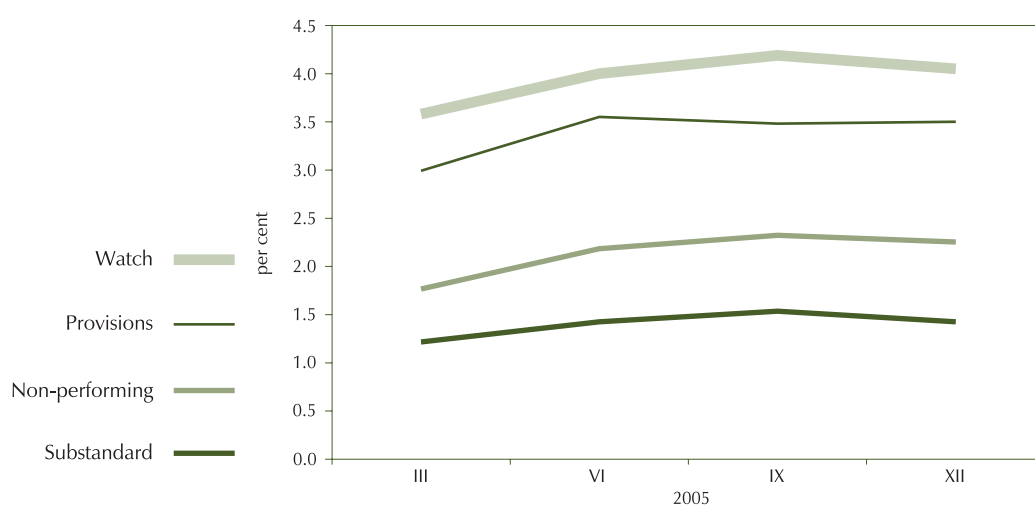
Return on Assets (ROA) and Return on Equity (ROE)

Chart 44

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.	Tier 1 capital adequacy ratio	Tier 1 capital/total risk component
2.	Total capital adequacy ratio	Equity/total risk component
3.	Tier 1 capital leverage	Tier 1 capital/total assets under Ordinance No. 8
4.	Degree of asset risk	Total risk component/total assets under Ordinance No. 8: refers to banks which do not report market risk in trading portfolios
5.	Capital exceeding regulatory minimum under Ordinance No. 8	The smallest amount of: 1) total capital base – BGN 10,000 or 2) total capital base – 12 per cent of the total risk component
6.	Net classified assets as a percentage of the capital base	Classified assets (watch, substandard, non-performing) less provisions on them/capital base
7.	Share of investments in fixed assets	Investments in real estate and other fixed assets/capital base

Basic Indicators' Dynamics

1.	Tier 1 capital growth in previous 12 months	Tier 1 capital (current quarter, current year) – tier 1 capital (corresponding quarter, previous year)/tier 1 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.	Primary liquidity	Cash/deposits of financial institutions + deposits of non-financial institutions + short-term borrowings + long-term borrowings
8.	Secondary liquidity	Liquid assets ratio under Ordinance No. 11

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-January 2006). 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 largest assets. It includes Bulbank, DSK Bank, United Bulgarian Bank, HVB Bank Biochim, First Investment Bank, Raiffeisenbank, Bulgaria, Bulgarian Post Bank, Société Générale 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), Piraeus 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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Capital Adequacy of Commercial Banks as of 31 December 2005 (under Ordinance No. 8 of the BNB)	53
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CAPITAL ADEQUACY OF COMMERCIAL BANKS AS OF 31 DECEMBER 2005

(under Ordinance No. 8 of the BNB)

Banks	Equity (BGN'000)	Tier 1 capital (BGN'000)	Risk component (%)	Capital adequacy ratio (%)	Tier 1 capital ratio (%)
Group I	2 218 058	1 774 874	15 300 431	14.50	11.60
Group II	739 670	666 224	4 201 700	17.60	15.86
Banking system, total	2 957 728	2 441 098	19 502 131	15.17	12.52

Source: BNB.

CREDIT PORTFOLIO OF COMMERCIAL BANKS

(under Ordinance No. 9 of the BNB)

Bank groups	Loans	December 2005
Group I	Total (BGN'000)	17 620 302
	Standard (%)	93.74
	Watch (%)	3.19
	Substandard (%)	1.31
	Non-performing (%)	1.76
	Provisions (%)	2.86
Group II	Total (BGN'000)	5 135 990
	Standard (%)	94.72
	Watch (%)	2.82
	Substandard (%)	0.56
	Non-performing (%)	1.90
	Provisions (%)	2.44
Group III	Total (BGN'000)	1 466 260
	Standard (%)	97.29
	Watch (%)	2.36
	Substandard (%)	0.01
	Non-performing (%)	0.35
	Provisions (%)	1.03
Banking system, total	Total (BGN'000)	24 222 552
	Standard (%)	94.16
	Watch (%)	3.06
	Substandard (%)	1.07
	Non-performing (%)	1.70
	Provisions (%)	2.66

Source: BNB.

LIQUIDITY OF COMMERCIAL BANKS AS OF 31 DECEMBER 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
Group I								
Liquid assets, total	7 845 519	1 389 519						
ASSETS, TOTAL – inflow	23 362 404	1 636 472	7 695 561	1 870 085	862 997	1 102 531	2 599 906	9 231 324
BORROWED FUNDS, TOTAL (DEPOSITS)	21 612 375		5 842 309	3 540 749	1 622 184	1 231 697	1 919 416	7 456 020
Coefficient of liquid assets	29.87							
Adjusted coefficient of liquid assets to deposits			131.72	100.03	53.20	89.51	135.45	123.81
Group II								
Liquid assets, total	2 490 280	345 930						
ASSETS, TOTAL – inflow	6 589 536	442 963	2 591 314	375 205	301 640	481 462	801 111	2 038 804
BORROWED FUNDS, TOTAL (DEPOSITS)	6 074 510		1 681 914	902 323	632 191	900 500	778 522	1 179 060
Coefficient of liquid assets	35.30							
Adjusted coefficient of liquid assets to deposits			154.07	132.10	79.66	53.47	102.90	172.92
Group III								
Liquid assets, total	600 221	1 387						
ASSETS, TOTAL – inflow	1 764 845	4 116	832 210	100 018	119 810	79 237	86 004	547 566
BORROWED FUNDS, TOTAL (DEPOSITS)	1 699 161		745 666	245 080	334 479	88 869	22 831	262 236
Coefficient of liquid assets	35.24							
Adjusted coefficient of liquid assets to deposits			111.61	57.15	35.82	89.16	376.70	208.81
BANKING SYSTEM, TOTAL								
Liquid assets, total	10 936 020	1 736 836						
ASSETS, TOTAL – inflow	31 716 785	2 083 551	11 119 085	2 345 308	1 284 447	1 663 230	3 487 021	11 817 694
BORROWED FUNDS, TOTAL (DEPOSITS)	29 386 046		8 269 889	4 688 152	2 588 854	2 221 066	2 720 769	8 897 316
Coefficient of liquid assets	31.30							
Adjusted coefficient of liquid assets to deposits			134.45	103.96	49.61	74.88	128.16	132.82

Source: BNB.

HIGH LIQUIDITY ASSET RATIOS

(share of deposits, %)

Commercial bank groups		December 2005
Group I	Primary liquidity	12.63
	Secondary liquidity	29.87
Group II	Primary liquidity	12.97
	Secondary liquidity	35.30
Group III	Primary liquidity	13.33
	Secondary liquidity	35.24
Banking system, total	Primary liquidity	12.75
	Secondary liquidity	31.30

Source: BNB.

IV. Balance Sheets and Income Statements

(as of December 2005)

55

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BALANCE SHEET OF THE BANKING SYSTEM AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
ASSETS					
Vault cash and current accounts with the BNB	3 239 425		1 922 834	1 213 663	102 928
Claims on financial institutions					
Demand deposits with banks	629 451	122 118	12 159	287 669	207 505
Time deposits with banks	4 999 492	104 582	1 078 492	2 330 616	1 485 802
Loans to banks	54 941	0	1 805	41 510	11 626
Other claims on banks	10 117	0	1 710	5 337	3 070
Loans to other financial institutions	149 459	0	21 669	127 790	0
Claims on financial institutions, total	5 843 460	226 700	1 115 835	2 792 922	1 708 003
Less: specific provisions	1 521		1 119	248	154
Claims on financial institutions, net	5 841 939	226 700	1 114 716	2 792 674	1 707 849
Claims under repurchase agreements	165 547	0	41 236	84 709	39 602
Trading portfolio	2 036 494	10	804 094	670 428	561 962
Investment portfolio					
Investments held to maturity	1 143 825	0	396 298	375 562	371 965
Investments available for sale	1 552 406	0	572 544	733 939	245 923
Loans to non-financial institutions and other customers					
Loans to budget	36 728		35 041	1 687	0
Commercial loans					
Commercial real estate and construction loans	3 487 501		683 138	2 566 998	237 365
Other commercial loans	8 103 198		3 254 689	4 361 012	487 497
Agricultural loans	350 360		254 210	85 860	10 290
Consumer loans	4 155 328		3 964 716	181 405	9 207
Housing mortgage loans to individuals	2 028 619		1 395 698	617 121	15 800
Other loans	217 358	0	83 074	110 625	23 659
Loans to non-financial institutions and other customers, total	18 379 092	0	9 670 566	7 924 708	783 818
Less: specific provisions	641 827		414 417	173 031	54 379
Loans to non-financial institutions and other customers, net	17 737 265	0	9 256 149	7 751 677	729 439
Memo: purchased loans	12 389				
Assets for resale	17 538		17 538	0	0
Investments in subsidiaries, associated and joint-venture companies	64 241		64 241	0	0
Other assets					
Hedging derivatives	165	0	163	2	0
Other assets	147 091	241	108 551	27 545	10 754
Other assets, total	147 256	241	108 714	27 547	10 754
Intangible assets	128 661		128 638	0	23
Premises and other fixed assets	776 287		775 801	0	486
Assets, total	32 850 884	226 951	15 202 803	13 650 199	3 770 931

(continued)

(continued)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL					
Deposits of financial institutions					
Demand deposits of banks	220 535	4 433	27 341	137 294	51 467
Time deposits of banks	3 231 916	444 609	1 132 047	1 279 150	376 110
Deposits of other financial institutions	1 513 933	0	532 140	941 639	40 154
Deposits of non-financial institutions and other customers					
Demand deposits	8 155 928	0	5 451 472	1 993 262	711 194
Time deposits	9 877 343	0	3 706 512	3 635 310	2 535 521
Savings deposits	2 412 862	0	1 211 939	725 401	475 522
Deposits, total	25 412 517	449 042	12 061 451	8 712 056	4 189 968
Borrowings under repurchase agreements	430 911	0	34 711	308 295	87 905
Short-term borrowings					
From the BNB	0		0	0	0
From banks	201 025	0	8 002	177 838	15 185
Other	34 622	0	23 115	1 286	10 221
Long-term borrowings	2 345 456	0	285 855	1 955 257	104 344
Memo: borrowings from banks	1 610 568	0	78 537	1 501 721	30 310
Subordinated term debt and debt/equity (hybrid) instruments					
Subordinated term debt	192 666		25 297	166 720	649
Debt/equity (hybrid) instruments	201 848		11 127	174 142	16 579
Other liabilities					
Trading portfolio liabilities	28 940	8	626	19 386	8 920
Hedging derivatives	4 154	0	4 154	0	0
Specific provisions on off-balance sheet commitments	52 055	0	4 718	3 866	43 471
Other liabilities	500 334	20 753	320 859	111 891	46 831
Liabilities, total	29 404 528	469 803	12 779 915	11 630 737	4 524 073
Minority interest in consolidated subsidiaries	0		0	0	0
Equity					
Common stock	1 212 322		1 212 322		
Share premium on common stock	1 767		1 767		
Preferred stock and related premium	0		0		
Reserves					
Retained profit/loss, previous years	43 325	41 199	2 126		
Statutory reserves	627 898		627 898		
Other reserves	762 144	25 437	736 707		
Cumulative foreign exchange translation adjustment	0		0		
Other equity components					
Revaluation – fixed assets	209 514	130	209 384		
Revaluation – investments available for sale	6 790	574	6 216		
Revaluation – cash flow hedges	0	0	0		
Profit/loss, current year	584 235		584 235		
One-off effect of the change in accounting regime	-1 639	0	-1 639		
Equity, total	3 446 356	67 340	3 379 016		
Liabilities, minority interest, and capital, total	32 850 884	537 143	16 158 931	11 630 737	4 524 073
Memo: credit substitutes and other off-balance sheet commitments					
	5 480 849	28 774	2 309 942	2 422 148	719 985

INCOME STATEMENT OF THE BANKING SYSTEM (December 2005)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME					
Interest income from demand deposits with banks	7 463	3 343	204	2 416	1 500
Interest income from time deposits with banks	101 182	3 896	9 998	37 614	49 674
Interest income from loans to banks	1 734	0	32	945	757
Interest income from other claims on banks	1 655	0	0	89	1 566
Interest income from loans to other financial institutions	10 568	2 682	1 691	5 955	240
Interest income from claims under repurchase agreements	5 716	0	2 128	2 623	965
Interest income from trading portfolio	92 615	0	55 357	18 930	18 328
Interest income from investment portfolio	97 414	0	41 948	35 779	19 687
Bulgarian government securities	58 082		37 837	17 324	2 921
Other domestic debt securities	7 004	0	3 465	2 699	840
Debt securities issued by foreign governments and international financial institutions	18 573		389	10 813	7 371
Other external debt securities	13 755	0	257	4 943	8 555
Interest income from loans	1 638 940	0	965 514	582 597	90 829
Loans to budget	2 140		2 090	49	1
Commercial real estate and construction loans	289 611		61 013	204 090	24 508
Other commercial loans	692 167		315 748	315 484	60 935
Agricultural loans	30 795		24 450	5 732	613
Consumer loans	460 342		448 673	11 014	655
Housing mortgage loans to individuals	147 057		107 988	37 044	2 025
Other loans	16 828	0	5 552	9 184	2 092
Dividend income	1 682	0	1 643	32	7
Interest and dividend income, total	1 958 969	9 921	1 078 515	686 980	183 553
INTEREST EXPENDITURE					
Interest expenditure on deposits of banks	56 580	11 172	18 495	18 413	8 500
Interest expenditure on deposits of other financial institutions	67 911	2	16 964	48 836	2 109
Interest expenditure on demand deposits of non-financial institutions and other customers	49 737	0	30 406	16 295	3 036
Interest expenditure on time deposits of non-financial institutions and other customers	279 014	0	123 212	92 392	63 410
Interest expenditure on savings deposits of non-financial institutions and other customers	30 314	0	20 738	6 748	2 828
Interest expenditure on borrowings under repurchase agreements	5 596	0	2 726	1 964	906
Interest expenditure on short-term borrowings	14 281	0	1 486	8 094	4 701
Interest expenditure on long-term borrowings	73 490	0	8 354	58 778	6 358
Interest expenditure on subordinated term debt	10 249	0	297	9 914	38
Interest expenditure on debt/equity (hybrid) instruments	7 457		127	5 909	1 421
Interest expenditure on other liabilities	4 765		243	1 702	2 813
Interest expenditure, total	599 394	11 181	223 048	269 045	96 120
INTEREST AND DIVIDEND INCOME, NET	1 359 575	-1260	855 467	417 935	87 433
CREDIT PROVISIONS					
Accrued provisions	483 827	0			
Reintegrated provisions	245 695	0			
Credit provisions, net	238 132	0			

(continued)

(continued)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS					
Gain/loss on securities trading portfolio	42 065	0			
Gain/loss on derivatives held for trading	4 506	0			
Gain/loss on other instruments in trading portfolio	8	0			
Trading portfolio gain/loss, total	46 579	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE					
Gain/loss on investments available for sale	29 343	0			
Gain/loss on instruments effectively hedging investments available for sale	-6	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	3 148	0			
OTHER NON-INTEREST INCOME					
Loan servicing income	107 935	393			
Fee income on off-balance sheet accounts	26 085	0			
Service charges on deposits	156 183	0			
Other fees and commissions	146 057	9			
Gain/loss on assets held for resale	-108	0			
Gain/loss on sale of other assets	6 604	0			
Gain/loss on foreign currency transactions	81 303	1 025			
Other non-interest income	28 219	0			
NON-INTEREST EXPENDITURE					
Salary, social security, and pension expenditure	382 989				
Occupancy expenditure, net	182 729				
External service expenditure paid to shareholders, subsidiaries and associated companies	13 911				
Other external service expenditure	287 601	1 727			
Other non-interest expenditure	222 594	0			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	662 961	-1 560			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-23 363	-427			
EXTRAORDINARY GAIN/LOSS	45 677	0			
TAX	101 040				
MINORITY INTEREST	0				
PROFIT/LOSS, NET	584 235	-1 987			

BALANCE SHEET OF GROUP I BANKS AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	2 354 117	1 378 512	902 581	73 024
Claims on financial institutions				
Demand deposits with banks	381 212	8 746	219 981	152 485
Time deposits with banks	3 348 574	678 731	1 657 205	1 012 638
Loans to banks	34 591	1 005	21 960	11 626
Other claims on banks	9 770	1 369	5 331	3 070
Loans to other financial institutions	116 187	13 875	102 312	0
Claims on financial institutions, total	3 890 334	703 726	2 006 789	1 179 819
Less: specific provisions	864	487	225	152
Claims on financial institutions, net	3 889 470	703 239	2 006 564	1 179 667
Claims under repurchase agreements	62 941	22 342	38 019	2 580
Trading portfolio	1 584 550	521 291	557 737	505 522
Investment portfolio				
Investments held to maturity	1 016 653	343 981	316 913	355 759
Investments available for sale	1 227 806	382 730	614 957	230 119
Loans to non-financial institutions and other customers				
Loans to budget	25 852	25 735	117	0
Commercial loans				
Commercial real estate and construction loans	2 222 803	436 645	1 615 584	170 574
Other commercial loans	5 626 269	2 035 917	3 257 572	332 780
Agricultural loans	200 099	128 766	69 344	1 989
Consumer loans	3 766 859	3 615 348	144 013	7 498
Housing mortgage loans to individuals	1 775 856	1 314 325	450 292	11 239
Other loans	112 230	47 606	47 289	17 335
Loans to non-financial institutions and other customers, total	13 729 968	7 604 342	5 584 211	541 415
Less: specific provisions	502 376	341 039	115 155	46 182
Loans to non-financial institutions and other customers, net	13 227 592	7 263 303	5 469 056	495 233
Memo: purchased loans	11 464			
Assets for resale	8 840	8 840	0	0
Investments in subsidiaries, associated and joint-venture companies	59 395	59 395	0	0
Other assets				
Hedging derivatives	163	163	0	0
Other assets	67 645	49 395	10 699	7 551
Other assets, total	67 808	49 558	10 699	7 551
Intangible assets	100 127	100 104	0	23
Premises and other fixed assets	584 331	583 845	0	486
Assets, total	24 183 630	11 417 140	9 916 526	2 849 964

(continued)

(continued)	(BGN'000)			
	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	134 378	15 131	104 258	14 989
Time deposits of banks	1 958 504	809 273	867 325	281 906
Deposits of other financial institutions	1 200 703	303 549	876 712	20 442
Deposits of non-financial institutions and other customers				
Demand deposits	5 819 093	3 868 761	1 409 015	541 317
Time deposits	7 472 376	2 836 101	2 726 426	1 909 849
Savings deposits	2 047 825	1 076 648	566 780	404 397
Deposits, total	18 632 879	8 909 463	6 550 516	3 172 900
Borrowings under repurchase agreements	410 248	14 048	308 295	87 905
Short-term borrowings				
From the BNB	0	0	0	0
From banks	119 056	0	103 871	15 185
Other	12 482	12 482	0	0
Long-term borrowings	1 671 704	198 990	1 394 202	78 512
Memo: borrowings from banks	1 255 404	71 389	1 158 728	25 287
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	165 114	25 297	139 817	0
Debt/equity (hybrid) instruments	165 194	11 127	154 067	0
Other liabilities				
Trading portfolio liabilities	27 144	436	18 017	8 691
Hedging derivatives	4 154	4 154	0	0
Specific provisions on off-balance sheet commitments	52 054	4 717	3 866	43 471
Other liabilities	369 653	252 699	82 823	34 131
Liabilities, total	21 629 682	9 433 413	8 755 474	3 440 795
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	722 547	722 547		
Share premium on common stock	0	0		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	8 016	8 016		
Statutory reserves	495 697	495 697		
Other reserves	657 031	657 031		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	194 689	194 689		
Revaluation – investments available for sale	3 193	3 193		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	475 767	475 767		
One-off effect of the change in accounting regime	-2 992	-2 992		
Equity, total	2 553 948	2 553 948		
Liabilities, minority interest, and capital, total	24 183 630	11 987 361	8 755 474	3 440 795
Memo: credit substitutes and other off-balance sheet commitments	3 954 982	1 629 528	1 796 224	529 230

INCOME STATEMENT OF GROUP I BANKS

(December 2005)

(BGN'000)				
	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	3 378	120	2 140	1 118
Interest income from time deposits with banks	71 877	5 955	27 421	38 501
Interest income from loans to banks	1 268	24	487	757
Interest income from other claims on banks	1 624	0	61	1 563
Interest income from loans to other financial institutions	5 366	773	4 593	0
Interest income from claims under repurchase agreements	2 621	999	1 499	123
Interest income from trading portfolio	67 610	38 645	13 313	15 652
Interest income from investment portfolio	82 465	35 311	29 392	17 762
Bulgarian government securities	47 064	31 690	13 905	1 469
Other domestic debt securities	5 218	3 024	1 460	734
Debt securities issued by foreign governments and international financial institutions	16 793	340	9 423	7 030
Other external debt securities	13 390	257	4 604	8 529
Interest income from loans	1 213 937	779 517	374 931	59 489
Loans to budget	1 590	1 590	0	0
Commercial real estate and construction loans	170 915	38 999	116 294	15 622
Other commercial loans	463 764	207 927	214 781	41 056
Agricultural loans	15 626	11 257	4 222	147
Consumer loans	423 952	415 492	8 019	441
Housing mortgage loans to individuals	130 183	102 453	26 492	1 238
Other loans	7907	1799	5123	985
Dividend income	1343	1336	0	7
Interest and dividend income, total	1 451 489	862 680	453 837	134 972
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	33 439	14 833	12 692	5 914
Interest expenditure on deposits of other financial institutions	54 884	6 242	47 267	1 375
Interest expenditure on demand deposits of non-financial institutions and other customers	34 453	19 820	12 300	2 333
Interest expenditure on time deposits of non-financial institutions and other customers	199 939	92 026	63 152	44 761
Interest expenditure on savings deposits of non-financial institutions and other customers	22 877	16 829	4 379	1 669
Interest expenditure on borrowings under repurchase agreements	3 829	1 315	1 626	888
Interest expenditure on short-term borrowings	11 075	174	6 453	4 448
Interest expenditure on long-term borrowings	41 826	5 846	32 055	3 925
Interest expenditure on subordinated term debt	9 458	297	9 161	0
Interest expenditure on debt/equity (hybrid) instruments	5 519	127	5 392	0
Interest expenditure on other liabilities	3 640	110	1 473	2 057
Interest expenditure, total	420939	157619	195950	67370
INTEREST AND DIVIDEND INCOME, NET	1 030 550	705 061	257 887	67 602
CREDIT PROVISIONS				
Accrued provisions	337 034			
Reintegrated provisions	142 121			
Credit provisions, net	194 913			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	20 471			
Gain/loss on derivatives held for trading	3 518			
Gain/loss on other instruments in trading portfolio	39			
Trading portfolio gain/loss, total	24 028			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	23 212			
Gain/loss on instruments effectively hedging investments available for sale	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	2 796			
OTHER NON-INTEREST INCOME				
Loan servicing income	84 275			
Fee income on off-balance sheet accounts	15 268			
Service charges on deposits	122 913			
Other fees and commissions	104 097			
Gain/loss on assets held for resale	19			
Gain/loss on sale of other assets	4 038			
Gain/loss on foreign currency transactions	58 317			
Other non-interest income	14 104			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	262 446			
Occupancy expenditure, net	125 477			
External service expenditure paid to shareholders, subsidiaries and associated companies	6 834			
Other external service expenditure	218 718			
Other non-interest expenditure	145 433			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	529 796			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-15 193			
EXTRAORDINARY GAIN/LOSS	45 242			
TAX	84 078			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	475 767			

BALANCE SHEET OF GROUP II BANKS AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	663 225	478 584	157 937	26 704
Claims on financial institutions				
Demand deposits with banks	117 862	3 351	63 642	50 869
Time deposits with banks	1 376 952	273 842	640 410	462 700
Loans to banks	19 550	0	19 550	0
Other claims on banks	347	341	6	0
Loans to other financial institutions	28 678	6 996	21 682	0
Claims on financial institutions, total	1 543 389	284 530	745 290	513 569
Less: specific provisions	657	632	23	2
Claims on financial institutions, net	1 542 732	283 898	745 267	513 567
Claims under repurchase agreements	102 606	18 894	46 690	37 022
Trading portfolio	416 163	258 814	105 257	52 092
Investment portfolio				
Investments held to maturity	127 172	52 317	58 649	16 206
Investments available for sale	268 841	161 347	95 889	11 605
Loans to non-financial institutions and other customers				
Loans to budget	10 876	9 306	1 570	0
Commercial loans				
Commercial real estate and construction loans	835 637	172 915	625 237	37 485
Other commercial loans	1 935 086	958 031	842 177	134 878
Agricultural loans	139 253	122 860	14 775	1 618
Consumer loans	378 047	341 817	34 628	1 602
Housing mortgage loans to individuals	207 675	68 907	134 441	4 327
Other loans	86 027	35 320	44 413	6 294
Loans to non-financial institutions and other customers, total	3 592 601	1 709 156	1 697 241	186 204
Less: specific provisions	124 413	68 433	48 316	7 664
Loans to non-financial institutions and other customers, net	3 468 188	1 640 723	1 648 925	178 540
Memo: purchased loans	925			
Assets for resale	8 698	8 698	0	0
Investments in subsidiaries, associated and joint-venture companies	4 846	4 846	0	0
Other assets				
Hedging derivatives	2	0	2	0
Other assets	73 197	55 819	14 895	2 483
Other assets, total	73 199	55 819	14 897	2 483
Intangible assets	23 876	23 876	0	0
Premises and other fixed assets	179 888	179 888	0	0
Assets, total	6 879 434	3 167 704	2 873 511	838 219

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(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	28 015	1 277	2 874	23 864
Time deposits of banks	592 840	278 388	275 870	38 582
Deposits of other financial institutions	262 424	191 629	52 821	17 974
Deposits of non-financial institutions and other customers				
Demand deposits	1 767 800	1 276 343	372 446	119 011
Time deposits	2 146 365	780 398	816 477	549 490
Savings deposits	316 205	127 795	124 773	63 637
Deposits, total	5 113 649	2 655 830	1 645 261	812 558
Borrowings under repurchase agreements	20 663	20 663	0	0
Short-term borrowings				
From the BNB	0	0	0	0
From banks	81 969	8 002	73 967	0
Other	22 140	10 633	1 286	10 221
Long-term borrowings	673 752	86 865	561 055	25 832
Memo: borrowings from banks	355 164	7 148	342 993	5 023
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	27 552	0	26 903	649
Debt/equity (hybrid) instruments	36 654	0	20 075	16 579
Other liabilities				
Trading portfolio liabilities	1 622	190	1 363	69
Hedging derivatives	0	0	0	0
Specific provisions on off-balance sheet commitments	1	1	0	0
Other liabilities	96 973	61 631	24 582	10 760
Liabilities, total	6 074 975	2 843 815	2 354 492	876 668
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	489 775	489 775		
Share premium on common stock	1 767	1 767		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	-5 890	-5 890		
Statutory reserves	132 201	132 201		
Other reserves	79 676	79 676		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	14 695	14 695		
Revaluation – investments available for sale	3 023	3 023		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	87 859	87 859		
One-off effect of the change in accounting regime	1 353	1 353		
Equity, total	804 459	804 459		
Liabilities, minority interest, and capital, total	6 879 434	3 648 274	2 354 492	876 668
Memo: credit substitutes and other off-balance sheet commitments	963 559	513 861	345 033	104 665

INCOME STATEMENT OF GROUP II BANKS (December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	404	3	163	238
Interest income from time deposits with banks	22 388	2 322	9 259	10 807
Interest income from loans to banks	466	8	458	0
Interest income from other claims on banks	31	0	28	3
Interest income from loans to other financial institutions	1 950	736	974	240
Interest income from claims under repurchase agreements	3 095	1 129	1 124	842
Interest income from trading portfolio	23 480	15 238	5 590	2 652
Interest income from investment portfolio	12 512	5 671	5 158	1 683
Bulgarian government securities	10 008	5 181	3 375	1 452
Other domestic debt securities	1 786	441	1 239	106
Debt securities issued by foreign governments and international financial institutions	353	49	205	99
Other external debt securities	365	0	339	26
Interest income from loans	365 773	168 459	168 753	28 561
Loans to budget	549	500	49	0
Commercial real estate and construction loans	99 486	18 439	73 159	7 888
Other commercial loans	193 363	95 999	78 997	18 367
Agricultural loans	14 517	12 844	1 419	254
Consumer loans	35 447	32 401	2 849	197
Housing mortgage loans to individuals	14 333	4 530	9 055	748
Other loans	8078	3746	3225	1107
Dividend income	339	307	32	0
Interest and dividend income, total	430 438	193 873	191 539	45 026
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	6 531	2 266	2 795	1 470
Interest expenditure on deposits of other financial institutions	11 582	9 782	1 180	620
Interest expenditure on demand deposits of non-financial institutions and other customers	10 394	8 526	1 337	531
Interest expenditure on time deposits of non-financial institutions and other customers	75 044	29 269	27 886	17 889
Interest expenditure on savings deposits of non-financial institutions and other customers	7 252	3 878	2 241	1 133
Interest expenditure on borrowings under repurchase agreements	1 762	1 406	338	18
Interest expenditure on short-term borrowings	3 206	1 312	1 641	253
Interest expenditure on long-term borrowings	31 664	2 508	26 723	2 433
Interest expenditure on subordinated term debt	791	0	753	38
Interest expenditure on debt/equity (hybrid) instruments	1 938	0	517	1 421
Interest expenditure on other liabilities	1 114	132	229	753
Interest expenditure, total	151278	59079	65640	26559
INTEREST AND DIVIDEND INCOME, NET	279 160	134 794	125 899	18 467
CREDIT PROVISIONS				
Accrued provisions	139 522			
Reintegrated provisions	99 930			
Credit provisions, net	39 592			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	20 903			
Gain/loss on derivatives held for trading	444			
Gain/loss on other instruments in trading portfolio	0			
Trading portfolio gain/loss, total	21 347			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	5 486			
Gain/loss on instruments effectively hedging investments available for sale	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	352			
OTHER NON-INTEREST INCOME				
Loan servicing income	21 969			
Fee income on off-balance sheet accounts	9 451			
Service charges on deposits	29 969			
Other fees and commissions	33 621			
Gain/loss on assets held for resale	-127			
Gain/loss on sale of other assets	2 564			
Gain/loss on foreign currency transactions	15357			
Other non-interest income	11 916			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	107 050			
Occupancy expenditure, net	51 231			
External service expenditure paid to shareholders, subsidiaries and associated companies	7 077			
Other external service expenditure	51 099			
Other non-interest expenditure	68 589			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	106 427			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-5 917			
EXTRAORDINARY GAIN/LOSS	490			
TAX	13 141			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	87 859			

BALANCE SHEET OF GROUP III BANKS AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	222 083		222 083	65 738	153 145	3 200
Claims on financial institutions						
Demand deposits with banks	130 377	122 118	8 259	62	4 046	4 151
Time deposits with banks	273 966	104 582	169 384	125 919	33 001	10 464
Loans to banks	800	0	800	800	0	0
Other claims on banks	0	0	0	0	0	0
Loans to other financial institutions	4 594	0	4 594	798	3 796	0
Claims on financial institutions, total	409 737	226 700	183 037	127 579	40 843	14 615
Less: specific provisions	0	0	0	0	0	0
Claims on financial institutions, net	409 737	226 700	183 037	127 579	40 843	14 615
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	35 781	10	35 771	23 989	7 434	4 348
Investment portfolio						
Investments held to maturity	0	0	0	0	0	0
Investments available for sale	55 759	0	55 759	28 467	23 093	4 199
Loans to non-financial institutions and other customers						
Loans to budget	0		0	0	0	0
Commercial loans						
Commercial real estate and construction loans	429 061		429 061	73 578	326 177	29 306
Other commercial loans	541 843		541 843	260 741	261 263	19 839
Agricultural loans	11 008		11 008	2 584	1 741	6 683
Consumer loans	10 422		10 422	7 551	2 764	107
Housing mortgage loans to individuals	45 088		45 088	12 466	32 388	234
Other loans	19 101	0	19 101	148	18 923	30
Loans to non-financial institutions and other customers, total	1 056 523	0	1 056 523	357 068	643 256	56 199
Less: specific provisions	15 038	0	15 038	4 945	9 560	533
Loans to non-financial institutions and other customers, net	1 041 485	0	1 041 485	352 123	633 696	55 666
Memo: purchased loans						
related parties	0					
unrelated parties	0					
Assets for resale	0		0	0	0	0
Other assets						
Hedging derivatives	0	0	0	0	0	0
Other assets	6 249	241	6 008	3 337	1 951	720
Other assets, total	6 249	241	6 008	3 337	1 951	720
Intangible assets	4 658		4 658	4 658	0	0
Premises and other fixed assets	12 068		12 068	12 068	0	0
Assets, total	1 787 820	226 951	1 560 869	617 959	860 162	82 748

(continued)

(continued)		(BGN'000)				
	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
LIABILITIES, RESERVES, AND FINANCIAL RESULT						
Deposits of financial institutions						
Demand deposits of banks	58 142	4 433	53 709	10 933	30 162	12 614
Time deposits of banks	680 572	444 609	235 963	44 386	135 955	55 622
Deposits of other financial institutions	50 806	0	50 806	36 962	12 106	1 738
Deposits of non-financial institutions and other customers						
Demand deposits	569 035	0	569 035	306 368	211 801	50 866
Time deposits	258 602	0	258 602	90 013	92 407	76 182
Savings deposits	48 832	0	48 832	7 496	33 848	7 488
Deposits, total	1 665 989	449 042	1 216 947	496 158	516 279	204 510
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings						
From the BNB	0		0	0	0	0
From banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Long-term borrowings						
Memo: borrowings from banks	0	0	0	0	0	0
Other liabilities						
Trading portfolio liabilities	174	8	166	0	6	160
Hedging derivatives	0	0	0	0	0	0
Specific provisions on off-balance sheet commitments	0	0	0	0	0	0
Other liabilities	33 708	20 753	12 955	6 529	4 486	1 940
Liabilities, total	1 699 871	469 803	1 230 068	502 687	520 771	206 610
Reserves and financial result						
Reserves						
Retained profit/loss, previous years	41 199	41 199				
Other reserves	25 437	25 437				
Revaluation reserves						
Revaluation – fixed assets	130	130				
Revaluation – investments available for sale	574	574				
Revaluation – cash flow hedges	0	0				
Profit/loss, current year	20 609		20 609	20609		
One-off effect of the change in accounting regime	0	0				
Reserves and financial result, total	87 949	67 340	20 609	20609		
Liabilities, reserves, and financial result, total	1 787 820	537 143	1 250 677	523 296	520 771	206 610
Memo: credit substitutes and other off-balance sheet commitments	562 308	28 774	533 534	166 553	280 891	86 090

INCOME STATEMENT OF GROUP III BANKS (December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME						
Interest income from demand deposits with banks	3 681	3 343	338	81	113	144
Interest income from time deposits with banks	6 917	3 896	3 021	1 721	934	366
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	3 252	2 682	570	182	388	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	1 525	0	1 525	1 474	27	24
Interest income from investment portfolio	2 437	0	2 437	966	1 229	242
Bulgarian government securities	1 010		1 010	966	44	0
Other domestic debt securities	0	0	0	0	0	0
External debt securities issued by foreign governments and international financial institutions	1 427		1 427	0	1 185	242
Other external debt securities	0	0	0	0	0	0
Interest income from loans	59 230	0	59 230	17 538	38 913	2 779
Loans to budget	1		1	0	0	1
Commercial real estate and construction loans	19 210		19 210	3 575	14 637	998
Other commercial loans	35 040		35 040	11 822	21 706	1 512
Agricultural loans	652		652	349	91	212
Consumer loans	943		943	780	146	17
Housing mortgage loans to individuals	2 541		2 541	1 005	1 497	39
Other loans	843	0	843	7	836	0
Dividend income	0	0	0	0	0	0
Interest and dividend income, total	77 042	9 921	67 121	21 962	41 604	3 555
INTEREST EXPENDITURE						
Interest expenditure on deposits of banks	16 610	11 172	5 438	1 396	2 926	1 116
Interest expenditure on deposits of other financial institutions	1 445	2	1 443	940	389	114
Interest expenditure on demand deposits of non-finacial institutions and other customers	4 890	0	4 890	2 060	2 658	172
Interest expenditure on time deposits of non-finacial institutions and other customers	4 031	0	4 031	1 917	1 354	760
Interest expenditure on savings deposits of non-finacial institutions and other customers	185	0	185	31	128	26
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	11	7	4	1	0	3
Interest expenditure, total	27 177	11 181	15 996	6 350	7 455	2 191
INTEREST AND DIVIDEND INCOME, NET	49 865	-1260	51 125	15 612	34 149	1 364
CREDIT PROVISIONS						
Accrued provisions	7 271	0	7 271			
Reintegrated provisions	3 644	0	3 644			
Credit provisions, net	3 627	0	3 627			

(continued)

(continued)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS						
Gain/loss on trading portfolio securities	691	0	691			
Gain/loss on derivatives held for trading	544	0	544			
Gain/loss on other instruments in trading portfolio	-31	0	-31			
Total trading portfolio gain/loss	1 204	0	1 204			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE						
Gain/loss on investments available for sale	645	0	645			
Gain/loss on instruments effectively hedging investments available for sale	-6	0	-6			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME						
Loan servicing income	1 691	393	1 298			
Fee income on off-balance sheet accounts	1 366	0	1 366			
Service charges on deposits	3 301	0	3 301			
Other fees and commissions	8 339	9	8 330			
Gain/loss on assets held for resale	0	0	0			
Gain/loss on sale of other assets	2	0	2			
Gain/loss on foreign currency transactions	7 629	1 025	6 604			
Other non-interest income	2 199	0	2 199			
NON-INTEREST EXPENDITURE						
Salary, social security, and pension expenditure	13 493		13 493			
Occupancy expenditure, net	6 021		6 021			
External service expenditure	17 784	1 727	16 057			
Other non-interest expenditure	8 572	0	8 572			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	26 738	-1 560	28 298			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-2 253	-427	-1 826			
EXTRAORDINARY GAIN/LOSS	-55	0	-55			
TAX	3 821		3 821			
PROFIT/LOSS, NET	20 609	-1 987	22 596			

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

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Balance Sheets and Income Statements of Individual Commercial Banks

Allianz Bulgaria Commercial Bank	75
Alpha Bank, Sofia Branch	78
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Bulgarian-American Credit Bank	87
Central Cooperative Bank	90
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Economic and Investment Bank	108
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Piraeus Eurobank	144
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* Banks are arranged in alphabetical order, not according to bank code.

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	72 607	49 789	20 600	2 218
Claims on financial institutions, net	232 535	18 397	159 726	54 412
Claims under repurchase agreements	46 919	3 735	43 184	0
Trading portfolio	51 297	31 240	13 156	6 901
Investment portfolio	69 973	30 512	24 057	15 404
Loans to non-financial institutions and other customers, net	221 177	118 227	96 939	6 011
Loans to budget	174	174	0	0
Commercial loans	123 628	77 655	40 461	5 512
Commercial real estate and construction loans	42 780	23 929	17 621	1 230
Other commercial loans	80 848	53 726	22 840	4 282
Agricultural loans	4 996	4 923	73	0
Consumer loans	20 348	16 906	3 158	284
Housing mortgage loans to individuals	76 994	22 243	54 532	219
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	226 140	121 901	98 224	6 015
Less: specific provisions	4 963	3 674	1 285	4
Assets for resale	22	22	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 878	1 734	137	7
Intangible assets	1 708	1 708	0	0
Premises and other fixed assets	11 099	11 099	0	0
Assets, total	709 215	266 463	357 799	84 953
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	129 503	93 689	20 987	14 827
Demand deposits of banks	8	0	0	8
Time deposits of banks	38 796	19 234	19 562	0
Deposits of other financial institutions	90 699	74 455	1 425	14 819
Deposits of non-financial institutions and other customers	432 672	161 341	202 571	68 760
Demand deposits	174 502	88 210	81 223	5 069
Time deposits	219 622	64 909	96 565	58 148
Savings deposits	38 548	8 222	24 783	5 543
Deposits, total	562 175	255 030	223 558	83 587
Borrowings under repurchase agreements	1 950	1 950	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	92 375	1 750	90 625	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	10 818	7 819	2 388	611
Liabilities, total	667 318	266 549	316 571	84 198
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 897	41 897		
Shareholder capital	19 000	19 000		
Reserves	15 725	15 725		
Profit/loss, current year	7 172	7 172		
Liabilities, minority interest, and capital, total	709 215	308 446	316 571	84 198
Memo: credit substitutes and other off-balance sheet commitments	60 983	31 308	21 006	8 669

* Former Bulgaria-Invest Commercial Bank.


INCOME STATEMENT
 (December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	32 987	16 781	12 677	3 529
Interest income from claims on financial institutions	2 861	550	989	1 322
Interest income from claims under repurchase agreements	1 042	54	786	202
Interest income from trading portfolio	3 232	2 326	718	188
Interest income from investment portfolio	2 999	1 083	1 154	762
Interest income from loans	22 797	12 712	9 030	1 055
Dividend income	56	56	0	0
INTEREST EXPENDITURE	16 822	8 321	6 072	2 429
Interest expenditure on deposits of financial institutions	6 233	5 588	83	562
Interest expenditure on deposits of non-financial institutions and other customers	7 350	2 717	2 776	1 857
Interest expenditure on borrowings under repurchase agreements	196	16	180	0
Interest expenditure on borrowings	3 043	0	3 033	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
INTEREST AND DIVIDEND INCOME, NET	16 165	8 460	6 605	1 100
CREDIT PROVISIONS				
Accrued provisions	2 942			
Reintegrated provisions	2 884			
Credit provisions, net	58			
TRADING PORTFOLIO GAIN/LOSS	3 034			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-161			
OTHER NON-INTEREST INCOME	8 015			
NON-INTEREST EXPENDITURE	17 571			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	9 424			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-853			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 399			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	7 172			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Svetoslav Veleslavov Gavriiski* – Chief Executive Director Galya Dimitrova Dimitrova Georgi Yanchev Momchilov Hristo Borisov Babev
Shareholders (shares over 10%)	Allianz Bulgaria Holding Ltd. – 79.61%

* By Resolution No. 30 of 25 January 2006 the Sofia City Court deleted Starhil Nikolov Vidinov from the Management Board of Allianz Bulgaria Commercial Bank and entered Svetoslav Veleslavov Gavriiski in his place.



ALPHA BANK, SOFIA BRANCH

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	12 094	0	12 094	10 286	1 234	574
Claims on financial institutions, net	7 624	342	7 282	7 001	60	221
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	133 134	0	133 134	12 317	111 091	9 726
Loans to budget	0	0	0	0	0	0
Commercial loans	111 050	0	111 050	12 201	89 154	9 695
Commercial real estate and construction loans	83 509	0	83 509	5 567	68 624	9 318
Other commercial loans	27 541	0	27 541	6 634	20 530	377
Agricultural loans	0	0	0	0	0	0
Consumer loans	103	0	103	44	59	0
Housing mortgage loans to individuals	3 074	0	3 074	72	2 971	31
Other loans	18 907	0	18 907	0	18 907	0
Loans to non-financial institutions and other customers, total	133 134	0	133 134	12 317	111 091	9 726
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	1 414	241	1 173	996	69	108
Intangible assets	29	0	29	29	0	0
Premises and other fixed assets	5 333	0	5 333	5 333	0	0
Assets, total	159 640	583	159 057	35 974	112 454	10 629
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	97 969	31 475	66 494	7 913	56 751	1 830
Demand deposits of banks	5	5	0	0	0	0
Time deposits of banks	84 965	31 470	53 495	0	51 837	1 658
Deposits of other financial institutions	12 999	0	12 999	7 913	4 914	172
Deposits of non-financial institutions and other customers	54 092	0	54 092	21 364	25 112	7 616
Demand deposits	19 467	0	19 467	12 069	6 436	962
Time deposits	22 699	0	22 699	7 721	11 218	3 760
Savings deposits	11 926	0	11 926	1 574	7 458	2 894
Deposits, total	152 061	31 475	120 586	29 277	81 863	9 446
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	836	571	265	170	33	62
Liabilities, total	152 897	32 046	120 851	29 447	81 896	9 508
Reserves and financial result, total	6 743	5 043	1 700	1 700		
Reserves	5 043	5 043	0	0		
Profit/loss, current year	1 700	0	1 700	1 700		
Liabilities, reserves, and financial result, total	159 640	37 089	122 551	31 147	81 896	9 508
Memo: credit substitutes and other off-balance sheet commitments	60 191	0	60 191	14 652	42 998	2 541



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	7 366	6	7 360	846	5941	573
Interest income from claims on financial institutions	143	6	137	137	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	7 223	0	7 223	709	5941	573
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	2 792	1 069	1 723	475	1099	149
Interest expenditure on deposits of financial institutions	2 251	1 069	1 182	336	763	83
Interest expenditure on deposits of non-financial institutions and other customers	541	0	541	139	336	66
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
INTEREST AND DIVIDEND INCOME, NET	4 574	-1 063	5 637	371	4842	424
CREDIT PROVISIONS						
Accrued provisions	70	0	70			
Reintegrated provisions	70	0	70			
Credit provisions, net	0	0	0			
TRADING PORTFOLIO GAIN/LOSS	0	0	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	1 345	0	1 345			
NON-INTEREST EXPENDITURE	3 895	0	3 895			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 024	-1 063	3 087			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	5	0	5			
EXTRAORDINARY GAIN/LOSS	-29	0	-29			
TAX	300	0	300			
PROFIT/LOSS, NET	1 700	-1 063	2 763			



ALPHA BANK, SOFIA BRANCH

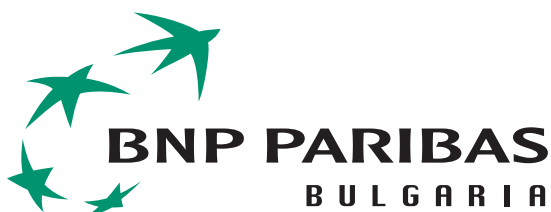
STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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'
Legal registration	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
Address	11 Narodno Sabranie Square, Sofia 1000 tel. 02/981 65 54 Website: www.alphabank.bg
Management	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 and Preslava Dobрева Dobрева
Shareholders (shares over 10%)	Branch of Alpha Bank AE, Athens, Greece

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	29 582	28 510	495	577
Claims on financial institutions, net	159 268	4 232	77 370	77 666
Claims under repurchase agreements	0	0	0	0
Trading portfolio	3 572	3 548	10	14
Investment portfolio	4 760	4 760	0	0
Loans to non-financial institutions and other customers, net	150 488	38 359	108 670	3 459
Loans to budget	0	0	0	0
Commercial loans	150 090	38 347	108 774	2 969
Commercial real estate and construction loans	50 744	0	50 744	0
Other commercial loans	99 346	38 347	58 030	2 969
Agricultural loans	0	0	0	0
Consumer loans	220	206	1	13
Housing mortgage loans to individuals	429	429	0	0
Other loans	1 609	0	1 076	533
Loans to non-financial institutions and other customers, total	152 348	38 982	109 851	3 515
Less: specific provisions	1 860	623	1 181	56
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	207	203	1	3
Intangible assets	57	57	0	0
Premises and other fixed assets	14 208	14 208	0	0
Assets, total	362 142	93 877	186 546	81 719
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	93 431	33 710	31 502	28 219
Demand deposits of banks	20 171	400	375	19 396
Time deposits of banks	67 101	29 016	30 579	7 506
Deposits of other financial institutions	6 159	4 294	548	1 317
Deposits of non-financial institutions and other customers	212 067	86 342	72 733	52 992
Demand deposits	132 066	81 686	38 505	11 875
Time deposits	80 001	4 656	34 228	41 117
Savings deposits	0	0	0	0
Deposits, total	305 498	120 052	104 235	81 211
Borrowings under repurchase agreements	0	0	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	4 897	4 345	449	103
Liabilities, total	310 395	124 397	104 684	81 314
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	51 747	51 747		
Shareholder capital	36 000	36 000		
Reserves	11 750	11 750		
Profit/loss, current year	3 997	3 997		
Liabilities, minority interest, and capital, total	362 142	176 144	104 684	81 314
Memo: credit substitutes and other off-balance sheet commitments	231 519	89 015	83 218	59 286



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	12 276	2 613	7 421	2 242
Interest income from claims on financial institutions	1 617	129	865	623
Interest income from claims under repurchase agreements	197	0	197	0
Interest income from trading portfolio	448	226	50	172
Interest income from investment portfolio	384	233	125	26
Interest income from loans	9 630	2 025	6 184	1 421
Dividend income	0	0	0	0
INTEREST EXPENDITURE	3 474	1 188	1 356	930
Interest expenditure on deposits of financial institutions	1 894	536	882	476
Interest expenditure on deposits of non-financial institutions and other customers	1 217	618	395	204
Interest expenditure on borrowings under repurchase agreements	34	34	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	329	0	79	250
INTEREST AND DIVIDEND INCOME, NET	8 802	1 425	6 065	1 312
CREDIT PROVISIONS				
Accrued provisions	1 701			
Reintegrated provisions	2 011			
Credit provisions, net	-310			
TRADING PORTFOLIO GAIN/LOSS	-32			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	37			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	5 667			
NON-INTEREST EXPENDITURE	10 089			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 695			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	54			
EXTRAORDINARY GAIN/LOSS	0			
TAX	752			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 997			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 22740 of 1994, lot No. 21406, vol. 259, p. 142
Address of the head office	2 Tsar Osvoboditel Blvd., Sofia 1000 tel. 02/921 86 40; 921 86 50 Website: www.bnparibas-bg.com
Management	
Supervisory Board	Matthieu Lacaze Gilles Franck Arnaud Denis Jean-Sebastien Tellier Milko Dimitrov Kovachev
Management Board	Ullrich-Günther Schubert – Chairman and Executive Director David Joel Goyon – Executive Director Ivailo Lyubomirov Lyubomirov – Executive Director Blagoi Vankov Bochev – Executive Director
Shareholders (shares over 10%)	
	Bank Nationale de Paris, France – 100%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	238 759	122 226	108 677	7 856
Claims on financial institutions, net	430 640	21 085	197 235	212 320
Claims under repurchase agreements	2 100	2 100	0	0
Trading portfolio	129 878	94 337	30 052	5 489
Investment portfolio	858 285	307 562	227 098	323 625
Loans to non-financial institutions and other customers, net	1 583 713	719 914	804 001	59 798
Loans to budget	2 838	2 838	0	0
Commercial loans	1 298 195	474 412	765 280	58 503
Commercial real estate and construction loans	193 443	53 215	139 278	950
Other commercial loans	1 104 752	421 197	626 002	57 553
Agricultural loans	15 657	13 897	1 528	232
Consumer loans	82 131	76 481	3 423	2 227
Housing mortgage loans to individuals	240 113	191 667	48 294	152
Other loans	2 080	643	47	1 390
Loans to non-financial institutions and other customers, total	1 641 014	759 938	818 572	62 504
Less: specific provisions	57 301	40 024	14 571	2 706
Assets for resale	34	34	0	0
Investments in unconsolidated subsidiaries and associated companies	6961	6961	0	0
Other assets	3 856	3 806	0	50
Intangible assets	46 707	46 707	0	0
Premises and other fixed assets	106 299	106 299	0	0
Assets, total	3 407 232	1 431 031	1 367 063	609 138
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	84 675	45 344	19 151	20 180
Demand deposits of banks	15 234	693	5 564	8 977
Time deposits of banks	26 460	8 001	9 488	8 971
Deposits of other financial institutions	42 981	36 650	4 099	2 232
Deposits of non-financial institutions and other customers	2 551 852	861 209	1 026 694	663 949
Demand deposits	1 281 344	621 864	458 645	200 835
Time deposits	1 264 359	238 581	565 346	460 432
Savings deposits	6 149	764	2 703	2 682
Deposits, total	2 636 527	906 553	1 045 845	684 129
Borrowings under repurchase agreements	7 900	7 900	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	34 022	0	34 022	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	121 389	46 704	14 631	60 054
Liabilities, total	2 799 838	961 157	1 094 498	744 183
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	607 394	607 394		
Shareholder capital	166 370	166 370		
Reserves	346 507	346 507		
Profit/loss, current year	94 517	94 517		
Liabilities, minority interest, and capital, total	3 407 232	1 568 551	1 094 498	744 183
Memo: credit substitutes and other off-balance sheet commitments	582 966	281 195	193 039	108 732

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	189 489	88 443	75 199	25 847
Interest income from claims on financial institutions	13 203	82	5 836	7 285
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	9 486	4 901	3 466	1 119
Interest income from investment portfolio	39 579	17 357	11 546	10 676
Interest income from loans	127 220	66 102	54 351	6 767
Dividend income	0	0	0	0
INTEREST EXPENDITURE	29 834	7 506	15 745	6 583
Interest expenditure on deposits of financial institutions	2 023	1 064	787	172
Interest expenditure on deposits of non-financial institutions and other customers	23 696	5 783	13 556	4 357
Interest expenditure on borrowings under repurchase agreements	659	659	0	0
Interest expenditure on borrowings	215	0	215	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	3 241	0	1 187	2 054
INTEREST AND DIVIDEND INCOME, NET	159 655	80 937	59 454	19 264
CREDIT PROVISIONS				
Accrued provisions	40 045			
Reintegrated provisions	15 210			
Credit provisions, net	24 835			
TRADING PORTFOLIO GAIN/LOSS	4 763			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	669			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	2 415			
OTHER NON-INTEREST INCOME	58 849			
NON-INTEREST EXPENDITURE	88 328			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	113 188			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1 703			
EXTRAORDINARY GAIN/LOSS	0			
TAX	16 968			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	94 517			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	7 Sveta Nedelya Sq., Sofia 1000 tel. 02/923 21 11 Website: www.bulbank.bg
Management	
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
Shareholders (shares over 10%)	
	UniCredito Italiano S. A. – 85.19%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	14 632	9 282	4 728	622
Claims on financial institutions, net	64 161	4 014	25 255	34 892
Claims under repurchase agreements	0	0	0	0
Trading portfolio	633	175	458	0
Investment portfolio	9 801	1 063	6 506	2 232
Loans to non-financial institutions and other customers, net	285 894	500	263 008	22 386
Loans to budget	0	0	0	0
Commercial loans	284 966	738	265 593	18 635
Commercial real estate and construction loans	213 766	106	200 397	13 263
Other commercial loans	71 200	632	65 196	5 372
Agricultural loans	4 308	0	3 509	799
Consumer loans	327	0	327	0
Housing mortgage loans to individuals	10 711	0	7 812	2 899
Other loans	6 914	0	3 254	3 660
Loans to non-financial institutions and other customers, total	307 226	738	280 495	25 993
Less: specific provisions	21 332	238	17 487	3 607
Assets for resale	463	463	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 085	1 043	37	5
Intangible assets	213	213	0	0
Premises and other fixed assets	4 286	4 286	0	0
Assets, total	381 168	21 039	299 992	60 137
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	28 913	7 257	18 298	3 358
Demand deposits of banks	0	0	0	0
Time deposits of banks	19 510	6 077	10 780	2 653
Deposits of other financial institutions	9 403	1 180	7 518	705
Deposits of non-financial institutions and other customers	56 552	9 328	31 802	15 422
Demand deposits	22 954	7 785	13 102	2 067
Time deposits	33 598	1 543	18 700	13 355
Savings deposits	0	0	0	0
Deposits, total	85 465	16 585	50 100	18 780
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	40 809	0	30 622	10 187
Long-term borrowings	156 813	0	143 282	13 531
Subordinated term debt and debt/equity (hybrid) instruments	16 579	0	0	16 579
Other liabilities	3 739	2 730	711	298
Liabilities, total	303 405	19 315	224 715	59 375
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	77 763	77 763		
Shareholder capital	12 940	12 940		
Reserves	40 726	40 726		
Profit/loss, current year	24 097	24 097		
Liabilities, minority interest, and capital, total	381 168	97 078	224 715	59 375
Memo: credit substitutes and other off-balance sheet commitments	61 515	859	59 896	760



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	50 417	350	43 637	6 430
Interest income from claims on financial institutions	919	13	328	578
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	6	4	2	0
Interest income from investment portfolio	588	49	425	114
Interest income from loans	48 904	284	42 882	5 738
Dividend income	0	0	0	0
INTEREST EXPENDITURE	13 520	173	9 497	3 850
Interest expenditure on deposits of financial institutions	289	100	149	40
Interest expenditure on deposits of non-financial institutions and other customers	1 180	73	535	572
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	10 630	0	8 813	1 817
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 421	0	0	1 421
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	36 897	177	34 140	2 580
CREDIT PROVISIONS				
Accrued provisions	13 048			
Reintegrated provisions	6 205			
Credit provisions, net	6 843			
TRADING PORTFOLIO GAIN/LOSS	11			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	63			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	5 066			
NON-INTEREST EXPENDITURE	9 438			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	25 756			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 027			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2 686			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	24 097			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	16 Krakra Str., Sofia 1504 tel. 02/965 83 58 e-mail: bacb@baefinvest.com
Management	The Bank is managed and represented jointly by each two of the executive directors: Franc Luis Bauer, Stoyan Nikolov Dinchiyski and Dimitar Stoyanov Vuchev
Board of Directors	Franc Luis Bauer Stephen William Filo Dimitar Stoyanov Vuchev Michael Hunsberger Dennis Earl Fiehler Marshal Lee Miller Stoyan Nikolov Dinchiyski
Shareholders (shares over 10%)	Bulgarian-American Investment Fund – 99.9%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	105 565	72 946	27 455	5 164
Claims on financial institutions, net	108 851	2 026	67 756	39 069
Claims under repurchase agreements	1 036	1 036	0	0
Trading portfolio	13 936	6 433	7 503	0
Investment portfolio	151 594	65 080	86 514	0
Loans to non-financial institutions and other customers, net	353 527	236 069	83 721	33 737
Loans to budget	29	29	0	0
Commercial loans	223 620	122 021	67 282	34 317
Commercial real estate and construction loans	31 512	17 252	14 260	0
Other commercial loans	192 108	104 769	53 022	34 317
Agricultural loans	24 392	22 626	1 766	0
Consumer loans	69 151	68 567	543	41
Housing mortgage loans to individuals	39 193	24 786	14 207	200
Other loans	1 073	992	3	78
Loans to non-financial institutions and other customers, total	357 458	239 021	83 801	34 636
Less: specific provisions	3 931	2 952	80	899
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	35 917	24 179	10 131	1 607
Intangible assets	3 513	3 513	0	0
Premises and other fixed assets	35 085	35 085	0	0
Assets, total	809 024	446 367	283 080	79 577
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	29 598	17 675	11 813	110
Demand deposits of banks	71	38	33	0
Time deposits of banks	16 738	5 001	11 737	0
Deposits of other financial institutions	12 789	12 636	43	110
Deposits of non-financial institutions and other customers	635 531	375 879	185 506	74 146
Demand deposits	213 781	180 707	28 961	4 113
Time deposits	390 326	180 123	146 762	63 441
Savings deposits	31 424	15 049	9 783	6 592
Deposits, total	665 129	393 554	197 319	74 256
Borrowings under repurchase agreements	14 507	14 507	0	0
Short-term borrowings	21 457	0	21 457	0
Long-term borrowings	8 213	8 213	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	18 207	8 308	5 569	4 330
Liabilities, total	727 513	424 582	224 345	78 586
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	81 511	81 511		
Shareholder capital	48 507	48 507		
Reserves	26 037	26 037		
Profit/loss, current year	6 967	6 967		
Liabilities, minority interest, and capital, total	809 024	506 093	224 345	78 586
Memo: credit substitutes and other off-balance sheet commitments	46 612	29 670	7 767	9 175

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	47 793	29 543	11 496	6 754
Interest income from claims on financial institutions	2 786	35	1 663	1 088
Interest income from claims under repurchase agreements	292	178	96	18
Interest income from trading portfolio	209	189	5	15
Interest income from investment portfolio	3 718	1 719	1 968	31
Interest income from loans	40 775	27 409	7 764	5 602
Dividend income	13	13	0	0
INTEREST EXPENDITURE	18 234	9 274	6 566	2 394
Interest expenditure on deposits of financial institutions	876	758	26	92
Interest expenditure on deposits of non-financial institutions and other customers	14 932	7 215	5 921	1 796
Interest expenditure on borrowings under repurchase agreements	1 079	1 076	0	3
Interest expenditure on borrowings	731	189	542	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	616	36	77	503
INTEREST AND DIVIDEND INCOME, NET	29 559	20 269	4 930	4 360
CREDIT PROVISIONS				
Accrued provisions	13 623			
Reintegrated provisions	5 836			
Credit provisions, net	7 787			
TRADING PORTFOLIO GAIN/LOSS	1 161			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	281			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	24 126			
NON-INTEREST EXPENDITURE	39 266			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	8 074			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	122			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 229			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 967			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Resolution of the Sofia City Court of 28 March 1991 on company file No. 5227 of 1991, lot No. 334, vol. 4, p. 11
Address of the head office	103 Rakovski Str., Sofia 1000 tel. 02/926 62 66 Website: www.ccbank.bg
Management	The company is represented jointly by two of the executive directors Georgi Dimitrov Konstantinov, Lazar Petrov Iliev and Victor Ivanov Mechkarov, or by one of them and the procurator Tihomir Angelov Atanasov
Supervisory Board	Nikola Alexandrov Damyanov – Chairman Marin Velikov Mitev Central Cooperative Union represented by Petar Ivanov Stefanov
Management Board	Alexander Asenov Vodenicharov – Chairman Georgi Dimitrov Konstantinov – Executive Director Lazar Petrov Iliev – Executive Director Victor Ivanov Mechkarov – Executive Director Alexander Dimitrov Kerezov Tsvetan Tsankov Botev Biser Yordanov Slavkov
Procurator	Tihomir Angelov Atanasov
Shareholders (shares over 10%)	CCB Group Assets Management EAD – 45%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	19 430	0	19 430	19 044	207	179
Claims on financial institutions, net	168 768	54 542	114 226	98 515	15 649	62
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	10	10	0	0	0	0
Investment portfolio	28 370	0	28 370	28 370	0	0
Loans to non-financial institutions and other customers, net	108 812	0	108 812	53 776	53 017	2 019
Loans to budget	0	0	0	0	0	0
Commercial loans	112 284	0	112 284	54 040	56 033	2 211
Commercial real estate and construction loans	13 448	0	13 448	0	13 448	0
Other commercial loans	98 836	0	98 836	54 040	42 585	2 211
Agricultural loans	0	0	0	0	0	0
Consumer loans	87	0	87	87	0	0
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	30	0	30	1	0	29
Loans to non-financial institutions and other customers, total	112 401	0	112 401	54 128	56 033	2 240
Less: specific provisions	3 589	0	3 589	352	3 016	221
Assets for resale	0	0	0	0	0	0
Other assets, net	1 068	0	1 068	637	411	20
Intangible assets	558	0	558	558	0	0
Premises and other fixed assets	579	0	579	579	0	0
Assets, total	327 595	54 552	273 043	201 479	69 284	2 280
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	6 452	199	6 253	2 526	2 360	1 367
Demand deposits of banks	199	199	0	0	0	0
Time deposits of banks	0	0	0	0	0	0
Deposits of other financial institutions	6 253	0	6 253	2 526	2 360	1 367
Deposits of non-financial institutions and other customers	309 942	0	309 942	187 748	100 775	21 419
Demand deposits	272 755	0	272 755	170 595	89 577	12 583
Time deposits	37 187	0	37 187	17 153	11 198	8 836
Savings deposits	0	0	0	0	0	0
Deposits, total	316 394	199	316 195	190 274	103 135	22 786
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	7 975	5 321	2 654	2 213	79	362
Liabilities, total	324 369	5 520	318 849	192 487	103 214	23 148
Reserves and financial result, total	3 226	640	2 586	2 586		
Reserves	640	640	0	0		
Profit/loss, current year	2 586	0	2 586	2 586		
Liabilities, reserves, and financial result, total	327 595	6 160	321 435	195 073	103 214	23 148
Memo: credit substitutes and other off-balance sheet commitments	175 391	23 052	152 339	65 756	71 424	15 159



**CITIBANK N. A.,
SOFIA BRANCH**

INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	8 297	2 667	5 630	3 771	1805	54
Interest income from claims on financial institutions	3 841	2 667	1 174	1 174	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	959	0	959	928	31	0
Interest income from loans	3 497	0	3 497	1 669	1774	54
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	2 845	7	2 838	1 264	1328	246
Interest expenditure on deposits of financial institutions	464	0	464	83	269	112
Interest expenditure on deposits of non-financial institutions and other customers	2 370	0	2 370	1 180	1 059	131
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	11	7	4	1	0	3
INTEREST AND DIVIDEND INCOME, NET	5 452	2 660	2 792	2 507	477	-192
CREDIT PROVISIONS						
Accrued provisions	927	0	927			
Reintegrated provisions	2 904	0	2 904			
Credit provisions, net	-1 977	0	-1 977			
TRADING PORTFOLIO GAIN/LOSS	184	0	184			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	626	0	626			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	4 900	0	4 900			
NON-INTEREST EXPENDITURE	9 966	1 674	8 292			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 173	986	2 187			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-166	0	-166			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	421	0	421			
PROFIT/LOSS, NET	2 586	986	1 600			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Entered under No. 57 183, vol. 627, reg. I, p. 132 on company file No. 8611 of the Sofia City Court of 2000
Address of the branch	2 Knyaginya Maria-Luiza Blvd., floor 5, Sofia 1000 tel. 02/917 51 00; 917 51 01; 917 51 02
Management	
Management Board	Amin Manekia – Country Corporate Officer Chavdar Petrov Risin Silvana Vasileva Gruncharova Borislava Stoyanova Zhereva–Naimoushina Grigoriy Ananiev Ananiev Silvia Tsenkova Kamenova Premislav Kachikovski
Shareholders (shares over 10%)	Branch of Citibank N. A., New York, the USA



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	64 562	53 117	8 673	2 772
Claims on financial institutions, net	145 569	64	95 732	49 773
Claims under repurchase agreements	1 547	0	1 547	0
Trading portfolio	28 709	19 427	9 282	0
Investment portfolio	2 986	681	2 305	0
Loans to non-financial institutions and other customers, net	262 396	135 821	99 308	27 267
Loans to budget	0	0	0	0
Commercial loans	250 693	131 842	91 281	27 570
Commercial real estate and construction loans	15 544	8 146	6 805	593
Other commercial loans	235 149	123 696	84 476	26 977
Agricultural loans	518	518	0	0
Consumer loans	2 858	1 371	1 434	53
Housing mortgage loans to individuals	958	103	817	38
Other loans	10 126	2 838	7 288	0
Loans to non-financial institutions and other customers, total	265 153	136 672	100 820	27 661
Less: specific provisions	2 757	851	1 512	394
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	5	5	0	0
Other assets	681	676	3	2
Intangible assets	458	458	0	0
Premises and other fixed assets	16 947	16 947	0	0
Assets, total	523 860	227 196	216 850	79 814
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	26 951	12 275	14 396	280
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	26 951	12 275	14 396	280
Deposits of non-financial institutions and other customers	453 293	218 620	160 241	74 432
Demand deposits	188 864	134 392	34 895	19 577
Time deposits	142 049	23 930	85 431	32 688
Savings deposits	122 380	60 298	39 915	22 167
Deposits, total	480 244	230 895	174 637	74 712
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	205	205	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	399	261	110	28
Liabilities, total	480 848	231 361	174 747	74 740
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	43 012	43 012		
Shareholder capital	30 000	30 000		
Reserves	8 515	8 515		
Profit/loss, current year	4 497	4 497		
Liabilities, minority interest, and capital, total	523 860	274 373	174 747	74 740
Memo: credit substitutes and other off-balance sheet commitments	90 350	50 361	32 794	7 195



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	27 100	11 057	12 655	3 388
Interest income from claims on financial institutions	2 752	92	1 895	765
Interest income from claims under repurchase agreements	34	22	12	0
Interest income from trading portfolio	1 195	849	345	1
Interest income from investment portfolio	51	51	0	0
Interest income from loans	23 068	10 043	10 403	2 622
Dividend income	0	0	0	0
INTEREST EXPENDITURE	13 005	5 693	5 350	1 962
Interest expenditure on deposits of financial institutions	1 005	439	564	2
Interest expenditure on deposits of non-financial institutions and other customers	11 946	5 200	4 786	1 960
Interest expenditure on borrowings under repurchase agreements	2	2	0	0
Interest expenditure on borrowings	46	46	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	6	6	0	0
INTEREST AND DIVIDEND INCOME, NET	14 095	5 364	7 305	1 426
CREDIT PROVISIONS				
Accrued provisions	2 407			
Reintegrated provisions	1 754			
Credit provisions, net	653			
TRADING PORTFOLIO GAIN/LOSS	1 750			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	320			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	5 758			
NON-INTEREST EXPENDITURE	18 188			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 082			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	2 279			
EXTRAORDINARY GAIN/LOSS	0			
TAX	864			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	4 497			


STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	10 Graf Ignatiev Str., Sofia 1000 tel. 02/980 93 62 Website: www.corpbank.bg
Management	
Supervisory Board	Tsvetan Radoev Vasilev – Chairman Zlatozar Krustev Surlekov Yancho Panayotov Angelov
Management Board	Orlin Nikolov Rousev – Chairman and Executive Director Ilian Atanasov Zafirov – Executive Director Lyubomir Ivanov Vesov – Executive Director
Shareholders (shares over 10%)	
	Bromak – 86.68% directly, and jointly with Victoria Insurance Company (indirectly) – 93.34%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	9 333	6 335	1 564	1 434
Claims on financial institutions, net	19 849	4 001	5 228	10 620
Claims under repurchase agreements	1 959	0	1 959	0
Trading portfolio	12 724	6 287	6 425	12
Investment portfolio	5 145	3 999	1 146	0
Loans to non-financial institutions and other customers, net	34 880	9 813	17 522	7 545
Loans to budget	0	0	0	0
Commercial loans	34 275	9 231	17 393	7 651
Commercial real estate and construction loans	3 653	375	3 278	0
Other commercial loans	30 622	8 856	14 115	7 651
Agricultural loans	0	0	0	0
Consumer loans	1 062	717	315	30
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	35 337	9 948	17 708	7 681
Less: specific provisions	457	135	186	136
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	150	141	2	7
Intangible assets	86	86	0	0
Premises and other fixed assets	957	957	0	0
Assets, total	85 083	31 619	33 846	19 618
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	2 822	1 865	900	57
Demand deposits of banks	639	0	593	46
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	2 183	1 865	307	11
Deposits of non-financial institutions and other customers	59 236	11 724	17 983	29 529
Demand deposits	46 669	8 688	13 742	24 239
Time deposits	11 218	2 671	3 702	4 845
Savings deposits	1 349	365	539	445
Deposits, total	62 058	13 589	18 883	29 586
Borrowings under repurchase agreements	0	0	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	3 818	172	2 222	1 424
Liabilities, total	65 876	13 761	21 105	31 010
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	19 207	19 207		
Shareholder capital	20 000	20 000		
Reserves	-1 565	-1 565		
Profit/loss, current year	772	772		
Liabilities, minority interest, and capital, total	85 083	32 968	21 105	31 010
Memo: credit substitutes and other off-balance sheet commitments	15 729	7 169	7 100	1 460

* Former Demirbank, Bulgaria.



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	4 277	1 419	1 968	890
Interest income from claims on financial institutions	370	22	149	199
Interest income from claims under repurchase agreements	16	0	16	0
Interest income from trading portfolio	710	343	367	0
Interest income from investment portfolio	95	45	50	0
Interest income from loans	3 086	1 009	1 386	691
Dividend income	0	0	0	0
INTEREST EXPENDITURE	930	174	390	366
Interest expenditure on deposits of financial institutions	187	67	78	42
Interest expenditure on deposits of non-financial institutions and other customers	602	107	186	309
Interest expenditure on borrowings under repurchase agreements	68	0	53	15
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	73	0	73	0
INTEREST AND DIVIDEND INCOME, NET	3 347	1 245	1 578	524
CREDIT PROVISIONS				
Accrued provisions	404			
Reintegrated provisions	322			
Credit provisions, net	82			
TRADING PORTFOLIO GAIN/LOSS	235			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	2 915			
NON-INTEREST EXPENDITURE	4 867			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 548			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-776			
EXTRAORDINARY GAIN/LOSS	0			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	772			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005**

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


BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	418 362	276 753	133 615	7 994
Claims on financial institutions, net	529 594	101 019	298 681	129 894
Claims under repurchase agreements	0	0	0	0
Trading portfolio	90 379	32 590	35 083	22 706
Investment portfolio	357 289	151 381	152 529	53 379
Loans to non-financial institutions and other customers, net	2 890 320	2 503 428	363 164	23 728
Loans to budget	1 673	1 673	0	0
Commercial loans	633 405	373 743	238 609	21 053
Commercial real estate and construction loans	37 850	24 367	13 342	141
Other commercial loans	595 555	349 376	225 267	20 912
Agricultural loans	6 494	6 036	458	0
Consumer loans	1 751 551	1 738 298	12 851	402
Housing mortgage loans to individuals	595 633	474 098	119 039	2 496
Other loans	1 864	1 823	14	27
Loans to non-financial institutions and other customers, total	2 990 620	2 595 671	370 971	23 978
Less: specific provisions	100 300	92 243	7 807	250
Assets for resale	133	133	0	0
Investments in unconsolidated subsidiaries and associated companies	18433	18433	0	0
Other assets	10 206	9 999	51	156
Intangible assets	6 549	6 549	0	0
Premises and other fixed assets	147 158	147 158	0	0
Assets, total	4 468 423	3 247 443	983 123	237 857
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	180 350	174 826	523	5 001
Demand deposits of banks	41	41	0	0
Time deposits of banks	144 560	139 585	0	4 975
Deposits of other financial institutions	35 749	35 200	523	26
Deposits of non-financial institutions and other customers	3 324 764	2 508 326	584 308	232 130
Demand deposits	668 535	617 760	44 465	6 310
Time deposits	1 778 994	1 189 121	414 101	175 772
Savings deposits	877 235	701 445	125 742	50 048
Deposits, total	3 505 114	2 683 152	584 831	237 131
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	98 001	0	98 001	0
Long-term borrowings	281 784	0	281 784	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	75 048	72 608	1 674	766
Liabilities, total	3 959 947	2 755 760	966 290	237 897
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	508 476	508 476		
Shareholder capital	93 984	93 984		
Reserves	291 955	291 955		
Profit/loss, current year	122 537	122 537		
Liabilities, minority interest, and capital, total	4 468 423	3 264 236	966 290	237 897
Memo: credit substitutes and other off-balance sheet commitments	259 358	126 329	114 085	18 944



INCOME STATEMENT
(December 2005)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	345 335	293 804	42 548	8 983
Interest income from claims on financial institutions	8 007	278	3 970	3 759
Interest income from claims under repurchase agreements	3	3	0	0
Interest income from trading portfolio	3 769	1 810	1 273	686
Interest income from investment portfolio	20 068	9 158	8 907	2 003
Interest income from loans	313 486	282 553	28 398	2 535
Dividend income	2	2	0	0
INTEREST EXPENDITURE	74 324	56 105	15 984	2 235
Interest expenditure on deposits of financial institutions	2 793	1 812	821	160
Interest expenditure on deposits of non-financial institutions and other customers	64 358	54 267	8 016	2 075
Interest expenditure on borrowings under repurchase agreements	26	26	0	0
Interest expenditure on borrowings	7 147	0	7 147	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
INTEREST AND DIVIDEND INCOME, NET	271 011	237 699	26 564	6 748
CREDIT PROVISIONS				
Accrued provisions	83 679			
Reintegrated provisions	32 992			
Credit provisions, net	50 687			
TRADING PORTFOLIO GAIN/LOSS	4 595			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	346			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	455			
OTHER NON-INTEREST INCOME	73 340			
NON-INTEREST EXPENDITURE	153 083			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	145 977			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1 587			
EXTRAORDINARY GAIN/LOSS	0			
TAX	21 853			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	122 537			



DSK BANK PLC
OTP GROUP

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	19 Moskovska Str., Sofia 1036 tel. 02/9391 220 Website: www.dskbank.bg
Management	
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
Shareholders (shares over 10%)	
	OTP Bank RT, Budapest – 100%



THE BULGARIAN FINANCIAL GROUP

Insurance - Banking - Consulting

DZI BANK*

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BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	122 970	113 050	6 499	3 421
Claims on financial institutions, net	227 612	32 032	94 846	100 734
Claims under repurchase agreements	0	0	0	0
Trading portfolio	93 086	70 996	9 412	12 678
Investment portfolio	129 327	19 815	65 978	43 534
Loans to non-financial institutions and other customers, net	414 045	218 064	132 121	63 860
Loans to budget	6 432	6 432	0	0
Commercial loans	293 541	124 847	110 381	58 313
Commercial real estate and construction loans	131 912	53 469	46 134	32 309
Other commercial loans	161 629	71 378	64 247	26 004
Agricultural loans	1 647	1 647	0	0
Consumer loans	34 234	33 066	1 102	66
Housing mortgage loans to individuals	70 513	54 515	14 197	1 801
Other loans	12 851	514	7 217	5 120
Loans to non-financial institutions and other customers, total	419 218	221 021	132 897	65 300
Less: specific provisions	5 173	2 957	776	1 440
Assets for resale	375	375	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	10 751	8 974	681	1 096
Intangible assets	819	819	0	0
Premises and other fixed assets	18 534	18 534	0	0
Assets, total	1 017 519	482 659	309 537	225 323
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	94 869	65 468	23 084	6 317
Demand deposits of banks	2 560	2 114	98	348
Time deposits of banks	51 465	31 904	19 561	0
Deposits of other financial institutions	40 844	31 450	3 425	5 969
Deposits of non-financial institutions and other customers	795 313	361 334	219 732	214 247
Demand deposits	301 496	245 455	44 235	11 806
Time deposits	466 988	103 394	166 357	197 237
Savings deposits	26 829	12 485	9 140	5 204
Deposits, total	890 182	426 802	242 816	220 564
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	36 424	36 424	0	0
Other liabilities	30 306	24 462	4 205	1 639
Liabilities, total	956 912	487 688	247 021	222 203
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	60 607	60 607		
Shareholder capital	50 000	50 000		
Reserves	4 542	4 542		
Profit/loss, current year	6 065	6 065		
Liabilities, minority interest, and capital, total	1 017 519	548 295	247 021	222 203
Memo: credit substitutes and other off-balance sheet commitments	95 374	62 519	18 279	14 576

* Former Roseximbank.



THE BULGARIAN FINANCIAL GROUP

Insurance - Banking - Consulting

DZI BANK

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	46 845	18 942	14 812	13 091
Interest income from claims on financial institutions	8 447	568	4 336	3 543
Interest income from claims under repurchase agreements	51	51	0	0
Interest income from trading portfolio	5 344	3 858	765	721
Interest income from investment portfolio	2 974	386	1 510	1 078
Interest income from loans	29 957	14 007	8 201	7 749
Dividend income	72	72	0	0
INTEREST EXPENDITURE	23 302	7 552	7 438	8 312
Interest expenditure on deposits of financial institutions	995	792	32	171
Interest expenditure on deposits of non-financial institutions and other customers	21 835	6 288	7 406	8 141
Interest expenditure on borrowings under repurchase agreements	13	13	0	0
Interest expenditure on borrowings	31	31	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	424	424	0	0
Interest expenditure on other liabilities	4	4	0	0
INTEREST AND DIVIDEND INCOME, NET	23 543	11 390	7 374	4 779
CREDIT PROVISIONS				
Accrued provisions	4 191			
Reintegrated provisions	3 473			
Credit provisions, net	718			
TRADING PORTFOLIO GAIN/LOSS	-1 199			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	301			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-74			
OTHER NON-INTEREST INCOME	17 101			
NON-INTEREST EXPENDITURE	39 424			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-470			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 465			
EXTRAORDINARY GAIN/LOSS	6 140			
TAX	1 070			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 065			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	4-6 Dondukov Blvd., Sofia 1000 tel. 02/9307 136, 980 25 38 Website: www.dzibank.bg
Management	
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 Plamen Borisov Itsov Stanimir Metodiev Hristov
Procurator	Plamen Yordanov Milkov
Shareholders (shares over 10%)	DZI AD – 50.09%; jointly with related parties – 69.78% Bank Austria Creditanstalt – 24.83%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	138 139	125 875	7 246	5 018
Claims on financial institutions, net	402 218	18 030	256 610	127 578
Claims under repurchase agreements	1 292	0	0	1 292
Trading portfolio	275 235	47 105	79 017	149 113
Investment portfolio	24 133	24 130	3	0
Loans to non-financial institutions and other customers, net	297 110	116 475	128 272	52 363
Loans to budget	543	426	117	0
Commercial loans	322 842	114 532	144 974	63 336
Commercial real estate and construction loans	81 844	12 055	39 458	30 331
Other commercial loans	240 998	102 477	105 516	33 005
Agricultural loans	232	232	0	0
Consumer loans	18 140	17 217	829	94
Housing mortgage loans to individuals	5 017	659	4 190	168
Other loans	15 329	15 170	149	10
Loans to non-financial institutions and other customers, total	362 103	148 236	150 259	63 608
Less: specific provisions	64 993	31 761	21 987	11 245
Assets for resale	362	362	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	11 722	4 133	4 083	3 506
Intangible assets	299	299	0	0
Premises and other fixed assets	29 622	29 622	0	0
Assets, total	1 180 132	366 031	475 231	338 870
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	83 672	16 847	63 748	3 077
Demand deposits of banks	1 099	993	65	41
Time deposits of banks	19 682	0	19 682	0
Deposits of other financial institutions	62 891	15 854	44 001	3 036
Deposits of non-financial institutions and other customers	839 767	238 484	303 699	297 584
Demand deposits	157 311	135 536	14 296	7 479
Time deposits	643 199	87 775	272 080	283 344
Savings deposits	39 257	15 173	17 323	6 761
Deposits, total	923 439	255 331	367 447	300 661
Borrowings under repurchase agreements	92 323	3 925	37 515	50 883
Short-term borrowings	13 265	0	0	13 265
Long-term borrowings	10 788	0	10 788	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	22 300	20 889	689	722
Liabilities, total	1 062 115	280 145	416 439	365 531
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	118 017	118 017		
Shareholder capital	56 000	56 000		
Reserves	28 256	28 256		
Profit/loss, current year	33 761	33 761		
Liabilities, minority interest, and capital, total	1 180 132	398 162	416 439	365 531
Memo: credit substitutes and other off-balance sheet commitments	31 256	22 871	7 485	900

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	58 762	20 144	22 429	16 189
Interest income from claims on financial institutions	11 758	380	8 290	3 088
Interest income from claims under repurchase agreements	125	78	0	47
Interest income from trading portfolio	7 266	2 512	964	3 790
Interest income from investment portfolio	1 033	646	144	243
Interest income from loans	37 621	15 569	13 031	9 021
Dividend income	959	959	0	0
INTEREST EXPENDITURE	42 997	5 266	20 548	17 183
Interest expenditure on deposits of financial institutions	5 523	1 052	4 339	132
Interest expenditure on deposits of non-financial institutions and other customers	36 242	4 212	15 386	16 644
Interest expenditure on borrowings under repurchase agreements	108	2	42	64
Interest expenditure on borrowings	1 124	0	781	343
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	15 765	14 878	1 881	-994
CREDIT PROVISIONS				
Accrued provisions	18 491			
Reintegrated provisions	9 067			
Credit provisions, net	9 424			
TRADING PORTFOLIO GAIN/LOSS	-5 840			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	19 838			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	17 400			
NON-INTEREST EXPENDITURE	34 379			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 360			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	34			
EXTRAORDINARY GAIN/LOSS	35 327			
TAX	4 960			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	33 761			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Resolution No.1 of 18 March 1995 of the Sofia City Court on company file No. 2757 of 1995, lot No. 665, vol. 12, reg. II, p. 126
Address of the head office	2 Slavyanska Str., Sofia 1000 tel. 02/9399 240; 9399 400 Website: www.eibank.bg
Management	
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
Shareholders (shares over 10%)	 Katex AD – 13.21% directly, and together with related parties Runo-Kazanlak AD and Tsvetelina Borislavova Karagiozova – 16.38% Tsvetelina Borislavova Karagiozova – 16.38% directly, and indirectly – through Katex AD and related Runo-Kazanlak AD



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	6 441	4 215	2 082	144
Claims on financial institutions, net	7 745	2 041	1 817	3 887
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	1 171	73	965	133
Loans to non-financial institutions and other customers, net	67 260	2 111	65 149	0
Loans to budget	0	0	0	0
Commercial loans	67 925	1 650	66 275	0
Commercial real estate and construction loans	18 903	0	18 903	0
Other commercial loans	49 022	1 650	47 372	0
Agricultural loans	106	106	0	0
Consumer loans	471	471	0	0
Housing mortgage loans to individuals	2 739	0	2 739	0
Other loans	40	0	40	0
Loans to non-financial institutions and other customers, total	71 281	2 227	69 054	0
Less: specific provisions	4 021	116	3 905	0
Assets for resale	401	401	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	303	303	0	0
Intangible assets	298	298	0	0
Premises and other fixed assets	5 483	5 483	0	0
Assets, total	89 102	14 925	70 013	4 164
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	15 254	7 274	7 980	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	11 952	4 000	7 952	0
Deposits of other financial institutions	3 302	3 274	28	0
Deposits of non-financial institutions and other customers	47 626	10 680	32 815	4 131
Demand deposits	23 069	7 595	15 079	395
Time deposits	24 557	3 085	17 736	3 736
Savings deposits	0	0	0	0
Deposits, total	62 880	17 954	40 795	4 131
Borrowings under repurchase agreements	0	0	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	530	383	139	8
Liabilities, total	63 410	18 337	40 934	4 139
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	25 692	25 692		
Shareholder capital	17 852	17 852		
Reserves	5 795	5 795		
Profit/loss, current year	2 045	2 045		
Liabilities, minority interest, and capital, total	89 102	44 029	40 934	4 139
Memo: credit substitutes and other off-balance sheet commitments	14 022	1 017	11 981	1 024

* Former Commercial Bank of Greece (Bulgaria).



**Emporiki Bank
Bulgaria EAD**

INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	5 594	297	4 998	299
Interest income from claims on financial institutions	517	179	197	141
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	63	0	63	0
Interest income from loans	5 014	118	4 738	158
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 368	209	1 071	88
Interest expenditure on deposits of financial institutions	602	45	528	29
Interest expenditure on deposits of non-financial institutions and other customers	435	164	212	59
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	331	0	331	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
INTEREST AND DIVIDEND INCOME, NET	4 226	88	3 927	211
CREDIT PROVISIONS				
Accrued provisions	1 473			
Reintegrated provisions	1 755			
Credit provisions, net	-282			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	2 052			
NON-INTEREST EXPENDITURE	4 155			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 405			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-65			
EXTRAORDINARY GAIN/LOSS	0			
TAX	295			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 045			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 21376 of 1994, lot No. 20768, vol. 253, p. 168
Address of the head office	4 Laiosh Koshut Str., Sofia 1606 tel. 02/917 17 17
Management	
Supervisory Board	Leonidas Aristotelis Zonios Dionisios Evstatios Divaris Georgios Iraklis Vlahakis Evangelos Konstantinos Athanasiou Ekaterini Konstantinos Beritsi Dimitrios Georgios Petrakoglu Konstantinos Sotirios Pashalis
Management Board	Elefterios Patroclos Baharopoulos – Chairman and Chief Executive Director Georgios Vassilios Tzamos – Executive Director Teodor Nikolov Palev – Executive Director
Shareholders (shares over 10%)	Commercial Bank of Greece, Athens – 100%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	4 597	4 571	14	12
Claims on financial institutions, net	4 094	357	3 570	167
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	13 895	4 388	9 507	0
Loans to non-financial institutions and other customers, net	69 520	34 887	34 633	0
Loans to budget	0	0	0	0
Commercial loans	68 470	30 084	38 386	0
Commercial real estate and construction loans	56 456	19 360	37 096	0
Other commercial loans	12 014	10 724	1 290	0
Agricultural loans	7 024	7 024	0	0
Consumer loans	250	250	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	75 744	37 358	38 386	0
Less: specific provisions	6 224	2 471	3 753	0
Assets for resale	8	8	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	108	108	0	0
Intangible assets	103	103	0	0
Premises and other fixed assets	2 310	2 310	0	0
Assets, total	94 635	46 732	47 724	179
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	655	620	5	30
Demand deposits of banks	273	273	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	382	347	5	30
Deposits of non-financial institutions and other customers	2 502	2 164	283	55
Demand deposits	2 234	1 939	254	41
Time deposits	120	77	29	14
Savings deposits	148	148	0	0
Deposits, total	3 157	2 784	288	85
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	53 531	2 608	50 923	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	607	606	1	0
Liabilities, total	57 295	5 998	51 212	85
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	37 340	37 340		
Shareholder capital	29 574	29 574		
Reserves	4 489	4 489		
Profit/loss, current year	3 277	3 277		
Liabilities, minority interest, and capital, total	94 635	43 338	51 212	85
Memo: credit substitutes and other off-balance sheet commitments	13 773	6 565	7 150	58

**INCOME STATEMENT**

(December 2005)

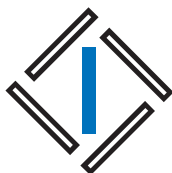
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	9 155	3 979	5 175	1
Interest income from claims on financial institutions	169	84	84	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	528	350	178	0
Interest income from loans	8 426	3 545	4 881	0
Dividend income	32	0	32	0
INTEREST EXPENDITURE	1 418	141	1 276	1
Interest expenditure on deposits of financial institutions	11	11	0	0
Interest expenditure on deposits of non-financial institutions and other customers	13	10	2	1
Interest expenditure on borrowings under repurchase agreements	1	1	0	0
Interest expenditure on borrowings	1 377	103	1 274	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	16	16	0	0
INTEREST AND DIVIDEND INCOME, NET	7 737	3 838	3 899	0
CREDIT PROVISIONS				
Accrued provisions	1 853			
Reintegrated provisions	826			
Credit provisions, net	1 027			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	39			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	562			
NON-INTEREST EXPENDITURE	3 454			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 857			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-2			
EXTRAORDINARY GAIN/LOSS	0			
TAX	578			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 277			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

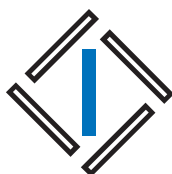
License granted by the BNB	Order No. 100-000078 of 25 February 1999 of the BNB Governor
Legal registration	Resolution No. 1 of the Sofia City Court of 11 March 1999 on company file No. 3400 of 1999
Address of the head office	1 Dyakon Ignatii Str., Sofia 1000 tel. 02/930 63 33 Website: www.nasbank.bg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



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	217 373	74 892	135 401	7 080
Claims on financial institutions, net	353 696	8 770	243 763	101 163
Claims under repurchase agreements	0	0	0	0
Trading portfolio	9 344	5 090	78	4 176
Investment portfolio	528 055	74 206	298 074	155 775
Loans to non-financial institutions and other customers, net	1 337 443	490 003	713 577	133 863
Loans to budget	0	0	0	0
Commercial loans	1 048 480	261 312	654 033	133 135
Commercial real estate and construction loans	717 060	132 540	490 849	93 671
Other commercial loans	331 420	128 772	163 184	39 464
Agricultural loans	16 825	14 898	1 414	513
Consumer loans	144 360	111 648	32 132	580
Housing mortgage loans to individuals	136 727	106 797	28 949	981
Other loans	23 774	10 472	3 628	9 674
Loans to non-financial institutions and other customers, total	1 370 166	505 127	720 156	144 883
Less: specific provisions	32 723	15 124	6 579	11 020
Assets for resale	2 963	2 963	0	0
Investments in unconsolidated subsidiaries and associated companies	4355	4355	0	0
Other assets	7 913	6 294	823	796
Intangible assets	450	427	0	23
Premises and other fixed assets	61 391	60 905	0	486
Assets, total	2 522 983	727 905	1 391 716	403 362
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	794 144	26 265	763 340	4 539
Demand deposits of banks	622	136	215	271
Time deposits of banks	4 778	0	3 138	1 640
Deposits of other financial institutions	788 744	26 129	759 987	2 628
Deposits of non-financial institutions and other customers	1 177 067	507 130	338 618	331 319
Demand deposits	574 272	344 504	124 043	105 725
Time deposits	602 795	162 626	214 575	225 594
Savings deposits	0	0	0	0
Deposits, total	1 971 211	533 395	1 101 958	335 858
Borrowings under repurchase agreements	207 377	1 798	205 579	0
Short-term borrowings	20 226	12 482	5 824	1 920
Long-term borrowings	68 307	0	43 020	25 287
Subordinated term debt and debt/equity (hybrid) instruments	118 085	0	118 085	0
Other liabilities	8 149	8 056	9	84
Liabilities, total	2 393 355	555 731	1 474 475	363 149
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	129 628	129 628		
Shareholder capital	10 000	10 000		
Reserves	98 610	98 610		
Profit/loss, current year	21 018	21 018		
Liabilities, minority interest, and capital, total	2 522 983	685 359	1 474 475	363 149
Memo: credit substitutes and other off-balance sheet commitments	452 328	176 282	161 938	114 108


INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	160 211	56 746	78 768	24 697
Interest income from claims on financial institutions	4 079	194	1 295	2 590
Interest income from claims under repurchase agreements	1 105	46	1 059	0
Interest income from trading portfolio	2 362	1 668	136	558
Interest income from investment portfolio	9 821	1 964	4 517	3 340
Interest income from loans	142 844	52 874	71 761	18 209
Dividend income	0	0	0	0
INTEREST EXPENDITURE	95 890	10 674	70 807	14 409
Interest expenditure on deposits of financial institutions	44 958	545	43 376	1 037
Interest expenditure on deposits of non-financial institutions and other customers	25 529	9 784	8 005	7 740
Interest expenditure on borrowings under repurchase agreements	761	115	644	2
Interest expenditure on borrowings	14 597	229	8 738	5 630
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	10 044	0	10 044	0
Interest expenditure on other liabilities	1	1	0	0
INTEREST AND DIVIDEND INCOME, NET	64 321	46 072	7 961	10 288
CREDIT PROVISIONS				
Accrued provisions	17 527			
Reintegrated provisions	8 035			
Credit provisions, net	9 492			
TRADING PORTFOLIO GAIN/LOSS	5 796			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	96			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	34 474			
NON-INTEREST EXPENDITURE	66 321			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	28 874			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-4 027			
EXTRAORDINARY GAIN/LOSS	0			
TAX	3 829			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	21 018			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	10 Stefan Karadzha Str., Sofia 1000 tel. 02/910 01 Website: www.fibank.bg
Management	
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 Radoslav Todorov Milenkov Maya Oyfalosh
Shareholders (shares over 10%)	 Ivailo Dimitrov Moutafchiev – 31.83% Tseko Todorov Minev – 31.83% First Financial Brokerage House – 13.89%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	69 969	62 418	5 223	2 328
Claims on financial institutions, net	352 386	209 782	87 433	55 171
Claims under repurchase agreements	37 022	0	0	37 022
Trading portfolio	0	0	0	0
Investment portfolio	20 674	17 762	0	2 912
Loans to non-financial institutions and other customers, net	418 634	249 389	164 558	4 687
Loans to budget	590	590	0	0
Commercial loans	215 687	89 359	122 052	4 276
Commercial real estate and construction loans	71 730	21 471	50 259	0
Other commercial loans	143 957	67 888	71 793	4 276
Agricultural loans	24 754	18 661	6 093	0
Consumer loans	164 525	148 859	15 390	276
Housing mortgage loans to individuals	23 746	6 973	16 470	303
Other loans	16 167	7 863	8 063	241
Loans to non-financial institutions and other customers, total	445 469	272 305	168 068	5 096
Less: specific provisions	26 835	22 916	3 510	409
Assets for resale	878	878	0	0
Investments in unconsolidated subsidiaries and associated companies	2334	2334	0	0
Other assets	9 121	8 647	52	422
Intangible assets	9 918	9 918	0	0
Premises and other fixed assets	31 706	31 706	0	0
Assets, total	952 642	592 834	257 266	102 542
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	278 640	164 374	114 198	68
Demand deposits of banks	3	3	0	0
Time deposits of banks	274 488	163 020	111 400	68
Deposits of other financial institutions	4 149	1 351	2 798	0
Deposits of non-financial institutions and other customers	533 138	307 627	123 335	102 176
Demand deposits	194 194	172 852	15 596	5 746
Time deposits	264 834	107 717	80 781	76 336
Savings deposits	74 110	27 058	26 958	20 094
Deposits, total	811 778	472 001	237 533	102 244
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	4 973	4 973	0	0
Subordinated term debt and debt/equity (hybrid) instruments	20 228	0	20 228	0
Other liabilities	21 674	21 342	151	181
Liabilities, total	858 653	498 316	257 912	102 425
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	93 989	93 989		
Shareholder capital	41 103	41 103		
Reserves	60 533	60 533		
Profit/loss, current year	-7 647	-7 647		
Liabilities, minority interest, and capital, total	952 642	592 305	257 912	102 425
Memo: credit substitutes and other off-balance sheet commitments	64 860	39 066	22 331	3 463

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	45 784	28 682	13 685	3 417
Interest income from claims on financial institutions	3 095	579	738	1 778
Interest income from claims under repurchase agreements	642	19	1	622
Interest income from trading portfolio	412	212	1	199
Interest income from investment portfolio	1 108	480	189	439
Interest income from loans	40 450	27 315	12 756	379
Dividend income	77	77	0	0
INTEREST EXPENDITURE	10 452	5 680	3 401	1 371
Interest expenditure on deposits of financial institutions	530	115	339	76
Interest expenditure on deposits of non-financial institutions and other customers	8 521	5 332	1 909	1 280
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	680	164	501	15
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	652	0	652	0
Interest expenditure on other liabilities	69	69	0	0
INTEREST AND DIVIDEND INCOME, NET	35 332	23 002	10 284	2 046
CREDIT PROVISIONS				
Accrued provisions	52 827			
Reintegrated provisions	41 381			
Credit provisions, net	11 446			
TRADING PORTFOLIO GAIN/LOSS	1 203			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	3 592			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	18 003			
NON-INTEREST EXPENDITURE	54 506			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-7 822			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1 120			
EXTRAORDINARY GAIN/LOSS	0			
TAX	-1 295			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	-7 647			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Entered in the registers of the Plovdiv Regional Court by Resolution No. 6965 of 8 June 1993
Address of the head office	37 Tsar Boris III Obedinitel Blvd., Plovdiv 4018 tel. 032/63 18 76; 62 88 70 Website: www.hebros.bg
Management	
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
Procurators	Georgi Kostadinov Zamanov Andreas Schoberwalter
Shareholders (shares over 10%)	
	Bank Austria Creditanstalt – 89.92% HVB Bank Biochim – 9.99%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	229 233	189 935	34 263	5 035
Claims on financial institutions, net	598 209	343 907	250 989	3 313
Claims under repurchase agreements	0	0	0	0
Trading portfolio	380 788	94 447	153 541	132 800
Investment portfolio	13 720	13 720	0	0
Loans to non-financial institutions and other customers, net	1 514 173	594 592	886 891	32 690
Loans to budget	9 838	9 838	0	0
Commercial loans	1 148 964	339 552	780 737	28 675
Commercial real estate and construction loans	565 334	106 185	456 492	2 657
Other commercial loans	583 630	233 367	324 245	26 018
Agricultural loans	14 238	9 769	4 469	0
Consumer loans	333 144	249 917	79 317	3 910
Housing mortgage loans to individuals	68 223	20 790	45 138	2 295
Other loans	2 452	2 044	7	401
Loans to non-financial institutions and other customers, total	1 576 859	631 910	909 668	35 281
Less: specific provisions	62 686	37 318	22 777	2 591
Assets for resale	2 520	2 520	0	0
Investments in unconsolidated subsidiaries and associated companies	24614	24614	0	0
Other assets	2 841	2 619	162	60
Intangible assets	3 078	3 078	0	0
Premises and other fixed assets	53 617	53 617	0	0
Assets, total	2 822 793	1 323 049	1 325 846	173 898
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	1 041 932	419 285	458 405	164 242
Demand deposits of banks	40 931	1 616	39 157	158
Time deposits of banks	947 360	401 209	382 285	163 866
Deposits of other financial institutions	53 641	16 460	36 963	218
Deposits of non-financial institutions and other customers	1 211 098	661 941	347 686	201 471
Demand deposits	608 619	463 307	118 228	27 084
Time deposits	354 746	101 747	139 542	113 457
Savings deposits	247 733	96 887	89 916	60 930
Deposits, total	2 253 030	1 081 226	806 091	365 713
Borrowings under repurchase agreements	102 223	0	65 201	37 022
Short-term borrowings	46	0	46	0
Long-term borrowings	110 740	365	110 375	0
Subordinated term debt and debt/equity (hybrid) instruments	76 052	0	76 052	0
Other liabilities	85 714	31 967	42 123	11 624
Liabilities, total	2 627 805	1 113 558	1 099 888	414 359
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	194 988	194 988		
Shareholder capital	36 842	36 842		
Reserves	140 026	140 026		
Profit/loss, current year	18 120	18 120		
Liabilities, minority interest, and capital, total	2 822 793	1 308 546	1 099 888	414 359
Memo: credit substitutes and other off-balance sheet commitments	1 404 873	469 114	778 945	156 814

* Former Biochim Commercial Bank.

INCOME STATEMENT
 (December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	132 215	68 067	49 960	14 188
Interest income from claims on financial institutions	15 207	4 085	4 001	7 121
Interest income from claims under repurchase agreements	260	91	154	15
Interest income from trading portfolio	13 576	5 422	3 650	4 504
Interest income from investment portfolio	455	343	0	112
Interest income from loans	102 706	58 115	42 155	2 436
Dividend income	11	11	0	0
INTEREST EXPENDITURE	38 620	17 126	15 658	5 836
Interest expenditure on deposits of financial institutions	20 985	10 549	6 788	3 648
Interest expenditure on deposits of non-financial institutions and other customers	10 457	6 122	2 967	1 368
Interest expenditure on borrowings under repurchase agreements	2 083	345	918	820
Interest expenditure on borrowings	3 307	7	3 300	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 685	0	1 685	0
Interest expenditure on other liabilities	103	103	0	0
INTEREST AND DIVIDEND INCOME, NET	93 595	50 941	34 302	8 352
CREDIT PROVISIONS				
Accrued provisions	31 895			
Reintegrated provisions	9 384			
Credit provisions, net	22 511			
TRADING PORTFOLIO GAIN/LOSS	2 279			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	22			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	45 566			
NON-INTEREST EXPENDITURE	98 930			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	20 021			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 380			
EXTRAORDINARY GAIN/LOSS	0			
TAX	3 281			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	18 120			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	1 Ivan Vazov Str., Sofia 1026 tel. 02/926 92 10 Website: www.biochim.com
Management	
Supervisory Board	Regina Prehofer – Chairman Helmut Bernkopf – Deputy Chairman Wolfgang Helpa Wolfgang Edelmueller Heinz Meidlinger Josef Duregger Robert Zadrazil
Management Board	Peter Harold – Chairman and Chief Executive Director Emiliya Stefanova Palibachiyska – Executive Director Maria Dimova Ilieva – Executive Director Ludwig Wagner – Executive Director
Shareholders (shares over 10%)	Bank Austria Creditanstalt – 99.59%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	35 686	0	35 686	18 317	16 474	895
Claims on financial institutions, net	149 972	131 174	18 798	6 623	10 222	1 953
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	33 625	0	33 625	21 843	7 434	4 348
Investment portfolio	46	0	46	46	0	0
Loans to non-financial institutions and other customers, net	169 107	0	169 107	143 891	15 708	9 508
Loans to budget	0	0	0	0	0	0
Commercial loans	151 975	0	151 975	133 459	15 692	2 824
Commercial real estate and construction loans	3 706	0	3 706	3 706	0	0
Other commercial loans	148 269	0	148 269	129 753	15 692	2 824
Agricultural loans	8 004	0	8 004	1 321	0	6 683
Consumer loans	1 589	0	1 589	1 589	0	0
Housing mortgage loans to individuals	9 015	0	9 015	9 015	0	0
Other loans	157	0	157	140	16	1
Loans to non-financial institutions and other customers, total	170 740	0	170 740	145 524	15 708	9 508
Less: specific provisions	1 633	0	1 633	1 633	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	2 806	0	2 806	1 113	1 340	353
Intangible assets	189	0	189	189	0	0
Premises and other fixed assets	1 096	0	1 096	1 096	0	0
Assets, total	392 527	131 174	261 353	193 118	51 178	17 057
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	59 018	526	58 492	13 245	32 438	12 809
Demand deposits of banks	54 235	526	53 709	10 933	30 162	12 614
Time deposits of banks	0	0	0	0	0	0
Deposits of other financial institutions	4 783	0	4 783	2 312	2 276	195
Deposits of non-financial institutions and other customers	292 612	0	292 612	111 856	102 699	78 057
Demand deposits	203 326	0	203 326	79 478	92 349	31 499
Time deposits	89 286	0	89 286	32 378	10 350	46 558
Savings deposits	0	0	0	0	0	0
Deposits, total	351 630	526	351 104	125 101	135 137	90 866
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	13 973	10 594	3 379	1 858	1 145	376
Liabilities, total	365 603	11 120	354 483	126 959	136 282	91 242
Reserves and financial result, total	26 924	22 237	4 687	4 687		
Reserves	22 237	22 237	0	0		
Profit/loss, current year	4 687	0	4 687	4 687		
Liabilities, reserves, and financial result, total	392 527	33 357	359 170	131 646	136 282	91 242
Memo: credit substitutes and other off-balance sheet commitments	213 055	0	213 055	51 904	99 935	61 216

INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	15 645	3 362	12 283	8 656	2502	1125
Interest income from claims on financial institutions	5 125	3 362	1 763	632	728	403
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	1 474	0	1 474	1 474	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	9 046	0	9 046	6 550	1774	722
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	4 225	59	4 166	1 723	1836	607
Interest expenditure on deposits of financial institutions	825	59	766	419	70	277
Interest expenditure on deposits of non-financial institutions and other customers	3 395	0	3 395	1 299	1 766	330
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
INTEREST AND DIVIDEND INCOME, NET	11 420	3 303	8 117	6 933	666	518
CREDIT PROVISIONS						
Accrued provisions	50	0	50			
Reintegrated provisions	15	0	15			
Credit provisions, net	35	0	35			
TRADING PORTFOLIO GAIN/LOSS	848	0	848			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	10 851	0	10 851			
NON-INTEREST EXPENDITURE	15 833	53	15 780			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	7 251	3 250	4 001			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1 580	0	-1 580			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	984	0	984			
PROFIT/LOSS, NET	4 687	3 250	1 437			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005**

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

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	26 084	13 788	11 782	514
Claims on financial institutions, net	21 172	29	5 441	15 702
Claims under repurchase agreements	0	0	0	0
Trading portfolio	140	140	0	0
Investment portfolio	28 524	21 731	4 802	1 991
Loans to non-financial institutions and other customers, net	174 680	102 680	61 308	10 692
Loans to budget	2 122	2 122	0	0
Commercial loans	119 008	71 529	36 532	10 947
Commercial real estate and construction loans	26 274	12 113	12 616	1 545
Other commercial loans	92 734	59 416	23 916	9 402
Agricultural loans	7 631	7 631	0	0
Consumer loans	5 264	4 661	603	0
Housing mortgage loans to individuals	1 640	336	1 304	0
Other loans	42 253	18 925	22 987	341
Loans to non-financial institutions and other customers, total	177 918	105 204	61 426	11 288
Less: specific provisions	3 238	2 524	118	596
Assets for resale	5 310	5 310	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	2 863	2 435	160	268
Intangible assets	141	141	0	0
Premises and other fixed assets	14 368	14 368	0	0
Assets, total	273 282	160 622	83 493	29 167
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	19 207	3 173	16 013	21
Demand deposits of banks	19	19	0	0
Time deposits of banks	18 555	2 857	15 698	0
Deposits of other financial institutions	633	297	315	21
Deposits of non-financial institutions and other customers	188 297	97 066	62 581	28 650
Demand deposits	104 134	77 523	21 511	5 100
Time deposits	71 312	15 427	34 320	21 565
Savings deposits	12 851	4 116	6 750	1 985
Deposits, total	207 504	100 239	78 594	28 671
Borrowings under repurchase agreements	2 000	2 000	0	0
Short-term borrowings	15 439	0	15 439	0
Long-term borrowings	9 179	9 179	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 751	1 248	4 128	375
Liabilities, total	239 873	112 666	98 161	29 046
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	33 409	33 409		
Shareholder capital	20 050	20 050		
Reserves	8 733	8 733		
Profit/loss, current year	4 626	4 626		
Liabilities, minority interest, and capital, total	273 282	146 075	98 161	29 046
Memo: credit substitutes and other off-balance sheet commitments	73 018	55 043	15 844	2 131

* Former First East International Bank, UNIBANK.

INCOME STATEMENT
 (December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	17 104	10 776	4 802	1 526
Interest income from claims on financial institutions	466	7	33	426
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 098	826	220	52
Interest income from investment portfolio	0	0	0	0
Interest income from loans	15 540	9 943	4 549	1 048
Dividend income	0	0	0	0
INTEREST EXPENDITURE	4 993	1 894	2 239	860
Interest expenditure on deposits of financial institutions	308	131	173	4
Interest expenditure on deposits of non-financial institutions and other customers	4 685	1 763	2 066	856
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
INTEREST AND DIVIDEND INCOME, NET	12 111	8 882	2 563	666
CREDIT PROVISIONS				
Accrued provisions	3 457			
Reintegrated provisions	736			
Credit provisions, net	2 721			
TRADING PORTFOLIO GAIN/LOSS	466			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-267			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	7 896			
NON-INTEREST EXPENDITURE	12 045			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	5 440			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-15			
EXTRAORDINARY GAIN/LOSS	26			
TAX	825			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	4 626			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Resolution of the Sofia City Court of 6 May 1991, company file No. 2367
Address of the head office	81–83 Todor Alexandrov Blvd., Sofia 1303 tel. 02/812 01 11; 920 43 03 Website: www.iabank.com
Management	
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 Kostadin Vasilev Karanlukov* Yuri Jaque Aroio
Shareholders (shares over 10%)	
	Dynatrade International – 25.51%

* By Resolution No. 42 of 28 December 2005 the Sofia City Court deleted Ivan Yovev Kolev from the Management Board of the International Asset Bank and entered Kostadin Vasilev Karanlukov in his place.


BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	30 277	24 606	3 868	1 803
Claims on financial institutions, net	62 773	17 332	25 709	19 732
Claims under repurchase agreements	2 172	2 172	0	0
Trading portfolio	10 737	7 766	2 971	0
Investment portfolio	48 798	38 991	6 943	2 864
Loans to non-financial institutions and other customers, net	160 271	115 563	31 308	13 400
Loans to budget	1 570	0	1 570	0
Commercial loans	137 774	97 848	27 264	12 662
Commercial real estate and construction loans	27 175	16 336	8 204	2 635
Other commercial loans	110 599	81 512	19 060	10 027
Agricultural loans	9 311	9 311	0	0
Consumer loans	13 997	11 311	1 948	738
Housing mortgage loans to individuals	820	287	533	0
Other loans	111	111	0	0
Loans to non-financial institutions and other customers, total	163 583	118 868	31 315	13 400
Less: specific provisions	3 312	3 305	7	0
Assets for resale	17	17	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	976	700	237	39
Intangible assets	691	691	0	0
Premises and other fixed assets	3 572	3 572	0	0
Assets, total	320 284	211 410	71 036	37 838
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	38 217	29 510	1 330	7 377
Demand deposits of banks	1 193	21	978	194
Time deposits of banks	20 434	13 303	0	7 131
Deposits of other financial institutions	16 590	16 186	352	52
Deposits of non-financial institutions and other customers	237 298	139 305	69 022	28 971
Demand deposits	84 562	74 353	8 602	1 607
Time deposits	140 640	60 957	53 905	25 778
Savings deposits	12 096	3 995	6 515	1 586
Deposits, total	275 515	168 815	70 352	36 348
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	34	0	0	34
Long-term borrowings	21 577	7 816	13 761	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	1 514	661	249	604
Liabilities, total	298 640	177 292	84 362	36 986
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	21 644	21 644		
Shareholder capital	20 000	20 000		
Reserves	754	754		
Profit/loss, current year	890	890		
Liabilities, minority interest, and capital, total	320 284	198 936	84 362	36 986
Memo: credit substitutes and other off-balance sheet commitments	34 249	17 112	14 955	2 182

* Former Neftinvestbank.

INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	14 148	8 788	3 628	1 732
Interest income from claims on financial institutions	1 111	580	314	217
Interest income from claims under repurchase agreements	65	49	16	0
Interest income from trading portfolio	515	378	137	0
Interest income from investment portfolio	1 295	953	294	48
Interest income from loans	11 086	6 752	2 867	1 467
Dividend income	76	76	0	0
INTEREST EXPENDITURE	7 970	3 534	3 508	928
Interest expenditure on deposits of financial institutions	1 107	856	245	6
Interest expenditure on deposits of non-financial institutions and other customers	6 038	2 452	2 664	922
Interest expenditure on borrowings under repurchase agreements	52	52	0	0
Interest expenditure on borrowings	773	174	599	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
INTEREST AND DIVIDEND INCOME, NET	6 178	5 254	120	804
CREDIT PROVISIONS				
Accrued provisions	1 684			
Reintegrated provisions	937			
Credit provisions, net	747			
TRADING PORTFOLIO GAIN/LOSS	246			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	825			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	513			
OTHER NON-INTEREST INCOME	4 339			
NON-INTEREST EXPENDITURE	10 328			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 026			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-392			
EXTRAORDINARY GAIN/LOSS	413			
TAX	157			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	890			



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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	83 A Bulgaria Blvd., Sofia 1404 tel. 02/81 86 130 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 Stefan Stoev Stoev – Executive Director Ivan Kunchov Mavrov – Executive Director Pencho Stoyanov Cherkezov – Procurator
Shareholders (shares over 10%)	
	Festa Holding – 78.73%
	Vincom – 15.49%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	52 464	48 087	2 726	1 651
Claims on financial institutions, net	78 279	1 517	53 573	23 189
Claims under repurchase agreements	11 644	11 644	0	0
Trading portfolio	150 689	126 810	21 423	2 456
Investment portfolio	2 070	2 045	4	21
Loans to non-financial institutions and other customers, net	157 535	100 956	47 870	8 709
Loans to budget	5 707	5 707	0	0
Commercial loans	139 643	77 658	54 015	7 970
Commercial real estate and construction loans	53 423	18 730	32 655	2 038
Other commercial loans	86 220	58 928	21 360	5 932
Agricultural loans	3 435	3 288	147	0
Consumer loans	17 130	16 742	388	0
Housing mortgage loans to individuals	5 213	3 888	1 307	18
Other loans	5 183	4 007	455	721
Loans to non-financial institutions and other customers, total	176 311	111 290	56 312	8 709
Less: specific provisions	18 776	10 334	8 442	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 627	1 607	16	4
Intangible assets	2 120	2 120	0	0
Premises and other fixed assets	8 364	8 364	0	0
Assets, total	464 792	303 150	125 612	36 030
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	17 624	10 316	1 838	5 470
Demand deposits of banks	4 321	502	79	3 740
Time deposits of banks	4 232	1 300	1 232	1 700
Deposits of other financial institutions	9 071	8 514	527	30
Deposits of non-financial institutions and other customers	340 754	273 940	37 781	29 033
Demand deposits	224 115	211 499	7 612	5 004
Time deposits	105 569	56 785	26 726	22 058
Savings deposits	11 070	5 656	3 443	1 971
Deposits, total	358 378	284 256	39 619	34 503
Borrowings under repurchase agreements	200	200	0	0
Short-term borrowings	7 867	132	7 735	0
Long-term borrowings	54 053	579	53 474	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 701	1 366	768	567
Liabilities, total	423 199	286 533	101 596	35 070
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 593	41 593		
Shareholder capital	25 000	25 000		
Reserves	12 701	12 701		
Profit/loss, current year	3 892	3 892		
Liabilities, minority interest, and capital, total	464 792	328 126	101 596	35 070
Memo: credit substitutes and other off-balance sheet commitments	44 714	35 373	8 711	630



MUNICIPAL BANK PLC

INCOME STATEMENT (December 2005)

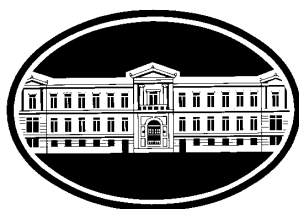
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	28 392	18 133	8 027	2 232
Interest income from claims on financial institutions	1 736	245	963	528
Interest income from claims under repurchase agreements	784	784	0	0
Interest income from trading portfolio	8 748	7 184	1 481	83
Interest income from investment portfolio	54	54	0	0
Interest income from loans	17 064	9 860	5 583	1 621
Dividend income	6	6	0	0
INTEREST EXPENDITURE	7 933	3 324	3 791	818
Interest expenditure on deposits of financial institutions	564	420	43	101
Interest expenditure on deposits of non-financial institutions and other customers	4 564	2 881	966	717
Interest expenditure on borrowings under repurchase agreements	1	1	0	0
Interest expenditure on borrowings	2 804	22	2 782	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
INTEREST AND DIVIDEND INCOME, NET	20 459	14 809	4 236	1 414
CREDIT PROVISIONS				
Accrued provisions	7 645			
Reintegrated provisions	3 933			
Credit provisions, net	3 712			
TRADING PORTFOLIO GAIN/LOSS	4 933			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	2			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	7 841			
NON-INTEREST EXPENDITURE	24 414			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	5 109			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-366			
EXTRAORDINARY GAIN/LOSS	2			
TAX	853			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 892			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	Order No. 100-00491 of the BNB Governor dated 17 November 1999
Legal registration	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
Address of the head office	6 Vrabcha Str., Sofia 1000 tel. 02/930 01 11 Website: www.municipalbank.bg
Management	
Supervisory Board	Dimitar Paounkov Kolev – Chairman Nikifor Istaliyanov Vangelov – Deputy Chairman Spas Simeonov Dimitrov
Management Board	Vasil Petrov Vasilev – Chairman Alexander Petrov Lichev – Executive Director Vasil Svilenov Piralkov – Executive Director Georgi Hristov Belovski – Executive Director Violeta Stefanova Ilieva – Executive Director
Chief Procurator	Darya Stoeva Penkova
Procurators	Violeta Stefanova Ilieva Radostina Draganova Dimova
Shareholders (shares over 10%)	 Sofia Municipality – 67%

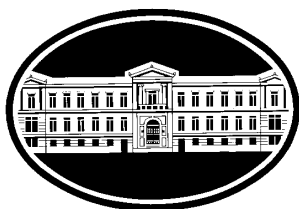


NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	546	0	546	546	0	0
Claims on financial institutions, net	3 169	3 169	0	0	0	0
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	0	0	0	0	0	0
Loans to non-financial institutions and other customers, net	0	0	0	0	0	0
Loans to budget	0	0	0	0	0	0
Commercial loans	0	0	0	0	0	0
Commercial real estate and construction loans	0	0	0	0	0	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	0	0	0	0	0	0
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	296	0	296	296	0	0
Intangible assets	0	0	0	0	0	0
Premises and other fixed assets	0	0	0	0	0	0
Assets, total	4 011	3 169	842	842	0	0
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	0	0	0	0	0	0
Demand deposits of banks	0	0	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	0	0	0	0	0	0
Demand deposits	0	0	0	0	0	0
Time deposits	0	0	0	0	0	0
Savings deposits	0	0	0	0	0	0
Deposits, total	0	0	0	0	0	0
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	710	710	0	0	0	0
Liabilities, total	710	710	0	0	0	0
Reserves and financial result, total	3 301	2 385	916	916		
Reserves	2 385	2 385	0	0		
Profit/loss, current year	916	0	916	916		
Liabilities, reserves, and financial result, total	4 011	3 095	916	916	0	0
Memo: credit substitutes and other off-balance sheet commitments	0	0	0	0	0	0



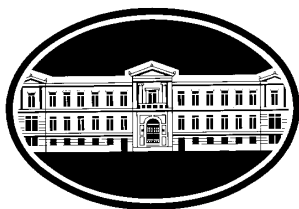
NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

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INCOME STATEMENT (December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	3 462	2 772	690	6	659	25
Interest income from claims on financial institutions	2 801	2 772	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	610	0	610	0	610	0
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	1 941	1 688	253	15	188	50
Interest expenditure on deposits of financial institutions	1 900	1 688	212	12	169	31
Interest expenditure on deposits of non-financial institutions and other customers	41	0	41	3	19	19
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
INTEREST AND DIVIDEND INCOME, NET	1 521	1 084	437	-9	471	-25
CREDIT PROVISIONS						
Accrued provisions	0	0	0			
Reintegrated provisions	0	0	0			
Credit provisions, net	0	0	0			
TRADING PORTFOLIO GAIN/LOSS	187	0	187			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-6	0	-6			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	610	402	208			
NON-INTEREST EXPENDITURE	1 283	0	1 283			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	1 029	1 486	-457			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	62	0	62			
EXTRAORDINARY GAIN/LOSS	-13	0	-13			
TAX	162	0	162			
PROFIT/LOSS, NET	916	1 486	-570			



NATIONAL BANK OF GREECE C. A., SOFIA BRANCH

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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
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 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	152 252	0	152 252	16 369	134 649	1 234
Claims on financial institutions, net	65 873	35 304	30 569	15 435	3 438	11 696
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	2 146	0	2 146	2 146	0	0
Investment portfolio	39	0	39	39	0	0
Loans to non-financial institutions and other customers, net	629 907	0	629 907	141 772	453 817	34 318
Loans to budget	0	0	0	0	0	0
Commercial loans	595 350	0	595 350	134 391	426 544	34 415
Commercial real estate and construction loans	328 398	0	328 398	64 305	244 105	19 988
Other commercial loans	266 952	0	266 952	70 086	182 439	14 427
Agricultural loans	3 004	0	3 004	1 263	1 741	0
Consumer loans	8 363	0	8 363	5 692	2 659	12
Housing mortgage loans to individuals	32 999	0	32 999	3 379	29 417	203
Other loans	7	0	7	7	0	0
Loans to non-financial institutions and other customers, total	639 723	0	639 723	144 732	460 361	34 630
Less: specific provisions	9 816	0	9 816	2 960	6 544	312
Assets for resale	0	0	0	0	0	0
Other assets, net	584	0	584	216	129	239
Intangible assets	3 582	0	3 582	3 582	0	0
Premises and other fixed assets	5 008	0	5 008	5 008	0	0
Assets, total	859 391	35 304	824 087	184 567	592 033	47 487
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	622 378	413 139	209 239	68 597	86 674	53 968
Demand deposits of banks	0	0	0	0	0	0
Time deposits of banks	595 607	413 139	182 468	44 386	84 118	53 964
Deposits of other financial institutions	26 771	0	26 771	24 211	2 556	4
Deposits of non-financial institutions and other customers	206 560	0	206 560	81 205	103 292	22 063
Demand deposits	64 536	0	64 536	42 588	18 213	3 735
Time deposits	105 118	0	105 118	32 695	58 689	13 734
Savings deposits	36 906	0	36 906	5 922	26 390	4 594
Deposits, total	828 938	413 139	415 799	149 802	189 966	76 031
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	10 154	3 565	6 589	2 133	3 166	1 290
Liabilities, total	839 092	416 704	422 388	151 935	193 132	77 321
Reserves and financial result, total	20 299	10 113	10 186	10 186		
Reserves	10 113	10 113	0	0		
Profit/loss, current year	10 186	0	10 186	10 186		
Liabilities, reserves, and financial result, total	859 391	426 817	432 574	162 121	193 132	77 321
Memo: credit substitutes and other off-balance sheet commitments	113 194	5 722	107 472	34 085	66 277	7 110



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	40 555	1 089	39 466	8 646	29311	1509
Interest income from claims on financial institutions	1 704	1 089	615	32	493	90
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	51	0	51	38	13	0
Interest income from loans	38 800	0	38 800	8 576	28805	1419
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	15 235	8 358	6 877	2 852	2956	1069
Interest expenditure on deposits of financial institutions	12 615	8 358	4 257	1 486	2 044	727
Interest expenditure on deposits of non-financial institutions and other customers	2 620	0	2 620	1 366	912	342
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
INTEREST AND DIVIDEND INCOME, NET	25 320	-7 269	32 589	5 794	26355	440
CREDIT PROVISIONS						
Accrued provisions	6 224	0	6 224			
Reintegrated provisions	655	0	655			
Credit provisions, net	5 569	0	5 569			
TRADING PORTFOLIO GAIN/LOSS	-15	0	-15			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	19	0	19			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	6 610	1 025	5 585			
NON-INTEREST EXPENDITURE	13 710	0	13 710			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	12 655	-6 244	18 899			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-595	-427	-168			
EXTRAORDINARY GAIN/LOSS	-13	0	-13			
TAX	1 861	0	1 861			
PROFIT/LOSS, NET	10 186	-6 671	16 857			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Resolution of the Sofia City Court of 27 April 1993, lot No. 8931, vol. 133, reg. I, p. 52
Address of the branch	3 Vitosha Blvd., Sofia 1000 tel.02/980 89 03; 980 56 54 Website: www.piraeusbank.gr
Management	<p>Athanasios Aristeidis Koutsopoulos</p> <p>Georgios Aristopenis Haralampakis</p> <p>Margarita Dobрева Petrova–Karidi</p> <p>Zhasmina Stoilova Uzunova</p> <p>Silva Videnova Nakova</p> <p>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</p>
Shareholders (shares over 10%)	A branch of Piraeus Bank, Athens



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	56 403	43 284	10 625	2 494
Claims on financial institutions, net	86 302	10 284	9 198	66 820
Claims under repurchase agreements	307	307	0	0
Trading portfolio	77 765	39 784	11 388	26 593
Investment portfolio	5 978	5 129	3	846
Loans to non-financial institutions and other customers, net	292 264	159 328	119 276	13 660
Loans to budget	0	0	0	0
Commercial loans	234 382	110 260	110 731	13 391
Commercial real estate and construction loans	45 091	17 211	23 578	4 302
Other commercial loans	189 291	93 049	87 153	9 089
Agricultural loans	8 245	6 233	1 193	819
Consumer loans	49 002	47 533	1 467	2
Housing mortgage loans to individuals	10 992	4 129	6 820	43
Other loans	473	338	55	80
Loans to non-financial institutions and other customers, total	303 094	168 493	120 266	14 335
Less: specific provisions	10 830	9 165	990	675
Assets for resale	1 065	1 065	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	8 614	8 469	108	37
Intangible assets	297	297	0	0
Premises and other fixed assets	10 598	10 598	0	0
Assets, total	539 593	278 545	150 598	110 450
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	40 981	20 771	19 816	394
Demand deposits of banks	0	0	0	0
Time deposits of banks	29 567	10 003	19 564	0
Deposits of other financial institutions	11 414	10 768	252	394
Deposits of non-financial institutions and other customers	401 975	184 207	102 621	115 147
Demand deposits	120 948	75 901	28 500	16 547
Time deposits	281 027	108 306	74 121	98 600
Savings deposits	0	0	0	0
Deposits, total	442 956	204 978	122 437	115 541
Borrowings under repurchase agreements	2 006	2 006	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	28 247	14 644	13 602	1
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 406	1 736	2 468	1 202
Liabilities, total	478 615	223 364	138 507	116 744
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	60 978	60 978		
Shareholder capital	50 804	50 804		
Reserves	3 961	3 961		
Profit/loss, current year	6 213	6 213		
Liabilities, minority interest, and capital, total	539 593	284 342	138 507	116 744
Memo: credit substitutes and other off-balance sheet commitments	80 828	68 593	11 393	842

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	34 669	19 674	9 843	5 152
Interest income from claims on financial institutions	2 697	397	494	1 806
Interest income from claims under repurchase agreements	22	22	0	0
Interest income from trading portfolio	3 063	1 741	418	904
Interest income from investment portfolio	215	31	0	184
Interest income from loans	28 603	17 414	8 931	2 258
Dividend income	69	69	0	0
INTEREST EXPENDITURE	17 492	8 075	4 505	4 912
Interest expenditure on deposits of financial institutions	866	748	43	75
Interest expenditure on deposits of non-financial institutions and other customers	14 806	6 544	3 425	4 837
Interest expenditure on borrowings under repurchase agreements	148	148	0	0
Interest expenditure on borrowings	1 672	635	1 037	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
INTEREST AND DIVIDEND INCOME, NET	17 177	11 599	5 338	240
CREDIT PROVISIONS				
Accrued provisions	8 426			
Reintegrated provisions	3 742			
Credit provisions, net	4 684			
TRADING PORTFOLIO GAIN/LOSS	6 368			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	112			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	11 862			
NON-INTEREST EXPENDITURE	19 943			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	10 892			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-3 763			
EXTRAORDINARY GAIN/LOSS	0			
TAX	916			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 213			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 24013 of 1993 of the Sofia City Court, lot No. 15059, vol. 194, p. 174
Address of the head office	43 Cherni Vrah Blvd., Sofia 1407 tel. 02/969 07 60 Website: www.eurobank.bg
Management	
Supervisory Board	Ioannis Kyriakopoulos George Mantakas Michael Colakides
Management Board	Emil Angelov Angelov – Chairman Anton Hristov Todorov – Deputy Chairman Ivelina Yordanova Decheva*
Executive Members of the Management Board	Emil Angelov Angelov Anton Hristov Todorov
Shareholders (shares over 10%)	
	Piraeus Bank, Athen, Greece – 99.79%

* Deletion in the Sofia City Court is pending.

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	171 619	105 736	59 549	6 334
Claims on financial institutions, net	183 683	16 838	147 660	19 185
Claims under repurchase agreements	19 333	15 923	2 122	1 288
Trading portfolio	53 209	9 696	27 115	16 398
Investment portfolio	49 721	9 900	39 821	0
Loans to non-financial institutions and other customers, net	1 157 511	569 494	557 533	30 484
Loans to budget	0	0	0	0
Commercial loans	665 256	215 363	420 755	29 138
Commercial real estate and construction loans	134 234	25 212	105 478	3 544
Other commercial loans	531 022	190 151	315 277	25 594
Agricultural loans	7 089	2 974	4 115	0
Consumer loans	297 948	296 851	944	153
Housing mortgage loans to individuals	193 332	91 758	100 721	853
Other loans	44 301	7 843	36 051	407
Loans to non-financial institutions and other customers, total	1 207 926	614 789	562 586	30 551
Less: specific provisions	50 415	45 295	5 053	67
Assets for resale	802	802	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	9 024	5 268	2 789	967
Intangible assets	10 839	10 839	0	0
Premises and other fixed assets	41 310	41 310	0	0
Assets, total	1 697 051	785 806	836 589	74 656
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	193 706	50 044	139 796	3 866
Demand deposits of banks	17 195	3 005	14 038	152
Time deposits of banks	140 159	18 815	121 344	0
Deposits of other financial institutions	36 352	28 224	4 414	3 714
Deposits of non-financial institutions and other customers	985 790	488 643	331 412	165 735
Demand deposits	352 856	227 811	104 632	20 413
Time deposits	445 146	183 009	171 650	90 487
Savings deposits	187 788	77 823	55 130	54 835
Deposits, total	1 179 496	538 687	471 208	169 601
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	326 934	61 390	265 544	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	18 778	14 437	2 478	1 863
Liabilities, total	1 525 208	614 514	739 230	171 464
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	171 843	171 843		
Shareholder capital	109 925	109 925		
Reserves	47 687	47 687		
Profit/loss, current year	14 231	14 231		
Liabilities, minority interest, and capital, total	1 697 051	786 357	739 230	171 464
Memo: credit substitutes and other off-balance sheet commitments	340 298	218 924	112 108	9 266



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	101 979	61 542	34 061	6 376
Interest income from claims on financial institutions	3 974	493	722	2 759
Interest income from claims under repurchase agreements	763	615	99	49
Interest income from trading portfolio	3 188	1 125	1 061	1 002
Interest income from investment portfolio	4 177	734	3 133	310
Interest income from loans	89 790	58 488	29 046	2 256
Dividend income	87	87	0	0
INTEREST EXPENDITURE	26 310	10 334	13 665	2 311
Interest expenditure on deposits of financial institutions	3 385	744	2 233	408
Interest expenditure on deposits of non-financial institutions and other customers	13 587	8 271	3 416	1 900
Interest expenditure on borrowings under repurchase agreements	91	91	0	0
Interest expenditure on borrowings	8 691	1 226	7 465	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	265	0	265	0
Interest expenditure on other liabilities	291	2	286	3
INTEREST AND DIVIDEND INCOME, NET	75 669	51 208	20 396	4 065
CREDIT PROVISIONS				
Accrued provisions	33 697			
Reintegrated provisions	7 844			
Credit provisions, net	25 853			
TRADING PORTFOLIO GAIN/LOSS	6 712			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	1 131			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	38 303			
NON-INTEREST EXPENDITURE	72 813			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	23 149			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-5 163			
EXTRAORDINARY GAIN/LOSS	-1 100			
TAX	2 655			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	14 231			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Entered by Resolution of the Sofia City Court on company file No. 10646 of 1991, lot No. 14, vol. 4, p. 91
Address of the head office	14 Tsar Osvoboditel Blvd., Sofia 1048 tel. 02/816 60 00 Website: www.postbank.bg
Management	
Board of Directors	<p>Antonios C. Hassiotis – Chief Executive Director</p> <p>Theodore Karakassis – Executive Director</p> <p>Asen Vasilev Yagodin – Executive Director</p> <p>Athanassios Dionissios Petropoulos* – Executive Director</p> <p>David Watson*</p> <p>Evangelos Yoanis Kavalos</p> <p>Haralambos Margaritis Kyrkos</p> <p>Mihail Georgios Vlastarakis</p> <p>Hristos Prodromos Komiopoulos</p>
Procurator	Petya Nikolova Dimitrova
Shareholders (shares over 10%)	
	EFG Eurobank Ergasias S. A. – 53.38%
	CEN Balkan Holdings Limited – 45.32%

* Deletion in the Sofia City Court is pending.



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	74 834	31 179	41 475	2 180
Claims on financial institutions, net	59 587	1 213	52 828	5 546
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	8 677	95	7 766	816
Loans to non-financial institutions and other customers, net	408 476	219 128	186 839	2 509
Loans to budget	0	0	0	0
Commercial loans	369 761	195 196	172 105	2 460
Commercial real estate and construction loans	11 653	750	10 442	461
Other commercial loans	358 108	194 446	161 663	1 999
Agricultural loans	9 209	9 041	168	0
Consumer loans	16 257	15 627	625	5
Housing mortgage loans to individuals	21 454	4 583	16 809	62
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	416 681	224 447	189 707	2 527
Less: specific provisions	8 205	5 319	2 868	18
Assets for resale	7	7	0	0
Investments in unconsolidated subsidiaries and associated companies	500	500	0	0
Other assets	2 464	2 239	181	44
Intangible assets	1 916	1 916	0	0
Premises and other fixed assets	6 860	6 860	0	0
Assets, total	563 321	263 137	289 089	11 095
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	83 030	46 270	20 952	15 808
Demand deposits of banks	844	0	643	201
Time deposits of banks	34 511	18 043	861	15 607
Deposits of other financial institutions	47 675	28 227	19 448	0
Deposits of non-financial institutions and other customers	238 758	148 138	67 466	23 154
Demand deposits	73 896	58 237	13 916	1 743
Time deposits	162 475	89 072	52 226	21 177
Savings deposits	2 387	829	1 324	234
Deposits, total	321 788	194 408	88 418	38 962
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	18 503	18 503	0	0
Long-term borrowings	143 977	10 202	128 752	5 023
Subordinated term debt and debt/equity (hybrid) instruments	20 075	0	20 075	0
Other liabilities	8 217	3 390	4 325	502
Liabilities, total	512 560	226 503	241 570	44 487
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	50 761	50 761		
Shareholder capital	34 500	34 500		
Reserves	8 237	8 237		
Profit/loss, current year	8 024	8 024		
Liabilities, minority interest, and capital, total	563 321	277 264	241 570	44 487
Memo: credit substitutes and other off-balance sheet commitments	59 419	42 259	15 478	1 682



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	48 271	27 035	20 428	808
Interest income from claims on financial institutions	1 688	36	1 306	346
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	486	0	435	51
Interest income from loans	46 097	26 999	18 687	411
Dividend income	0	0	0	0
INTEREST EXPENDITURE	15 826	7 252	7 369	1 205
Interest expenditure on deposits of financial institutions	1 810	1 387	53	370
Interest expenditure on deposits of non-financial institutions and other customers	5 746	3 861	1 351	534
Interest expenditure on borrowings under repurchase agreements	64	64	0	0
Interest expenditure on borrowings	7 689	1 940	5 448	301
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	517	0	517	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	32 445	19 783	13 059	-397
CREDIT PROVISIONS				
Accrued provisions	16 178			
Reintegrated provisions	11 472			
Credit provisions, net	4 706			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	106			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	7 362			
NON-INTEREST EXPENDITURE	25 685			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	9 522			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	9			
EXTRAORDINARY GAIN/LOSS	49			
TAX	1 556			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	8 024			


ProCredit Bank
STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	Order No. RD 22-442 of 25 September 2001
Legal registration	Company file No. 9478 of the Sofia City Court of 2001, lot No. 64 228 , vol. 733, reg. I, p. 116
Address of the head office	131 Hristo Botev Blvd., Sofia 1233 tel. 02/921 71 00; 921 71 41 Website: www.procreditbank.bg
Management	
Supervisory Board	Klaus-Peter Zeitingner – Chairman Judith Brandsma – Deputy Chairman Hanns Martin Hagen – Deputy Chairman Helmut Toellner Christoph Freytag
Management Board	Susanne Decker – Chairman Petar Slavchev Slavov Emilia Hristova Tsareva Kai Ilm
Shareholders (shares over 10%)	
	ProCredit Holding AG – 59.13%
	European Bank for Reconstruction and Development – 19.71%
	Commerzbank AG – 19.71%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	230 335	134 506	91 090	4 739
Claims on financial institutions, net	549 175	35 177	366 144	147 854
Claims under repurchase agreements	11 942	301	11 641	0
Trading portfolio	339 134	76 673	174 020	88 441
Investment portfolio	282 252	124 381	148 306	9 565
Loans to non-financial institutions and other customers, net	1 362 843	486 598	825 599	50 646
Loans to budget	2 249	2 249	0	0
Commercial loans	1 021 344	196 276	770 249	54 819
Commercial real estate and construction loans	198 236	10 161	185 071	3 004
Other commercial loans	823 108	186 115	585 178	51 815
Agricultural loans	19 462	11 252	8 210	0
Consumer loans	283 306	271 552	11 729	25
Housing mortgage loans to individuals	80 340	19 816	59 335	1 189
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	1 406 701	501 145	849 523	56 033
Less: specific provisions	43 858	14 547	23 924	5 387
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	3740	3740	0	0
Other assets	4 512	2 696	1 118	698
Intangible assets	7 505	7 505	0	0
Premises and other fixed assets	15 515	15 515	0	0
Assets, total	2 806 953	887 092	1 617 918	301 943
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	414 177	41 828	271 493	100 856
Demand deposits of banks	13 434	2 978	10 313	143
Time deposits of banks	371 195	24 107	246 694	100 394
Deposits of other financial institutions	29 548	14 743	14 486	319
Deposits of non-financial institutions and other customers	1 562 781	639 345	732 377	191 059
Demand deposits	840 271	431 630	310 419	98 222
Time deposits	722 510	207 715	421 958	92 837
Savings deposits	0	0	0	0
Deposits, total	1 976 958	681 173	1 003 870	291 915
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	480 465	4 979	422 261	53 225
Subordinated term debt and debt/equity (hybrid) instruments	99 747	0	99 747	0
Other liabilities	55 682	14 022	34 941	6 719
Liabilities, total	2 612 852	700 174	1 560 819	351 859
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	194 101	194 101		
Shareholder capital	94 932	94 932		
Reserves	53 575	53 575		
Profit/loss, current year	45 594	45 594		
Liabilities, minority interest, and capital, total	2 806 953	894 275	1 560 819	351 859
Memo: credit substitutes and other off-balance sheet commitments	442 235	134 153	230 308	77 774



Raiffeisen BANK

INCOME STATEMENT (December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	136 067	59 443	67 380	9 244
Interest income from claims on financial institutions	9 554	263	5 415	3 876
Interest income from claims under repurchase agreements	111	32	78	1
Interest income from trading portfolio	12 752	12 752	0	0
Interest income from investment portfolio	4 358	4 723	-365	0
Interest income from loans	109 292	41 673	62 252	5 367
Dividend income	0	0	0	0
INTEREST EXPENDITURE	38 419	8 020	24 110	6 289
Interest expenditure on deposits of financial institutions	3 366	1 038	933	1 395
Interest expenditure on deposits of non-financial institutions and other customers	21 708	6 933	12 283	2 492
Interest expenditure on borrowings under repurchase agreements	24	0	22	2
Interest expenditure on borrowings	10 762	49	8 313	2 400
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	2 559	0	2 559	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	97 648	51 423	43 270	2 955
CREDIT PROVISIONS				
Accrued provisions	27 445			
Reintegrated provisions	16 669			
Credit provisions, net	10 776			
TRADING PORTFOLIO GAIN/LOSS	588			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	819			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	26 985			
NON-INTEREST EXPENDITURE	62 006			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	53 258			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-284			
EXTRAORDINARY GAIN/LOSS	666			
TAX	8 046			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	45 594			



Raiffeisen BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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
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 Nadezhda Ilieva Mihailova – Procurator
Shareholders (shares over 10%)	
	Raiffeisen International Bank-Holding AG – 100%



SOCIETE GENERALE ЕКСПРЕСБАНК

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	90 594	79 539	5 883	5 172
Claims on financial institutions, net	232 205	7 095	60 751	164 359
Claims under repurchase agreements	0	0	0	0
Trading portfolio	33 003	25 207	920	6 876
Investment portfolio	787	783	4	0
Loans to non-financial institutions and other customers, net	670 765	423 686	231 055	16 024
Loans to budget	23	23	0	0
Commercial loans	404 133	148 939	230 502	24 692
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	404 133	148 939	230 502	24 692
Agricultural loans	4 067	920	3 147	0
Consumer loans	267 173	267 054	117	2
Housing mortgage loans to individuals	16 254	13 033	2 112	1 109
Other loans	5 987	5 570	138	279
Loans to non-financial institutions and other customers, total	697 637	435 539	236 016	26 082
Less: specific provisions	26 872	11 853	4 961	10 058
Assets for resale	464	464	0	0
Investments in unconsolidated subsidiaries and associated companies	500	500	0	0
Other assets	2 880	1 687	990	203
Intangible assets	5 017	5 017	0	0
Premises and other fixed assets	48 679	48 679	0	0
Assets, total	1 084 894	592 657	299 603	192 634
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	152 339	93 062	59 275	2
Demand deposits of banks	144	144	0	0
Time deposits of banks	110 513	51 827	58 686	0
Deposits of other financial institutions	41 682	41 091	589	2
Deposits of non-financial institutions and other customers	764 432	399 252	177 450	187 730
Demand deposits	241 636	192 729	36 191	12 716
Time deposits	348 588	176 776	88 022	83 790
Savings deposits	174 208	29 747	53 237	91 224
Deposits, total	916 771	492 314	236 725	187 732
Borrowings under repurchase agreements	0	0	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	21 312	14 534	3 956	2 822
Liabilities, total	938 083	506 848	240 681	190 554
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	146 811	146 811		
Shareholder capital	28 530	28 530		
Reserves	92 221	92 221		
Profit/loss, current year	26 060	26 060		
Liabilities, minority interest, and capital, total	1 084 894	653 659	240 681	190 554
Memo: credit substitutes and other off-balance sheet commitments	136 036	65 695	56 145	14 196



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	64 244	47 359	12 052	4 833
Interest income from claims on financial institutions	4 087	32	757	3 298
Interest income from claims under repurchase agreements	3	3	0	0
Interest income from trading portfolio	1 427	1 427	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	58 524	45 694	11 295	1 535
Dividend income	203	203	0	0
INTEREST EXPENDITURE	15 381	11 577	2 436	1 368
Interest expenditure on deposits of financial institutions	1 957	1 686	271	0
Interest expenditure on deposits of non-financial institutions and other customers	13 424	9 891	2 165	1 368
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
INTEREST AND DIVIDEND INCOME, NET	48 863	35 782	9 616	3 465
CREDIT PROVISIONS				
Accrued provisions	16 927			
Reintegrated provisions	11 325			
Credit provisions, net	5 602			
TRADING PORTFOLIO GAIN/LOSS	386			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	29 646			
NON-INTEREST EXPENDITURE	37 561			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	35 732			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-5 014			
EXTRAORDINARY GAIN/LOSS	0			
TAX	4 658			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	26 060			



SOCIETE GENERALE ЕКСПРЕСБАНК

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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. A permit was given to SG Expressbank to be renamed to Société Générale Expressbank by Order No. 22-1387 of the BNB Deputy Governor heading the Banking Supervision Department dated 29 July 2005. The change was entered in the Commercial Register by Resolution No. 6452 of the Varna Regional Court dated 4 October 2005.
Address of the head office	92 Vladislav Varnenchik Blvd., Varna 9000 tel. 052/686 100; 02/937 04 76 Website: www.sgexpressbank.bg
Management	
Supervisory Board	Philippe Vigué – Chairman Emmanuel Piot – Deputy Chairman Jean-Louis Mattei Andre-Marc Prudent Pierre Boursot
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
Shareholders (shares over 10%)	Société Générale, Paris – 97.95%



T. C. ZIRAAT BANK, SOFIA BRANCH

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	2 075	0	2 075	1 176	581	318
Claims on financial institutions, net	14 331	2 169	12 162	5	11 474	683
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	27 292	0	27 292	0	23 093	4 199
Loans to non-financial institutions and other customers, net	525	0	525	367	63	95
Loans to budget	0	0	0	0	0	0
Commercial loans	245	0	245	228	17	0
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	245	0	245	228	17	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	280	0	280	139	46	95
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	525	0	525	367	63	95
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	81	0	81	79	2	0
Intangible assets	300	0	300	300	0	0
Premises and other fixed assets	52	0	52	52	0	0
Assets, total	44 656	2 169	42 487	1 979	35 213	5 295
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	3 703	3 703	0	0	0	0
Demand deposits of banks	3 703	3 703	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	13 263	0	13 263	1 704	6 178	5 381
Demand deposits	8 951	0	8 951	1 638	5 226	2 087
Time deposits	4 312	0	4 312	66	952	3 294
Savings deposits	0	0	0	0	0	0
Deposits, total	16 966	3 703	13 263	1 704	6 178	5 381
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	234	0	234	155	69	10
Liabilities, total	17 200	3 703	13 497	1 859	6 247	5 391
Reserves and financial result, total	27 456	26 922	534	534		
Reserves	26 922	26 922	0	0		
Profit/loss, current year	534	0	534	534		
Liabilities, reserves, and financial result, total	44 656	30 625	14 031	2 393	6 247	5 391
Memo: credit substitutes and other off-balance sheet commitments	477	0	477	156	257	64



T. C. ZIRAAT BANK, SOFIA BRANCH

INCOME STATEMENT (December 2005)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	1 717	25	1 692	37	1386	269
Interest income from claims on financial institutions	236	25	211	3	192	16
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	1427	0	1427	0	1185	242
Interest income from loans	54	0	54	34	9	11
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	139	0	139	21	48	70
Interest expenditure on deposits of financial institutions	0	0	0	0	0	0
Interest expenditure on deposits of non-financial institutions and other customers	139	0	139	21	48	70
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
INTEREST AND DIVIDEND INCOME, NET	1 578	25	1 553	16	1338	199
CREDIT PROVISIONS						
Accrued provisions	0	0	0			
Reintegrated provisions	0	0	0			
Credit provisions, net	0	0	0			
TRADING PORTFOLIO GAIN/LOSS	0	0	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	211	0	211			
NON-INTEREST EXPENDITURE	1 183	0	1 183			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	606	25	581			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	21	0	21			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	93	0	93			
PROFIT/LOSS, NET	534	25	509			



T. C. ZIRAAT BANK, SOFIA BRANCH

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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 8801 of 1998 of the Sofia City Court, lot No. 863, vol. 15, p. 173
Address of the branch	19 Sveta Nedelya Sq., Sofia 1000 tel. 02/980 00 87 e-mail: ziraat@medicom.bg
Management	
Management Board	Sezgin Bayar – President Gurgan Sener – Vice President
Shareholders (shares over 10%)	
	T. C. Ziraat Bank, Ankara – 100%



TEXIM PRIVATE ENTREPRENEURIAL BANK

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	2 710	1 631	989	90
Claims on financial institutions, net	12 855	2 592	4 541	5 722
Claims under repurchase agreements	0	0	0	0
Trading portfolio	208	208	0	0
Investment portfolio	45	45	0	0
Loans to non-financial institutions and other customers, net	19 992	7 495	9 543	2 954
Loans to budget	0	0	0	0
Commercial loans	16 012	6 855	6 691	2 466
Commercial real estate and construction loans	4 689	1 608	2 875	206
Other commercial loans	11 323	5 247	3 816	2 260
Agricultural loans	712	417	295	0
Consumer loans	1 549	341	1 134	74
Housing mortgage loans to individuals	369	1	329	39
Other loans	1 855	28	1 187	640
Loans to non-financial institutions and other customers, total	20 497	7 642	9 636	3 219
Less: specific provisions	505	147	93	265
Assets for resale	101	101	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	4 883	1 706	3 153	24
Intangible assets	116	116	0	0
Premises and other fixed assets	6 021	6 021	0	0
Assets, total	46 931	19 915	18 226	8 790
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	55	26	29	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	55	26	29	0
Deposits of non-financial institutions and other customers	22 584	14 251	3 386	4 947
Demand deposits	9 313	8 249	378	686
Time deposits	10 991	4 426	2 609	3 956
Savings deposits	2 280	1 576	399	305
Deposits, total	22 639	14 277	3 415	4 947
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	5 482	1 496	3 986	0
Subordinated term debt and debt/equity (hybrid) instruments	1 393	0	744	649
Other liabilities	2 668	2 657	11	0
Liabilities, total	32 182	18 430	8 156	5 596
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	14 749	14 749		
Shareholder capital	10 000	10 000		
Reserves	3 834	3 834		
Profit/loss, current year	915	915		
Liabilities, minority interest, and capital, total	46 931	33 179	8 156	5 596
Memo: credit substitutes and other off-balance sheet commitments	2 008	1 298	295	415



TEXIM PRIVATE ENTREPRENEURIAL BANK

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INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	2 809	938	1 334	537
Interest income from claims on financial institutions	236	31	40	165
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	40	40	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	2 533	867	1 294	372
Dividend income	0	0	0	0
INTEREST EXPENDITURE	901	300	396	205
Interest expenditure on deposits of financial institutions	2	2	0	0
Interest expenditure on deposits of non-financial institutions and other customers	504	254	83	167
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	314	39	275	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	76	0	38	38
Interest expenditure on other liabilities	5	5	0	0
INTEREST AND DIVIDEND INCOME, NET	1 908	638	938	332
CREDIT PROVISIONS				
Accrued provisions	441			
Reintegrated provisions	88			
Credit provisions, net	353			
TRADING PORTFOLIO GAIN/LOSS	-5			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	2 136			
NON-INTEREST EXPENDITURE	3 169			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	517			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	411			
EXTRAORDINARY GAIN/LOSS	0			
TAX	13			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	915			



TEXIM PRIVATE ENTREPRENEURIAL BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 24103 of the Sofia City Court of 1992, lot No. 4542, vol. 89, p. 180
Address of the head office	107 Knyaginya Maria-Luiza Blvd., Sofia 1202 tel. 02/9359 300; 9359 301 Website: www.teximbank.bg
Management	
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
Shareholders (shares over 10%)	
	Paton Anstalt – 27.33%
	Marieta Georgieva Naidenova – 15.24%
	Pavlina Georgieva Naidenova – 15.09%

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	5 840	3 819	1 664	357
Claims on financial institutions, net	19 881	1 877	9 826	8 178
Claims under repurchase agreements	0	0	0	0
Trading portfolio	14 224	4 198	7 969	2 057
Investment portfolio	547	546	1	0
Loans to non-financial institutions and other customers, net	39 105	24 183	13 837	1 085
Loans to budget	0	0	0	0
Commercial loans	26 710	12 650	12 922	1 138
Commercial real estate and construction loans	7 728	3 428	3 719	581
Other commercial loans	18 982	9 222	9 203	557
Agricultural loans	6 398	6 398	0	0
Consumer loans	6 180	4 917	1 212	51
Housing mortgage loans to individuals	1 018	1 018	0	0
Other loans	223	218	5	0
Loans to non-financial institutions and other customers, total	40 529	25 201	14 139	1 189
Less: specific provisions	1 424	1 018	302	104
Assets for resale	13	13	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	466	460	6	0
Intangible assets	266	266	0	0
Premises and other fixed assets	2 580	2 580	0	0
Assets, total	82 922	37 942	33 303	11 677
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	5 324	4 762	189	373
Demand deposits of banks	373	1	167	205
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	4 951	4 761	22	168
Deposits of non-financial institutions and other customers	39 881	16 400	11 498	11 983
Demand deposits	21 533	8 860	7 307	5 366
Time deposits	18 348	7 540	4 191	6 617
Savings deposits	0	0	0	0
Deposits, total	45 205	21 162	11 687	12 356
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	6 166	6 166	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	643	473	169	1
Liabilities, total	52 014	27 801	11 856	12 357
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	30 908	30 908		
Shareholder capital	45 000	45 000		
Reserves	-16 575	-16 575		
Profit/loss, current year	2 483	2 483		
Liabilities, minority interest, and capital, total	82 922	58 709	11 856	12 357
Memo: credit substitutes and other off-balance sheet commitments	4 862	2 441	2 373	48



INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	6 139	3 305	2 423	411
Interest income from claims on financial institutions	302	40	168	94
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	592	261	288	43
Interest income from investment portfolio	0	0	0	0
Interest income from loans	5 245	3 004	1 967	274
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 305	629	180	496
Interest expenditure on deposits of financial institutions	113	110	2	1
Interest expenditure on deposits of non-financial institutions and other customers	1 071	398	178	495
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	121	121	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
INTEREST AND DIVIDEND INCOME, NET	4 834	2 676	2 243	-85
CREDIT PROVISIONS				
Accrued provisions	940			
Reintegrated provisions	717			
Credit provisions, net	223			
TRADING PORTFOLIO GAIN/LOSS	177			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	1 556			
NON-INTEREST EXPENDITURE	3 836			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 508			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-25			
EXTRAORDINARY GAIN/LOSS	0			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 483			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	3, Graf Ignatiev Str., Sofia 1000 tel. 02/981 21 05; 937 00 30
Management	
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	Stoyan Peikov Stoyanov – Chairman Lozana Lyubenova Slavchova – Executive Director Svetlozar Georgiev Karaneshev – Executive Director
Shareholders (shares over 10%)	International Hospital Services Co. – 93.84%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	27 014	14 854	10 517	1 643
Claims on financial institutions, net	93 655	4 094	48 222	41 339
Claims under repurchase agreements	0	0	0	0
Trading portfolio	51 219	12 488	24 672	14 059
Investment portfolio	17 020	14 905	1 523	592
Loans to non-financial institutions and other customers, net	275 921	62 580	196 813	16 528
Loans to budget	684	684	0	0
Commercial loans	245 504	48 259	180 796	16 449
Commercial real estate and construction loans	117 912	6 945	101 185	9 782
Other commercial loans	127 592	41 314	79 611	6 667
Agricultural loans	13 135	11 604	1 531	0
Consumer loans	9 027	3 195	5 797	35
Housing mortgage loans to individuals	11 083	81	10 496	506
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	279 433	63 823	198 620	16 990
Less: specific provisions	3 512	1 243	1 807	462
Assets for resale	413	413	0	0
Investments in unconsolidated subsidiaries and associated companies	2000	2000	0	0
Other assets	965	907	44	14
Intangible assets	1 391	1 391	0	0
Premises and other fixed assets	4 545	4 545	0	0
Assets, total	474 143	118 177	281 791	74 175
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	35 640	17 154	18 378	108
Demand deposits of banks	91	20	0	71
Time deposits of banks	20 227	6 534	13 693	0
Deposits of other financial institutions	15 322	10 600	4 685	37
Deposits of non-financial institutions and other customers	299 805	118 966	114 615	66 224
Demand deposits	109 983	72 484	28 835	8 664
Time deposits	182 260	45 999	81 416	54 845
Savings deposits	7 562	483	4 364	2 715
Deposits, total	335 445	136 120	132 993	66 332
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	71 042	5 033	58 732	7 277
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	6 244	4 107	1 553	584
Liabilities, total	412 731	145 260	193 278	74 193
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	61 412	61 412		
Shareholder capital	15 412	15 412		
Reserves	32 779	32 779		
Profit/loss, current year	13 221	13 221		
Liabilities, minority interest, and capital, total	474 143	206 672	193 278	74 193
Memo: credit substitutes and other off-balance sheet commitments	41 093	31 249	7 924	1 920

INCOME STATEMENT

(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	35 627	7 929	22 786	4 912
Interest income from claims on financial institutions	1 637	43	463	1 131
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	3 212	659	1 558	995
Interest income from investment portfolio	694	542	124	28
Interest income from loans	30 073	6 674	20 641	2 758
Dividend income	10	10	0	0
INTEREST EXPENDITURE	14 015	2 871	7 672	3 472
Interest expenditure on deposits of financial institutions	1 118	719	369	30
Interest expenditure on deposits of non-financial institutions and other customers	8 618	1 998	3 721	2 899
Interest expenditure on borrowings under repurchase agreements	117	12	105	0
Interest expenditure on borrowings	4 162	142	3 477	543
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	21 612	5 058	15 114	1 440
CREDIT PROVISIONS				
Accrued provisions	8 962			
Reintegrated provisions	15 331			
Credit provisions, net	-6 369			
TRADING PORTFOLIO GAIN/LOSS	1 831			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	376			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	8 800			
NON-INTEREST EXPENDITURE	20 835			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	18 153			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-2 620			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2 312			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	13 221			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	Company file No. 31533 of 1992, lot No. 648, vol. 12, p. 75
Address of the head office	10–12 Damyan Gruev Str., Sofia 1606 tel. 02/9153 333; 9153 315 Website: www.unionbank.bg
Management	
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 Dorcho Dimitrov Ilchev – Executive Director Todor Kostadinov Nikolov Ivailo Tsvetanov Donchev
Shareholders (shares over 10%)	
	Union Group – 29.30% European Bank for Reconstruction and Development – 15% Boras – 14.14%



BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	496 733	156 000	320 358	20 375
Claims on financial institutions, net	382 438	119 286	89 885	173 267
Claims under repurchase agreements	28 274	4 018	24 256	0
Trading portfolio	180 494	65 150	48 499	66 845
Investment portfolio	890	833	57	0
Loans to non-financial institutions and other customers, net	1 999 669	1 141 049	826 843	31 777
Loans to budget	2 256	2 256	0	0
Commercial loans	1 012 912	223 586	757 636	31 690
Commercial real estate and construction loans	162 890	19 441	139 482	3 967
Other commercial loans	850 022	204 145	618 154	27 723
Agricultural loans	114 388	67 141	46 003	1 244
Consumer loans	554 872	553 264	1 569	39
Housing mortgage loans to individuals	369 704	341 192	28 317	195
Other loans	3 592	3 527	38	27
Loans to non-financial institutions and other customers, total	2 057 724	1 190 966	833 563	33 195
Less: specific provisions	58 055	49 917	6 720	1 418
Assets for resale	1 187	1 187	0	0
Investments in unconsolidated subsidiaries and associated companies	792	792	0	0
Other assets	4 103	4 082	2	19
Intangible assets	18 864	18 864	0	0
Premises and other fixed assets	62 206	62 206	0	0
Assets, total	3 175 650	1 573 467	1 309 900	292 283
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	253 721	194 984	49 480	9 257
Demand deposits of banks	43 118	3 411	34 808	4 899
Time deposits of banks	142 332	133 825	6 447	2 060
Deposits of other financial institutions	68 271	57 748	8 225	2 298
Deposits of non-financial institutions and other customers	2 126 430	1 115 846	640 245	370 339
Demand deposits	792 753	588 165	153 861	50 727
Time deposits	845 051	385 357	272 795	186 899
Savings deposits	488 626	142 324	213 589	132 713
Deposits, total	2 380 151	1 310 830	689 725	379 596
Borrowings under repurchase agreements	425	425	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	358 664	132 256	226 408	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	14 327	14 327	0	0
Liabilities, total	2 753 567	1 457 838	916 133	379 596
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	422 083	422 083		
Shareholder capital	75 964	75 964		
Reserves	252 255	252 255		
Profit/loss, current year	93 864	93 864		
Liabilities, minority interest, and capital, total	3 175 650	1 879 921	916 133	379 596
Memo: credit substitutes and other off-balance sheet commitments	210 258	72 446	123 892	13 920



**UNITED
BULGARIAN
BANK**

A Member of NBG Group

INCOME STATEMENT
(December 2005)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	216 342	148 190	56 628	11 524
Interest income from claims on financial institutions	5 197	497	80	4 620
Interest income from claims under repurchase agreements	199	79	109	11
Interest income from trading portfolio	8 440	3 170	1 998	3 272
Interest income from investment portfolio	0	0	0	0
Interest income from loans	202 497	144 442	54 441	3 614
Dividend income	9	2	0	7
INTEREST EXPENDITURE	35 862	23 459	9 559	2 844
Interest expenditure on deposits of financial institutions	2 338	1 793	379	166
Interest expenditure on deposits of non-financial institutions and other customers	26 433	17 124	6 631	2 678
Interest expenditure on borrowings under repurchase agreements	64	64	0	0
Interest expenditure on borrowings	7 027	4 478	2 549	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
INTEREST AND DIVIDEND INCOME, NET	180 480	124 731	47 069	8 680
CREDIT PROVISIONS				
Accrued provisions	63 137			
Reintegrated provisions	28 122			
Credit provisions, net	35 015			
TRADING PORTFOLIO GAIN/LOSS	5 948			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-10			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	61 367			
NON-INTEREST EXPENDITURE	106 063			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	106 707			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-294			
EXTRAORDINARY GAIN/LOSS	4 209			
TAX	16 758			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	93 864			



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

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB Resolution of the BNB Governing Council of 25 February 1991. Updated by Order No. 100-00487 of 17 November 1999

Legal registration Entered on company file No. 31848 of the Sofia City Court of 1992, lot No. 376, vol. 8, p. 105

Address of the head office 5 Sv. Sofia Str., Sofia 1000
tel. 02/811 28 00
Website: www.ubb.bg

Management

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

Shareholders
(shares over 10%)

National Bank of Greece – 99.9%



WestEast Bank

BALANCE SHEET AS OF 31 DECEMBER 2005

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	10 311	6 153	3 457	701
Claims on financial institutions, net	13 770	46	12 042	1 682
Claims under repurchase agreements	0	0	0	0
Trading portfolio	310	310	0	0
Investment portfolio	4 355	1 859	2 496	0
Loans to non-financial institutions and other customers, net	76 168	23 634	48 623	3 911
Loans to budget	0	0	0	0
Commercial loans	62 575	9 764	48 861	3 950
Commercial real estate and construction loans	36 604	5 155	30 600	849
Other commercial loans	25 971	4 609	18 261	3 101
Agricultural loans	15 079	15 079	0	0
Consumer loans	429	143	286	0
Housing mortgage loans to individuals	316	50	266	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	78 399	25 036	49 413	3 950
Less: specific provisions	2 231	1 402	790	39
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	7	7	0	0
Other assets	891	262	629	0
Intangible assets	584	584	0	0
Premises and other fixed assets	899	899	0	0
Assets, total	107 295	33 754	67 247	6 294
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	37 434	573	32 941	3 920
Demand deposits of banks	9	0	6	3
Time deposits of banks	36 729	0	32 812	3 917
Deposits of other financial institutions	696	573	123	0
Deposits of non-financial institutions and other customers	28 401	8 558	17 457	2 386
Demand deposits	20 983	5 383	14 428	1 172
Time deposits	7 418	3 175	3 029	1 214
Savings deposits	0	0	0	0
Deposits, total	65 835	9 131	50 398	6 306
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	17 919	14 001	3 918	0
Subordinated term debt and debt/equity (hybrid) instruments	5 931	0	5 931	0
Other liabilities	763	218	534	11
Liabilities, total	90 448	23 350	60 781	6 317
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	16 847	16 847		
Shareholder capital	15 800	15 800		
Reserves	-1 371	-1 371		
Profit/loss, current year	2 418	2 418		
Liabilities, minority interest, and capital, total	107 295	40 197	60 781	6 317
Memo: credit substitutes and other off-balance sheet commitments	24 005	5 463	14 817	3 725

INCOME STATEMENT
(December 2005)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	7 896	2 574	4 556	766
Interest income from claims on financial institutions	280	7	193	80
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	234	81	153	0
Interest income from loans	7 382	2 486	4 210	686
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 620	347	1 001	272
Interest expenditure on deposits of financial institutions	598	16	398	184
Interest expenditure on deposits of non-financial institutions and other customers	462	86	288	88
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	497	245	252	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	63	0	63	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	6 276	2 227	3 555	494
CREDIT PROVISIONS				
Accrued provisions	1 511			
Reintegrated provisions	0			
Credit provisions, net	1 511			
TRADING PORTFOLIO GAIN/LOSS	-31			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	764			
NON-INTEREST EXPENDITURE	3 257			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 241			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	178			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 418			


WestEast Bank
STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2005

License granted by the BNB	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
Legal registration	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
Address of the head office	36 Dragan Tsankov Blvd., Sofia 1040 Interpred World Trade Center tel. 02/970 24 10 Website: www.westeastbank.bg
Management	
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
Shareholders (shares over 10%)	
	Aktiva Holdings BV, Amsterdam – 72.51% LB Maxima, Ljubljana – 24.50%