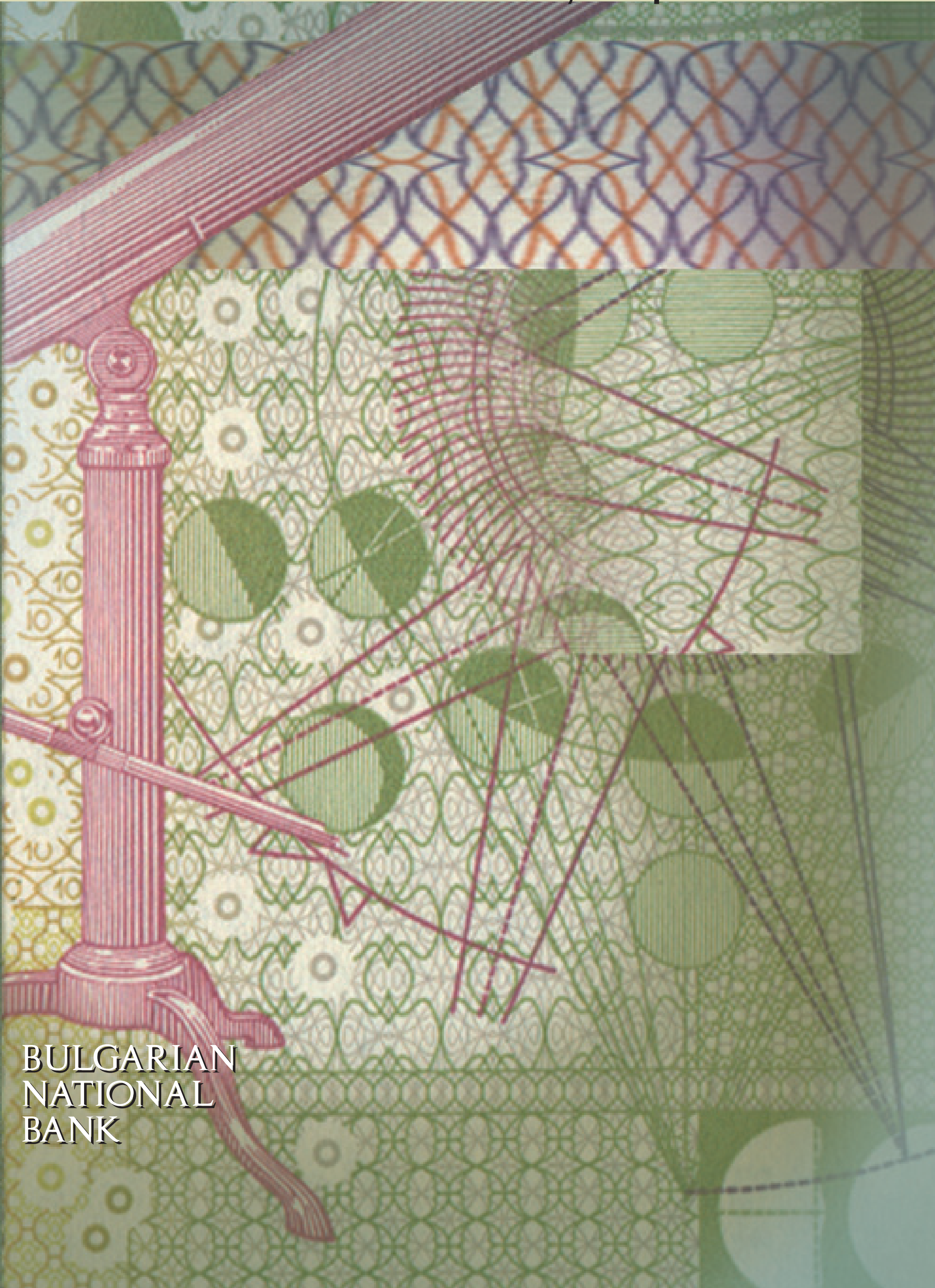
Commercial Banks in Bulgaria

July – September 2006



BULGARIAN NATIONAL BANK

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1879

BULGARIAN NATIONAL BANK

ISSN 1311–4824

This issue includes materials and data received by 13 November 2006 (Sections II – V)
and by 9 January 2007 (Section I).

Elements of the 1999 issue banknote with a nominal value of 10 levs are used in cover design.

Published by the Bulgarian National Bank
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Abbreviations

BGN	–	The Abbreviation of the Redenominated lev
BNB	–	Bulgarian National Bank
Core ROA	–	Core Return on Assets
HHI	–	Herfindahl-Hirschman Index (Market Concentration Index)
ROA	–	Return on Assets
ROE	–	Return on Equity
RWA	–	Risk-weighted Assets
UBPR	–	Uniform Bank Performance Report

I. State of the Banking System

(third quarter of 2006)

1. Introduction

This report includes analysis of major trends in the banking system during the third quarter of 2006. 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

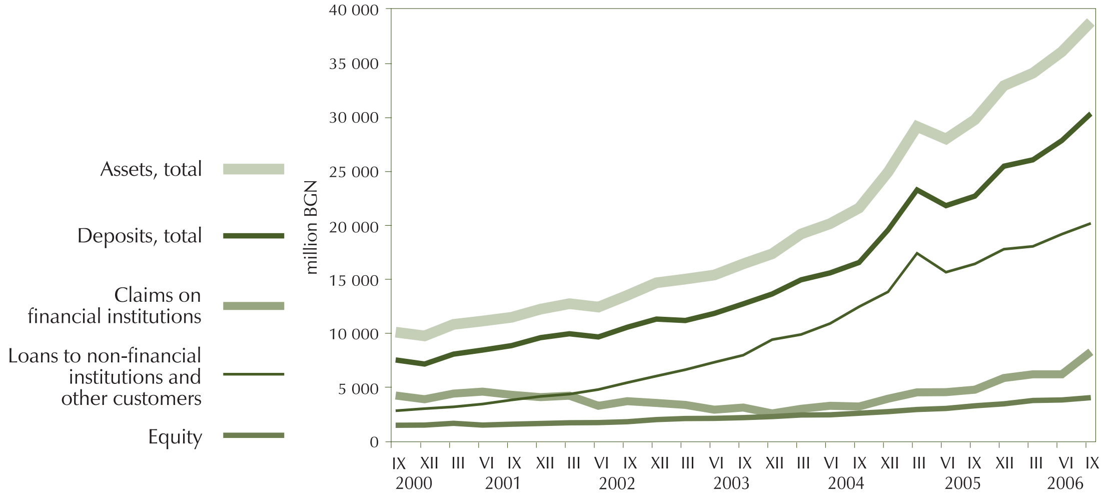
At the end of September banking system's balance sheet assets came to BGN 38,743 million: up by 7.7 per cent (BGN 2756 million) on 30 June 2006 and by 30.4 per cent (BGN 9035 million) within a year. In the review quarter balance sheet figure's growth rates picked up by some 2 percentage points compared with the March to June 2006 period and by 1.3 percentage points on the third quarter of the previous year. In the review quarter and in a one-year horizon their dynamics was affected by the one-off effect of a completed privatization transaction.[1] The rise in deposits of non-financial institutions and other customers (BGN 2107 million) was the main source of the quarterly increase in the banking system's balance sheet figure. The banking sector received additional resources in the form of financial institutions' deposits (BGN 380 million), long-term borrowings (BGN 198 million) and equity (BGN 213 million). Compared with 30 June 2006, the ten Group I banks reported the highest absolute increase in the balance sheet figure to the amount of BGN 1930 million (7.3 per

[1] The CEZ Czech company acquired the shares of the Varna Thermo-electric Power Plant for EUR 206 million and invested another EUR 99 million in increasing the thermo-electric plant's capital. By the end of September these funds were transferred as demand deposits on accounts with a bank, thus increasing its non-financial institutions' deposits by BGN 512 million and its balance sheet figure two and a half times on end-June. However, the funds decreased in the first week of October (6 October 2006), when the CEZ transferred BGN 318 million to the Privatization Agency's account with the BNB. Until the completion of the transaction, operations will affect the claims on financial institutions item in the balance sheet since the bank placed two-thirds of these funds in the form of time deposits.

cent), while foreign bank branches registered the highest percentage growth of 68.9 per cent (BGN 660 million). Group II institutions expanded their positions by just BGN 167 million (2 per cent). Foreign bank branches increased their market share as a result mainly of the growth in two of them: BGN 532 million or 159.6 per cent for the first and BGN 91 million or 25.6 per cent for the second branch.

Chart 1

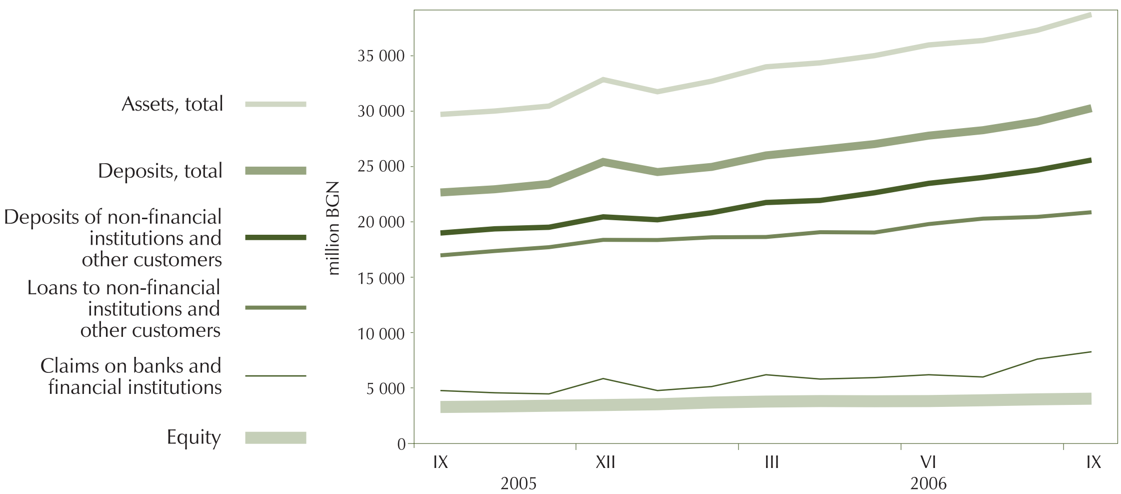
Dynamics of Major Balance Sheet Aggregates by Quarter



The annual increase in the banking system assets by BGN 9 billion was formed by the ten largest banks (BGN 6.2 billion or 27.7 per cent) and by Group II credit institutions (BGN 2.7 billion or 45.6 per cent). Owing to the reduced number of foreign bank branches during this period, the increase in their assets comprised just BGN 0.1 billion or 9.3 per cent. Over the last twelve months all banks enhanced their operations, but two of them reported insignificant changes.

Chart 2

Dynamics of Major Balance Sheet Aggregates



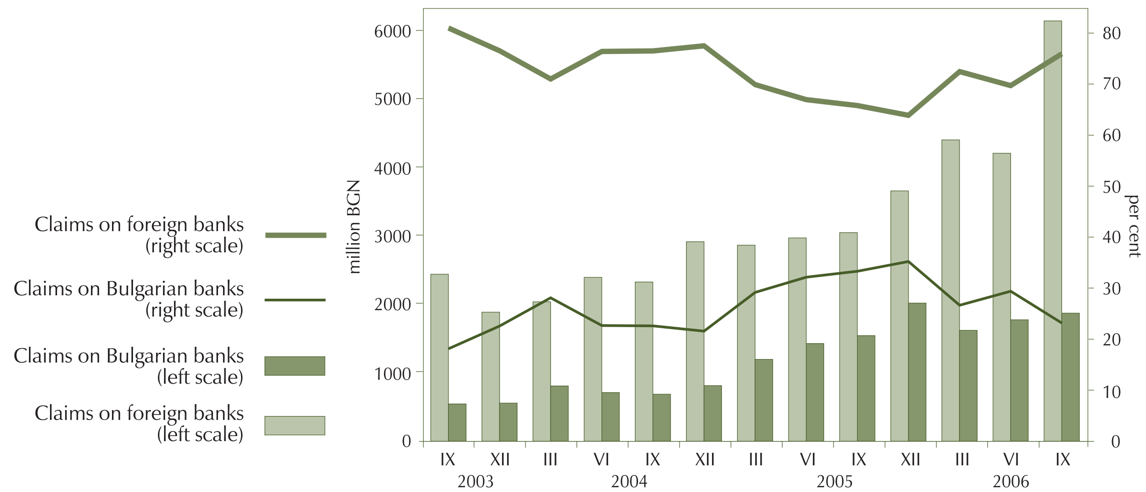
Changes in commercial bank balance sheet aggregates were as follows:

Unlike the previous quarter, in the review period the banking system total cash declined by BGN 210 million (5.1 per cent). The share of cash in the banking system assets fell to 10.1 per cent. The change reflected the August release of additional minimum reserves of BGN 808 million reported by nine banks.

Net claims on financial institutions were the most dynamic balance sheet item in the reporting quarter, with an increase of BGN 2.1 billion (33.6 per cent).[2] Transforming a great portion of the released additional minimum required reserves into placements with banks accounted for the bulk of this change. At the banking system level, time deposits of banks (BGN 1644 million or 32 per cent) posted the highest growth, followed by demand placements (BGN 402 million or 51.3 per cent) and loans of other financial institutions (BGN 37 million or 19.8 per cent). Loans to banks and other claims on credit institutions went down. During the quarter *claims on foreign financial institutions* followed closely the above upward dynamics. They picked up by BGN 1941 million (46 per cent) due to the rise in time deposits (BGN 1531 million) and demand placements with non-resident banks (BGN 415 million). Thus, by end-September 2006 demand and time deposits with foreign credit institutions increased their share by 6.3 percentage points, occupying 76.7 per cent of total deposits with banks.

Chart 3

Claims on Banks



For the second quarter in a row *assets in trading portfolio* posted slight growth which matched that in the previous quarter (BGN 14 million or 0.7 per cent) and their share in banking system assets stayed almost unchanged (5.3 per cent). However, the change by 30 June reflected the increase in the positive fair value of derivatives held for trading, while by end-September it was ascribable to acquiring corporate securities. During the third quarter Bulgarian government securities declined by BGN 30 million (2 per cent), while the other debt securities by BGN 5.5 million (12.2 per cent). Concurrently, corporate securities picked up by BGN 57 million (18 per cent) and equity securities by BGN 1.2 million. As a result of the opposite dynamics, *the portfolio of local issuers' securities* went up by BGN 23 million and occupied 92.7 per cent of the banking system's trading portfolio.

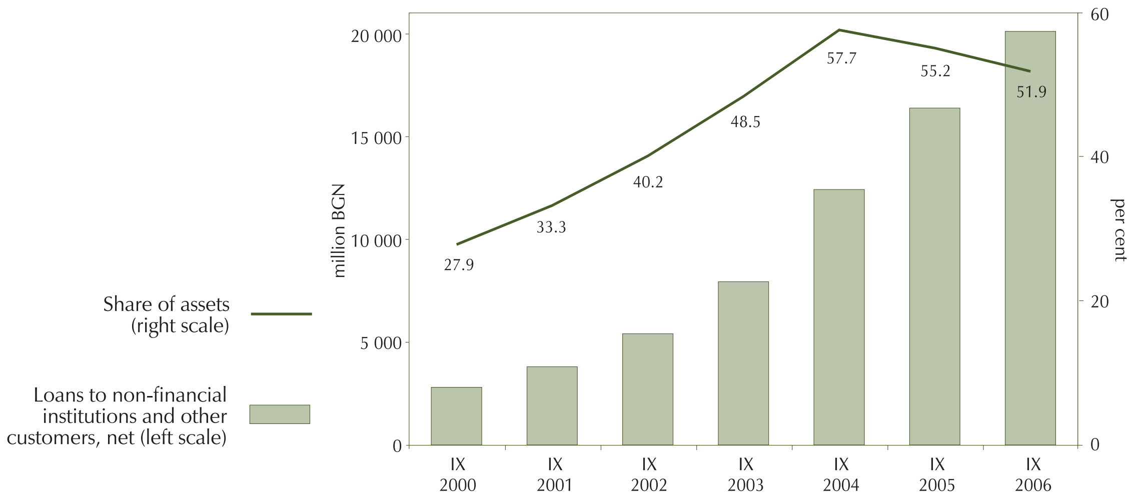
[2] For comparison, growth in the respective period of 2005 was BGN 228 million (5 per cent).

In the third quarter *investment portfolio* decreased by BGN 37 million (1.3 per cent) and its share in the system's assets contracted to 7.3 per cent. Dynamics by bank group over the previous review period continued in the third quarter as well. Medium and small-sized banks posted growth again and those of Group I and Group II – a decline. The reduced investment portfolio was attributable to EUR-denominated securities (down by BGN 39 million). Therefore, by end-September the share of investments in national currency increased to 39.7 per cent, while that in euro contracted to 39.2 per cent. Investments available for sale and those held to maturity decreased by BGN 11 million (0.9 per cent) and BGN 26 million (1.5 per cent) respectively. Investments held to maturity reported a fall in all types of securities with the exception of corporate securities which picked up by BGN 10 million, including BGN 9 million of foreign issuers.

Gross loans' growth rates decreased by 1 percentage point on the second quarter of 2006, coming to 5.4 per cent (BGN 1063 million) by end-September.[3] It should be noted that the amount of banks' credit portfolios transferred to the balances of local and foreign institutions also went down. During the third quarter the ten largest banks' credit portfolios increased by BGN 804 million, Group II institutions by BGN 258 million and foreign bank branches by BGN 1 million. During the last 12 months gross loans in banks' portfolios went up by BGN 3887 million (22.9 per cent), of which BGN 1875 million (48.2 per cent) in the form of mortgage and consumer loans. Commercial loans' growth of BGN 1826 million almost matched this growth, resulting in an annual rise of 16.9 per cent. The bulk of new loans were extended by Group I banks.

Chart 4

Loans to Non-financial Institutions and Other Customers



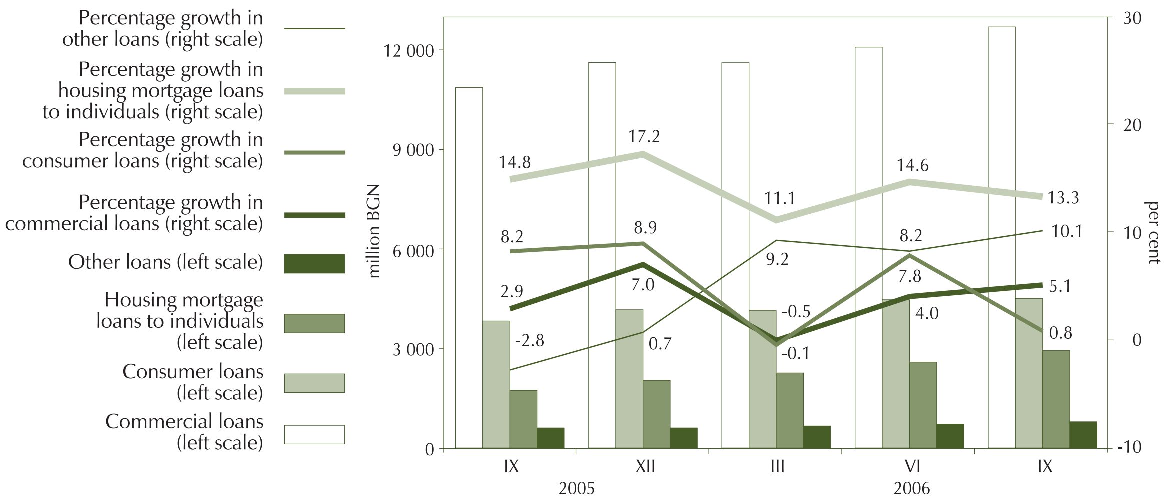
In the third quarter all banking system's portfolio items reported increases, with commercial loans having the largest weight (BGN 612 million or 5.1 per cent), followed by housing mortgage loans (BGN 342 million or 13.3 per cent). Consumer loans contributed the least (by just BGN 37 million or 0.8 per cent) due to transferring large portfolios in banks' balance sheets. By 30 September 2006 commercial loans comprised 60.7 per cent of gross loans, retaining their relative weight compared with the second quarter. During the third quarter the share of consumer loans in total portfolio dropped by 1 percentage point to 21.6 per cent. The trend to increasing the weight of housing mortgage loans was sustained in this quarter. By end-September they occupied 14 per cent:

[3] During the June to September 2005 period the system's total loans registered similar growth at 4.9 per cent.

up by 1 percentage point on 30 June. Data on the last two years show that the share of housing loans in total portfolio grew at an annual rate of 4 percentage points (by 30 September 2004 their relative weight was 6.2 per cent *vis-à-vis* 10.2 per cent by 30 September 2005). However, it should be noted that in a one-year horizon the growth rate of housing loans in banks' balance sheets continued to slow down, coming to 68.9 per cent at the close of September (124 per cent over the September 2004 to September 2005 period). In the reporting quarter loans to the budget grew by BGN 10 million (18.1 per cent), agricultural loans by BGN 24 million (6.4 per cent) and other loans by BGN 38 million (13.4 per cent).

Chart 5

Credit Dynamics



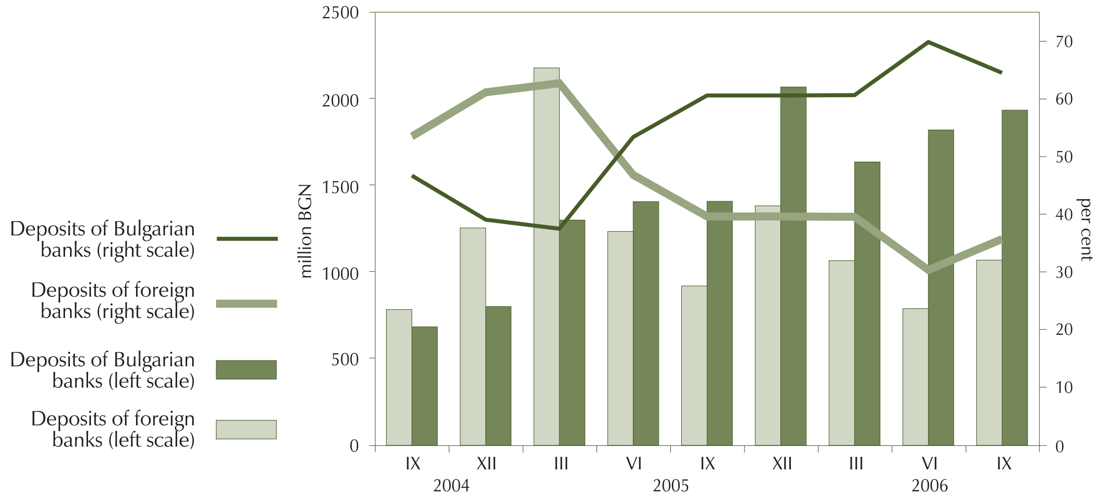
Net loans (overall portfolio less the amount of allocated provisions) went up by BGN 997 million (5.2 per cent) on end-June but their share in assets dropped by 1.3 percentage points to 51.9 per cent owing to the faster growth of the claims on financial institutions' balance sheet item. By 30 September 2005 net loans comprised 55.2 per cent of the banking system's balance sheet figure and they grew by BGN 3733 million (22.8 per cent) in a year. During the third quarter the foreign currency structure of the net credit portfolio was relatively stable. The lev component grew by BGN 522 million and loans in euro by BGN 493 million, while loans in other currencies dropped by BGN 18 million. By end-September 2006 lev loans occupied 54.2 per cent of total loans, those in euro 43.5 per cent and in other currencies 2.3 per cent.

2.2. Liabilities and Equity Structure

Over the third quarter the banking system's deposit base grew by BGN 2487 million (9 per cent), with deposits of financial institutions and non-financial customers reporting a similar increase (8.8 per cent and 9 per cent respectively). In a one-year horizon the total deposit base picked up by BGN 7624 million (33.7 per cent). *Deposits of financial institutions* posted quarterly growth to the amount of BGN 380 million. Compared with June 2006, time deposits of banks rose by BGN 374 million (15.4 per cent), demand deposits by BGN 20 million and receipts from other financial institutions dropped by BGN 14 million (0.8 per cent). Demand and time deposits attracted from foreign banks went up by BGN 280 million, their share in deposits from banks coming to 35.6 per cent. Over the last 12 months total resources attracted from financial institutions rose by BGN 1033 million (28.3 per cent).

Chart 6

Dynamics of Banks' Deposits



During the third quarter *deposits of non-financial institutions* reached BGN 25.6 billion: up by BGN 2.1 billion. The share of borrowings from enterprises and individuals in the balance sheet liabilities increased by 1 percentage point to 66 per cent and within a year by 2 percentage points. Deposits went up by BGN 6.6 billion (34.7 per cent) on 30 September 2005. Time deposits posted the highest growth (BGN 3447 million, 37.5 per cent), followed by demand deposits (BGN 2787 million, 37.3 per cent) and savings deposits (BGN 357 million, 15.3 per cent). Group I credit institutions indicated moderate growth of 26.3 per cent (BGN 3816 million), while medium and small-sized banks reported high growth of 56.2 per cent (BGN 2126 million).

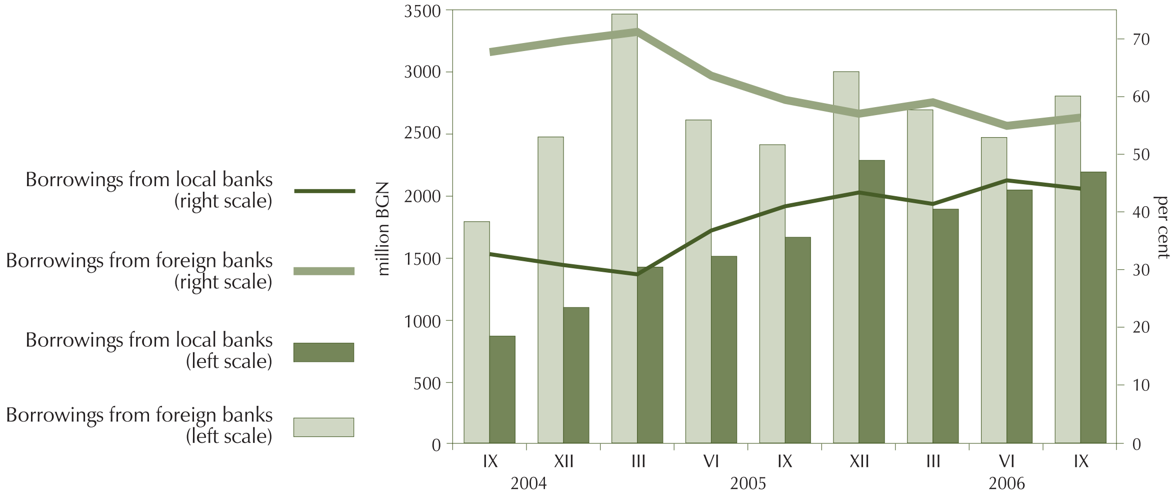
Compared with end-June 2006, the amount of banking demand deposits picked up by BGN 1118 million, time deposits by BGN 838 million and savings deposits by BGN 151 million. In the quarter under review Group I banks contributed to the growth of non-financial institutions' deposits by BGN 1377 million (8.1 per cent) and foreign bank branches by BGN 594 million or 78.7 per cent (see footnote 1). The medium and small-sized banks' contribution decreased by BGN 209 million (42.7 per cent).

The currency structure of the *total deposit base* of financial and non-financial customers did not undergo dramatic changes. By end-September 2006 attracted resources in national currency occupied 47.4 per cent and those in euro 39.5 per cent of the total deposit base. During the period deposits in levs increased by BGN 1298 million, deposits in euro by BGN 1144 million and deposits in other currencies by BGN 44 million. Within a year euro deposits' growth accelerated to 60 per cent, resulting in the expansion of their share by 7 percentage points.

In the reporting quarter *short-term borrowings* fell by BGN 116 million (40.9 per cent); of them, BGN 105 million were repaid to foreign banks. By 30 September 2006 their share in financing funds contracted to just 0.5 per cent (from 0.9 per cent a year earlier). The quarterly decrease was reported by six of the nine banks using such funds. The fall of the system's short-term resources was offset by growing long-term borrowings which picked up by BGN 198 million (8.2 per cent) in the review quarter. The change did not affect the share of long-term funds in financing sources and it stayed at 7.9 per cent. New long-term loans were extended to banks on the Bulgarian market mostly by foreign banks (a rise of BGN 158 million.). The share of foreign financing in the total amount of borrowings obtained from credit institutions remained high (90 per cent).

Chart 7

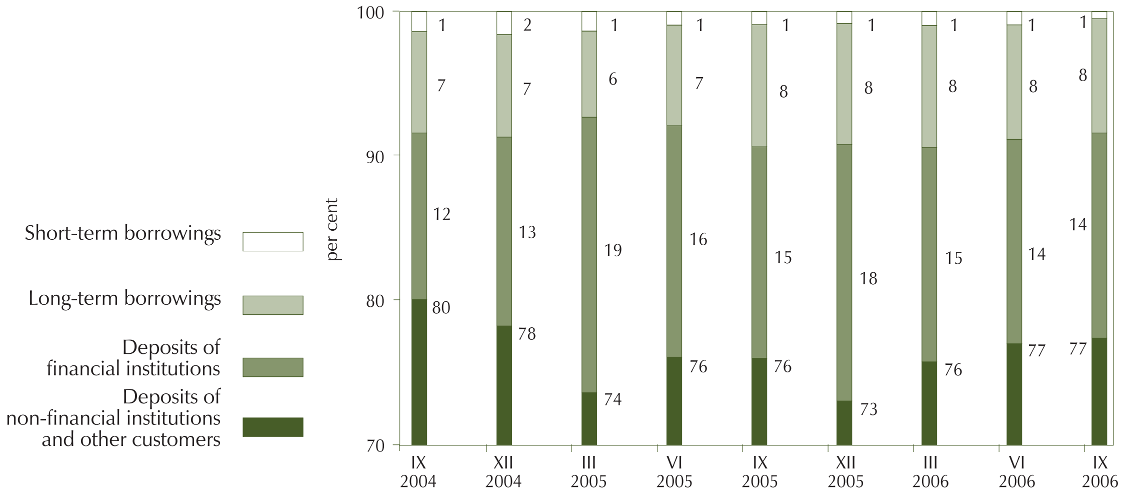
Developments in Borrowings from Banks



In the reporting quarter the total amount of *financing funds* (deposits and short- and long-term funds) grew by BGN 2570 million (8.4 per cent) and within a year their volume went up by BGN 8067 million (32.3 per cent) due mainly to deposits attracted from non-financial institutions in both periods.

Chart 8

Total Funds



In the third quarter *the equity* balance sheet item rose by BGN 213 million (5.6 per cent), its growth almost matching that of loans (5.2 per cent). The profit realized by the banking system remained the major source of capital growth, with the result for the first nine months of 2006 increasing by BGN 187 million in comparison with 30 June 2006. In the quarter under review shareholder capital (ordinary shares) increased by BGN 20 million (1.5 per cent) reflecting its growth in one bank. In a year banking sector's equity grew by BGN 753 million or 23 per cent.

Proprietorship Changes

Over the review quarter no procedures related to changes in the proprietorship of individual banks were completed.

2.3. Dynamics of Major Balance Sheet Aggregates by Bank Group

Chart 9

Market Shares of Bank Groups as of September 2006

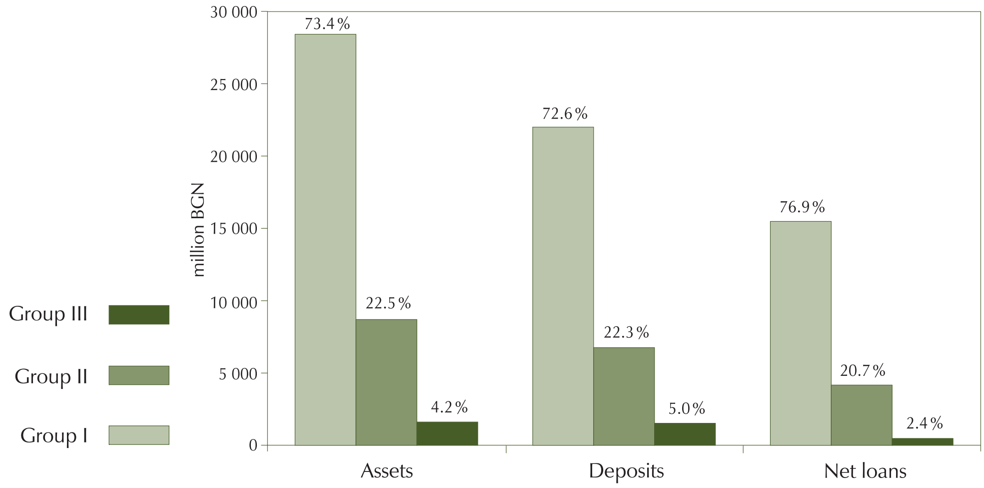


Chart 10

Market Shares of Bank Groups as of June 2006

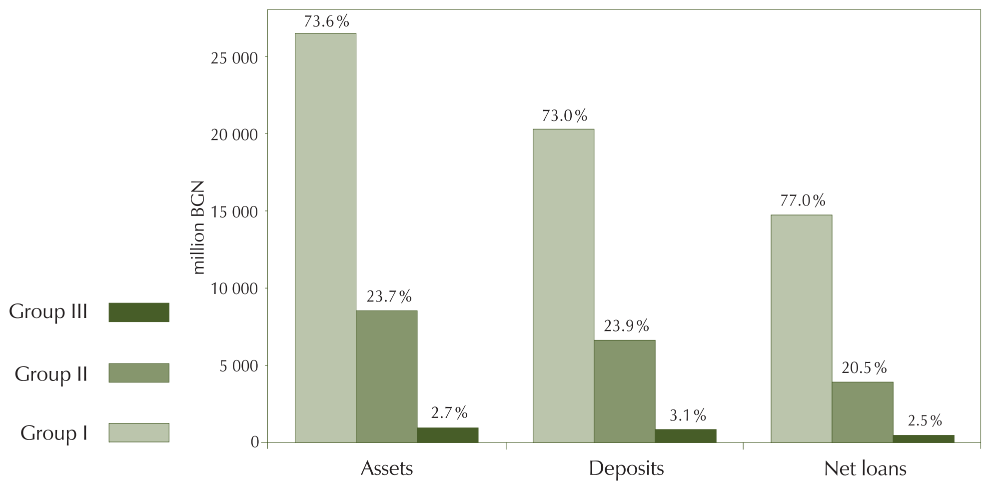
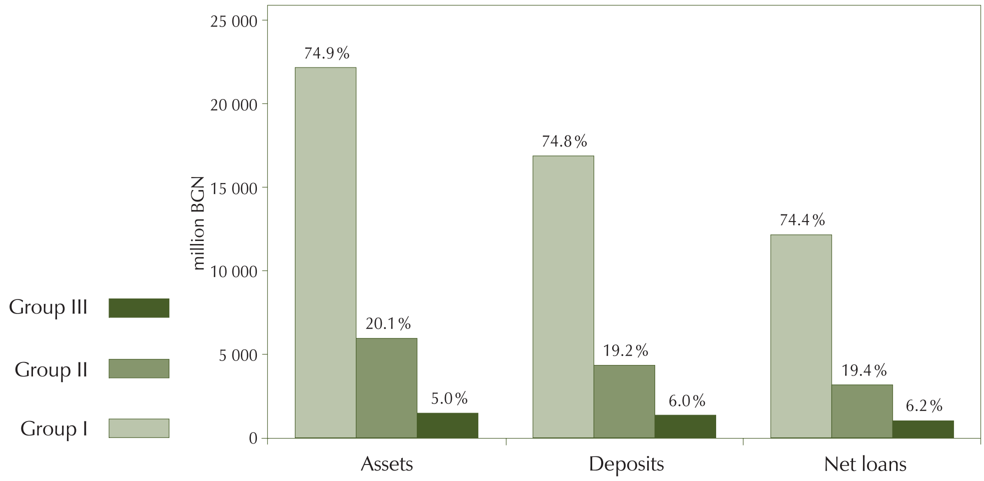


Chart 11

Market Shares of Bank Groups as of September 2005



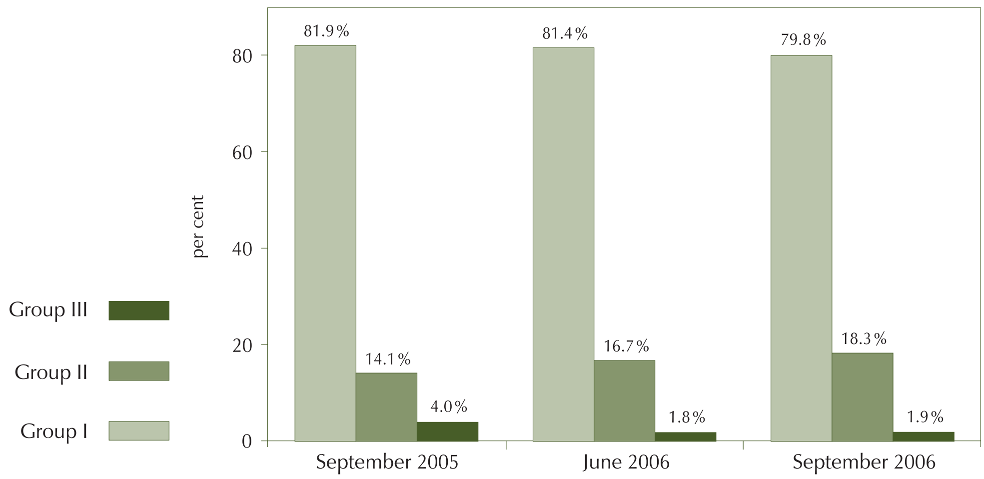
In the third quarter market shares of the three bank groups changed in favour of the foreign bank branches. The participation of a foreign bank branch as a financial intermediary in a privatization transaction was the major factor behind this. As a result of the 1.5 percentage point increase, the market share of Group III banks became 4.2 per cent. The group of medium and small-sized banks lost 1.3 percentage points of their relative weight in the banking system's assets due to the decrease in the assets of one bank and by end-September the group occupied 22.5 per cent. The share of the ten largest banks slightly contracted (by 0.3 percentage points) to 73.4 per cent of the system's balance sheet figure.

3. Operational Results: State and Trends

The banking sector ended the first nine months of 2006 in a net profit of BGN 529 million. Compared with 30 September 2005, the financial result grew by BGN 68 million (14.7 per cent). For a detailed analysis of trends, income sources and individual banks' contributions see the *Earnings* Section.

Chart 12

Profit



Market Concentration Index (HHI)

The index showed a moderate concentration in DSK Bank's consumer loans and savings deposits, as well in the United Bulgarian Bank's agricultural loans. All items of Group I banks retained their high concentration (with the exception of short-term borrowed funds), while the group of medium and small-sized banks reported high values in agricultural loans, other loans and claims, and in short-term borrowed funds. The Central Cooperative Bank saw moderate concentration in short-term borrowed funds.

4. Banking System Risk Profile: Major Bank Risks

The third quarter saw no essential changes in the parameters of the banking system risk profile compared to prior periods. The asset structure remained unchanged, with loans prevailing in banks' balance sheets. The positions of systematically important banks remained unchanged. They continued to dominate the processes in the system in terms of market shares and bank innovations. Adherence to measures aimed at curbing credit growth by several of them is related to the ongoing loan transfers to institutions staying outside the BNB's supervisory scope. However, the effects of such credit risk transfer on the balance sheets of these banks and on the system were not only positive. Although the risk of excess lending remained under control, transfers to financial institutions (usually a part of financial groups to which domestic banks belong) indicate the existence of an alternative mechanism for generating and managing credit expansion in the economy. This could also be seen as a greater risk appetite of some players. To this end, sharp changes in the velocity of banking in some institutions were recorded over the period. Although the reasons for such behaviour differ across banks, it calls for increased supervisory attention. Corrective action includes: institutional basis for such a change in their behaviour; capacity of risk management related to the velocity and scope of activity; as well as adequacy of assessments of market opportunities and competitiveness to respond to changes in behaviour, particularly where activity is mainly concentrated on lending.

Over the third quarter of 2006 *there were no significant changes prompting cuts in problem banks' risk.* Although enhanced supervisory monitoring (including full on-site supervisory inspections) may not reduce to a great extent the appetite for high risk financial operations, it still serves as an impediment to enhancing such operations.

At the end of the review period risk profile parameters could be outlined as follows:

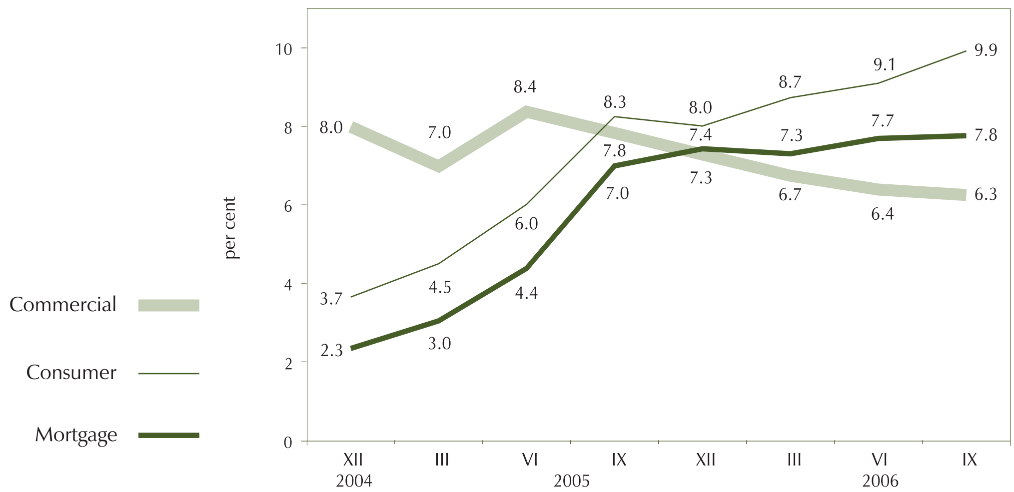
- As regards *the balance sheet structure and quality of placements and funds*, there were no signs of aggravating the main risks: credit, market and liquidity. The system and most banks did not take actions aiming at their financial capacity exhaustion. There was no worsening in asset quality. As a rule, the management of major risks was based on well-established procedures with internal limits for a single and aggregated risk. Credit risk was managed by adequate growth in own funds, strict internal rules and procedures and by using various techniques for minimizing risks – mainly in the form of transfers to other counterparties (through final sales and provision of high liquidity collaterals resulting in changes in exposures' risk weight). Operations were financed by the main sources (households' and firms' deposits), the recorded growth coupled with no considerable volatility for longer periods being a sign of the public confidence in the banking system. The amount of long-term borrowings was not a key factor for bank assets growth. They mainly supplemented bank activity, since these resources were intended to finance projects and segments that had not been developed by commercial banks.
- *Own funds ensured asset and risk dynamics given the good level of key solvency indicators.* Banks had different contributions to these developments. As a rule, the prevailing number of systematically important institutions generated sizable capital surpluses. Part of the small and medium-sized banks showed adequate behaviour. At some of the other banks, managing their own funds was not an easy task. It was harder for them to supply the necessary resources for capital support, with tier 2 capital instruments being used as a source. Solutions were sought over the period using the revaluation effect of fixed tangible assets, and the results are expected to affect the capital over the following quarters.
- *The nature and quality of commercial banks' earnings remained unchanged over the period*. The group of systematically important banks (with some exceptions), as well as several medium-sized banks generated income which ensured good levels of return on assets and return on equity in the system. Some banks still found it difficult to generate operational income enough to support asset growth and related risk. Some difficulties were experienced in achieving a positive financial income from core activity which practically led to reduced operating result and dependence on extraordinary operations. In the net income structure of the banking system, the net interest income was the leading factor which reflected both the bank assets structure (interest-bearing assets and loans being the dominant ones) and the ability to maintain a high interest rate margin. Financial intermediation, measured by fee and commission income out of deposit and credit activity, was still lower than the European banking system average. Its values reflect partially or entirely a customer segment which is not covered by bank services. The dominant interest component in the earnings structure might be seen as a source of potential higher income vulnerability reflecting various factors: changes in interest asset quality (yet no indications exist both in the review and the previous periods), changes in the direction of the economic cycle, and interest rate falls due to competitiveness-related factors.
- *The banking system liquidity over the period under review did not cause any problems to the system or to individual banks*. No signs of further problems related to assets or liabilities were seen. Smooth changes in the total price level of liabilities were not due to changes in the structure and quality of financing. Assets provided adequate inflows used to cover obligations.

- *No permanent violations of supervisory regulations were reported*. Individual cases of deviations (mainly in large single exposures) did not result in deterioration of banks' financial performance. The institutions undertook corrective actions to reduce risks related to their operations.

The reviewed period saw no significant changes in the scope, structure and sharpness of the *credit risk*. Most banks adhered to credit growth restrictions, and those subject to the additional minimum reserve requirements, valued their frozen resources in advance. As a result, the credit portfolio structure underwent no significant changes. It reflected the 60:40 ratio between commercial loans and household loans over the recent several quarters. Credit transfers proved to be an important instrument in credit management and adherence to the restrictions with no significant effect on the quality of the remaining credit portfolio of banks.

Chart 13

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



The credit risk sharpness measured by the share of gross loans above BGN 1 million underpinned the conclusions noting lack of deterioration. These loans amounted to BGN 8911 million (BGN 8430 million as of June 2006), the share of standard loans accounting for 93.1 per cent (92.9 per cent in the previous quarter) and non-performing loans falling from BGN 118 million to BGN 107 million (1.2 per cent, from 1.4 per cent in June 2006). There were no reasons to suggest that concentrations of such claims were due to underestimated risk. As a rule, these were exposures of foreign banks' subsidiaries to be approved by parent banks.

The *market risk* parameters matched the previous quarters' levels. The amount of capital used for covering market risk accounted for 3.6 per cent of banks' own funds (compared to 3.8 per cent in the second quarter). In the structure of risk-weighted asset equivalent, market risk of debt instruments accounted for 79.9 per cent. The foreign currency component of market risk was a mere 11.3 per cent of the risk-weighted asset equivalent. There were no indications of commodity risk. The market risk interest rate component had adequate capital coverage. Since not all banks had formed trading portfolios (five credit institutions had no positions subject to capital coverage of market risk), the existence of risk related to assets and liabilities interest rate sensitivity draws supervisory attention. Total imbalance between assets and liabilities (after reporting the derivatives effect) amounted to BGN -494,021 thousand, i.e. the equivalent GAP-position of -1.3 per cent. In fact, 56 per cent of assets and 67.5 per cent of liabilities were sensitive to the interest rate changes within the short horizon of up to 30 days. On the assets side, merely 58 per cent of loans were sensitive to a change in the short horizon, whereas the deposits' share was 68.7 per cent. Over the review period banks used no significant derivative operations to hedge risk.

Liquidity risk experienced no considerable changes. The degree of coverage of borrowed funds remained high without causing any significant dynamics in them both at the banking system level and in individual banks.

5. Asset Quality 'A'

- *The upward trend in the share of classified consumer and mortgage loans (an increase of BGN 68 million for a quarter) was sustained, while the share of classified corporate loans insignificantly fell with the absolute value rising by BGN 21 million.*
- *The analysis shows that if the existing provisions under Article 5, para. 4 of Ordinance No. 9 were abolished, the quality of assets would improve.*
- *Group I banks continued to determine the quality of assets and the higher credit risk level.*
- *For a second consecutive quarter, asset growth was higher than that of classified assets. Such a development was last seen at the end of 2004.*

Assets in the banking system retained good overall quality. The indicators remained stable compared to those over the six-month period and the last 12 months. The credit portfolio, in particular household credit portfolio, continued to be the main factor affecting banks' asset quality. The remaining asset portfolios posed low credit and liquidity risks, with no indications of investment with low credit rating counterparties and counterparties for which no liquidity markets exist. A moderation in growth rates of classified loans was recorded over the review period. While between September 2004 and September 2005 they rose by 56 per cent (BGN 486 million), over the review 12-month period their growth rate slowed down to 15 per cent (BGN 202 million). By the end of September 41 per cent of all classified loans worth BGN 1561 million, were overdue payments[4] maintaining the same rate as in the third quarter of 2005 but marking a decrease on September 2004 (47 per cent).

5.1. The Increased Credit Risk Zone

Banks which fall within the scope of this zone usually have satisfactory quality of assets, clear negative trends in most asset quality indicators, a higher credit risk level due to concentrations, a result of financial and business relatedness between borrowers. In some banks, these were coupled by inadequate procedures for lending management and lack of control mechanisms to prevent the use of borrowed funds for financing main shareholders' operations and/or those of related companies. This has a bearing on improper reporting of the credit risk which hampers early identification of problems and distorts the overall picture of the respective institution's asset quality.

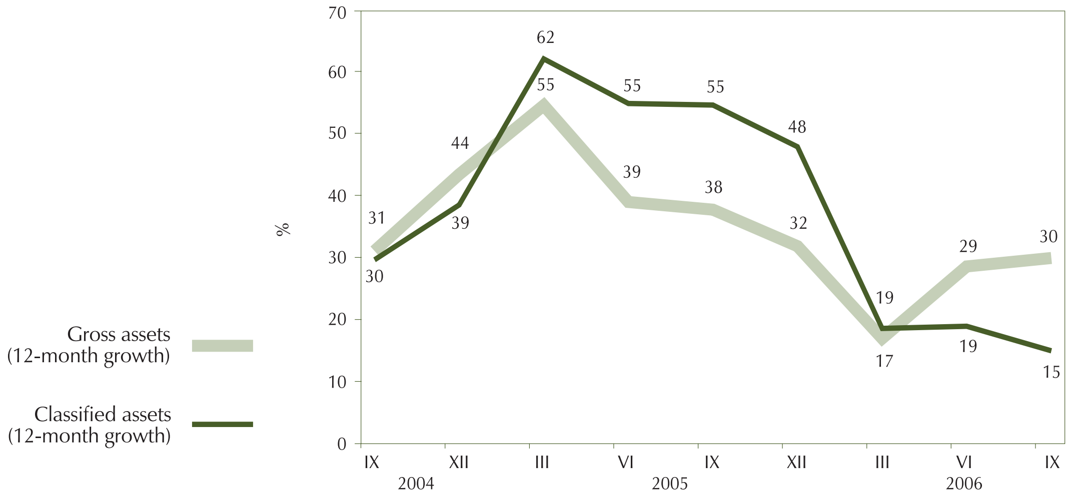
5.2. Asset Quality Level and Trends

No significant changes in asset quality key indicator dynamics were recorded over the third quarter. As a result of the dominant influence of Group I banks on corporate and household lending, the credit portfolio performance of the ten largest banks predetermined the overall banking asset quality.

[4] Overdue payments include all principal and interest payments over 30 days past due (including those over 90 days and without interest accrued).

Chart 14

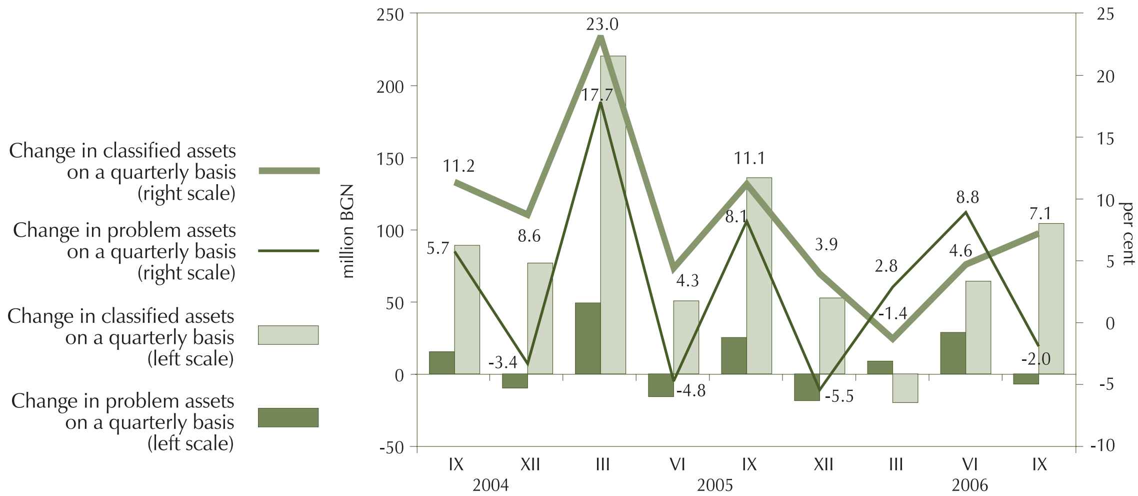
Classified and Gross Asset Growth Rates



Although *classified assets* increased by 7 per cent in the review quarter, their share in the banking gross assets remained unchanged at 4 per cent. The annual growth rate of classified assets remained stable (15 per cent) and for a second consecutive quarter it was lower than that of assets (30 per cent, see Chart 14).

Chart 15

Classified and Problem Asset Growth Rates



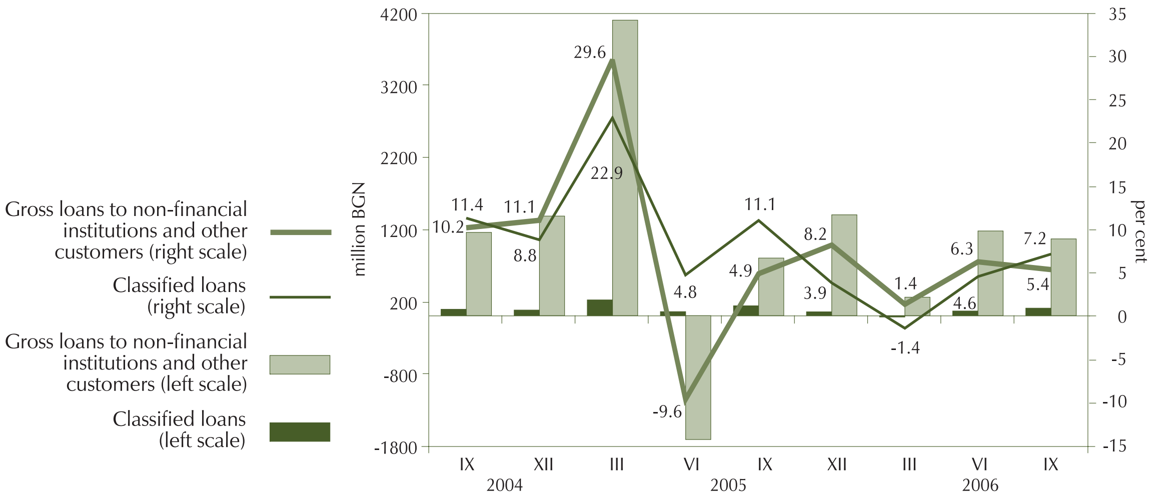
Problem assets recorded a slight decrease in the values of this ratio (although it remained low at 1 per cent). The last 12 months saw a slowdown in the growth rate of these assets (3.5 per cent) compared to the 17 per cent growth in the prior year which was a positive sign of the good asset quality.

Due to the predominant share of *classified loans* in total banking classified assets, their *growth rate matched that of classified assets*. Over the quarter under review they saw a 7 per cent rise and an annual increase of 15 per cent. Group I banks contributed mostly to the overall upward trend in the system's classified loans: 97 per cent of the annual change was attributed to them. Over three-fourths of the quarterly increase in classified loans reflected the rise in three Group I banks. The share of classified loans reported by 10 banks was greater than the system average (7.5 per cent). In most institutions (17), the level of classified loans as a percentage of non-financial institutions' loans declined over the last 12 months.

Developments in the structure of classified assets continued over the analysed period. The share of assets classified as 'watch' continued to decrease and reached 48.6 per cent in September, from 52.3 per cent in June. During the last 12 months this trend was even stronger: growth in non-performing assets resulted in an increase in their share in the structure of classified loans by 4 percentage points to 33 per cent at the expense of the reciprocal decrease in the share of watch assets.

Chart 16

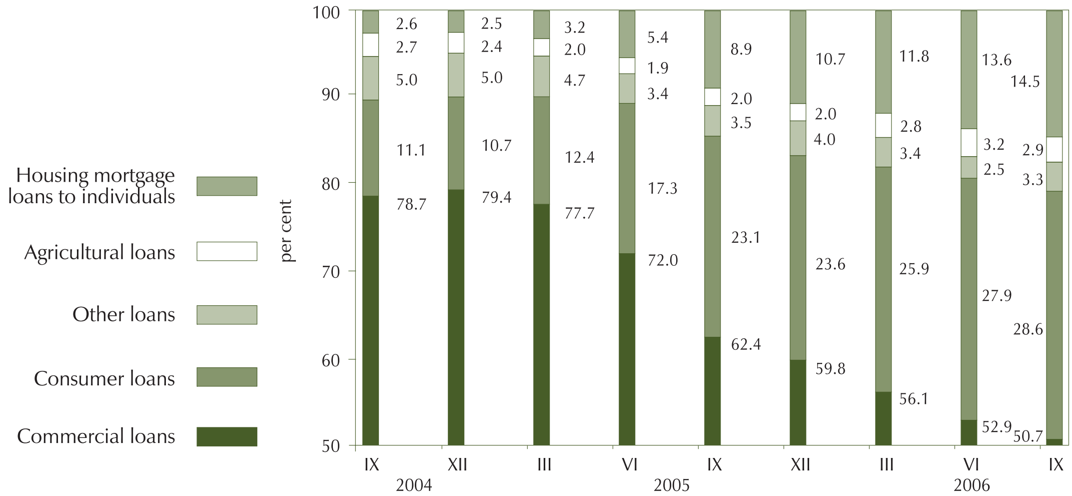
Growth Rates of Gross and Classified Loans



In the review quarter classified consumer loans reached 10 per cent of all consumer loans. By end-September classified housing mortgage loans came to 8 per cent of the portfolio. Over the third quarter classified commercial loans rose by 3 per cent, albeit falling in a one-year horizon. This led to a fall in their classified portion from 8 per cent as of September 2005 to 6 per cent as of September 2006. Following the above trends, the share of classified corporate loans (commercial, agricultural and other loans) in total classified banking loans over the last 12 months decreased from 68 per cent in the third quarter of 2005 to 57 per cent in the review quarter (see Chart 17). When analyzing classified household loans, it should be taken into account the additional requirement allowing reclassification into lower-risk group provided these loans meet such criteria for six months before reclassification. If this requirement were disregarded, classified household loans would show more favourable dynamics.

Chart 17

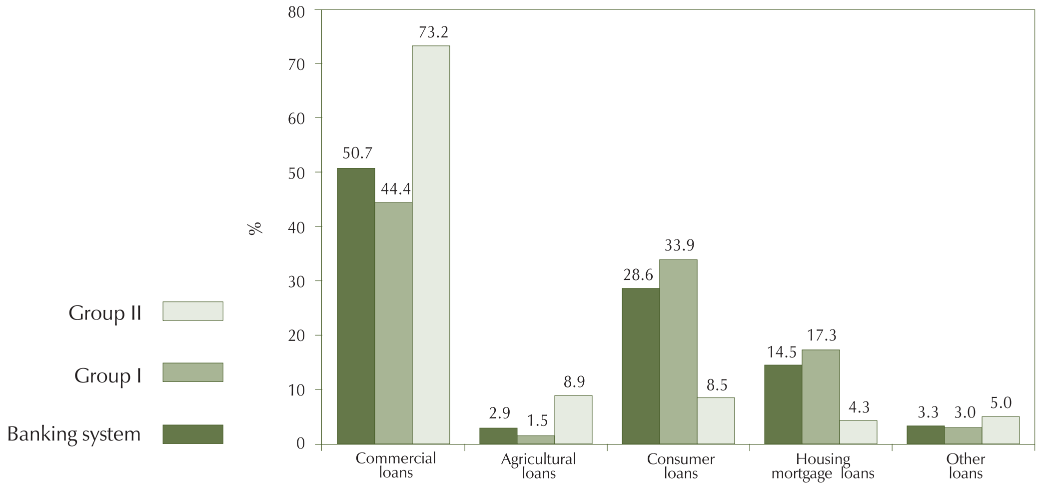
Classified Loans' Structure



Classified consumer and mortgage loans of Group I banks constituted half of all classified loans, while their share reported by small and medium-sized banks occupied 13 per cent of classified loans. The weight of the corporate portfolio's classified portion at 18 Group II banks was still high (almost three-thirds of all classified loans) against 44 per cent for the large banks. A year earlier classified commercial loans of Group I banks occupied 55 per cent of all classified loans and classified household loans 39.5 per cent, while classified commercial loans of Group II banks comprised 84 per cent and consumer and mortgage loans, merely 8.5 per cent.

Chart 18

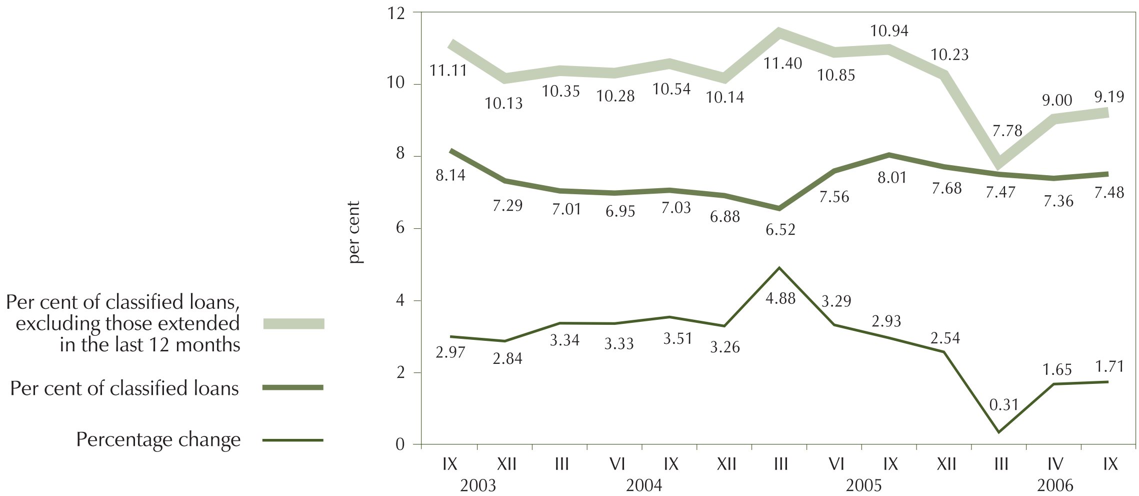
Classified Loans Structure by Bank Group as of September 2006



Given the significantly lower growth rate of loans in the last 12 months (23 per cent) comparing to the previous one-year period (37 per cent), as well as supervisory requirements on reclassification into lower-risk group within 6 months, *the current level of 9 per cent caused no concerns about good asset quality* (see Chart 19).

Chart 19

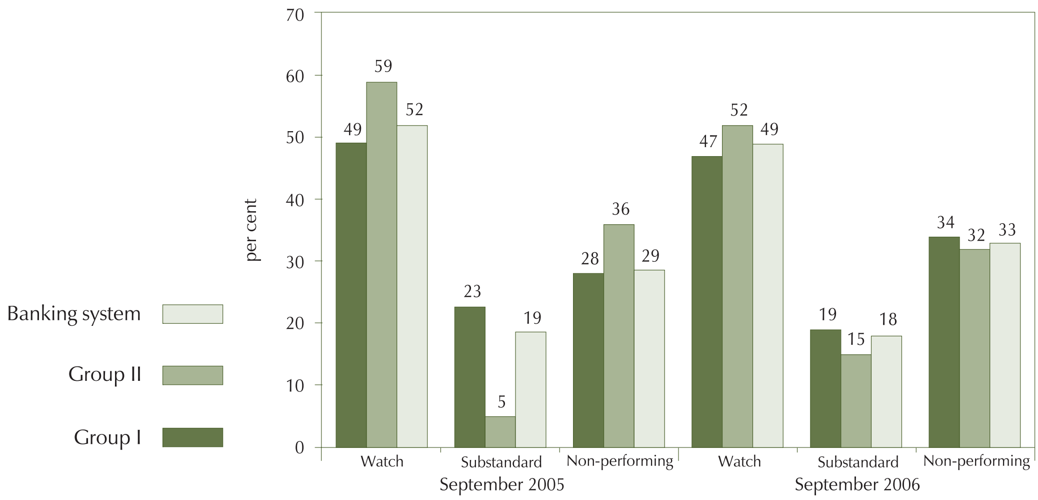
Classified Loans



Despite the change in the classified loans' structure, standard loans sustained their share of 93 per cent, albeit slightly growing by 0.5 percentage points on September 2005. The increase in the share of non-performing loans (2.3 per cent) in the third quarter of 2005 to 2.5 per cent was offset by the shrinking share of watch loans (by 0.6 percentage points to 3.6 per cent) and that of substandard loans (from 1.5 to 1.4 per cent). Group II banks reported sustainable downward trends in non-performing loans (2.3 per cent), whereas large banks experienced just the opposite trend (2.6 per cent). The loan classification structure by bank group shows a more favourable trend in Group II banks compared with Group I banks, which is indicative of the system's trend.

Chart 20

Classification Structure of Loans

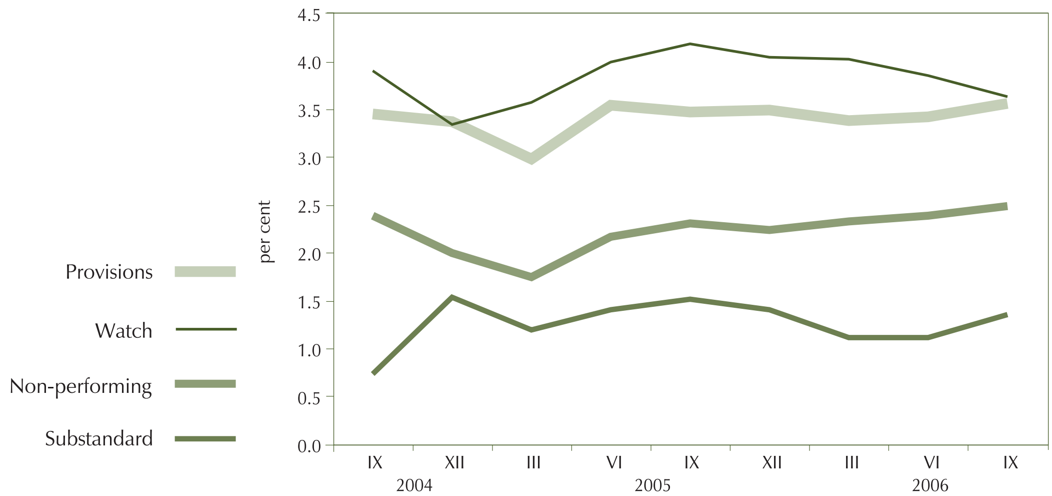


Credit quality by bank group is as follow:

	September 2005	June 2006	September 2006
Group I			
Total (million BGN)	12 646	15 280	16 085
Standard (%)	91	92.6	92.3
Non-performing (%)	2.3	2.5	2.6
Group II			
Total (million BGN)	3 305	4 049	4 306
Standard (%)	91.5	92.6	92.9
Non-performing (%)	3.1	2.4	2.3
Group III			
Total (million BGN)	1 031	477	478
Standard (%)	96.3	95.6	96.4
Non-performing (%)	0.4	0.2	0.1

Chart 21

Credit Classification



5.3. Provision Analysis

In the third quarter *the degree of provisioning for gross assets* continued to decline: from 1.95 per cent as of September 2005 to 1.88 per cent. This trend reflects the steady downward trend in the share of loans in assets (by 3 percentage points in a year) and the contracted volume of classified commercial loans. Over the last 12 months assets went up by 30 per cent *vis-à-vis* provision growth of 26 per cent (BGN 154 million). *Provisions for claims on non-financial institutions* rose by BGN 66 million on June, with the degree of provisioning for these claims slightly picking up (from 3.4 per cent to 3.6 per cent). Half the banks reported an increased level of provisioning for claims on non-financial institutions both in the third quarter and 12-month period.

Over the last three quarters *the degree of provisioning of classified exposures* continued its upward trend, with its level reaching 40.6 per cent as of end-September. In the last 12 months classified exposures rose by 15 per cent and provisions by 28 per cent, resulting in higher values of this indicator compared with the same period of 2005 (36.5 per cent). Nineteen banks allocated *provisions on a portfolio basis*, with two of them changing their provision policy on the same period of 2005. One of these banks started allocating provisions at the end of 2005, while the other stopped allocating such provisions at the same time. Over a one-year horizon this was the only asset quality indicator which underwent no significant changes and remained stable at 1.2 per cent.

The coverage indicator fell from 150 per cent as of September 2005 to 143 per cent as of September 2006, reflecting the outstripping growth in classified non-performing exposures (the highest risk group) comparing to total provisions growth over the review period.

6. Earnings 'E'

- *Despite the continuing downward trend in earnings indicators, the banking system profitability remained good, with the removal of lending growth restrictions as from early 2007 boosting profits further.*
- *Core earnings continued to mainly reflect interest income.*
- *Potential for growth in part of small and medium-sized banks was strongly limited, expectations showing higher pressure on their earnings by internal and external factors.*

Despite the continuing downward trend in key earnings indicators, the banking system profitability remained good. Bank earnings between September 2005 and September 2006 were underpinned by still higher interest rate margin (compared with EU countries) and the increasing, albeit at lower rates, credit portfolio. Sustainable non-interest expenditure growth at 22 per cent, as in the previous 12-month period, and lower allocation of credit provisions had a favourable effect on earnings performance. The main factors which will exert further pressure on bank earnings include the expected ECB interest rate rises, low income diversification and its dependence on credit income, financial market openness and increased bank competition with Bulgaria's EU accession.

6.1. The High-problem Income Zone

This zone includes banks assigned a satisfactory and unsatisfactory component ratings. Their income is inadequate and unstable due to wrong business strategies and/or a high exposure to credit and market risks. The level of earnings is insufficient for operations to be expanded or increase the capital base in some banks. A possible worsening of asset quality and/or declines in the value of market risk sensitive assets could lead to capital erosion. Key earnings indicators show that these institutions are not competitive enough. The ineffective asset structure of some of them impacts the interest income volume, and competition to attract customers forces them to seek optimal decisions in terms of resource volume and price. Financial results of other credit institutions rest to a great extent on allocating required provisions. Part of the banks included in this zone showed no clear and stable trends toward improvement.

6.2. Earnings Level and Trends

Moderation in net interest income growth was sustained: 18 per cent in the review 12-month period, from 31 per cent in the September 2004 to September 2005 period. At the same time, non-interest income grew slower at 26 per cent over the reporting period, from 31 per cent over the prior period. This dynamics, coupled with trading portfolio securities losses, resulted in lower profit growth in the third quarter of 2006 (14 per cent, from 38 per cent in the prior period). The analysis of data by bank group shows that small and medium-sized banks succeeded in maintaining identical growth rates of net interest income in both review periods (approximately 23 per cent), while large banks reported declines: from 33 per cent in the September 2004 to September 2005 period to 20 per cent in the reporting period. Although both groups recorded considerable trading and investment portfolio securities losses, small and medium-sized banks were able to reach higher profit growth at 48 per cent. This reflected higher rates of non-interest income (47 per cent) and lower rates of non-interest expenditure (20 per cent) compared with Group I banks. Non-interest income of the ten large banks rose by 23 per cent between September 2005 and September 2006, their non-interest expenditure increasing by 26 per cent and profits by merely 12 per cent. The analysis of major earnings indicators of Group II banks over the last year shows that most banks reported lower return on assets and equity indicators compared with the same period of 2005.

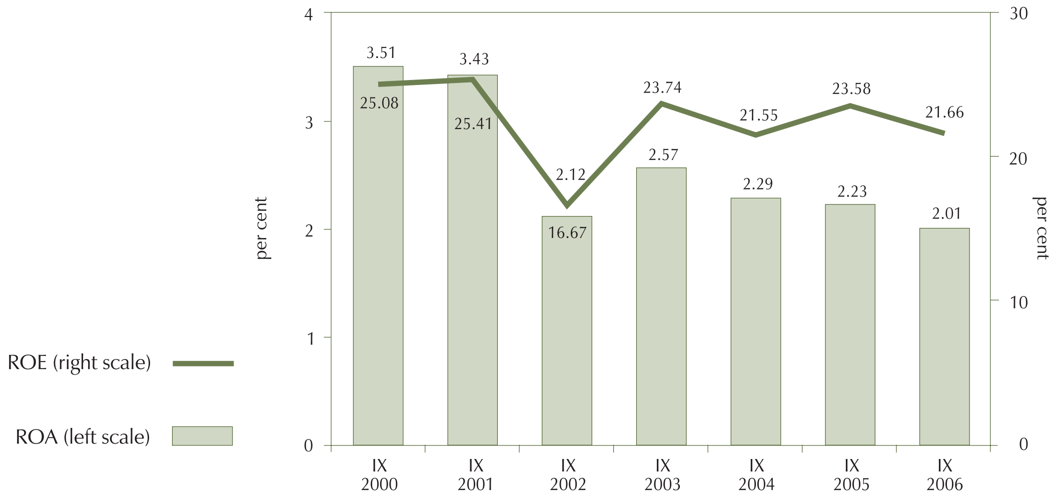
Leading banking system indicators were:

Ratio as a percentage of average assets	September 2005	September 2006	recalculated*
Net interest income (%)	4.62	4.29	-
Non-interest expenditure (%)	3.63	3.49	3.30
Extraordinary gain/loss (%)	0.04	0.03	-
Efficiency ratio (%)	55.80	59.81	56.56
Net result (post-tax ROA since year start) (%)	2.23	2.01	2.20
Core ROA (net income from core operations since year start) (%)	2.80	2.59	2.78
Return on equity (ROE) (%)	23.58	21.66	23.71
Average assets (million BGN)	27 608	35 148	-

* Earnings ratios are recalculated by excluding extra non-interest expenditure made by a bank.

Chart 22

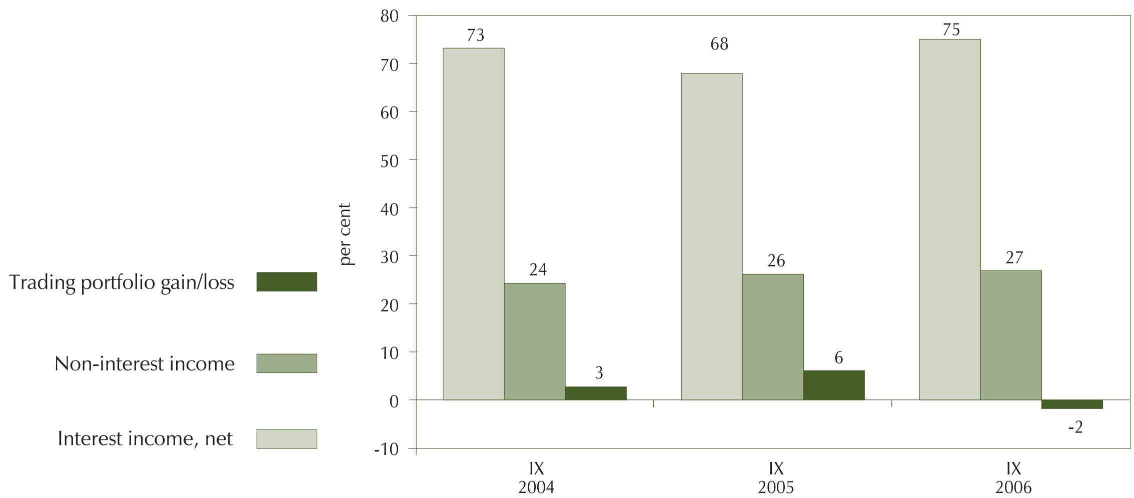
Return on Assets and Return on Equity



Trading portfolio securities losses decreased over the review quarter. However, they continued to exert pressure on the internal structure of core operations income. Given the similar growth rate of net interest income of Group I and Group II banks in the last 12 months and outstripping growth in non-interest income of small and medium-sized banks comparing with the ten large banks, the internal structure of core operations income remained unchanged. Around three-fourths of core operations income in both groups and the whole banking system were formed by net interest income.

Chart 23

Income from Core Operations



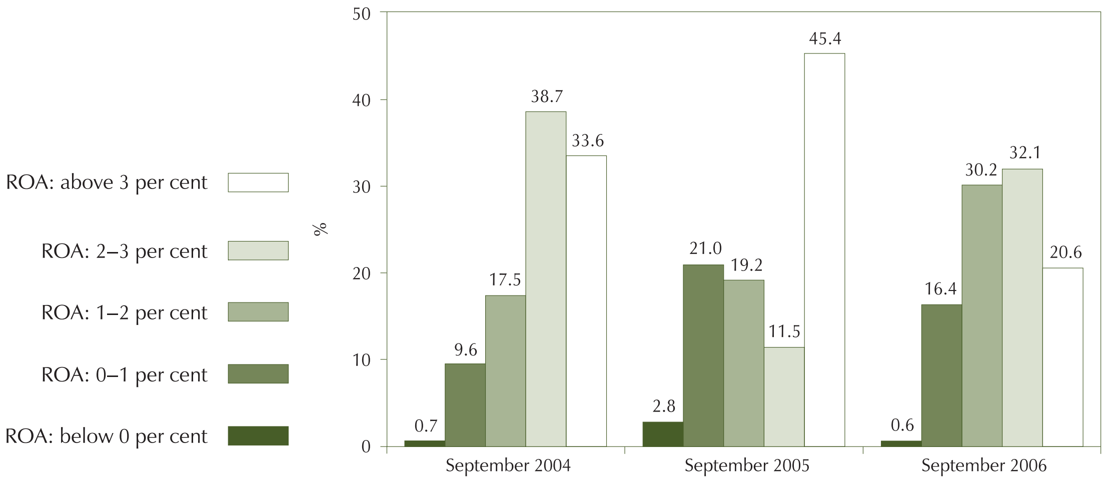
Key indicator dynamics suggest that given the increasing cost of asset financing in both groups and the identical share of interest-bearing assets in gross assets of the respective group at 86 per cent, the ten large banks group reported better profitability on the previous year than the group of small and medium-sized banks. *The Return on Assets indicator (ROA) of Group I banks improved from 1.96 per cent to 2.18 per cent, whereas that of Group II banks fell from 1.53 per cent to 1.08 per cent. Reflecting lower values of sixteen banks (five Group I banks and eleven Group II banks), a 22 basis point decline to 2.01 per cent was reported at the banking system level.*

Banking system core ROA dropped from 2.8 per cent to 2.59 per cent. However, values below 1 per cent as of the third quarter suggest that some institutions still have problems in managing assets and earnings.

Chart 24 is another illustration of the current pressure on the system's earnings: as of September 2004 the market share of the institutions reporting ROA above 2 per cent was 72 per cent, while a year later it fell to 57 per cent and to 53 per cent by the end of the third quarter.

Chart 24

Market Shares Based on ROA



Following the decreasing *share of interest-bearing assets in gross assets* from 87.2 to 85.9 per cent and faster growth in interest expenditure (38 per cent) comparing to interest income (24 per cent), *net interest income continued contracting*. Over the last two years it fell evenly by some 0.35 percentage points *per* year, reaching by end-September 4.29 per cent of gross assets. *Net interest margin* also contracted further, albeit at slower rates. While for the September 2004 to September 2005 period it decreased by 0.37 percentage points, during the review 12-month period it fell by 0.30 percentage points to a level of 5 per cent. Eighteen banks (five Group I and thirteen Group II banks) played a decisive role in forming the system trends.

Pressures on earnings and hence on interest rate margin came mainly from higher costs of financing. The interest-bearing liabilities cost reached 2.59 per cent compared to 2.4 per cent as of September 2005 and 2.07 per cent as of September 2004. Only three Group I banks and four Group II banks managed to pay lower cost of their interest liabilities comparing to the prior year. These were the institutions reporting improved costs of financing of their interest-bearing assets in a one-year horizon. At the banking system level however, *the cost of financing of interest-bearing assets* rose from 2.34 to 2.58 per cent. The interest expenditure structure at both bank groups shows that nearly 60 per cent went on interest on non-financial institutions' deposits. In large banks, interest expenditure on deposits of banks and other financial institutions (one-fifth of total interest expenditure) ranked second, while small and medium-sized institutions reported higher expenditure on short-term and long-term borrowings (almost one-fifth of the group's total expenditure).

Though growth rates of interest-bearing assets (25 per cent) corresponded to those of interest-bearing liabilities (28 per cent), *the prevalence of interest-bearing liabilities* reached 99.4 per cent, from 97.5 per cent a year earlier. The number of banks recording prevalence of interest-bearing liabilities above 100 per cent increased from seven to twelve. Only one bank reported a decrease below 100 per cent on the base period.

While large banks succeeded in retaining *return on interest-bearing assets* unchanged (a median of 7.17 per cent), small and medium-sized banks reported a further decreasing value: from 8.01 per cent as of September 2005 to 7.78 per cent as of September 2006.

Non-interest income as a share of assets (1.96 per cent) remained one of few stable earnings indicators, albeit growing at slower rates (26 per cent) compared to the September 2004 to September 2005 period (31 per cent). At only one-third of the banks, non-interest income increased on the third quarter of 2005. *The need of diversifying financial intermediation was evidenced by the fact that more than one-third of the non-interest income in the banking system and a half of the group's income came from the largest banks.*

Chart 25

Selected Profitability Ratios

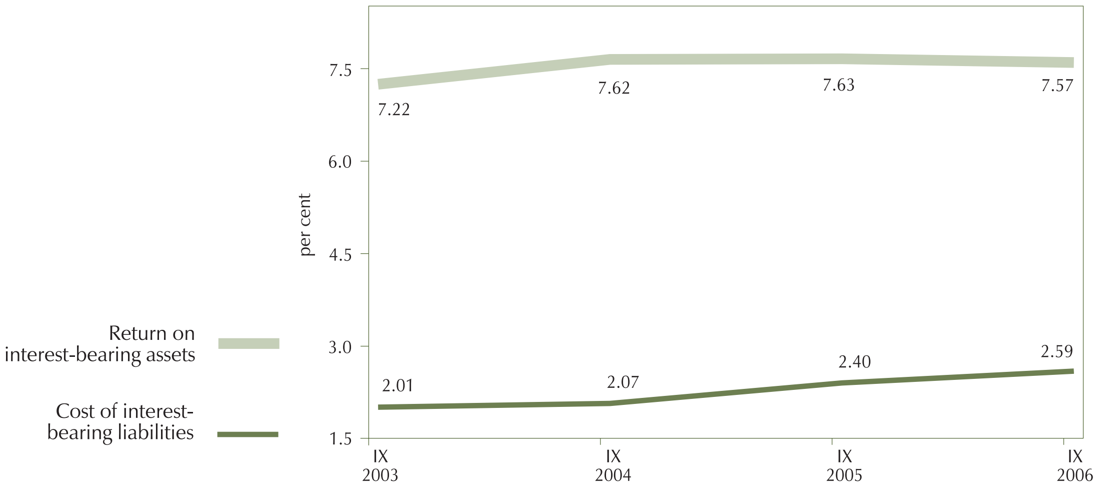
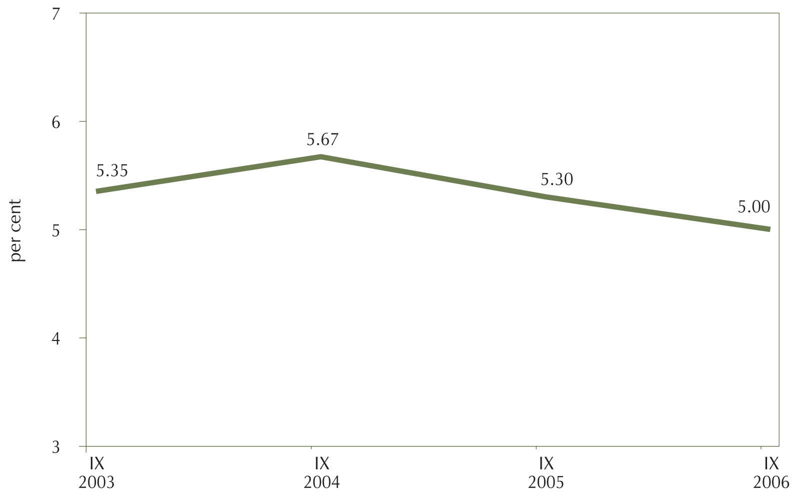


Chart 26

Net Interest Margin

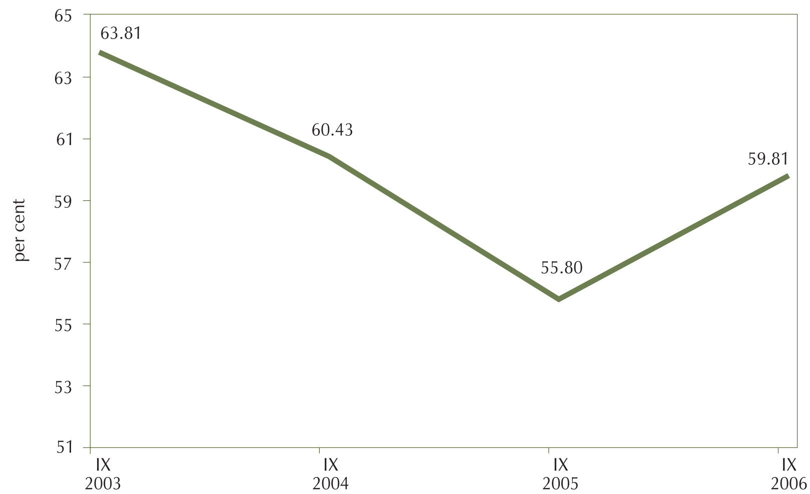


Excluding three Group I banks and three Group II banks, all other institutions reported improved *non-interest expenditure*. At the banking system level, however, a 0.14 percentage point fall was recorded to 3.49 per cent. Albeit falling from 28 to 25 per cent of total banking expenditure, external service expenditure was a main factor of limiting operating expenditure. However, this trend was typical for the large banks, while all 18 Group II banks reported a sustained share of external service expenditure at 17 per cent of total expenditure.

The outstripping growth of non-interest expenditure (22 per cent) over the last 12 months comparing to core operations income (14 per cent) led to worsening values of the *efficiency ratio* which rose from 55.8 per cent to 59.8 per cent.[5] This trend was observed at half Group I banks and half Group II banks.

Chart 27

Efficiency Ratio

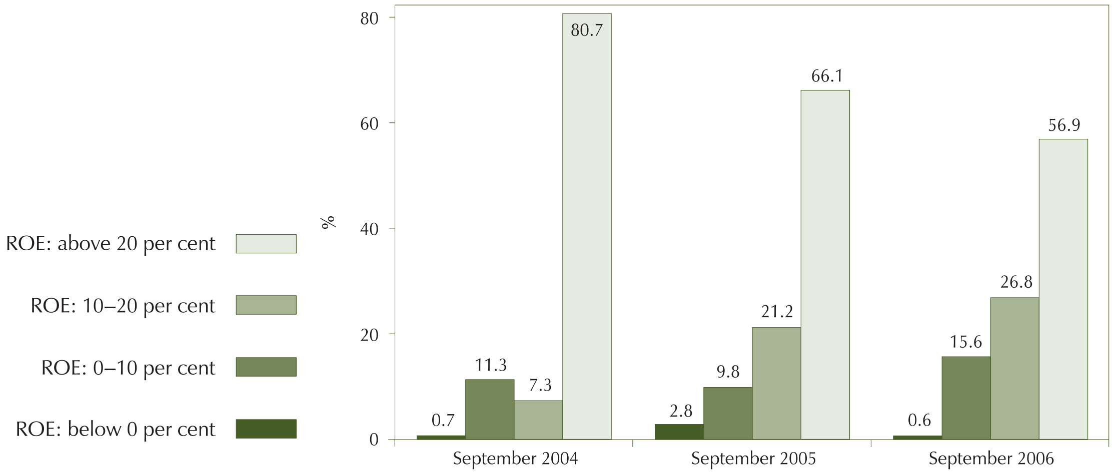


Reflecting the one-off expenditure made by a bank, return on equity (ROE) fell to 21.66 per cent from 23.58 per cent as of September 2005. If this expenditure was excluded, total return on equity would slightly improve to 23.71 per cent. Fifteen banks reported declines in this indicator. Dramatically low values reported by six institutions evidenced difficulties in ensuring limited growth through their earnings. The market share of banks recording both high ROE and ROA values decreased significantly.

[5] If the one-off effect of expenditure made by a bank were eliminated, the efficiency ratio would be 56.56 per cent.

Chart 28

Market Shares Based on ROE



At the end of September 2006 bank employees under a labour contract numbered 26,130, an increase of 2598 on the same period of 2005. Correspondingly, the amount of assets *per* employee reached BGN 1,483,000, an increase of about BGN 296,000.

7. Capital 'C'

- *Banking sector's own funds remained adequate to the system risk profile.*
- *Good credit risk management at the largest banks and reasonable rates of business growth reported by most banks give grounds to conclude that the banking capital position will not suffer serious pressures.*

Over the third quarter of 2006 *banking system's capital indicators posted a slight decrease, resulting from the moderate expansion of bank operations*. The one-year dynamics seen in a gradual drop in capital levels reflected moderation in credit growth and higher growth in assets than in capital. Over the reporting period the capital base of the system rose by 1.3 per cent, given the 6.5 per cent increase in the total risk component. In contrast to the dynamics in a one-year horizon, over the last three months the risk component rose faster in the ten largest banks group. Their own funds growth fell by 6.4 percentage points, whereas Group II banks reported a 1.3 percentage point fall. Over the review period the system's capital base was complemented by another BGN 47 million, of which BGN 40 million were included in tier 1 capital. The total risk component rose by BGN 1487 million, reflecting primarily credit risk growth (BGN 1462 million or 6.7 per cent) since the market risk component continued contracting its contribution (growth by BGN 25 million or 3 per cent).

7.1. The Increased Capital Risk Zone

Banks included in this zone were assigned a capital rating of 3 or lower and overall CAMELS/CAEL rating of 4 or lower. The zone comprised banks whose capital position provided no adequate coverage of their risk profile and/or was subject to a strong pressure from extreme internal and external factors. The capital level in some of them was insufficient to cover risk concentrations in their credit portfolios, lower earnings and the inability to ensure capital growth through their financial results. In others, the capital adequacy was close to the regulatory minimum and their equity was threatened by the risky loan management and asset concentration levels. In a third group of banks, supervisory concerns stemmed from conflicts between major shareholders. The capital surplus of these institutions can rapidly be depleted owing to high asset risks, insufficient income from core operations and possible underestimation of credit risk.

7.2. Capital Adequacy Level and Trends

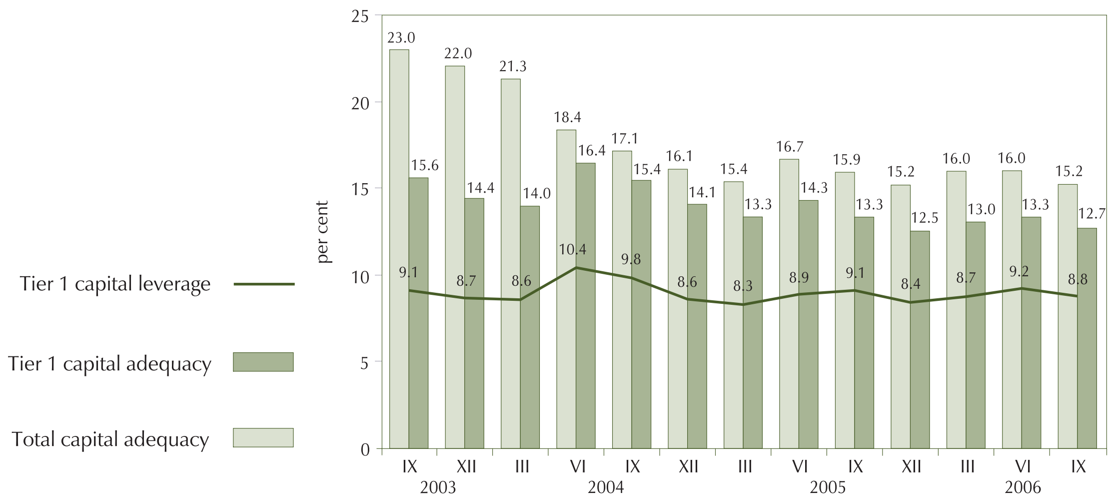
Compared with the previous quarter, *the banking system's total capital adequacy dropped by 0.8 percentage points to 15.2 per cent: a good value in terms of the regulatory minimum*. By end-September 2005 the banking sector reported a similar level of capital adequacy (15.9 per cent). Quarterly dynamics were affected by the decreased indicator in the bulk of banks since only eight institutions registered a rise in the value of this ratio. During the last three months only five banks contracted their risk component.

In the review quarter *the dynamics reported by tier 1 capital adequacy was similar to that of the total capital adequacy*: a low growth rate of tier 1 capital coupled with a rising risk component at most of the banks. Group I banks contributed mostly to the increase in tier 1 capital (83 per cent). During the review quarter the banking system adequacy ratio dropped by 0.7 percentage points to 12.7 per cent. The institutions maintaining a sustained level of tier 1 capital adequacy close to the regulatory minimum were predominantly from Group I. It is of note that the bulk of small and medium-sized banks registered quite high values of tier 1 capital adequacy. The additional capital of Group II institutions was just 13 per cent of tier 1 capital reflecting the efforts of most of them to maintain the amount of their own funds mainly by paid-up capital and total reserves. The ten largest banks' tier 2 capital comprised one-fourth of tier 1 capital. The proportions were the same as in June 2006, with Group II reporting a 1 percentage point increase as a result of attracted subordinate term debt by one bank.

During the third quarter *tier 1 capital leverage* also changed slightly (by 0.5 percentage points) to 8.8 per cent, from 9.1 per cent as of 30 September 2005. Within the banking system, the lowest levels moved within the range of 5 to 7 per cent (reported by eight banks).

Chart 29

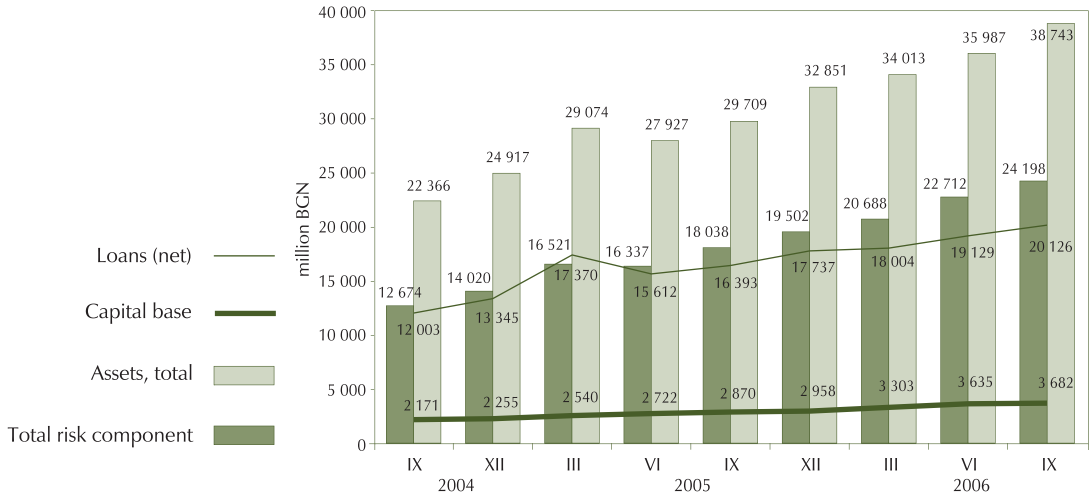
Capital Indicators Dynamics



By end-September *net classified assets as a share of own funds* came to 25.2 per cent. During the review quarter their share rose by 0.7 percentage points owing to the faster growth of classified claims compared with the capital base growth. However, in a one-year horizon this indicator improved by 5 percentage points.

Chart 30

Dynamics of the Major Factors Determining the Level of Capital Indicators



Investments in fixed assets comprised 23.5 per cent of the banking system's own funds, their share slightly rising over the reporting quarter (by 30 basis points). Compared with September 2005, the indicator improved by 1.1 percentage points. The quarterly change reflected growth of BGN 22 million in the total amount of fixed assets.

7.3. Capital in Excess of Capital Base Regulation

By 30 September 2006 banking system's *capital in excess* amounted to BGN 761 million. Unlike the second quarter (when a rise was registered), during the June to September 2006 period it dropped by BGN 127 million (14.3 per cent). Banking system's capital in excess was exhausted mainly by nine of the ten largest banks. Nevertheless, 72.1 per cent of the system's capital in excess remained concentrated in Group I. Given the less popular financial instruments for strengthening additional capital and shareholders' restraint from new contributions, capital in excess is expected to continue contracting until the first quarter of 2007, when most banks will traditionally start supporting their own funds by using the profits realized over 2006.

8. Liquidity 'L'

- *Over the reporting quarter liquidity position stayed sound, capable of meeting higher-than-usual pressures.*
- *No changes occurred in the structure and the nature of funds prompting changes in the asset liquidity composition.*

Over the review period banking liquidity performance remained good. The structure and quality of assets maintained by banks guaranteed money inflows from banking operations sufficient to meet liquidity needs. Asset growth was financed by the increase in the deposit base, while the change in the price policy in some of the banks and for some of the products (mainly deposits and some new finance schemes based on a combination of savings and investment instruments) did not affect considerably the depositors' behaviour. No signs of a change in confidence in individual banks were registered which further supports the good liquidity position. Even institutions recording lower values of their major indicators managed to service their customers' transactions.

8.1. The Increased Liquidity Risk Zone

Banks with component ratings of 3 or lower are included in this zone. Their sensitivity to fluctuations in business activity is above the system median. These institutions are more vulnerable to external threats. As a result, their liquidity position is expected to suffer greater pressure. In some cases, the assessment is based on weaknesses in liquidity management procedures. Considerable deposit concentrations which are not covered by adequate liquid assets in terms of volume and maturity call for increased supervisory attention. High liquidity risk may stem from banks' dependence on large expensive funds for financing longer-term assets. No serious concerns about institutions included in this zone were reported as of end-September. Yet, their liquidity position differs from that of most banks and results in the rating assigned and separation in an individual group.

8.2. Major Liquidity Indicators: Level and Trends

The liquidity dynamics analysis focuses on various dimensions of tradable assets. By end-September tradable assets as a *share of total gross assets* was 31.1 per cent, an increase of 1.6 percentage points on June. This positive trend reflects growth in tradable assets by BGN 1441 million or 13.6 per cent, exceeding twice the growth rate of gross assets (7.7 per cent). Albeit reflecting some one-off factors, this rise indicates a conservative approach to managing liquidity. This conclusion is supported by the values of this ratio at individual banks. A similar trend was typical for the ratio of *tradable assets to total borrowed funds*. The 1.7 percentage point increase (from 34.3 per cent as of June to 36 per cent as of September) reflected lower growth rates of borrowed funds (8.2 per cent).

Over the reviewed period *the loans to deposits ratio* posted a decrease. Its average value was 68.9 per cent (71.3 per cent by end-June), reflecting the outstripping growth in deposits compared to loans: 9 per cent *vis-à-vis* 5.2 per cent in the third quarter of 2006. Half of the systematically important banks reported declines in this indicator. Nine Group II banks recorded upward trends with more significant changes. However, following the small market share of these institutions, these developments had no sizable effect on the average banking indicator. It should be noted that the abovementioned sales of loans also affected the decrease in this ratio. *The loans to total funds* ratio fell insignificantly from 65 to 63 per cent owing to lower values recorded by most banks (15).

The liquid assets ratio also shows a good level of the system's liquidity potential at 32 per cent, with Group II banks traditionally reporting higher values (39 per cent) than the ten large banks (28 per cent). In addition, the asset and liability maturity structure analysis under Ordinance No. 11 shows that small and medium-sized banks strived to ensure coverage of their borrowed fund outflows in a longer horizon than that of Group I banks. While liquid assets of large banks covered the outflows in the shortest time horizon of up to seven days and over six months, Group II banks reported coverage above 100 per cent in the horizons of up to seven days, up to one month and up to three months.

Appendix 1

Chart 31

Total Amount of Loans by Quarter

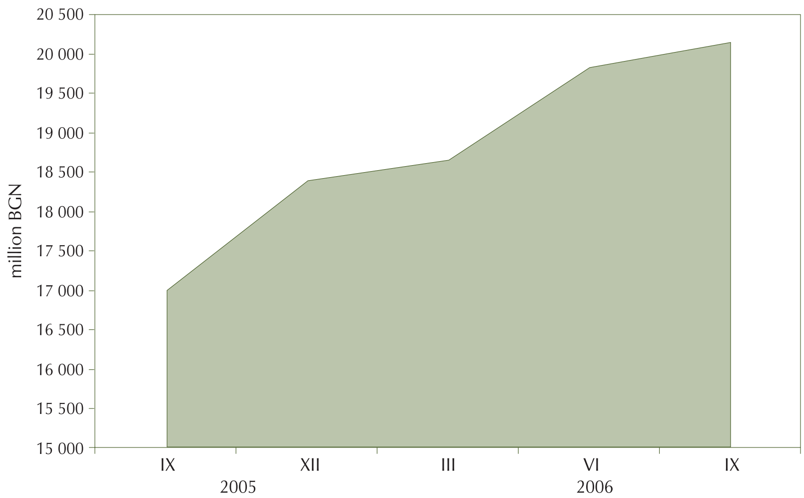


Chart 32

Credit Structure as of September 2006

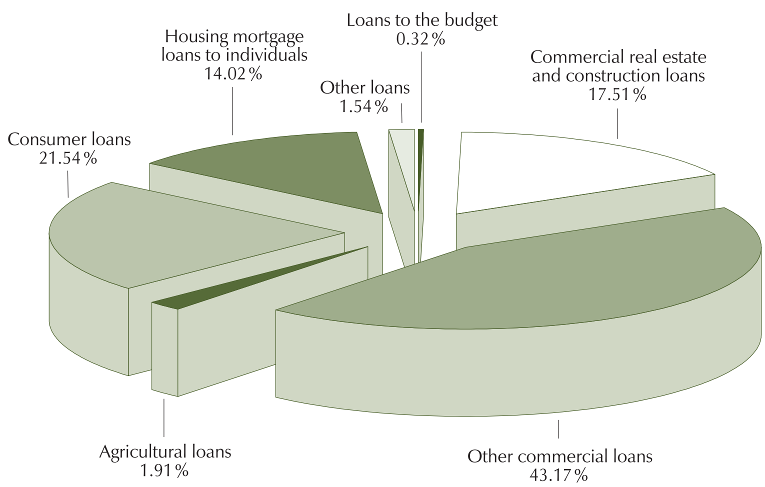


Chart 33

Deposits of Financial and Non-financial Institutions by Quarter

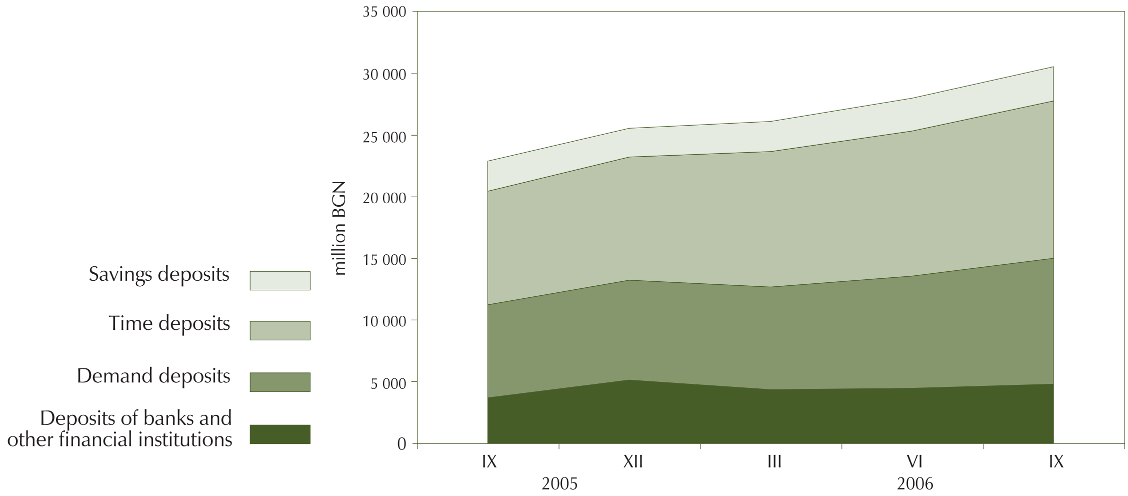


Chart 34

The Loans to Deposits Ratios

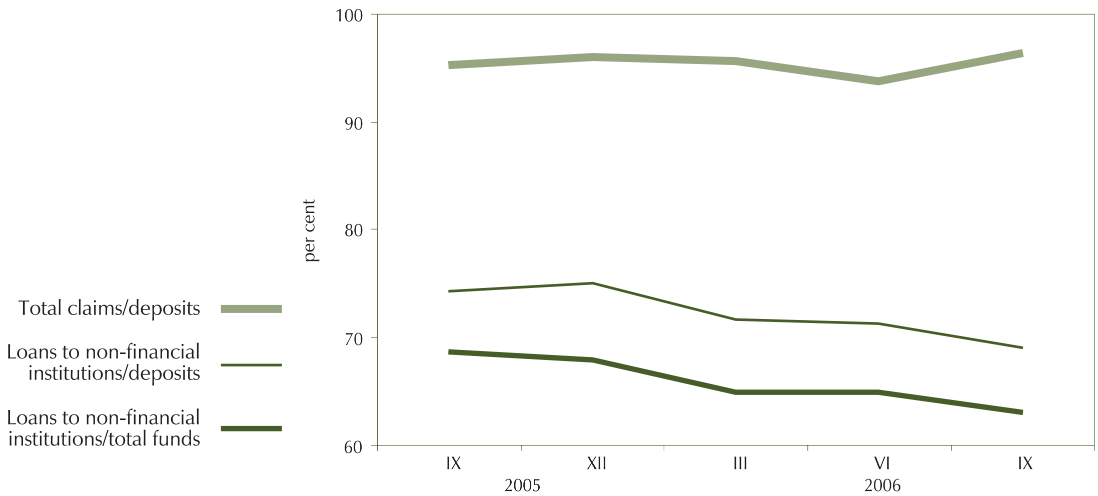


Chart 35

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

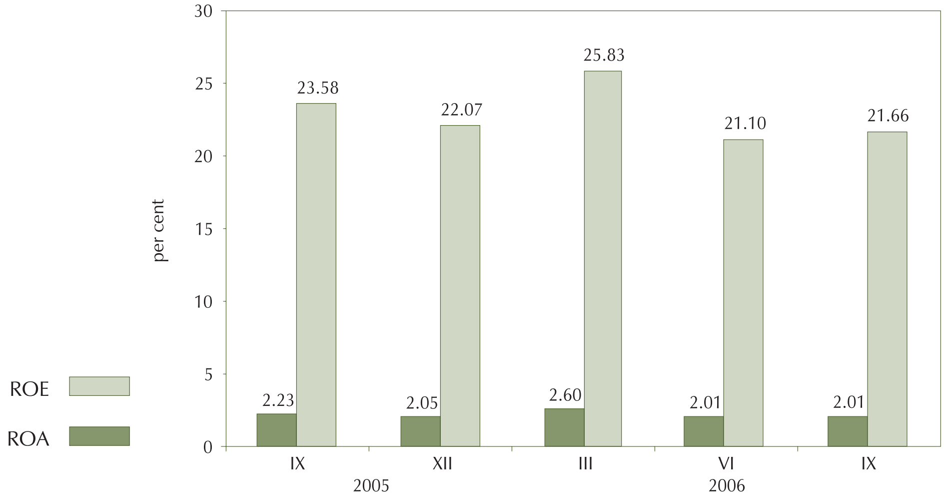
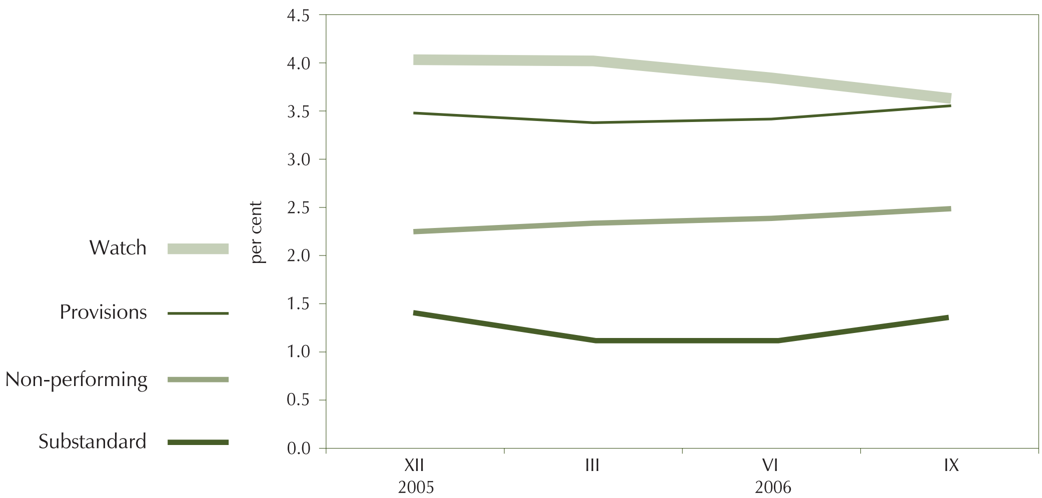


Chart 36

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 income from core operations since early year as a percentage of average assets since early year)	**Income from core operations since early year** (= net interest income + trading portfolio profit/loss + income 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.	Prevalence of interest liabilities	Average interest liabilities since the beginning of the year/average gross interest-bearing assets since the beginning of the year
8.	Cost 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 income as a percentage of average assets since the beginning of the year	Non-interest income 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 income from core operations)	Non-interest expenditure since the beginning of the year/ income 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 (capital base)/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 last 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 last 12 months	Capital base (current quarter, current year) – capital base (corresponding quarter, previous year)/capital base (corresponding quarter, previous year)
3.	Asset growth in last 12 months	Total assets (current quarter, current year) – total assets (corresponding quarter, previous year)/total assets (corresponding quarter, previous year)
4.	Credit growth in last 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 last 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 last 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 share of gross assets	Tradable assets (source: *Ordinance No. 11*, 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 share of total borrowed funds	Tradable assets/total borrowed funds (= total deposits + obligations under repurchase agreements + short-term borrowings + long-term borrowings + interest liabilities, source: *balance sheets of commercial banks*)
3.	Non-core borrowed funds as a share 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 share 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

II. Methodological Notes

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-October 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, Piraeus Bank Bulgaria and Economic and Investment Bank.*
>
> **Group II:** *the other Bulgarian banks. It includes DZI Bank, Hebros Commercial Bank, Municipal Bank, Central Cooperative Bank, Corporate Commercial Bank, Allianz Bulgaria Commercial Bank, MKB Unionbank, Bulgarian-American Credit Bank, ProCredit Bank (Bulgaria), BNP Paribas (Bulgaria), International Asset Bank, Investbank, Emporiki Bank – Bulgaria, Encouragement Bank, D Commerce Bank, Tokuda Bank, NLB West–East Bank and Texim Private Entrepreneurial Bank.*
>
> **Group III:** *branches of foreign banks in Bulgaria. It includes ING Bank N. V., Citibank N. A., Alpha Bank and 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

CAPITAL ADEQUACY OF COMMERCIAL BANKS AS OF 30 SEPTEMBER 2006
(under Ordinance No. 8 of the BNB)

Banks	Equity (BGN'000)	Tier one capital (BGN'000)	Risk component (%)	Capital adequacy ratio (%)	Tier one capital ratio (%)
Group I	2 832 240	2 308 701	19 030 268	14.88	12.13
Group II	849 324	759 283	5 168 410	16.43	14.69
Banking system, total	**3 681 564**	**3 067 984**	**24 198 678**	**15.21**	**12.68**

Source: BNB.

CREDIT PORTFOLIO OF COMMERCIAL BANKS
(under Ordinance No. 9 of the BNB)

Bank groups	Loans	September 2006
Group I	**Total (BGN'000)**	**21 693 639**
	Standard (%)	94.29
	Watch (%)	2.68
	Substandard (%)	1.09
	Non-performing (%)	1.94
	Provisions (%)	2.78
Group II	**Total (BGN'000)**	**6 050 167**
	Standard (%)	94.94
	Watch (%)	2.64
	Substandard (%)	0.78
	Non-performing (%)	1.63
	Provisions (%)	2.30
Group III	**Total (BGN'000)**	**1 386 605**
	Standard (%)	98.74
	Watch (%)	1.21
	Substandard (%)	0.00
	Non-performing (%)	0.05
	Provisions (%)	0.18
Banking system, total	**Total (BGN'000)**	**29 130 411**
	Standard (%)	94.64
	Watch (%)	2.60
	Substandard (%)	0.98
	Non-performing (%)	1.78
	Provisions (%)	2.55

Source: BNB.

LIQUIDITY OF COMMERCIAL BANKS AS OF 30 SEPTEMBER 2006
(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	8 577 284	1 470 714						
ASSETS, TOTAL – inflow	27 453 058	1 747 947	9 179 987	2 127 259	1 093 369	1 544 144	3 151 512	10 356 787
BORROWED FUNDS, TOTAL (DEPOSITS)	25 358 125		6 366 434	4 694 270	2 307 981	1 628 954	1 871 108	8 489 378
Coefficient of liquid assets	28.02							
Adjusted coefficient of liquid assets to deposits			144.19	99.42	47.37	94.79	168.43	122.00
Group II								
Liquid assets, total	3 495 205	453 516						
ASSETS, TOTAL – inflow	8 395 594	661 116	3 489 886	299 181	467 341	482 484	838 203	2 818 499
BORROWED FUNDS, TOTAL (DEPOSITS)	7 806 151		1 918 463	1 019 983	1 025 024	1 190 352	1 006 088	1 646 241
Coefficient of liquid assets	38.97							
Adjusted coefficient of liquid assets to deposits			181.91	176.66	107.69	41.30	83.31	171.21
Group III								
Liquid assets, total	957 101	2 505						
ASSETS, TOTAL – inflow	1 596 569	2 837	1 225 344	41 645	29 715	48 861	70 287	180 717
BORROWED FUNDS, TOTAL (DEPOSITS)	1 543 361		820 167	51 122	33 310	19 675	6 220	612 867
Coefficient of liquid assets	61.85							
Adjusted coefficient of liquid assets to deposits			149.40	638.63	571.94	898.38	1 950.21	29.49
BANKING SYSTEM, TOTAL								
Liquid assets, total	13 029 590	1 926 735						
ASSETS, TOTAL – inflow	37 445 221	2 411 900	13 895 217	2 468 085	1 590 425	2 075 489	4 060 002	13 356 003
BORROWED FUNDS, TOTAL (DEPOSITS)	34 707 637		9 105 064	5 765 375	3 366 315	2 838 981	2 883 416	10 748 486
Coefficient of liquid assets	31.99							
Adjusted coefficient of liquid assets to deposits			152.61	117.87	62.90	73.11	140.81	124.26

Source: BNB.

HIGH LIQUIDITY ASSET RATIOS
(share of deposits, %)

Commercial bank groups		September 2006
Group I	Primary liquidity	11.52
	Secondary liquidity	28.02
Group II	Primary liquidity	18.42
	Secondary liquidity	38.97
Group III	Primary liquidity	8.95
	Secondary liquidity	61.85
Banking system, total	**Primary liquidity**	**12.93**
	Secondary liquidity	**31.99**

Source: BNB.

IV. Balance Sheets and Income Statements

(as of September 2006)

BALANCE SHEET OF THE BANKING SYSTEM AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
ASSETS					
Vault cash and current accounts with the BNB	**3 914 988**		**1 912 534**	**1 886 578**	**115 876**
Claims on financial institutions					
Demand deposits with banks	1 184 686	176 881	11 001	814 255	182 549
Time deposits with banks	6 780 767	554 127	1 652 893	2 737 741	1 836 006
Loans to banks	67 268	0	2 071	47 397	17 800
Other claims on banks	6 987	0	3 117	2 699	1 171
Loans to other financial institutions	221 842	0	27 911	193 931	0
Claims on financial institutions, total	**8 261 550**	**731 008**	**1 696 993**	**3 796 023**	**2 037 526**
Less: specific provisions	**1 401**		**859**	**527**	**15**
Claims on financial institutions, net	**8 260 149**	**731 008**	**1 696 134**	**3 795 496**	**2 037 511**
Claims under repurchase agreements	**242 302**	**0**	**85 119**	**116 559**	**40 624**
Trading portfolio	**2 058 051**	**403**	**869 417**	**704 045**	**484 186**
Investment portfolio					
Investments held to maturity	1 144 468	0	474 109	343 036	327 323
Investments available for sale	1 698 903	0	653 449	771 537	273 917
Loans to non-financial institutions and other customers					
Loans to budget	66 190		44 145	22 045	0
Commercial loans					
Commercial real estate and construction loans	3 653 204		776 658	2 777 193	99 353
Other commercial loans	9 007 965		3 927 143	4 758 484	322 338
Agricultural loans	398 398		315 763	78 103	4 532
Consumer loans	4 496 392		4 227 485	238 981	29 926
Housing mortgage loans to individuals	2 924 906		1 980 124	922 682	22 100
Other loans	321 806	0	144 611	163 277	13 918
Loans to non-financial institutions and other customers, total	**20 868 861**	**0**	**11 415 929**	**8 960 765**	**492 167**
Less: specific provisions	**742 878**		**513 828**	**205 679**	**23 371**
Loans to non-financial institutions and other customers, net	**20 125 983**	**0**	**10 902 101**	**8 755 086**	**468 796**
Memo: purchased loans	6 833				
Assets for resale	**20 907**		**20 907**	**0**	**0**
Investments in subsidiaries, associated and joint-venture companies	**55 683**		**55 683**	**0**	**0**
Other assets					
Hedging derivatives	1 387	0	792	0	595
Other assets	258 125	1 715	155 908	78 741	21 761
Other assets, total	**259 512**	**1 715**	**156 700**	**78 741**	**22 356**
Intangible assets	**91 503**		**91 348**	**0**	**155**
Premises and other fixed assets	**870 785**		**869 935**	**0**	**850**
Assets, total	**38 743 234**	**733 126**	**17 787 436**	**16 451 078**	**3 771 594**

(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	196 837	3 678	46 339	97 294	49 526
Time deposits of banks	2 809 045	1 236	1 259 293	1 343 901	204 615
Deposits of other financial institutions	1 684 537	0	717 988	910 469	56 080
Deposits of non-financial institutions and other customers					
Demand deposits	10 259 147	0	6 344 362	3 173 748	741 037
Time deposits	12 634 118	0	4 600 423	5 523 185	2 510 510
Savings deposits	2 692 625	0	1 374 977	898 915	418 733
Deposits, total	**30 276 309**	**4 914**	**14 343 382**	**11 947 512**	**3 980 501**
Borrowings under repurchase agreements	**379 841**	**0**	**96 662**	**244 742**	**38 437**
Short-term borrowings					
From the BNB	0		0	0	0
From banks	130 434	0	0	130 371	63
Other	37 449	0	27 063	10 381	5
Long-term borrowings	**2 615 631**	**0**	**337 916**	**2 187 488**	**90 227**
Memo: borrowings from banks	1 837 211	0	125 706	1 676 047	35 458
Subordinated term debt and debt/equity (hybrid) instruments					
Subordinated term debt	182 996		25 578	156 778	640
Debt/equity (hybrid) instruments	287 866		11 124	276 742	0
Other liabilities					
Trading portfolio liabilities	18 698	286	1 799	8 548	8 065
Hedging derivatives	5 968	0	5 343	625	0
Specific provisions on off-balance sheet commitments	48 027	0	4 720	2 393	40 914
Other liabilities	733 368	9 199	431 019	233 213	59 937
Liabilities, total	**34 716 587**	**14 399**	**15 284 606**	**15 198 793**	**4 218 789**
Minority interest in consolidated subsidiaries	**0**		**0**	**0**	**0**
Equity					
Common stock	1 359 759		1 359 759		
Share premium on common stock	1 767		1 767		
Preferred stock and related premium	0		0		
Reserves					
Retained profit/loss, previous years	71 180	38 849	32 331		
Statutory reserves	911 115		911 115		
Other reserves	914 862	25 723	889 139		
Cumulative foreign exchange translation adjustment	0		0		
Other equity components					
Revaluation – fixed assets	235 980	0	235 980		
Revaluation – investments available for sale	1 205	-126	1 331		
Revaluation – cash flow hedges	0	0	0		
Profit/loss, current year	529 426		529 426		
One-off effect of the change in accounting regime	1 353	0	1 353		
Equity, total	**4 026 647**	**64 446**	**3 962 201**		
Liabilities, minority interest, and capital, total	**38 743 234**	**78 845**	**19 246 807**	**15 198 793**	**4 218 789**
Memo: credit substitutes and other off-balance sheet commitments	**7 664 352**	**22 195**	**2 972 586**	**3 733 226**	**936 345**

INCOME STATEMENT OF THE BANKING SYSTEM
(September 2006)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME					
Interest income from demand deposits with banks	9 914	3 399	111	5 200	1 204
Interest income from time deposits with banks	122 552	7 341	15 203	41 386	58 622
Interest income from loans to banks	2 051	0	91	1 301	659
Interest income from other claims on banks	1 866	0	3	920	943
Interest income from loans to other financial institutions	8 969	0	1 839	7 130	0
Interest income from claims under repurchase agreements	7 253	0	2 172	3 499	1 582
Interest income from trading portfolio	81 468	0	43 143	17 810	20 515
Interest income from investment portfolio	94 427	0	40 581	33 694	20 152
Bulgarian government securities	45 944		30 551	13 619	1 774
Other domestic debt securities	15 319	0	9 180	5 370	769
Debt securities issued by foreign governments and international financial institutions	17 001		292	9 388	7 321
Other external debt securities	16 163	0	558	5 317	10 288
Interest income from loans	1 415 666	0	851 370	518 486	45 810
Loans to budget	2 228		2 123	105	0
Commercial real estate and construction loans	240 005		51 488	175 030	13 487
Other commercial loans	581 842		280 016	272 877	28 949
Agricultural loans	21 717		17 618	3 789	310
Consumer loans	407 547		392 852	13 980	715
Housing mortgage loans to individuals	147 578		101 675	44 595	1 308
Other loans	14 749	0	5 598	8 110	1 041
Dividend income	3 595	0	3 545	50	0
Interest and dividend income, total	**1 747 761**	**10 740**	**958 058**	**629 476**	**149 487**
INTEREST EXPENDITURE					
Interest expenditure on deposits of banks	41 190	2 479	12 330	18 094	8 287
Interest expenditure on deposits of other financial institutions	64 383	0	18 041	44 973	1 369
Interest expenditure on demand deposits of non-financial institutions and other customers	46 567	0	28 422	15 037	3 108
Interest expenditure on time deposits of non-financial institutions and other customers	292 989	0	122 287	113 585	57 117
Interest expenditure on savings deposits of non-financial institutions and other customers	30 404	0	20 022	7 544	2 838
Interest expenditure on borrowings under repurchase agreements	5 831	0	1 976	2 390	1 465
Interest expenditure on short-term borrowings	9 486	0	1 275	7 586	625
Interest expenditure on long-term borrowings	74 688	0	9 224	60 094	5 370
Interest expenditure on subordinated term debt	8 894	0	281	8 569	44
Interest expenditure on debt/equity (hybrid) instruments	13 458		124	13 334	0
Interest expenditure on other liabilities	6 789		78	3 152	3 555
Interest expenditure, total	**594 679**	**2 483**	**214 060**	**294 358**	**83 778**
INTEREST AND DIVIDEND INCOME, NET	**1 153 082**	**8257**	**743 998**	**335 118**	**65 709**
CREDIT PROVISIONS					
Accrued provisions	455 907	0			
Reintegrated provisions	304 425	0			
Credit provisions, net	151 482	0			

(continued)

(continued) (BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS					
Gain/loss on securities trading portfolio	-32 120	0			
Gain/loss on derivatives held for trading	4 427	-1			
Gain/loss on other instruments in trading portfolio	325	0			
Trading portfolio gain/loss, total	-27 368	-1			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE					
Gain/loss on investments available for sale	5 918	0			
Gain/loss on instruments effectively hedging investments available for sale	-141	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**9 078**	**0**			
OTHER NON-INTEREST INCOME					
Loan servicing income	119 192	0			
Fee income on off-balance sheet accounts	27 225	0			
Service charges on deposits	130 143	0			
Other fees and commissions	136 996	0			
Gain/loss on assets held for resale	-113	0			
Gain/loss on sale of other assets	21 620	0			
Gain/loss on foreign currency transactions	45 214	-1 042			
Other non-interest income	36 040	1 257			
NON-INTEREST EXPENDITURE					
Salary, social security, and pension expenditure	310 804				
Occupancy expenditure, net	155 768				
External service expenditure paid to shareholders, subsidiaries and associated companies	11 463				
Other external service expenditure	226 578	835			
Other non-interest expenditure	215 982	0			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	**584 809**	**7 636**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**28 830**	**873**			
EXTRAORDINARY GAIN/LOSS	**8 166**	**0**			
TAX	**92 379**				
MINORITY INTEREST	**0**				
PROFIT/LOSS, NET	**529 426**	**8 509**			

BALANCE SHEET OF GROUP I BANKS AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**2 534 077**	**925 622**	**1 528 268**	**80 187**
Claims on financial institutions				
Demand deposits with banks	927 511	7 723	771 138	148 650
Time deposits with banks	4 488 788	1 184 046	1 925 299	1 379 443
Loans to banks	45 620	0	27 820	17 800
Other claims on banks	6 364	2 828	2 496	1 040
Loans to other financial institutions	140 630	17 292	123 338	0
Claims on financial institutions, total	**5 608 913**	**1 211 889**	**2 850 091**	**1 546 933**
Less: specific provisions	**1 000**	**570**	**415**	**15**
Claims on financial institutions, net	**5 607 913**	**1 211 319**	**2 849 676**	**1 546 918**
Claims under repurchase agreements	**57 609**	**16 205**	**39 217**	**2 187**
Trading portfolio	**1 649 654**	**572 695**	**621 061**	**455 898**
Investment portfolio				
Investments held to maturity	909 917	340 243	259 554	310 120
Investments available for sale	1 210 289	434 246	562 467	213 576
Loans to non-financial institutions and other customers				
Loans to budget	49 410	29 169	20 241	0
Commercial loans				
Commercial real estate and construction loans	2 456 928	462 003	1 943 422	51 503
Other commercial loans	6 673 962	2 615 617	3 871 199	187 146
Agricultural loans	224 730	158 265	63 959	2 506
Consumer loans	4 010 135	3 801 346	187 067	21 722
Housing mortgage loans to individuals	2 507 247	1 800 767	692 828	13 652
Other loans	162 314	98 146	53 802	10 366
Loans to non-financial institutions and other customers, total	**16 084 726**	**8 965 313**	**6 832 518**	**286 895**
Less: specific provisions	**601 503**	**435 158**	**151 634**	**14 711**
Loans to non-financial institutions and other customers, net	**15 483 223**	**8 530 155**	**6 680 884**	**272 184**
Memo: purchased loans	5 749			
Assets for resale	**10 629**	**10 629**	**0**	**0**
Investments in subsidiaries, associated and joint-venture companies	**48 083**	**48 083**	**0**	**0**
Other assets				
Hedging derivatives	1 387	792	0	595
Other assets	180 483	103 614	61 626	15 243
Other assets, total	**181 870**	**104 406**	**61 626**	**15 838**
Intangible assets	**66 797**	**66 642**	**0**	**155**
Premises and other fixed assets	**662 083**	**661 233**	**0**	**850**
Assets, total	**28 422 144**	**12 921 478**	**12 602 753**	**2 897 913**

(continued)

(continued) (BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	123 116	37 249	68 617	17 250
Time deposits of banks	2 287 038	948 508	1 198 794	139 736
Deposits of other financial institutions	1 252 300	447 650	794 681	9 969
Deposits of non-financial institutions and other customers				
Demand deposits	6 783 720	4 316 151	1 923 802	543 767
Time deposits	9 360 578	3 507 448	3 994 044	1 859 086
Savings deposits	2 188 180	1 159 192	686 525	342 463
Deposits, total	**21 994 932**	**10 416 198**	**8 666 463**	**2 912 271**
Borrowings under repurchase agreements	**350 039**	**68 816**	**242 786**	**38 437**
Short-term borrowings				
From the BNB	0	0	0	0
From banks	55	0	0	55
Other	17 518	16 918	600	0
Long-term borrowings	**1 983 601**	**266 960**	**1 632 360**	**84 281**
Memo: borrowings from banks	1 517 003	125 706	1 355 839	35 458
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	125 076	0	125 076	0
Debt/equity (hybrid) instruments	256 428	0	256 428	0
Other liabilities				
Trading portfolio liabilities	17 301	1 778	7 894	7 629
Hedging derivatives	5 343	5 343	0	0
Specific provisions on off-balance sheet commitments	48 027	4 720	2 393	40 914
Other liabilities	568 333	348 460	177 257	42 616
Liabilities, total	**25 366 653**	**11 129 193**	**11 111 257**	**3 126 203**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity				
Common stock	854 421	854 421		
Share premium on common stock	0	0		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	41 855	41 855		
Statutory reserves	728 550	728 550		
Other reserves	785 516	785 516		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	221 796	221 796		
Revaluation – investments available for sale	762	762		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	422 591	422 591		
One-off effect of the change in accounting regime	0	0		
Equity, total	**3 055 491**	**3 055 491**		
Liabilities, minority interest, and capital, total	**28 422 144**	**14 184 684**	**11 111 257**	**3 126 203**
Memo: credit substitutes and other off-balance sheet commitments	**5 260 108**	**1 909 716**	**2 642 948**	**707 444**

INCOME STATEMENT OF GROUP I BANKS
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	5 660	4	4 719	937
Interest income from time deposits with banks	76 002	10 833	25 042	40 127
Interest income from loans to banks	1 491	40	795	656
Interest income from other claims on banks	1 865	3	919	943
Interest income from loans to other financial institutions	5 155	1 172	3 983	0
Interest income from claims under repurchase agreements	2 049	603	1 345	101
Interest income from trading portfolio	64 481	32 066	13 983	18 432
Interest income from investment portfolio	70 542	32 350	21 470	16 722
Bulgarian government securities	33 725	23 632	9 400	693
Other domestic debt securities	9 000	8 086	419	495
Debt securities issued by foreign governments and international financial institutions	14 252	256	7 857	6 139
Other external debt securities	13 565	376	3 794	9 395
Interest income from loans	1 077 867	689 175	363 417	25 275
Loans to budget	1 453	1 443	10	0
Commercial real estate and construction loans	147 488	31 603	108 546	7 339
Other commercial loans	414 543	192 209	205 670	16 664
Agricultural loans	9 731	7 072	2 628	31
Consumer loans	374 836	363 463	10 881	492
Housing mortgage loans to individuals	122 809	90 790	31 289	730
Other loans	7007	2595	4393	19
Dividend income	2368	2368	0	0
Interest and dividend income, total	**1 307 480**	**768 614**	**435 673**	**103 193**
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	31 811	10 570	14 668	6 573
Interest expenditure on deposits of other financial institutions	52 181	9 282	42 571	328
Interest expenditure on demand deposits of non-financial institutions and other customers	29 410	16 854	10 510	2 046
Interest expenditure on time deposits of non-financial institutions and other customers	203 643	93 447	71 935	38 261
Interest expenditure on savings deposits of non-financial institutions and other customers	20 076	14 313	4 122	1 641
Interest expenditure on borrowings under repurchase agreements	5 076	1 248	2 363	1 465
Interest expenditure on short-term borrowings	2 207	192	1 767	248
Interest expenditure on long-term borrowings	50 905	8 203	38 797	3 905
Interest expenditure on subordinated term debt	7 913	0	7 913	0
Interest expenditure on debt/equity (hybrid) instruments	12 190	0	12 190	0
Interest expenditure on other liabilities	5 520	30	2 735	2 755
Interest expenditure, total	**420932**	**154139**	**209571**	**57222**
INTEREST AND DIVIDEND INCOME, NET	**886 548**	**614 475**	**226 102**	**45 971**
CREDIT PROVISIONS				
Accrued provisions	360 953			
Reintegrated provisions	233 318			
Credit provisions, net	127 635			

(continued)

(continued) (BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading potfolio	-28 664			
Gain/loss on derivatives held for trading	2 627			
Gain/loss on other instruments in trading portfolio	473			
Trading portfolio gain/loss, total	-25 564			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	4 598			
Gain/loss on instruments effectively hedging investments available for sale	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**9 463**			
OTHER NON-INTEREST INCOME				
Loan servicing income	97 182			
Fee income on off-balance sheet accounts	17 486			
Service charges on deposits	100 189			
Other fees and commissions	102 736			
Gain/loss on assets held for resale	17			
Gain/loss on sale of other assets	1 617			
Gain/loss on foreign currency transactions	31756			
Other non-interest income	20 138			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	216 082			
Occupancy expenditure, net	99 153			
External service expenditure paid to shareholders, subsidiaries and associated companies	6 776			
Other external service expenditure	176 161			
Other non-interest expenditure	151 934			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	**468 425**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**23 187**			
EXTRAORDINARY GAIN/LOSS	**6 161**			
TAX	**75 182**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**422 591**			

BALANCE SHEET OF GROUP II BANKS AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**1 244 356**	**877 213**	**333 888**	**33 255**
Claims on financial institutions				
Demand deposits with banks	78 931	3 262	43 005	32 664
Time deposits with banks	1 596 782	423 837	731 848	441 097
Loans to banks	19 577	0	19 577	0
Other claims on banks	623	289	203	131
Loans to other financial institutions	48 024	7 202	40 822	0
Claims on financial institutions, total	**1 743 937**	**434 590**	**835 455**	**473 892**
Less: specific provisions	**401**	**289**	**112**	**0**
Claims on financial institutions, net	**1 743 536**	**434 301**	**835 343**	**473 892**
Claims under repurchase agreements	**184 693**	**68 914**	**77 342**	**38 437**
Trading portfolio	**368 406**	**273 106**	**71 306**	**23 994**
Investment portfolio				
Investments held to maturity	234 551	133 866	83 482	17 203
Investments available for sale	452 757	209 916	186 506	56 335
Loans to non-financial institutions and other customers				
Loans to budget	16 780	14 976	1 804	0
Commercial loans				
Commercial real estate and construction loans	1 079 608	302 156	737 435	40 017
Other commercial loans	1 997 485	1 110 868	765 647	120 970
Agricultural loans	172 132	157 245	14 144	743
Consumer loans	483 592	423 959	51 504	8 129
Housing mortgage loans to individuals	397 346	171 142	217 783	8 421
Other loans	159 287	46 289	109 473	3 525
Loans to non-financial institutions and other customers, total	**4 306 230**	**2 226 635**	**1 897 790**	**181 805**
Less: specific provisions	**138 935**	**78 211**	**52 787**	**7 937**
Loans to non-financial institutions and other customers, net	**4 167 295**	**2 148 424**	**1 845 003**	**173 868**
Memo: purchased loans	1 084			
Assets for resale	**10 278**	**10 278**	**0**	**0**
Investments in subsidiaries, associated and joint-venture companies	**7 600**	**7 600**	**0**	**0**
Other assets				
Hedging derivatives	0	0	0	0
Other assets	69 475	47 235	16 226	6 014
Other assets, total	**69 475**	**47 235**	**16 226**	**6 014**
Intangible assets	**23 924**	**23 924**	**0**	**0**
Premises and other fixed assets	**196 276**	**196 276**	**0**	**0**
Assets, total	**8 703 147**	**4 431 053**	**3 449 096**	**822 998**

(continued)

(continued) (BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	14 231	3 036	8 137	3 058
Time deposits of banks	437 928	265 272	111 642	61 014
Deposits of other financial institutions	398 998	254 465	100 240	44 293
Deposits of non-financial institutions and other customers				
Demand deposits	2 380 924	1 766 279	449 273	165 372
Time deposits	3 040 736	1 023 703	1 423 475	593 558
Savings deposits	483 018	213 193	196 170	73 655
Deposits, total	**6 755 835**	**3 525 948**	**2 288 937**	**940 950**
Borrowings under repurchase agreements	**29 802**	**27 846**	**1 956**	**0**
Short-term borrowings				
From the BNB	0	0	0	0
From banks	130 281	0	130 281	0
Other	19 931	10 145	9 781	5
Long-term borrowings	**632 030**	**70 956**	**555 128**	**5 946**
Memo: borrowings from banks	320 208	0	320 208	0
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	57 920	25 578	31 702	640
Debt/equity (hybrid) instruments	31 438	11 124	20 314	0
Other liabilities				
Trading portfolio liabilities	714	21	404	289
Hedging derivatives	625	0	625	0
Specific provisions on off-balance sheet commitments	0	0	0	0
Other liabilities	147 997	77 999	55 138	14 860
Liabilities, total	**7 806 573**	**3 749 617**	**3 094 266**	**962 690**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity				
Common stock	505 338	505 338		
Share premium on common stock	1 767	1 767		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	-9 524	-9 524		
Statutory reserves	182 565	182 565		
Other reserves	103 623	103 623		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	14 184	14 184		
Revaluation – investments available for sale	569	569		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	96 699	96 699		
One-off effect of the change in accounting regime	1 353	1 353		
Equity, total	**896 574**	**896 574**		
Liabilities, minority interest, and capital, total	**8 703 147**	**4 646 191**	**3 094 266**	**962 690**
Memo: credit substitutes and other off-balance sheet commitments	**1 662 595**	**809 221**	**740 215**	**113 159**

INCOME STATEMENT OF GROUP II BANKS
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	589	4	329	256
Interest income from time deposits with banks	38 035	3 369	16 183	18 483
Interest income from loans to banks	509	0	506	3
Interest income from other claims on banks	1	0	1	0
Interest income from loans to other financial institutions	2 402	504	1 898	0
Interest income from claims under repurchase agreements	5 196	1 561	2 154	1 481
Interest income from trading portfolio	15 732	9 822	3 827	2 083
Interest income from investment portfolio	22 332	7 726	11 376	3 230
Bulgarian government securities	11 714	6 414	4 219	1 081
Other domestic debt securities	6 319	1 094	4 951	274
Debt securities issued by foreign governments and international financial institutions	1 701	36	683	982
Other external debt securities	2 598	182	1 523	893
Interest income from loans	320 596	154 072	147 508	19 016
Loans to budget	775	680	95	0
Commercial real estate and construction loans	87 690	19 400	62 613	5 677
Other commercial loans	156 169	80 920	63 829	11 420
Agricultural loans	11 708	10 444	1 152	112
Consumer loans	32 498	29 200	3 089	209
Housing mortgage loans to individuals	24 020	10 431	13 013	576
Other loans	7736	2997	3717	1022
Dividend income	1227	1177	50	0
Interest and dividend income, total	**406 619**	**178 235**	**183 832**	**44 552**
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	5 184	1 162	2 764	1 258
Interest expenditure on deposits of other financial institutions	11 816	8 699	2 120	997
Interest expenditure on demand deposits of non-financial institutions and other customers	13 309	10 235	2 161	913
Interest expenditure on time deposits of non-financial institutions and other customers	86 594	28 519	40 333	17 742
Interest expenditure on savings deposits of non-financial institutions and other customers	10 304	5 706	3 406	1 192
Interest expenditure on borrowings under repurchase agreements	755	728	27	0
Interest expenditure on short-term borrowings	6 908	1 083	5 462	363
Interest expenditure on long-term borrowings	23 783	1 021	21 297	1 465
Interest expenditure on subordinated term debt	981	281	656	44
Interest expenditure on debt/equity (hybrid) instruments	1 268	124	1 144	0
Interest expenditure on other liabilities	1 265	48	417	800
Interest expenditure, total	**162167**	**57606**	**79787**	**24774**
INTEREST AND DIVIDEND INCOME, NET	**244 452**	**120 629**	**104 045**	**19 778**
CREDIT PROVISIONS				
Accrued provisions	93 592			
Reintegrated provisions	68 550			
Credit provisions, net	25 042			

(continued)

(continued) (BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading potfolio	-3 854			
Gain/loss on derivatives held for trading	135			
Gain/loss on other instruments in trading portfolio	0			
Trading portfolio gain/loss, total	-3 719			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	1 484			
Gain/loss on instruments effectively hedging investments available for sale	-141			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**-385**			
OTHER NON-INTEREST INCOME				
Loan servicing income	21 222			
Fee income on off-balance sheet accounts	9 149			
Service charges on deposits	28 405			
Other fees and commissions	29 462			
Gain/loss on assets held for resale	-130			
Gain/loss on sale of other assets	20 003			
Gain/loss on foreign currency transactions	11786			
Other non-interest income	13 120			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	86 193			
Occupancy expenditure, net	52 324			
External service expenditure paid to shareholders, subsidiaries and associated companies	4 687			
Other external service expenditure	42 635			
Other non-interest expenditure	57 987			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	**105 840**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**4 228**			
EXTRAORDINARY GAIN/LOSS	**2 022**			
TAX	**15 391**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**96 699**			

BALANCE SHEET OF GROUP III BANKS AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	**136 555**		**136 555**	**109 699**	**24 422**	**2 434**
Claims on financial institutions						
Demand deposits with banks	178 244	176 881	1 363	16	112	1 235
Time deposits with banks	695 197	554 127	141 070	45 010	80 594	15 466
Loans to banks	2 071	0	2 071	2 071	0	0
Other claims on banks	0	0	0	0	0	0
Loans to other financial institutions	33 188	0	33 188	3 417	29 771	0
Claims on financial institutions, total	**908 700**	**731 008**	**177 692**	**50 514**	**110 477**	**16 701**
Less: specific provisions	**0**	**0**	**0**	**0**	**0**	**0**
Claims on financial institutions, net	**908 700**	**731 008**	**177 692**	**50 514**	**110 477**	**16 701**
Claims under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Trading portfolio	**39 991**	**403**	**39 588**	**23 616**	**11 678**	**4 294**
Investment portfolio						
Investments held to maturity	0	0	0	0	0	0
Investments available for sale	35 857	0	35 857	9 287	22 564	4 006
Loans to non-financial institutions and other customers						
Loans to budget	0		0	0	0	0
Commercial loans						
Commercial real estate and construction loans	116 668		116 668	12 499	96 336	7 833
Other commercial loans	336 518		336 518	200 658	121 638	14 222
Agricultural loans	1 536		1 536	253	0	1 283
Consumer loans	2 665		2 665	2 180	410	75
Housing mortgage loans to individuals	20 313		20 313	8 215	12 071	27
Other loans	205	0	205	176	2	27
Loans to non-financial institutions and other customers, total	**477 905**	**0**	**477 905**	**223 981**	**230 457**	**23 467**
Less: specific provisions	**2 440**	**0**	**2 440**	**459**	**1 258**	**723**
Loans to non-financial institutions and other customers, net	**475 465**	**0**	**475 465**	**223 522**	**229 199**	**22 744**
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	8 167	1 715	6 452	5 059	889	504
Other assets, total	**8 167**	**1 715**	**6 452**	**5 059**	**889**	**504**
Intangible assets	**782**		**782**	**782**	**0**	**0**
Premises and other fixed assets	**12 426**		**12 426**	**12 426**	**0**	**0**
Assets, total	**1 617 943**	**733 126**	**884 817**	**434 905**	**399 229**	**50 683**

(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	59 490	3 678	55 812	6 054	20 540	29 218
Time deposits of banks	84 079	1 236	82 843	45 513	33 465	3 865
Deposits of other financial institutions	33 239	0	33 239	15 873	15 548	1 818
Deposits of non-financial institutions and other customers						
Demand deposits	1 094 503	0	1 094 503	261 932	800 673	31 898
Time deposits	232 804	0	232 804	69 272	105 666	57 866
Savings deposits	21 427	0	21 427	2 592	16 220	2 615
Deposits, total	**1 525 542**	**4 914**	**1 520 628**	**401 236**	**992 112**	**127 280**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Short-term borrowings						
From the BNB	0		0	0	0	0
From banks	98	0	98	0	90	8
Other	0	0	0	0	0	0
Long-term borrowings	**0**	**0**	**0**	**0**	**0**	**0**
Memo: borrowings from banks	0	0	0	0	0	0
Other liabilities						
Trading portfolio liabilities	683	286	397	0	250	147
Hedging derivatives	0	0	0	0	0	0
Specific provisions on off-balance sheet commitments	0	0	0	0	0	0
Other liabilities	17 038	9 199	7 839	4 560	818	2 461
Liabilities, total	**1 543 361**	**14 399**	**1 528 962**	**405 796**	**993 270**	**129 896**
Reserves and financial result						
Reserves						
Retained profit/loss, previous years	38 849	38 849				
Other reserves	25 723	25 723				
Revaluation reserves						
Revaluation – fixed assets	0	0				
Revaluation – investments available for sale	-126	-126				
Revaluation – cash flow hedges	0	0				
Profit/loss, current year	10 136		10 136	10136		
One-off effect of the change in accounting regime	0	0				
Reserves and financial result, total	**74 582**	**64 446**	**10 136**	**10136**		
Liabilities, reserves, and financial result, total	**1 617 943**	**78 845**	**1 539 098**	**415 932**	**993 270**	**129 896**
Memo: credit substitutes and other off-balance sheet commitments	**741 649**	**22 195**	**719 454**	**253 649**	**350 063**	**115 742**

INCOME STATEMENT OF GROUP III BANKS
(September 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME						
Interest income from demand deposits with banks	3 665	3 399	266	103	152	11
Interest income from time deposits with banks	8 515	7 341	1 174	1 001	161	12
Interest income from loans to banks	51	0	51	51	0	0
Interest income from other claims on banks	0	0	0	0	0	0
Interest income from loans to other financial institutions	1 412	0	1 412	163	1 249	0
Interest income from claims under repurchase agreements	8	0	8	8	0	0
Interest income from trading portfolio	1 255	0	1 255	1 255	0	0
Interest income from investment portfolio	1 553	0	1 553	505	848	200
Bulgarian government securities	505		505	505	0	0
Other domestic debt securities	0	0	0	0	0	0
External debt securities issued by foreign governments and international financial institutions	1 048		1 048	0	848	200
Other external debt securities	0	0	0	0	0	0
Interest income from loans	17 203	0	17 203	8 123	7 561	1 519
Loans to budget	0		0	0	0	0
Commercial real estate and construction loans	4 827		4 827	485	3 871	471
Other commercial loans	11 130		11 130	6 887	3 378	865
Agricultural loans	278		278	102	9	167
Consumer loans	213		213	189	10	14
Housing mortgage loans to individuals	749		749	454	293	2
Other loans	6	0	6	6	0	0
Dividend income	0	0	0	0	0	0
Interest and dividend income, total	**33 662**	**10 740**	**22 922**	**11 209**	**9 971**	**1 742**
INTEREST EXPENDITURE						
Interest expenditure on deposits of banks	4 195	2 479	1 716	598	662	456
Interest expenditure on deposits of other financial institutions	386	0	386	60	282	44
Interest expenditure on demand deposits of non-finacial institutions and other customers	3 848	0	3 848	1 333	2 366	149
Interest expenditure on time deposits of non-finacial institutions and other customers	2 752	0	2 752	321	1 317	1 114
Interest expenditure on savings deposits of non-finacial institutions and other customers	24	0	24	3	16	5
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on short-term borrowings	371	0	371	0	357	14
Interest expenditure on long-term borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	4	4	0	0	0	0
Interest expenditure, total	**11 580**	**2 483**	**9 097**	**2 315**	**5 000**	**1 782**
INTEREST AND DIVIDEND INCOME, NET	**22 082**	**8257**	**13 825**	**8 894**	**4 971**	**-40**
CREDIT PROVISIONS						
Accrued provisions	1 362	0	1 362			
Reintegrated provisions	2 557	0	2 557			
Credit provisions, net	-1 195	0	-1 195			

(continued)

(continued) (BGN'000)

	Total	Related parties	Unrelated parties				
			Total	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS						
Gain/loss on trading portfolio securities	398	0	398			
Gain/loss on derivatives held for trading	1 665	-1	1 666			
Gain/loss on other instruments in trading portfolio	-148	0	-148			
Total trading portfolio gain/loss	1 915	-1	1 916			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE						
Gain/loss on investments available for sale	-164	0	-164			
Gain/loss on instruments effectively hedging investments available for sale	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**	**0**	**0**			
OTHER NON-INTEREST INCOME						
Loan servicing income	788	0	788			
Fee income on off-balance sheet accounts	590	0	590			
Service charges on deposits	1 549	0	1 549			
Other fees and commissions	4 798	0	4 798			
Gain/loss on assets held for resale	0	0	0			
Gain/loss on sale of other assets	0	0	0			
Gain/loss on foreign currecy transactions	1 672	-1 042	2 714			
Other non-interest income	2 782	1 257	1 525			
NON-INTEREST EXPENDITURE						
Salary, social security, and pension expenditure	8 529		8 529			
Occupancy expenditure, net	4 291		4 291			
External service expenditure	7 782	835	6 947			
Other non-interest expenditure	6 061	0	6 061			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	**10 544**	**7 636**	**2 908**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 415**	**873**	**542**			
EXTRAORDINARY GAIN/LOSS	**-17**	**0**	**-17**			
TAX	**1 806**		**1 806**			
PROFIT/LOSS, NET	**10 136**	**8 509**	**1 627**			

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

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

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**200 538**	**23 084**	**174 207**	**3 247**
Claims on financial institutions, net	**43 362**	**7 536**	**2 102**	**33 724**
Claims under repurchase agreements	**75 474**	**10 907**	**64 567**	**0**
Trading portfolio	**41 290**	**25 249**	**11 054**	**4 987**
Investment portfolio	**123 997**	**66 042**	**40 709**	**17 246**
Loans to non-financial institutions and other customers, net	**353 493**	**170 291**	**174 507**	**8 695**
Loans to budget	0	0	0	0
Commercial loans	182 438	97 743	76 594	8 101
Commercial real estate and construction loans	70 679	29 876	39 836	967
Other commercial loans	111 759	67 867	36 758	7 134
Agricultural loans	9 192	9 192	0	0
Consumer loans	33 792	24 049	9 302	441
Housing mortgage loans to individuals	133 239	43 153	89 926	160
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**358 661**	**174 137**	**175 822**	**8 702**
Less: specific provisions	**5 168**	**3 846**	**1 315**	**7**
Assets for resale	**22**	**22**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**3 292**	**2 929**	**355**	**8**
Intangible assets	**2 031**	**2 031**	**0**	**0**
Premises and other fixed assets	**12 425**	**12 425**	**0**	**0**
Assets, total	**855 924**	**320 516**	**467 501**	**67 907**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**118 449**	**88 056**	**17 129**	**13 264**
Demand deposits of banks	15	13	2	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	118 434	88 043	17 127	13 264
Deposits of non-financial institutions and other customers	**589 693**	**245 473**	**289 513**	**54 707**
Demand deposits	233 465	137 567	87 069	8 829
Time deposits	318 147	99 236	177 806	41 105
Savings deposits	38 081	8 670	24 638	4 773
Deposits, total	**708 142**	**333 529**	**306 642**	**67 971**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**82 994**	**5 479**	**77 515**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**10 528**	**5 809**	**3 251**	**1 468**
Liabilities, total	**801 664**	**344 817**	**387 408**	**69 439**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**54 260**	**54 260**		
Shareholder capital	26 500	26 500		
Reserves	21 579	21 579		
Profit/loss, current year	6 181	6 181		
Liabilities, minority interest, and capital, total	**855 924**	**399 077**	**387 408**	**69 439**
Memo: credit substitutes and other off-balance sheet commitments	**110 118**	**46 633**	**50 408**	**13 077**

ALLIANZ BULGARIA COMMERCIAL BANK

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**33 215**	**15 167**	**14 944**	**3 104**
Interest income from claims on financial institutions	3 870	410	1 858	1 602
Interest income from claims under repurchase agreements	2 048	208	1 839	1
Interest income from trading portfolio	1 655	1 106	363	186
Interest income from investment portfolio	4 038	1 660	1 547	831
Interest income from loans	21 514	11 693	9 337	484
Dividend income	90	90	0	0
INTEREST EXPENDITURE	**16 144**	**6 448**	**8 016**	**1 680**
Interest expenditure on deposits of financial institutions	3 804	3 228	233	343
Interest expenditure on deposits of non-financial institutions and other customers	9 294	3 216	4 741	1 337
Interest expenditure on borrowings under repurchase agreements	4	4	0	0
Interest expenditure on borrowings	3 042	0	3 042	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	**17 071**	**8 719**	**6 928**	**1 424**
CREDIT PROVISIONS				
Accrued provisions	2 928			
Reintegrated provisions	2 641			
Credit provisions, net	287			
TRADING PORTFOLIO GAIN/LOSS	**-1 158**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**72**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**-184**			
OTHER NON-INTEREST INCOME	**7 686**			
NON-INTEREST EXPENDITURE	**16 421**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**6 779**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**493**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**1 091**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**6 181**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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. – 79.72%

ALPHA BANK, SOFIA BRANCH

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	**25 534**	**0**	**25 534**	**8 556**	**15 430**	**1 548**
Claims on financial institutions, net	**36 527**	**3 199**	**33 328**	**6 000**	**27 296**	**32**
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	**184 832**	**0**	**184 832**	**29 106**	**147 866**	**7 860**
Loans to budget	0	0	0	0	0	0
Commercial loans	171 797	0	171 797	28 527	135 437	7 833
Commercial real estate and construction loans	114 815	0	114 815	10 646	96 336	7 833
Other commercial loans	56 982	0	56 982	17 881	39 101	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	581	0	581	202	379	0
Housing mortgage loans to individuals	12 475	0	12 475	377	12 071	27
Other loans	0	0	0	0	0	0
Loans to non-financial institutions and other customers, total	**184 853**	**0**	**184 853**	**29 106**	**147 887**	**7 860**
Less: specific provisions	**21**	**0**	**21**	**0**	**21**	**0**
Assets for resale	**0**	**0**	**0**	**0**	**0**	**0**
Other assets, net	**3 281**	**32**	**3 249**	**2 999**	**144**	**106**
Intangible assets	**32**	**0**	**32**	**32**	**0**	**0**
Premises and other fixed assets	**11 017**	**0**	**11 017**	**11 017**	**0**	**0**
Assets, total	**261 235**	**3 231**	**258 004**	**57 722**	**190 736**	**9 546**
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	**57 343**	**1 278**	**56 065**	**22 345**	**31 237**	**2 483**
Demand deposits of banks	42	42	0	0	0	0
Time deposits of banks	44 778	1 236	43 542	21 506	19 562	2 474
Deposits of other financial institutions	12 523	0	12 523	839	11 675	9
Deposits of non-financial institutions and other customers	**194 681**	**0**	**194 681**	**26 875**	**159 334**	**8 472**
Demand deposits	101 870	0	101 870	18 696	81 956	1 218
Time deposits	71 384	0	71 384	5 587	61 158	4 639
Savings deposits	21 427	0	21 427	2 592	16 220	2 615
Deposits, total	**252 024**	**1 278**	**250 746**	**49 220**	**190 571**	**10 955**
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	**883**	**458**	**425**	**383**	**0**	**42**
Liabilities, total	**252 907**	**1 736**	**251 171**	**49 603**	**190 571**	**10 997**
Reserves and financial result, total	**8 328**	**6 727**	**1 601**	**1 601**		
Reserves	6 727	6 727	0	0		
Profit/loss, current year	1 601	0	1 601	1 601		
Liabilities, reserves, and financial result, total	**261 235**	**8 463**	**252 772**	**51 204**	**190 571**	**10 997**
Memo: credit substitutes and other off-balance sheet commitments	**104 243**	**0**	**104 243**	**16 462**	**79 478**	**8 303**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**8 437**	**527**	**7 910**	**945**	**6492**	**473**
Interest income from claims on financial institutions	1 641	527	1 114	22	1 092	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	6 796	0	6 796	923	5400	473
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	**2 080**	**248**	**1 832**	**239**	**1413**	**180**
Interest expenditure on deposits of financial institutions	1 043	248	795	144	557	94
Interest expenditure on deposits of non-financial institutions and other customers	1 037	0	1 037	95	856	86
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	**6 357**	**279**	**6 078**	**706**	**5079**	**293**
CREDIT PROVISIONS						
Accrued provisions	21	0	21			
Reintegrated provisions	0	0	0			
Credit provisions, net	21	0	21			
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	**2 243**	**0**	**2 243**			
NON-INTEREST EXPENDITURE	**6 700**	**0**	**6 700**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**1 879**	**279**	**1 600**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**22**	**0**	**22**			
EXTRAORDINARY GAIN/LOSS	**-18**	**0**	**-18**			
TAX	**282**	**0**	**282**			
PROFIT/LOSS, NET	**1 601**	**279**	**1 322**			

ALPHA BANK, SOFIA BRANCH

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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, Athanassios Dionissios Petropoulos – 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 Dobreva Dobreva
Shareholders (shares over 10%)	Branch of Alpha Bank AE, Athens, Greece

BNP PARIBAS
BULGARIA

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**34 871**	**33 806**	**766**	**299**
Claims on financial institutions, net	**183 747**	**48 587**	**131 498**	**3 662**
Claims under repurchase agreements	**1 940**	**1 940**	**0**	**0**
Trading portfolio	**21**	**0**	**9**	**12**
Investment portfolio	**27 662**	**8 087**	**19 575**	**0**
Loans to non-financial institutions and other customers, net	**164 233**	**45 775**	**117 269**	**1 189**
Loans to budget	0	0	0	0
Commercial loans	108 961	46 385	61 869	707
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	108 961	46 385	61 869	707
Agricultural loans	0	0	0	0
Consumer loans	202	186	1	15
Housing mortgage loans to individuals	360	360	0	0
Other loans	56 635	0	56 129	506
Loans to non-financial institutions and other customers, total	**166 158**	**46 931**	**117 999**	**1 228**
Less: specific provisions	**1 925**	**1 156**	**730**	**39**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**472**	**302**	**3**	**167**
Intangible assets	**45**	**45**	**0**	**0**
Premises and other fixed assets	**13 492**	**13 492**	**0**	**0**
Assets, total	**426 483**	**152 034**	**269 120**	**5 329**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**90 907**	**5 193**	**48 685**	**37 029**
Demand deposits of banks	7 114	148	5 200	1 766
Time deposits of banks	76 795	0	42 897	33 898
Deposits of other financial institutions	6 998	5 045	588	1 365
Deposits of non-financial institutions and other customers	**280 373**	**141 478**	**116 055**	**22 840**
Demand deposits	227 789	135 577	75 529	16 683
Time deposits	52 584	5 901	40 526	6 157
Savings deposits	0	0	0	0
Deposits, total	**371 280**	**146 671**	**164 740**	**59 869**
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	**3 938**	**3 502**	**401**	**35**
Liabilities, total	**375 218**	**150 173**	**165 141**	**59 904**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**51 265**	**51 265**		
Shareholder capital	36 000	36 000		
Reserves	11 710	11 710		
Profit/loss, current year	3 555	3 555		
Liabilities, minority interest, and capital, total	**426 483**	**201 438**	**165 141**	**59 904**
Memo: credit substitutes and other off-balance sheet commitments	**663 681**	**258 560**	**352 736**	**52 385**

BNP PARIBAS BULGARIA

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**12 917**	**2 206**	**7 763**	**2 948**
Interest income from claims on financial institutions	5 042	414	2 381	2 247
Interest income from claims under repurchase agreements	64	1	63	0
Interest income from trading portfolio	919	122	323	474
Interest income from investment portfolio	442	135	304	3
Interest income from loans	6 431	1 515	4 692	224
Dividend income	19	19	0	0
INTEREST EXPENDITURE	**5 392**	**1 185**	**1 916**	**2 291**
Interest expenditure on deposits of financial institutions	1 579	238	706	635
Interest expenditure on deposits of non-financial institutions and other customers	2 966	946	950	1 070
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	847	1	260	586
INTEREST AND DIVIDEND INCOME, NET	**7 525**	**1 021**	**5 847**	**657**
CREDIT PROVISIONS				
Accrued provisions	1 983			
Reintegrated provisions	1 787			
Credit provisions, net	196			
TRADING PORTFOLIO GAIN/LOSS	**-43**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**9**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**5 156**			
NON-INTEREST EXPENDITURE	**8 329**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**4 122**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**119**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**686**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**3 555**			

BNP PARIBAS
BULGARIA

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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.bnpparibas.bg
Management	
Supervisory Board	Matthieu Lacaze
	Gilles Franck
	André Boulanger
	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%)	
	BNP Paribas – 100%

Bulbank
UniCredit Group

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**270 018**	**98 605**	**165 279**	**6 134**
Claims on financial institutions, net	**798 987**	**9 070**	**511 908**	**278 009**
Claims under repurchase agreements	**22 111**	**0**	**22 111**	**0**
Trading portfolio	**122 252**	**75 476**	**42 861**	**3 915**
Investment portfolio	**832 597**	**343 518**	**201 239**	**287 840**
Loans to non-financial institutions and other customers, net	**1 849 609**	**1 001 823**	**808 438**	**39 348**
Loans to budget	3 244	3 244	0	0
Commercial loans	1 341 161	566 725	738 245	36 191
Commercial real estate and construction loans	180 841	59 034	121 571	236
Other commercial loans	1 160 320	507 691	616 674	35 955
Agricultural loans	14 946	13 408	656	882
Consumer loans	115 129	107 425	5 600	2 104
Housing mortgage loans to individuals	376 528	298 630	77 767	131
Other loans	63 482	61 220	818	1 444
Loans to non-financial institutions and other customers, total	**1 914 490**	**1 050 652**	**823 086**	**40 752**
Less: specific provisions	**64 881**	**48 829**	**14 648**	**1 404**
Assets for resale	**34**	**34**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**8256**	**8256**	**0**	**0**
Other assets	**8 071**	**7 938**	**128**	**5**
Intangible assets	**5 662**	**5 662**	**0**	**0**
Premises and other fixed assets	**102 138**	**102 138**	**0**	**0**
Assets, total	**4 019 735**	**1 652 520**	**1 751 964**	**615 251**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**98 269**	**48 023**	**37 035**	**13 211**
Demand deposits of banks	15 704	1 611	6 096	7 997
Time deposits of banks	44 281	16 503	24 268	3 510
Deposits of other financial institutions	38 284	29 909	6 671	1 704
Deposits of non-financial institutions and other customers	**3 022 720**	**1 073 621**	**1 347 659**	**601 440**
Demand deposits	1 437 395	715 645	536 203	185 547
Time deposits	1 578 317	356 705	808 067	413 545
Savings deposits	7 008	1 271	3 389	2 348
Deposits, total	**3 120 989**	**1 121 644**	**1 384 694**	**614 651**
Borrowings under repurchase agreements	**13 805**	**13 805**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**80 845**	**0**	**80 845**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**212 454**	**118 267**	**35 877**	**58 310**
Liabilities, total	**3 428 093**	**1 253 716**	**1 501 416**	**672 961**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**591 642**	**591 642**		
Shareholder capital	166 370	166 370		
Reserves	377 663	377 663		
Profit/loss, current year	47 609	47 609		
Liabilities, minority interest, and capital, total	**4 019 735**	**1 845 358**	**1 501 416**	**672 961**
Memo: credit substitutes and other off-balance sheet commitments	**836 437**	**325 182**	**340 498**	**170 757**

Bulbank
UniCredit Group

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**159 575**	**76 566**	**63 586**	**19 423**
Interest income from claims on financial institutions	14 652	767	6 797	7 088
Interest income from claims under repurchase agreements	6	6	0	0
Interest income from trading portfolio	5 378	3 276	1 311	791
Interest income from investment portfolio	28 596	12 027	7 866	8 703
Interest income from loans	110 098	59 645	47 612	2 841
Dividend income	845	845	0	0
INTEREST EXPENDITURE	**32 871**	**9 386**	**15 244**	**8 241**
Interest expenditure on deposits of financial institutions	1 270	658	388	224
Interest expenditure on deposits of non-financial institutions and other customers	26 626	8 111	12 935	5 580
Interest expenditure on borrowings under repurchase agreements	617	617	0	0
Interest expenditure on borrowings	1 498	0	1 498	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	2 860	0	423	2 437
INTEREST AND DIVIDEND INCOME, NET	**126 704**	**67 180**	**48 342**	**11 182**
CREDIT PROVISIONS				
Accrued provisions	21 767			
Reintegrated provisions	13 292			
Credit provisions, net	8 475			
TRADING PORTFOLIO GAIN/LOSS	**-6 419**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-1 529**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**4 866**			
OTHER NON-INTEREST INCOME	**51 171**			
NON-INTEREST EXPENDITURE	**118 239**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**48 079**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**8 032**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**8 502**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**47 609**			

Bulbank
UniCredit Group

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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
	Dimitar Georgiev Zhelev
	Ivan Ivanov Stancioff
	Jan Krzysztof Bielecki
	Alessandro Decio
	Marco Iannaccone
Management Board	Levon Karekin Hampartsumyan – Chairman and Executive Director
	Peter Harold – Deputy Chairman and Executive Director
	Andrea Casini – Chief Operating Director and Executive Director
	Kalinka Kirova
	Stanislav Georgiev
	Lyubomir Ignatov Punchev
Shareholders (shares over 10%)	
	UniCredito Italiano S. A. – 85.19%

Bulgarian American Credit Bank

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**29 782**	**8 243**	**20 889**	**650**
Claims on financial institutions, net	**52 366**	**6**	**29 817**	**22 543**
Claims under repurchase agreements	**4 763**	**0**	**4 763**	**0**
Trading portfolio	**2 844**	**2 373**	**471**	**0**
Investment portfolio	**10 148**	**1 090**	**6 196**	**2 862**
Loans to non-financial institutions and other customers, net	**336 943**	**474**	**322 916**	**13 553**
Loans to budget	0	0	0	0
Commercial loans	336 659	706	322 934	13 019
Commercial real estate and construction loans	264 733	0	256 143	8 590
Other commercial loans	71 926	706	66 791	4 429
Agricultural loans	5 493	0	4 750	743
Consumer loans	1 199	0	1 184	15
Housing mortgage loans to individuals	11 228	0	9 309	1 919
Other loans	5 848	0	4 075	1 773
Loans to non-financial institutions and other customers, total	**360 427**	**706**	**342 252**	**17 469**
Less: specific provisions	**23 484**	**232**	**19 336**	**3 916**
Assets for resale	**1 436**	**1 436**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**3000**	**3000**	**0**	**0**
Other assets	**722**	**422**	**296**	**4**
Intangible assets	**153**	**153**	**0**	**0**
Premises and other fixed assets	**4 544**	**4 544**	**0**	**0**
Assets, total	**446 701**	**21 741**	**385 348**	**39 612**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**56 523**	**931**	**31 401**	**24 191**
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	56 523	931	31 401	24 191
Deposits of non-financial institutions and other customers	**80 021**	**10 873**	**55 914**	**13 234**
Demand deposits	28 623	7 645	18 624	2 354
Time deposits	51 398	3 228	37 290	10 880
Savings deposits	0	0	0	0
Deposits, total	**136 544**	**11 804**	**87 315**	**37 425**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**9 784**	**0**	**9 784**	**0**
Long-term borrowings	**192 973**	**0**	**192 973**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**5 549**	**2 807**	**2 394**	**348**
Liabilities, total	**344 850**	**14 611**	**292 466**	**37 773**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**101 851**	**101 851**		
Shareholder capital	12 940	12 940		
Reserves	64 677	64 677		
Profit/loss, current year	24 234	24 234		
Liabilities, minority interest, and capital, total	**446 701**	**116 462**	**292 466**	**37 773**
Memo: credit substitutes and other off-balance sheet commitments	**83 731**	**758**	**82 112**	**861**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**43 907**	**245**	**39 036**	**4 626**
Interest income from claims on financial institutions	1 515	18	545	952
Interest income from claims under repurchase agreements	195	0	95	100
Interest income from trading portfolio	23	0	23	0
Interest income from investment portfolio	426	36	318	72
Interest income from loans	41 696	139	38 055	3 502
Dividend income	52	52	0	0
INTEREST EXPENDITURE	**10 890**	**163**	**8 693**	**2 034**
Interest expenditure on deposits of financial institutions	720	101	213	406
Interest expenditure on deposits of non-financial institutions and other customers	1 174	62	759	353
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	8 996	0	7 721	1 275
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	**33 017**	**82**	**30 343**	**2 592**
CREDIT PROVISIONS				
Accrued provisions	7 748			
Reintegrated provisions	5 251			
Credit provisions, net	2 497			
TRADING PORTFOLIO GAIN/LOSS	**276**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**20**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**4 018**			
NON-INTEREST EXPENDITURE	**7 417**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**27 417**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-320**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**2 863**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**24 234**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 represented jointly by each two of the executive directors: Franc Luis Bauer, Stoyan Nikolov Dinchiyski and Dimitar Stoyanov Vuchev
Supervisory Board	Stephen William Filo – Chairman
	Marshal Lee Miller – Deputy Chairman
	Valentin Stefanov Braikov
Management Board	Franc Luis Bauer – Chairman and Executive Director
	Stoyan Nikolov Dinchiyski – Executive Director
	Dimitar Stoyanov Vuchev – Executive Director
	Dennis Earl Fiehler
	Michael Hunsberger
Shareholders (shares over 10%)	
	Bulgarian-American Investment Fund – 69.38%

Central Cooperative Bank

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**322 025**	**295 057**	**20 478**	**6 490**
Claims on financial institutions, net	**13 725**	**4 016**	**1 445**	**8 264**
Claims under repurchase agreements	**7 038**	**7 038**	**0**	**0**
Trading portfolio	**19 137**	**19 137**	**0**	**0**
Investment portfolio	**153 960**	**74 311**	**79 649**	**0**
Loans to non-financial institutions and other customers, net	**516 856**	**348 200**	**132 449**	**36 207**
Loans to budget	0	0	0	0
Commercial loans	344 732	199 037	108 946	36 749
Commercial real estate and construction loans	84 977	50 571	34 406	0
Other commercial loans	259 755	148 466	74 540	36 749
Agricultural loans	26 610	25 803	807	0
Consumer loans	96 792	95 111	1 607	74
Housing mortgage loans to individuals	51 968	32 438	19 407	123
Other loans	4 260	1 925	2 258	77
Loans to non-financial institutions and other customers, total	**524 362**	**354 314**	**133 025**	**37 023**
Less: specific provisions	**7 506**	**6 114**	**576**	**816**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**13 447**	**9 822**	**988**	**2 637**
Intangible assets	**3 564**	**3 564**	**0**	**0**
Premises and other fixed assets	**37 996**	**37 996**	**0**	**0**
Assets, total	**1 087 748**	**799 141**	**235 009**	**53 598**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**17 821**	**17 263**	**188**	**370**
Demand deposits of banks	73	39	34	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	17 748	17 224	154	370
Deposits of non-financial institutions and other customers	**891 648**	**537 608**	**251 517**	**102 523**
Demand deposits	304 634	252 261	26 895	25 478
Time deposits	548 824	269 047	209 661	70 116
Savings deposits	38 190	16 300	14 961	6 929
Deposits, total	**909 469**	**554 871**	**251 705**	**102 893**
Borrowings under repurchase agreements	**850**	**850**	**0**	**0**
Short-term borrowings	**54 493**	**0**	**54 493**	**0**
Long-term borrowings	**8 947**	**8 947**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**22 369**	**11 598**	**6 236**	**4 535**
Liabilities, total	**996 128**	**576 266**	**312 434**	**107 428**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**91 620**	**91 620**		
Shareholder capital	48 507	48 507		
Reserves	34 583	34 583		
Profit/loss, current year	8 530	8 530		
Liabilities, minority interest, and capital, total	**1 087 748**	**667 886**	**312 434**	**107 428**
Memo: credit substitutes and other off-balance sheet commitments	**61 370**	**37 468**	**16 648**	**7 254**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**45 810**	**25 850**	**14 974**	**4 986**
Interest income from claims on financial institutions	3 005	83	1 351	1 571
Interest income from claims under repurchase agreements	162	161	1	0
Interest income from trading portfolio	312	219	93	0
Interest income from investment portfolio	5 825	738	5 074	13
Interest income from loans	36 231	24 374	8 455	3 402
Dividend income	275	275	0	0
INTEREST EXPENDITURE	**18 994**	**8 735**	**8 428**	**1 831**
Interest expenditure on deposits of financial institutions	670	635	16	19
Interest expenditure on deposits of non-financial institutions and other customers	16 036	7 498	6 940	1 598
Interest expenditure on borrowings under repurchase agreements	480	469	11	0
Interest expenditure on borrowings	1 535	121	1 414	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	273	12	47	214
INTEREST AND DIVIDEND INCOME, NET	**26 816**	**17 115**	**6 546**	**3 155**
CREDIT PROVISIONS				
Accrued provisions	5 463			
Reintegrated provisions	2 182			
Credit provisions, net	3 281			
TRADING PORTFOLIO GAIN/LOSS	**3 701**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**1 076**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**16 765**			
NON-INTEREST EXPENDITURE	**35 618**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**9 459**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**576**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**1 505**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**8 530**			

Central Cooperative Bank

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 – 67.70%

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	**81 082**	**0**	**81 082**	**80 703**	**142**	**237**
Claims on financial institutions, net	**644 797**	**518 104**	**126 693**	**39 016**	**72 182**	**15 495**
Claims under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Trading portfolio	**683**	**403**	**280**	**0**	**0**	**280**
Investment portfolio	**9 229**	**0**	**9 229**	**9 229**	**0**	**0**
Loans to non-financial institutions and other customers, net	**125 131**	**0**	**125 131**	**64 826**	**53 144**	**7 161**
Loans to budget	0	0	0	0	0	0
Commercial loans	127 468	0	127 468	65 229	54 381	7 858
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	127 468	0	127 468	65 229	54 381	7 858
Agricultural loans	0	0	0	0	0	0
Consumer loans	19	0	19	19	0	0
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	27	0	27	1	0	26
Loans to non-financial institutions and other customers, total	**127 514**	**0**	**127 514**	**65 249**	**54 381**	**7 884**
Less: specific provisions	**2 383**	**0**	**2 383**	**423**	**1 237**	**723**
Assets for resale	**0**	**0**	**0**	**0**	**0**	**0**
Other assets, net	**2 670**	**1 683**	**987**	**751**	**129**	**107**
Intangible assets	**359**	**0**	**359**	**359**	**0**	**0**
Premises and other fixed assets	**610**	**0**	**610**	**610**	**0**	**0**
Assets, total	**864 561**	**520 190**	**344 371**	**195 494**	**125 597**	**23 280**
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	**38 057**	**286**	**37 771**	**28 514**	**6 387**	**2 870**
Demand deposits of banks	286	286	0	0	0	0
Time deposits of banks	26 525	0	26 525	22 004	3 130	1 391
Deposits of other financial institutions	11 246	0	11 246	6 510	3 257	1 479
Deposits of non-financial institutions and other customers	**812 520**	**0**	**812 520**	**146 439**	**630 868**	**35 213**
Demand deposits	744 517	0	744 517	125 985	608 668	9 864
Time deposits	68 003	0	68 003	20 454	22 200	25 349
Savings deposits	0	0	0	0	0	0
Deposits, total	**850 577**	**286**	**850 291**	**174 953**	**637 255**	**38 083**
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	**5 401**	**498**	**4 903**	**3 422**	**443**	**1 038**
Liabilities, total	**855 978**	**784**	**855 194**	**178 375**	**637 698**	**39 121**
Reserves and financial result, total	**8 583**	**4 160**	**4 423**	**4 423**		
Reserves	4 160	4 160	0	0		
Profit/loss, current year	4 423	0	4 423	4 423		
Liabilities, reserves, and financial result, total	**864 561**	**4 944**	**859 617**	**182 798**	**637 698**	**39 121**
Memo: credit substitutes and other off-balance sheet commitments	**241 363**	**22 195**	**219 168**	**105 782**	**74 803**	**38 583**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**8 646**	**3 742**	**4 904**	**3 005**	**1582**	**317**
Interest income from claims on financial institutions	4 642	3 742	900	900	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	505	0	505	505	0	0
Interest income from loans	3 499	0	3 499	1 600	1582	317
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	**3 671**	**4**	**3 667**	**1 179**	**1921**	**567**
Interest expenditure on deposits of financial institutions	175	0	175	71	22	82
Interest expenditure on deposits of non-financial institutions and other customers	3 492	0	3 492	1 108	1 899	485
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	4	4	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	**4 975**	**3 738**	**1 237**	**1 826**	**-339**	**-250**
CREDIT PROVISIONS						
Accrued provisions	1 313	0	1 313			
Reintegrated provisions	2 519	0	2 519			
Credit provisions, net	-1 206	0	-1 206			
TRADING PORTFOLIO GAIN/LOSS	**756**	**0**	**756**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-164**	**0**	**-164**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**	**0**	**0**			
OTHER NON-INTEREST INCOME	**5 078**	**1 257**	**3 821**			
NON-INTEREST EXPENDITURE	**7 028**	**761**	**6 267**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**4 823**	**4 234**	**589**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**398**	**0**	**398**			
EXTRAORDINARY GAIN/LOSS	**0**	**0**	**0**			
TAX	**798**	**0**	**798**			
PROFIT/LOSS, NET	**4 423**	**4 234**	**189**			

CITIBANK N. A., SOFIA BRANCH

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	Resolution No. 1 of the Sofia City Court of 6 July 2000, company file No. 8611, lot No. 57 183, vol. 627, reg. I, p. 132
Address of the branch	2 Knyaginya Maria-Luiza Blvd., floor 5, Sofia 1000 tel. 02/917 51 00; 981 99 14
Management	
Management Board	Amin Manekia – Country Corporate Officer
	Chavdar Petrov Risin
	Plamen Nikolov Gonkov
	Grigoriy Ananiev Ananiev
	Borislava Stoyanova Zhereva–Naimoushina
	Premislav Kachikovski
	Jan Karasek
	Nadya Spiridonova Ganeva
	Silvia Tsenkova Kamenova
Shareholders (shares over 10%)	
	Branch of Citibank N. A., New York, the USA

CORPORATE COMMERCIAL BANK AD

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**164 407**	**149 632**	**12 081**	**2 694**
Claims on financial institutions, net	**294 870**	**25**	**203 972**	**90 873**
Claims under repurchase agreements	**6 053**	**0**	**6 053**	**0**
Trading portfolio	**21 076**	**18 950**	**2 126**	**0**
Investment portfolio	**27 256**	**6 384**	**9 223**	**11 649**
Loans to non-financial institutions and other customers, net	**297 910**	**182 218**	**95 920**	**19 772**
Loans to budget	0	0	0	0
Commercial loans	291 358	179 368	92 283	19 707
Commercial real estate and construction loans	14 295	8 863	5 397	35
Other commercial loans	277 063	170 505	86 886	19 672
Agricultural loans	418	418	0	0
Consumer loans	2 721	1 676	1 010	35
Housing mortgage loans to individuals	1 003	127	846	30
Other loans	3 164	1 296	1 868	0
Loans to non-financial institutions and other customers, total	**298 664**	**182 885**	**96 007**	**19 772**
Less: specific provisions	**754**	**667**	**87**	**0**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**5**	**5**	**0**	**0**
Other assets	**1 616**	**1 473**	**140**	**3**
Intangible assets	**346**	**346**	**0**	**0**
Premises and other fixed assets	**17 050**	**17 050**	**0**	**0**
Assets, total	**830 589**	**376 083**	**329 515**	**124 991**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**38 503**	**14 354**	**23 892**	**257**
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	38 503	14 354	23 892	257
Deposits of non-financial institutions and other customers	**733 290**	**345 664**	**268 161**	**119 465**
Demand deposits	258 223	181 924	39 790	36 509
Time deposits	254 569	51 613	148 748	54 208
Savings deposits	220 498	112 127	79 623	28 748
Deposits, total	**771 793**	**360 018**	**292 053**	**119 722**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**106**	**106**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**2 746**	**148**	**2 598**	**0**
Liabilities, total	**774 645**	**360 272**	**294 651**	**119 722**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**55 944**	**55 944**		
Shareholder capital	38 867	38 867		
Reserves	12 641	12 641		
Profit/loss, current year	4 436	4 436		
Liabilities, minority interest, and capital, total	**830 589**	**416 216**	**294 651**	**119 722**
Memo: credit substitutes and other off-balance sheet commitments	**194 647**	**140 947**	**45 974**	**7 726**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**30 189**	**14 805**	**11 471**	**3 913**
Interest income from claims on financial institutions	5 708	61	3 458	2 189
Interest income from claims under repurchase agreements	114	3	111	0
Interest income from trading portfolio	892	600	292	0
Interest income from investment portfolio	752	141	334	277
Interest income from loans	22 723	14 000	7 276	1 447
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**18 484**	**7 583**	**8 216**	**2 685**
Interest expenditure on deposits of financial institutions	1 347	480	864	3
Interest expenditure on deposits of non-financial institutions and other customers	17 113	7 079	7 352	2 682
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	24	24	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	**11 705**	**7 222**	**3 255**	**1 228**
CREDIT PROVISIONS				
Accrued provisions	751			
Reintegrated provisions	2 033			
Credit provisions, net	-1 282			
TRADING PORTFOLIO GAIN/LOSS	**374**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**134**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**6 074**			
NON-INTEREST EXPENDITURE	**15 999**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**3 570**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 649**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**783**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**4 436**			

CORPORATE COMMERCIAL BANK AD

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 – 89.21% directly, and jointly with Victoria Insurance Company (indirectly) – 94.35%

D COMMERCE BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**6 725**	**5 708**	**400**	**617**
Claims on financial institutions, net	**15 551**	**500**	**4 432**	**10 619**
Claims under repurchase agreements	**1 959**	**0**	**1 959**	**0**
Trading portfolio	**12 158**	**6 093**	**6 065**	**0**
Investment portfolio	**12 032**	**10 960**	**1 072**	**0**
Loans to non-financial institutions and other customers, net	**29 446**	**10 696**	**12 347**	**6 403**
Loans to budget	0	0	0	0
Commercial loans	28 596	10 091	12 029	6 476
Commercial real estate and construction loans	2 135	836	1 299	0
Other commercial loans	26 461	9 255	10 730	6 476
Agricultural loans	0	0	0	0
Consumer loans	1 207	669	493	45
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**29 803**	**10 760**	**12 522**	**6 521**
Less: specific provisions	**357**	**64**	**175**	**118**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**244**	**235**	**2**	**7**
Intangible assets	**62**	**62**	**0**	**0**
Premises and other fixed assets	**690**	**690**	**0**	**0**
Assets, total	**78 867**	**34 944**	**26 277**	**17 646**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**4 911**	**1 915**	**2 940**	**56**
Demand deposits of banks	640	0	590	50
Time deposits of banks	2 348	0	2 348	0
Deposits of other financial institutions	1 923	1 915	2	6
Deposits of non-financial institutions and other customers	**51 137**	**12 318**	**6 801**	**32 018**
Demand deposits	39 871	7 998	3 592	28 281
Time deposits	9 295	3 464	2 503	3 328
Savings deposits	1 971	856	706	409
Deposits, total	**56 048**	**14 233**	**9 741**	**32 074**
Borrowings under repurchase agreements	**1 956**	**0**	**1 956**	**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	**1 250**	**243**	**720**	**287**
Liabilities, total	**59 254**	**14 476**	**12 417**	**32 361**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**19 613**	**19 613**		
Shareholder capital	20 000	20 000		
Reserves	-1 019	-1 019		
Profit/loss, current year	632	632		
Liabilities, minority interest, and capital, total	**78 867**	**34 089**	**12 417**	**32 361**
Memo: credit substitutes and other off-balance sheet commitments	**10 703**	**4 435**	**5 301**	**967**

D COMMERCE BANK

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**3 804**	**1 295**	**1 727**	**782**
Interest income from claims on financial institutions	320	16	99	205
Interest income from claims under repurchase agreements	45	0	45	0
Interest income from trading portfolio	442	168	274	0
Interest income from investment portfolio	283	236	47	0
Interest income from loans	2 714	875	1 262	577
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**944**	**167**	**283**	**494**
Interest expenditure on deposits of financial institutions	116	58	46	12
Interest expenditure on deposits of non-financial institutions and other customers	783	109	192	482
Interest expenditure on borrowings under repurchase agreements	16	0	16	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	29	0	29	0
INTEREST AND DIVIDEND INCOME, NET	**2 860**	**1 128**	**1 444**	**288**
CREDIT PROVISIONS				
Accrued provisions	174			
Reintegrated provisions	220			
Credit provisions, net	-46			
TRADING PORTFOLIO GAIN/LOSS	**-359**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**515**			
NON-INTEREST EXPENDITURE	**3 483**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**-421**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 122**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**69**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**632**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	Mevlut Tufan Darbaz – Chairman
	Ismail Hasan Akcakayalioglu
	Dinc Uner
	Bahattin Gurbuz
	Ahmet Izzet Karacahisarli
Management Board	Muammer Aksit Ozkural – Chief Executive Director
	Ognyan Yordanov Yordanov – Executive Director
	Mumtaz Malik Agim – Executive Director
Shareholders* (shares over 10%)	
	Isil Dogan – 50%
	Halit Djangalluoglu – 40%

* By order No. RD 22-1704 of the BNB Deputy Governor heading the Banking Supervision Department dated 20 September 2006 Faut Gyuven, a Bulgarian and Turkish citizen, was granted permission to directly acquire 20,000 voting shares, which represent 100 per cent of the capital of D Commerce Bank. A change in the shareholders' structure of the bank is pending.

DSK BANK PLC
OTP GROUP

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**465 835**	**126 245**	**329 326**	**10 264**
Claims on financial institutions, net	**1 257 869**	**596 048**	**551 280**	**110 541**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**74 915**	**24 933**	**29 892**	**20 090**
Investment portfolio	**356 022**	**157 274**	**139 730**	**59 018**
Loans to non-financial institutions and other customers, net	**3 141 189**	**2 597 136**	**539 134**	**4 919**
Loans to budget	1 318	1 318	0	0
Commercial loans	866 849	498 461	365 813	2 575
Commercial real estate and construction loans	75 584	27 128	48 394	62
Other commercial loans	791 265	471 333	317 419	2 513
Agricultural loans	7 403	6 999	404	0
Consumer loans	1 562 788	1 550 102	12 335	351
Housing mortgage loans to individuals	860 435	683 994	174 246	2 195
Other loans	1 573	1 537	11	25
Loans to non-financial institutions and other customers, total	**3 300 366**	**2 742 411**	**552 809**	**5 146**
Less: specific provisions	**159 177**	**145 275**	**13 675**	**227**
Assets for resale	**133**	**133**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**21548**	**21548**	**0**	**0**
Other assets	**32 195**	**32 136**	**38**	**21**
Intangible assets	**10 123**	**10 123**	**0**	**0**
Premises and other fixed assets	**191 275**	**191 275**	**0**	**0**
Assets, total	**5 551 104**	**3 756 851**	**1 589 400**	**204 853**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**416 314**	**218 051**	**198 186**	**77**
Demand deposits of banks	4 170	2 581	1 589	0
Time deposits of banks	376 671	181 055	195 616	0
Deposits of other financial institutions	35 473	34 415	981	77
Deposits of non-financial institutions and other customers	**3 742 231**	**2 829 189**	**710 064**	**202 978**
Demand deposits	749 875	658 741	83 904	7 230
Time deposits	2 073 900	1 435 637	486 565	151 698
Savings deposits	918 456	734 811	139 595	44 050
Deposits, total	**4 158 545**	**3 047 240**	**908 250**	**203 055**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**683 722**	**0**	**683 722**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**83 701**	**73 725**	**9 032**	**944**
Liabilities, total	**4 925 968**	**3 120 965**	**1 601 004**	**203 999**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**625 136**	**625 136**		
Shareholder capital	93 984	93 984		
Reserves	437 108	437 108		
Profit/loss, current year	94 044	94 044		
Liabilities, minority interest, and capital, total	**5 551 104**	**3 746 101**	**1 601 004**	**203 999**
Memo: credit substitutes and other off-balance sheet commitments	**409 543**	**183 953**	**180 745**	**44 845**

DSK BANK PLC
OTP GROUP

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**286 121**	**237 065**	**41 663**	**7 393**
Interest income from claims on financial institutions	15 910	4 734	6 923	4 253
Interest income from claims under repurchase agreements	2	2	0	0
Interest income from trading portfolio	2 411	852	868	691
Interest income from investment portfolio	14 316	6 247	6 309	1 760
Interest income from loans	253 394	225 142	27 563	689
Dividend income	88	88	0	0
INTEREST EXPENDITURE	**72 618**	**48 588**	**22 386**	**1 644**
Interest expenditure on deposits of financial institutions	2 163	1 936	198	29
Interest expenditure on deposits of non-financial institutions and other customers	56 428	46 638	8 175	1 615
Interest expenditure on borrowings under repurchase agreements	14	14	0	0
Interest expenditure on borrowings	14 013	0	14 013	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	**213 503**	**188 477**	**19 277**	**5 749**
CREDIT PROVISIONS				
Accrued provisions	**111 819**			
Reintegrated provisions	**52 739**			
Credit provisions, net	**59 080**			
TRADING PORTFOLIO GAIN/LOSS	**-2 249**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**4 472**			
OTHER NON-INTEREST INCOME	**81 729**			
NON-INTEREST EXPENDITURE	**129 016**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**109 359**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 381**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**16 696**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**94 044**			

DSK BANK PLC
OTP GROUP

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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
	Kalin Nikolov Klisarov – Executive Director
	Miroslav Stanimirov Vichev – Member of the Management Board and Procurator
Procurators	Doroteya Nikolaeva Nikolova
	Nikolai Borisov Borisov
Shareholders (shares over 10%)	
	OTP Bank RT, Budapest – 100%

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**109 172**	**101 633**	**4 497**	**3 042**
Claims on financial institutions, net	**246 623**	**47 057**	**65 890**	**133 676**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**104 527**	**95 948**	**5 798**	**2 781**
Investment portfolio	**108 281**	**18 851**	**58 204**	**31 226**
Loans to non-financial institutions and other customers, net	**463 375**	**297 949**	**129 409**	**36 017**
Loans to budget	7 037	7 037	0	0
Commercial loans	318 875	180 824	103 577	34 474
Commercial real estate and construction loans	181 590	88 239	76 047	17 304
Other commercial loans	137 285	92 585	27 530	17 170
Agricultural loans	1 623	1 623	0	0
Consumer loans	50 836	49 215	1 503	118
Housing mortgage loans to individuals	84 321	66 422	16 419	1 480
Other loans	11 139	319	10 150	670
Loans to non-financial institutions and other customers, total	**473 831**	**305 440**	**131 649**	**36 742**
Less: specific provisions	**10 456**	**7 491**	**2 240**	**725**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**10 054**	**8 690**	**33**	**1 331**
Intangible assets	**1 180**	**1 180**	**0**	**0**
Premises and other fixed assets	**19 100**	**19 100**	**0**	**0**
Assets, total	**1 062 312**	**590 408**	**263 831**	**208 073**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**103 341**	**93 738**	**4 851**	**4 752**
Demand deposits of banks	2 856	2 418	98	340
Time deposits of banks	47 008	47 008	0	0
Deposits of other financial institutions	53 477	44 312	4 753	4 412
Deposits of non-financial institutions and other customers	**840 275**	**380 455**	**255 386**	**204 434**
Demand deposits	305 443	255 293	38 854	11 296
Time deposits	506 761	112 548	205 618	188 595
Savings deposits	28 071	12 614	10 914	4 543
Deposits, total	**943 616**	**474 193**	**260 237**	**209 186**
Borrowings under repurchase agreements	**5 000**	**5 000**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**0**	**0**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**36 702**	**36 702**	**0**	**0**
Other liabilities	**14 653**	**6 676**	**7 453**	**524**
Liabilities, total	**999 971**	**522 571**	**267 690**	**209 710**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**62 341**	**62 341**		
Shareholder capital	50 000	50 000		
Reserves	9 559	9 559		
Profit/loss, current year	2 782	2 782		
Liabilities, minority interest, and capital, total	**1 062 312**	**584 912**	**267 690**	**209 710**
Memo: credit substitutes and other off-balance sheet commitments	**104 431**	**59 613**	**29 498**	**15 320**

THE BULGARIAN FINANCIAL GROUP
Insurance - Banking - Consulting

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**45 108**	**20 299**	**14 165**	**10 644**
Interest income from claims on financial institutions	6 883	156	2 673	4 054
Interest income from claims under repurchase agreements	88	88	0	0
Interest income from trading portfolio	4 016	3 110	446	460
Interest income from investment portfolio	4 679	565	2 354	1 760
Interest income from loans	29 369	16 307	8 692	4 370
Dividend income	73	73	0	0
INTEREST EXPENDITURE	**21 629**	**7 318**	**7 486**	**6 825**
Interest expenditure on deposits of financial institutions	1 670	1 355	83	232
Interest expenditure on deposits of non-financial institutions and other customers	19 525	5 529	7 403	6 593
Interest expenditure on borrowings under repurchase agreements	3	3	0	0
Interest expenditure on borrowings	15	15	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	405	405	0	0
Interest expenditure on other liabilities	11	11	0	0
INTEREST AND DIVIDEND INCOME, NET	**23 479**	**12 981**	**6 679**	**3 819**
CREDIT PROVISIONS				
Accrued provisions	7 956			
Reintegrated provisions	2 673			
Credit provisions, net	5 283			
TRADING PORTFOLIO GAIN/LOSS	**-2 831**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-783**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**-43**			
OTHER NON-INTEREST INCOME	**16 443**			
NON-INTEREST EXPENDITURE	**29 627**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**1 355**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-81**			
EXTRAORDINARY GAIN/LOSS	**1 999**			
TAX	**491**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**2 782**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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. 02/980 25 38 Website: www.dzibank.bg
Management	
Supervisory Board	DZI AD, represented by Valeri Jordanov Aleksiev – Chairman
	Asen Raikov Oshanov – Deputy Chairman
	DZI General Insurance, reprezented by Milena Kamenova Plocheva
	Contract Holding Company, represented by Yuriy Alexandrov Kyulev
	Maxim Moncho Behar
Management Board	Vesela Ognyanova Kyuleva – Chairman*
	Krasimir Totev Angarski – Chief Executive Director
	Tatyana Todorova Yankova – Executive Director
	Iliyan Stoyanov Mitev – Executive Director
	Desislava Hristova Toteva – Executive Director
	Nikolina Georgieva Yotova – Executive Director
	Plamen Borisov Itsov
	Stanimir Metodiev Hristov
	Nedyalko Dimchev Chandurov
Procurator	Desislava Hristova Toteva
Shareholders** (shares over 10%)	
	DZI AD – 50.09%; jointly with related parties – 69.78%
	Bank Austria Creditanstalt – 19.48%

* By Letter No. 1729-0847 of 13 October 2006 the DZI Bank's management informed the BNB that by Resolution No. 70 of 9 October 2006 the Sofia City Court entered a deletion of Diana Mladenova as a chairman, executive director and member of the Management Board; Vesela Kyuleva was entered in the register as a chairman and Desislava Toteva, Nikolina Yotova and Nedyalko Chandurov as membes of the Management Board. Under the same resolution Desislava Toteva and Nikolina Yotova were entered in the register as executive directors of the DZI Bank; Vesela Kyuleva was deleted as a representative of the DZI Supervisory Board and Valeri Aleksiev was entered as a representative of the DZI Supervisory Board.

** Source: information obtained from the Central Depository on the actual status of DZI Bank's shareholders as of 30 June 2006. It was submitted to the BNB Special Supervision Directorate.

ECONOMIC & INVESTMENT BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**118 300**	**106 145**	**7 116**	**5 039**
Claims on financial institutions, net	**374 677**	**8 064**	**199 946**	**166 667**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**234 361**	**74 079**	**73 082**	**87 200**
Investment portfolio	**24 098**	**23 193**	**905**	**0**
Loans to non-financial institutions and other customers, net	**491 167**	**201 687**	**259 693**	**29 787**
Loans to budget	318	200	118	0
Commercial loans	444 433	170 082	244 457	29 894
Commercial real estate and construction loans	109 180	15 716	68 235	25 229
Other commercial loans	335 253	154 366	176 222	4 665
Agricultural loans	312	312	0	0
Consumer loans	33 024	31 709	1 234	81
Housing mortgage loans to individuals	21 277	10 944	10 215	118
Other loans	15 566	3 204	12 362	0
Loans to non-financial institutions and other customers, total	**514 930**	**216 451**	**268 386**	**30 093**
Less: specific provisions	**23 763**	**14 764**	**8 693**	**306**
Assets for resale	**357**	**357**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**17 475**	**6 921**	**6 095**	**4 459**
Intangible assets	**214**	**214**	**0**	**0**
Premises and other fixed assets	**29 300**	**29 300**	**0**	**0**
Assets, total	**1 289 949**	**449 960**	**546 837**	**293 152**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**130 171**	**29 992**	**96 958**	**3 221**
Demand deposits of banks	1 470	1 372	66	32
Time deposits of banks	58 485	3 000	55 485	0
Deposits of other financial institutions	70 216	25 620	41 407	3 189
Deposits of non-financial institutions and other customers	**980 379**	**274 481**	**412 734**	**293 164**
Demand deposits	208 367	158 198	40 232	9 937
Time deposits	712 818	91 460	345 138	276 220
Savings deposits	59 194	24 823	27 364	7 007
Deposits, total	**1 110 550**	**304 473**	**509 692**	**296 385**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**10 983**	**0**	**10 983**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**9 827**	**9 109**	**639**	**79**
Liabilities, total	**1 131 360**	**313 582**	**521 314**	**296 464**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**158 589**	**158 589**		
Shareholder capital	69 721	69 721		
Reserves	61 992	61 992		
Profit/loss, current year	26 876	26 876		
Liabilities, minority interest, and capital, total	**1 289 949**	**472 171**	**521 314**	**296 464**
Memo: credit substitutes and other off-balance sheet commitments	**65 075**	**32 178**	**31 114**	**1 783**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**52 747**	**16 580**	**22 302**	**13 865**
Interest income from claims on financial institutions	11 572	393	5 738	5 441
Interest income from claims under repurchase agreements	18	12	0	6
Interest income from trading portfolio	11 097	2 219	3 282	5 596
Interest income from investment portfolio	385	385	0	0
Interest income from loans	28 553	12 449	13 282	2 822
Dividend income	1 122	1 122	0	0
INTEREST EXPENDITURE	**36 929**	**5 374**	**18 088**	**13 467**
Interest expenditure on deposits of financial institutions	3 786	667	2 990	129
Interest expenditure on deposits of non-financial institutions and other customers	32 082	4 704	14 371	13 007
Interest expenditure on borrowings under repurchase agreements	227	3	141	83
Interest expenditure on borrowings	834	0	586	248
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	**15 818**	**11 206**	**4 214**	**398**
CREDIT PROVISIONS				
Accrued provisions	5 187			
Reintegrated provisions	33 961			
Credit provisions, net	-28 774			
TRADING PORTFOLIO GAIN/LOSS	**-2 194**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**3 227**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**16 582**			
NON-INTEREST EXPENDITURE	**31 738**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**30 469**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 022**			
EXTRAORDINARY GAIN/LOSS	**-70**			
TAX	**4 545**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**26 876**			

ECONOMIC & INVESTMENT BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 Transitinal 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
	Birgir Már Ragnarsson
Management Board	Vasil Stefanov Simov – Chairman and Executive Director
	Danail Mihailov Kamenov – Executive Director
	Anton Nikolaev Andonov
	Krasimir Vutev Katev
	Vladimir Trifonov Penchev
Shareholders (shares over 10%)	
	Valhamar Group Ltd, through Novator Finance Bulgaria S.A.R.L. – Luxembourg, a company owned directly and personally by it – 34%
	Tsvetelina Borislavova Karagiozova – 25.48% directly, and together with related parties Katex AD and Runo Kazanlak AD – 37.47%
	Katex AD – 10.61% directly, and together with related parties Runo Kazanlak AD and Tsvetelina Borislavova Karagiozova – 37.47%
	Svetoslav Bozhkov Bozhilov – 25.77%

Emporiki Bank Bulgaria EAD

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**7 626**	**4 778**	**2 577**	**271**
Claims on financial institutions, net	**8 055**	**2 057**	**3 946**	**2 052**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**0**	**0**	**0**	**0**
Investment portfolio	**147**	**103**	**44**	**0**
Loans to non-financial institutions and other customers, net	**95 761**	**4 623**	**91 138**	**0**
Loans to budget	0	0	0	0
Commercial loans	95 037	2 371	92 666	0
Commercial real estate and construction loans	32 493	99	32 394	0
Other commercial loans	62 544	2 272	60 272	0
Agricultural loans	106	106	0	0
Consumer loans	2 382	2 382	0	0
Housing mortgage loans to individuals	4 352	0	4 352	0
Other loans	40	0	40	0
Loans to non-financial institutions and other customers, total	**101 917**	**4 859**	**97 058**	**0**
Less: specific provisions	**6 156**	**236**	**5 920**	**0**
Assets for resale	**442**	**442**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**865**	**838**	**15**	**12**
Intangible assets	**283**	**283**	**0**	**0**
Premises and other fixed assets	**6 010**	**6 010**	**0**	**0**
Assets, total	**119 189**	**19 134**	**97 720**	**2 335**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**30 015**	**6 247**	**23 768**	**0**
Demand deposits of banks	0	0	0	0
Time deposits of banks	29 251	5 500	23 751	0
Deposits of other financial institutions	764	747	17	0
Deposits of non-financial institutions and other customers	**62 082**	**16 965**	**42 867**	**2 250**
Demand deposits	22 639	11 752	9 894	993
Time deposits	39 443	5 213	32 973	1 257
Savings deposits	0	0	0	0
Deposits, total	**92 097**	**23 212**	**66 635**	**2 250**
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	**3 016**	**452**	**2 442**	**122**
Liabilities, total	**95 113**	**23 664**	**69 077**	**2 372**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**24 076**	**24 076**		
Shareholder capital	17 852	17 852		
Reserves	6 405	6 405		
Profit/loss, current year	-181	-181		
Liabilities, minority interest, and capital, total	**119 189**	**47 740**	**69 077**	**2 372**
Memo: credit substitutes and other off-balance sheet commitments	**19 684**	**3 219**	**15 510**	**955**

Emporiki Bank Bulgaria EAD

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**5 013**	**339**	**4 549**	**125**
Interest income from claims on financial institutions	347	136	86	125
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	5	0	5	0
Interest income from loans	4 661	203	4 458	0
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**1 288**	**239**	**997**	**52**
Interest expenditure on deposits of financial institutions	551	85	466	0
Interest expenditure on deposits of non-financial institutions and other customers	737	154	531	52
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	**3 725**	**100**	**3 552**	**73**
CREDIT PROVISIONS				
Accrued provisions	1 759			
Reintegrated provisions	983			
Credit provisions, net	776			
TRADING PORTFOLIO GAIN/LOSS	**0**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-13**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**1 235**			
NON-INTEREST EXPENDITURE	**4 220**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**-49**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**6**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**138**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**-181**			

Emporiki Bank Bulgaria EAD

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 Website: www.emporiki.bg
Management	
Supervisory Board	Georgios Provopoulos – Chairman
	Leonidas Aristotelis Zonios – Deputy Chairman
	Ekaterini Konstantinos Beritsi
	Spiridon Lorentziadis
	Konstantinos Sotirios Pashalis
Management Board	Elefterios Patroclos Baharopulos – 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 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**4 232**	**4 185**	**35**	**12**
Claims on financial institutions, net	**24 304**	**7 379**	**16 778**	**147**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**0**	**0**	**0**	**0**
Investment portfolio	**9 377**	**435**	**8 942**	**0**
Loans to non-financial institutions and other customers, net	**61 390**	**34 514**	**26 876**	**0**
Loans to budget	0	0	0	0
Commercial loans	61 632	32 363	29 269	0
Commercial real estate and construction loans	46 826	19 918	26 908	0
Other commercial loans	14 806	12 445	2 361	0
Agricultural loans	6 423	6 423	0	0
Consumer loans	209	209	0	0
Housing mortgage loans to individuals	174	174	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**68 438**	**39 169**	**29 269**	**0**
Less: specific provisions	**7 048**	**4 655**	**2 393**	**0**
Assets for resale	**1 377**	**1 377**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**141**	**139**	**1**	**1**
Intangible assets	**81**	**81**	**0**	**0**
Premises and other fixed assets	**2 197**	**2 197**	**0**	**0**
Assets, total	**103 099**	**50 307**	**52 632**	**160**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**2 283**	**2 250**	**4**	**29**
Demand deposits of banks	214	214	0	0
Time deposits of banks	2 000	2 000	0	0
Deposits of other financial institutions	69	36	4	29
Deposits of non-financial institutions and other customers	**4 815**	**3 496**	**1 201**	**118**
Demand deposits	4 615	3 332	1 174	109
Time deposits	95	59	27	9
Savings deposits	105	105	0	0
Deposits, total	**7 098**	**5 746**	**1 205**	**147**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**55 647**	**1 676**	**53 971**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**564**	**563**	**1**	**0**
Liabilities, total	**63 309**	**7 985**	**55 177**	**147**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**39 790**	**39 790**		
Shareholder capital	29 574	29 574		
Reserves	6 874	6 874		
Profit/loss, current year	3 342	3 342		
Liabilities, minority interest, and capital, total	**103 099**	**47 775**	**55 177**	**147**
Memo: credit substitutes and other off-balance sheet commitments	**14 008**	**7 449**	**6 474**	**85**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**7 368**	**3 606**	**3 761**	**1**
Interest income from claims on financial institutions	187	56	130	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	241	99	142	0
Interest income from loans	6 890	3 451	3 439	0
Dividend income	50	0	50	0
INTEREST EXPENDITURE	**1 168**	**41**	**1 127**	**0**
Interest expenditure on deposits of financial institutions	2	2	0	0
Interest expenditure on deposits of non-financial institutions and other customers	7	7	0	0
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	1 159	32	1 127	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	**6 200**	**3 565**	**2 634**	**1**
CREDIT PROVISIONS				
Accrued provisions	4 241			
Reintegrated provisions	3 399			
Credit provisions, net	842			
TRADING PORTFOLIO GAIN/LOSS	**0**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**354**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**691**			
NON-INTEREST EXPENDITURE	**2 469**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**3 934**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-2**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**590**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**3 342**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	Atanas Slavchev Katsarchev – Chairman
	Nina Hristova Radeva – Deputy Chairman
	Kiril Milanov Ananiev
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%

FIRST INVESTMENT BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**241 479**	**68 196**	**163 195**	**10 088**
Claims on financial institutions, net	**222 649**	**7 205**	**185 874**	**29 570**
Claims under repurchase agreements	**10 568**	**0**	**10 091**	**477**
Trading portfolio	**26 116**	**2 699**	**119**	**23 298**
Investment portfolio	**523 875**	**86 851**	**275 687**	**161 337**
Loans to non-financial institutions and other customers, net	**1 492 343**	**584 721**	**871 189**	**36 433**
Loans to budget	0	0	0	0
Commercial loans	1 090 757	257 613	799 321	33 823
Commercial real estate and construction loans	734 808	146 774	574 265	13 769
Other commercial loans	355 949	110 839	225 056	20 054
Agricultural loans	22 740	20 256	2 019	465
Consumer loans	203 523	162 555	39 906	1 062
Housing mortgage loans to individuals	198 036	154 042	43 088	906
Other loans	32 705	16 333	8 074	8 298
Loans to non-financial institutions and other customers, total	**1 547 761**	**610 799**	**892 408**	**44 554**
Less: specific provisions	**55 418**	**26 078**	**21 219**	**8 121**
Assets for resale	**4 363**	**4 363**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**8364**	**8364**	**0**	**0**
Other assets	**18 139**	**13 820**	**3 583**	**736**
Intangible assets	**576**	**421**	**0**	**155**
Premises and other fixed assets	**76 201**	**75 351**	**0**	**850**
Assets, total	**2 624 673**	**851 991**	**1 509 738**	**262 944**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**708 144**	**23 158**	**683 578**	**1 408**
Demand deposits of banks	1 070	70	659	341
Time deposits of banks	11 358	9 793	1 565	0
Deposits of other financial institutions	695 716	13 295	681 354	1 067
Deposits of non-financial institutions and other customers	**1 346 108**	**601 159**	**477 876**	**267 073**
Demand deposits	628 080	369 008	198 800	60 272
Time deposits	718 028	232 151	279 076	206 801
Savings deposits	0	0	0	0
Deposits, total	**2 054 252**	**624 317**	**1 161 454**	**268 481**
Borrowings under repurchase agreements	**172 988**	**17 081**	**155 907**	**0**
Short-term borrowings	**17 518**	**16 918**	**600**	**0**
Long-term borrowings	**92 481**	**0**	**57 023**	**35 458**
Subordinated term debt and debt/equity (hybrid) instruments	**143 325**	**0**	**143 325**	**0**
Other liabilities	**5 307**	**5 164**	**7**	**136**
Liabilities, total	**2 485 871**	**663 480**	**1 518 316**	**304 075**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**138 802**	**138 802**		
Shareholder capital	10 000	10 000		
Reserves	119 635	119 635		
Profit/loss, current year	9 167	9 167		
Liabilities, minority interest, and capital, total	**2 624 673**	**802 282**	**1 518 316**	**304 075**
Memo: credit substitutes and other off-balance sheet commitments	**694 565**	**224 229**	**390 065**	**80 271**

FIRST INVESTMENT BANK

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**141 222**	**49 954**	**77 087**	**14 181**
Interest income from claims on financial institutions	2 227	63	1 107	1 057
Interest income from claims under repurchase agreements	614	7	607	0
Interest income from trading portfolio	370	40	74	256
Interest income from investment portfolio	14 294	2 069	6 312	5 913
Interest income from loans	123 697	47 755	68 987	6 955
Dividend income	20	20	0	0
INTEREST EXPENDITURE	**81 888**	**11 592**	**61 565**	**8 731**
Interest expenditure on deposits of financial institutions	39 856	927	38 823	106
Interest expenditure on deposits of non-financial institutions and other customers	22 927	9 774	6 628	6 525
Interest expenditure on borrowings under repurchase agreements	497	146	351	0
Interest expenditure on borrowings	5 052	726	2 226	2 100
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	13 534	0	13 534	0
Interest expenditure on other liabilities	22	19	3	0
INTEREST AND DIVIDEND INCOME, NET	**59 334**	**38 362**	**15 522**	**5 450**
CREDIT PROVISIONS				
Accrued provisions	39 977			
Reintegrated provisions	16 971			
Credit provisions, net	23 006			
TRADING PORTFOLIO GAIN/LOSS	**461**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**369**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**125**			
OTHER NON-INTEREST INCOME	**34 976**			
NON-INTEREST EXPENDITURE	**59 469**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**12 790**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-1 819**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**1 804**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**9 167**			

FIRST INVESTMENT BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	37 Dragan Tsankov Blvd., Sofia 1797 tel. 02/817 11 00 Website: www.fibank.bg
Management	
Supervisory Board	Georgi Dimitrov Moutafchiev – Chairman
	David Cameron Mathew
	Radka Veselinova Mineva
	Todor Breshkov
	Stefan Pinter
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%

HEBROS BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**63 802**	**58 025**	**3 461**	**2 316**
Claims on financial institutions, net	**280 951**	**216 292**	**14 289**	**50 370**
Claims under repurchase agreements	**38 437**	**0**	**0**	**38 437**
Trading portfolio	**0**	**0**	**0**	**0**
Investment portfolio	**17 552**	**17 144**	**29**	**379**
Loans to non-financial institutions and other customers, net	**430 454**	**271 657**	**147 914**	**10 883**
Loans to budget	454	454	0	0
Commercial loans	176 991	76 698	100 006	287
Commercial real estate and construction loans	59 366	17 372	41 994	0
Other commercial loans	117 625	59 326	58 012	287
Agricultural loans	25 542	19 320	6 222	0
Consumer loans	207 342	180 883	19 949	6 510
Housing mortgage loans to individuals	32 722	8 261	20 166	4 295
Other loans	15 591	8 607	6 767	217
Loans to non-financial institutions and other customers, total	**458 642**	**294 223**	**153 110**	**11 309**
Less: specific provisions	**28 188**	**22 566**	**5 196**	**426**
Assets for resale	**1 429**	**1 429**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**1311**	**1311**	**0**	**0**
Other assets	**3 265**	**2 845**	**53**	**367**
Intangible assets	**8 481**	**8 481**	**0**	**0**
Premises and other fixed assets	**29 923**	**29 923**	**0**	**0**
Assets, total	**875 605**	**607 107**	**165 746**	**102 752**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**155 739**	**141 513**	**247**	**13 979**
Demand deposits of banks	3	3	0	0
Time deposits of banks	154 000	140 023	0	13 977
Deposits of other financial institutions	1 736	1 487	247	2
Deposits of non-financial institutions and other customers	**556 653**	**326 425**	**141 992**	**88 236**
Demand deposits	211 031	186 284	17 770	6 977
Time deposits	250 555	98 198	89 559	62 798
Savings deposits	95 067	41 943	34 663	18 461
Deposits, total	**712 392**	**467 938**	**142 239**	**102 215**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**4 350**	**4 350**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**20 818**	**0**	**20 818**	**0**
Other liabilities	**22 497**	**20 982**	**1 287**	**228**
Liabilities, total	**760 057**	**493 270**	**164 344**	**102 443**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**115 548**	**115 548**		
Shareholder capital	41 103	41 103		
Reserves	51 833	51 833		
Profit/loss, current year	22 612	22 612		
Liabilities, minority interest, and capital, total	**875 605**	**608 818**	**164 344**	**102 443**
Memo: credit substitutes and other off-balance sheet commitments	**57 229**	**27 561**	**29 382**	**286**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**37 163**	**22 461**	**11 231**	**3 471**
Interest income from claims on financial institutions	3 872	1 456	520	1 896
Interest income from claims under repurchase agreements	1 385	5	0	1 380
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	551	536	0	15
Interest income from loans	31 355	20 464	10 711	180
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**8 289**	**4 536**	**2 737**	**1 016**
Interest expenditure on deposits of financial institutions	781	182	495	104
Interest expenditure on deposits of non-financial institutions and other customers	6 774	4 210	1 652	912
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	139	139	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	590	0	590	0
Interest expenditure on other liabilities	5	5	0	0
INTEREST AND DIVIDEND INCOME, NET	**28 874**	**17 925**	**8 494**	**2 455**
CREDIT PROVISIONS				
Accrued provisions	31 101			
Reintegrated provisions	24 733			
Credit provisions, net	6 368			
TRADING PORTFOLIO GAIN/LOSS	**0**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**406**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**37 577**			
NON-INTEREST EXPENDITURE	**33 894**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**26 595**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**19**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**4 002**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**22 612**			

HEBROS BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**189 108**	**157 095**	**26 587**	**5 426**
Claims on financial institutions, net	**556 477**	**286 650**	**138 302**	**131 525**
Claims under repurchase agreements	**6 190**	**5 633**	**557**	**0**
Trading portfolio	**356 953**	**93 010**	**144 101**	**119 842**
Investment portfolio	**13 402**	**13 402**	**0**	**0**
Loans to non-financial institutions and other customers, net	**1 572 067**	**677 501**	**849 070**	**45 496**
Loans to budget	18 994	18 994	0	0
Commercial loans	1 108 752	367 739	719 238	21 775
Commercial real estate and construction loans	467 563	115 015	351 514	1 034
Other commercial loans	641 189	252 724	367 724	20 741
Agricultural loans	11 783	8 627	3 156	0
Consumer loans	403 083	284 277	101 696	17 110
Housing mortgage loans to individuals	87 542	23 803	56 672	7 067
Other loans	2 446	2 084	2	360
Loans to non-financial institutions and other customers, total	**1 632 600**	**705 524**	**880 764**	**46 312**
Less: specific provisions	**60 533**	**28 023**	**31 694**	**816**
Assets for resale	**2 551**	**2 551**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**655**	**655**	**0**	**0**
Other assets	**8 957**	**8 709**	**189**	**59**
Intangible assets	**4 850**	**4 850**	**0**	**0**
Premises and other fixed assets	**50 829**	**50 829**	**0**	**0**
Assets, total	**2 762 039**	**1 300 885**	**1 158 806**	**302 348**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**794 537**	**431 602**	**284 501**	**78 434**
Demand deposits of banks	12 459	12 196	154	109
Time deposits of banks	752 535	394 407	279 934	78 194
Deposits of other financial institutions	29 543	24 999	4 413	131
Deposits of non-financial institutions and other customers	**1 353 667**	**708 538**	**427 717**	**217 412**
Demand deposits	693 313	507 269	152 264	33 780
Time deposits	361 084	74 769	155 432	130 883
Savings deposits	299 270	126 500	120 021	52 749
Deposits, total	**2 148 204**	**1 140 140**	**712 218**	**295 846**
Borrowings under repurchase agreements	**121 112**	**0**	**82 675**	**38 437**
Short-term borrowings	**55**	**0**	**0**	**55**
Long-term borrowings	**109 926**	**1 521**	**108 405**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**78 138**	**0**	**78 138**	**0**
Other liabilities	**67 647**	**37 402**	**23 495**	**6 750**
Liabilities, total	**2 525 082**	**1 179 063**	**1 004 931**	**341 088**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**236 957**	**236 957**		
Shareholder capital	36 842	36 842		
Reserves	158 001	158 001		
Profit/loss, current year	42 114	42 114		
Liabilities, minority interest, and capital, total	**2 762 039**	**1 416 020**	**1 004 931**	**341 088**
Memo: credit substitutes and other off-balance sheet commitments	**618 514**	**304 887**	**290 387**	**23 240**

HVB Bank Biochim

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**113 415**	**54 042**	**46 989**	**12 384**
Interest income from claims on financial institutions	8 058	3 358	1 454	3 246
Interest income from claims under repurchase agreements	164	94	70	0
Interest income from trading portfolio	15 347	4 029	4 288	7 030
Interest income from investment portfolio	287	287	0	0
Interest income from loans	89 531	46 246	41 177	2 108
Dividend income	28	28	0	0
INTEREST EXPENDITURE	**32 526**	**10 812**	**14 548**	**7 166**
Interest expenditure on deposits of financial institutions	14 796	5 952	4 818	4 026
Interest expenditure on deposits of non-financial institutions and other customers	9 527	4 845	2 924	1 758
Interest expenditure on borrowings under repurchase agreements	3 231	5	1 844	1 382
Interest expenditure on borrowings	2 863	8	2 855	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	2 085	0	2 085	0
Interest expenditure on other liabilities	24	2	22	0
INTEREST AND DIVIDEND INCOME, NET	**80 889**	**43 230**	**32 441**	**5 218**
CREDIT PROVISIONS				
Accrued provisions	34 010			
Reintegrated provisions	19 723			
Credit provisions, net	14 287			
TRADING PORTFOLIO GAIN/LOSS	**-1 728**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**4**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**37 271**			
NON-INTEREST EXPENDITURE	**51 109**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**51 040**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-1 069**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**7 857**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**42 114**			

HVB Bank Biochim

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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
	Heinz Meidlinger
	Wolfgang Edelmueller
	Josef Duregger
	Robert Zadrazil
Management Board	Peter Harold – Chaiman and Chief Executive Director
	Andrea Casini – Deputy Chaiman and Executive Director
	Emiliya Stefanova Palibachiyska – Executive Director
	Ludwig Wagner – Executive Director
Shareholders (shares over 10%)	
	Bank Austria Creditanstalt – 99.59%

ING WHOLESALE BANKING

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	**27 823**	**0**	**27 823**	**19 088**	**8 248**	**487**
Claims on financial institutions, net	**208 775**	**199 592**	**9 183**	**5 494**	**2 580**	**1 109**
Claims under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Trading portfolio	**39 308**	**0**	**39 308**	**23 616**	**11 678**	**4 014**
Investment portfolio	**46**	**0**	**46**	**46**	**0**	**0**
Loans to non-financial institutions and other customers, net	**164 905**	**0**	**164 905**	**129 099**	**28 158**	**7 648**
Loans to budget	0	0	0	0	0	0
Commercial loans	153 561	0	153 561	119 041	28 156	6 364
Commercial real estate and construction loans	1 853	0	1 853	1 853	0	0
Other commercial loans	151 708	0	151 708	117 188	28 156	6 364
Agricultural loans	1 536	0	1 536	253	0	1 283
Consumer loans	1 828	0	1 828	1 828	0	0
Housing mortgage loans to individuals	7 838	0	7 838	7 838	0	0
Other loans	178	0	178	175	2	1
Loans to non-financial institutions and other customers, total	**164 941**	**0**	**164 941**	**129 135**	**28 158**	**7 648**
Less: specific provisions	**36**	**0**	**36**	**36**	**0**	**0**
Assets for resale	**0**	**0**	**0**	**0**	**0**	**0**
Other assets, net	**2 153**	**0**	**2 153**	**1 246**	**616**	**291**
Intangible assets	**179**	**0**	**179**	**179**	**0**	**0**
Premises and other fixed assets	**771**	**0**	**771**	**771**	**0**	**0**
Assets, total	**443 960**	**199 592**	**244 368**	**179 539**	**51 280**	**13 549**
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	**78 548**	**490**	**78 058**	**16 581**	**31 929**	**29 548**
Demand deposits of banks	56 302	490	55 812	6 054	20 540	29 218
Time deposits of banks	12 776	0	12 776	2 003	10 773	0
Deposits of other financial institutions	9 470	0	9 470	8 524	616	330
Deposits of non-financial institutions and other customers	**323 633**	**0**	**323 633**	**158 214**	**120 920**	**44 499**
Demand deposits	243 583	0	243 583	115 329	108 745	19 509
Time deposits	80 050	0	80 050	42 885	12 175	24 990
Savings deposits	0	0	0	0	0	0
Deposits, total	**402 181**	**490**	**401 691**	**174 795**	**152 849**	**74 047**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Short-term borrowings	**98**	**0**	**98**	**0**	**90**	**8**
Long-term borrowings	**0**	**0**	**0**	**0**	**0**	**0**
Other liabilities	**11 307**	**8 529**	**2 778**	**703**	**553**	**1 522**
Liabilities, total	**413 586**	**9 019**	**404 567**	**175 498**	**153 492**	**75 577**
Reserves and financial result, total	**30 374**	**26 721**	**3 653**	**3 653**		
Reserves	26 721	26 721	0	0		
Profit/loss, current year	3 653	0	3 653	3 653		
Liabilities, reserves, and financial result, total	**443 960**	**35 740**	**408 220**	**179 151**	**153 492**	**75 577**
Memo: credit substitutes and other off-balance sheet commitments	**395 562**	**0**	**395 562**	**131 132**	**195 587**	**68 843**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**15 258**	**6 422**	**8 836**	**7 217**	**885**	**734**
Interest income from claims on financial institutions	7 130	6 422	708	388	309	11
Interest income from claims under repurchase agreements	8	0	8	8	0	0
Interest income from trading portfolio	1 255	0	1 255	1 255	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	6 865	0	6 865	5 566	576	723
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	**5 699**	**2 231**	**3 468**	**891**	**1593**	**984**
Interest expenditure on deposits of financial institutions	3 363	2 231	1 132	443	365	324
Interest expenditure on deposits of non-financial institutions and other customers	1 965	0	1 965	448	871	646
Interest expenditure on borrowings under repurchase agreements	0	0	0	0	0	0
Interest expenditure on borrowings	371	0	371	0	357	14
Interest expenditure on other liabilities	0	0	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	**9 559**	**4 191**	**5 368**	**6 326**	**-708**	**-250**
CREDIT PROVISIONS						
Accrued provisions	28	0	28			
Reintegrated provisions	38	0	38			
Credit provisions, net	-10	0	-10			
TRADING PORTFOLIO GAIN/LOSS	**1 159**	**-1**	**1 160**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**	**0**	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**	**0**	**0**			
OTHER NON-INTEREST INCOME	**4 713**	**-1 042**	**5 755**			
NON-INTEREST EXPENDITURE	**12 125**	**74**	**12 051**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**3 316**	**3 074**	**242**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**981**	**873**	**108**			
EXTRAORDINARY GAIN/LOSS	**0**	**0**	**0**			
TAX	**644**	**0**	**644**			
PROFIT/LOSS, NET	**3 653**	**3 947**	**-294**			

ING
WHOLESALE BANKING

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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

INTERNATIONAL ASSET BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**34 253**	**10 214**	**23 076**	**963**
Claims on financial institutions, net	**40 403**	**219**	**22 804**	**17 380**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**3 218**	**586**	**1 964**	**668**
Investment portfolio	**33 115**	**26 399**	**4 983**	**1 733**
Loans to non-financial institutions and other customers, net	**216 410**	**132 012**	**75 683**	**8 715**
Loans to budget	1 977	1 973	4	0
Commercial loans	151 066	95 859	46 086	9 121
Commercial real estate and construction loans	45 603	26 896	18 176	531
Other commercial loans	105 463	68 963	27 910	8 590
Agricultural loans	10 000	9 709	291	0
Consumer loans	6 081	5 601	381	99
Housing mortgage loans to individuals	4 272	737	3 535	0
Other loans	46 799	21 088	25 661	50
Loans to non-financial institutions and other customers, total	220 195	134 967	75 958	9 270
Less: specific provisions	3 785	2 955	275	555
Assets for resale	5 376	5 376	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	7 456	5 794	436	1 226
Intangible assets	126	126	0	0
Premises and other fixed assets	16 452	16 452	0	0
Assets, total	356 809	197 178	128 946	30 685
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**18 308**	**3 578**	**14 715**	**15**
Demand deposits of banks	19	19	0	0
Time deposits of banks	17 338	2 859	14 479	0
Deposits of other financial institutions	951	700	236	15
Deposits of non-financial institutions and other customers	**210 261**	**98 593**	**84 210**	**27 458**
Demand deposits	98 278	72 364	21 347	4 567
Time deposits	98 684	22 229	55 690	20 765
Savings deposits	13 299	4 000	7 173	2 126
Deposits, total	**228 569**	**102 171**	**98 925**	**27 473**
Borrowings under repurchase agreements	**16 430**	**16 430**	**0**	**0**
Short-term borrowings	**46 725**	**0**	**46 725**	**0**
Long-term borrowings	**7 769**	**7 769**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**17 796**	**4 237**	**10 481**	**3 078**
Liabilities, total	**317 289**	**130 607**	**156 131**	**30 551**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**39 520**	**39 520**		
Shareholder capital	20 050	20 050		
Reserves	13 361	13 361		
Profit/loss, current year	6 109	6 109		
Liabilities, minority interest, and capital, total	**356 809**	**170 127**	**156 131**	**30 551**
Memo: credit substitutes and other off-balance sheet commitments	**104 931**	**68 609**	**32 893**	**3 429**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**17 328**	**10 344**	**5 644**	**1 340**
Interest income from claims on financial institutions	619	4	103	512
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	3	0	2	1
Interest income from investment portfolio	1 014	770	185	59
Interest income from loans	15 687	9 565	5 354	768
Dividend income	5	5	0	0
INTEREST EXPENDITURE	**6 162**	**1 835**	**3 741**	**586**
Interest expenditure on deposits of financial institutions	391	71	320	0
Interest expenditure on deposits of non-financial institutions and other customers	3 770	1 415	1 769	586
Interest expenditure on borrowings under repurchase agreements	236	236	0	0
Interest expenditure on borrowings	1 666	95	1 571	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	99	18	81	0
INTEREST AND DIVIDEND INCOME, NET	**11 166**	**8 509**	**1 903**	**754**
CREDIT PROVISIONS				
Accrued provisions	1 067			
Reintegrated provisions	436			
Credit provisions, net	631			
TRADING PORTFOLIO GAIN/LOSS	**44**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-403**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**6 876**			
NON-INTEREST EXPENDITURE	**9 660**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**7 392**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-196**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**1 087**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**6 109**			

INTERNATIONAL ASSET BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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, vol. 1, p. 140, lot No. 53
Address of the head office	81–83 Todor Alexandrov Blvd., Sofia 1303 tel. 02/812 01 11; 920 43 03 Website: www.iabank.bg
Management	
Supervisory Board	Ivan Minkov Dragnevski – Chairman
	Georgi Stoinev Harizanov – Deputy Chairman
	Georgi Borislavov Georgiev
	Mladen Ivanov Moutafchiyski
Management Board	Anna Dimitrova Sabeva – Chairman and Executive Member
	Rossitsa Asenova Tosheva – Executive Member
	Youri Jaque Aroyo
	Kostadin Vasilev Karanlakov
Shareholders (shares over 10%)	
	Dynatrade International – 25.51%

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BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**67 385**	**49 136**	**13 901**	**4 348**
Claims on financial institutions, net	**77 456**	**14 959**	**42 090**	**20 407**
Claims under repurchase agreements	**3 340**	**3 340**	**0**	**0**
Trading portfolio	**25 144**	**13 306**	**9 803**	**2 035**
Investment portfolio	**76 946**	**64 340**	**9 885**	**2 721**
Loans to non-financial institutions and other customers, net	**146 791**	**97 052**	**41 574**	**8 165**
Loans to budget	1 800	0	1 800	0
Commercial loans	113 671	75 235	30 944	7 492
Commercial real estate and construction loans	27 920	15 469	10 457	1 994
Other commercial loans	85 751	59 766	20 487	5 498
Agricultural loans	10 011	10 011	0	0
Consumer loans	10 455	8 502	1 280	673
Housing mortgage loans to individuals	14 399	6 802	7 597	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**150 336**	**100 550**	**41 621**	**8 165**
Less: specific provisions	**3 545**	**3 498**	**47**	**0**
Assets for resale	**51**	**51**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**3 125**	**1 734**	**1 197**	**194**
Intangible assets	**589**	**589**	**0**	**0**
Premises and other fixed assets	**3 964**	**3 964**	**0**	**0**
Assets, total	**404 791**	**248 471**	**118 450**	**37 870**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**43 790**	**35 453**	**8 062**	**275**
Demand deposits of banks	1 308	0	1 040	268
Time deposits of banks	18 869	13 001	5 868	0
Deposits of other financial institutions	23 613	22 452	1 154	7
Deposits of non-financial institutions and other customers	**299 967**	**155 157**	**108 210**	**36 600**
Demand deposits	99 431	80 348	16 544	2 539
Time deposits	184 888	68 992	83 586	32 310
Savings deposits	15 648	5 817	8 080	1 751
Deposits, total	**343 757**	**190 610**	**116 272**	**36 875**
Borrowings under repurchase agreements	**5 012**	**5 012**	**0**	**0**
Short-term borrowings	**5**	**0**	**0**	**5**
Long-term borrowings	**24 328**	**10 284**	**14 044**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**4 039**	**0**	**4 039**	**0**
Other liabilities	**4 780**	**2 865**	**1 005**	**910**
Liabilities, total	**381 921**	**208 771**	**135 360**	**37 790**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**22 870**	**22 870**		
Shareholder capital	20 000	20 000		
Reserves	1 677	1 677		
Profit/loss, current year	1 193	1 193		
Liabilities, minority interest, and capital, total	**404 791**	**231 641**	**135 360**	**37 790**
Memo: credit substitutes and other off-balance sheet commitments	**29 664**	**18 556**	**10 666**	**442**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**15 234**	**9 171**	**4 425**	**1 638**
Interest income from claims on financial institutions	1 441	397	464	580
Interest income from claims under repurchase agreements	100	100	0	0
Interest income from trading portfolio	588	343	174	71
Interest income from investment portfolio	2 487	1 833	511	143
Interest income from loans	10 432	6 312	3 276	844
Dividend income	186	186	0	0
INTEREST EXPENDITURE	**9 370**	**3 844**	**4 447**	**1 079**
Interest expenditure on deposits of financial institutions	695	657	36	2
Interest expenditure on deposits of non-financial institutions and other customers	7 772	3 041	3 654	1 077
Interest expenditure on borrowings under repurchase agreements	12	12	0	0
Interest expenditure on borrowings	852	134	718	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	39	0	39	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	**5 864**	**5 327**	**-22**	**559**
CREDIT PROVISIONS				
Accrued provisions	362			
Reintegrated provisions	128			
Credit provisions, net	234			
TRADING PORTFOLIO GAIN/LOSS	**-248**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**539**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**-158**			
OTHER NON-INTEREST INCOME	**4 792**			
NON-INTEREST EXPENDITURE	**9 439**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**1 116**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**213**			
EXTRAORDINARY GAIN/LOSS	**54**			
TAX	**190**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**1 193**			

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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 86 112; 81 86 130 Website: www.ibank.bg
Management	
Supervisory Board	Petya Ivanova Barakova–Slavova – Chairman
	Vincom AD, represented by Petya Ivanova Barakova–Slavova
	Festa Holding AD, represented by Dimitar Marinov Dimitrov
Management Board	Vladimir Ivanov Vladimirov – Chairman and Executive Director
	Plamen Yordanov Milkov – Executive Director
	Diana Zhivkova Mladenova – Executive Director
	Tsanko Iliev Kolovski – Procurator
	Pencho Stoyanov Cherkezov
Shareholders (shares over 10%)	
	Festa Holding – 78.73%
	Vincom – 15.49%

MKBUnionbank

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**45 760**	**14 804**	**28 431**	**2 525**
Claims on financial institutions, net	**167 839**	**4 026**	**125 210**	**38 603**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**32 670**	**7 958**	**13 331**	**11 381**
Investment portfolio	**15 670**	**13 276**	**1 981**	**413**
Loans to non-financial institutions and other customers, net	**320 829**	**58 870**	**248 825**	**13 134**
Loans to budget	309	309	0	0
Commercial loans	272 290	42 282	216 880	13 128
Commercial real estate and construction loans	139 210	4 044	127 938	7 228
Other commercial loans	133 080	38 238	88 942	5 900
Agricultural loans	13 245	11 435	1 810	0
Consumer loans	16 991	5 929	11 046	16
Housing mortgage loans to individuals	22 720	127	22 245	348
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**325 555**	**60 082**	**251 981**	**13 492**
Less: specific provisions	**4 726**	**1 212**	**3 156**	**358**
Assets for resale	**37**	**37**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**2000**	**2000**	**0**	**0**
Other assets	**2 543**	**2 405**	**133**	**5**
Intangible assets	**1 388**	**1 388**	**0**	**0**
Premises and other fixed assets	**5 445**	**5 445**	**0**	**0**
Assets, total	**594 181**	**110 209**	**417 911**	**66 061**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**29 559**	**9 435**	**19 905**	**219**
Demand deposits of banks	81	19	0	62
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	29 478	9 416	19 905	157
Deposits of non-financial institutions and other customers	**433 266**	**135 426**	**238 596**	**59 244**
Demand deposits	134 990	91 131	33 859	10 000
Time deposits	289 422	43 583	199 138	46 701
Savings deposits	8 854	712	5 599	2 543
Deposits, total	**462 825**	**144 861**	**258 501**	**59 463**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**56 809**	**6 617**	**44 246**	**5 946**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**9 962**	**6 041**	**2 550**	**1 371**
Liabilities, total	**529 596**	**157 519**	**305 297**	**66 780**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**64 585**	**64 585**		
Shareholder capital	15 412	15 412		
Reserves	45 675	45 675		
Profit/loss, current year	3 498	3 498		
Liabilities, minority interest, and capital, total	**594 181**	**222 104**	**305 297**	**66 780**
Memo: credit substitutes and other off-balance sheet commitments	**50 280**	**28 933**	**16 766**	**4 581**

MKB Unionbank

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**30 116**	**5 731**	**20 815**	**3 570**
Interest income from claims on financial institutions	3 290	85	1 695	1 510
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 657	306	822	529
Interest income from investment portfolio	627	525	83	19
Interest income from loans	24 526	4 799	18 215	1 512
Dividend income	16	16	0	0
INTEREST EXPENDITURE	**14 340**	**2 828**	**9 401**	**2 111**
Interest expenditure on deposits of financial institutions	1 284	547	735	2
Interest expenditure on deposits of non-financial institutions and other customers	9 981	2 197	6 092	1 692
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	3 075	84	2 574	417
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	**15 776**	**2 903**	**11 414**	**1 459**
CREDIT PROVISIONS				
Accrued provisions	3 695			
Reintegrated provisions	2 482			
Credit provisions, net	1 213			
TRADING PORTFOLIO GAIN/LOSS	**-2 320**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-36**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**6 285**			
NON-INTEREST EXPENDITURE	**15 018**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**3 474**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**645**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**621**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**3 498**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	30–32 General Totleben Blvd., Krasno Selo District, Sofia 1606 tel. 02/9153 333; 9153 315 Website: www.unionbank.bg
Management	
Supervisory Board	Tamas Erdei – Chairman
	Imre Balogh – Deputy Chairman
	Gerhard Gribkowsky
	Emanuil Yankov Manolov
	Union Group, represented by Emil Ivanov Ivanov
Management Board	Ivan Totev Radev* – Chairman and Chief Executive Director
	Anna Ivanova Asparouhova – Deputy Chairman and Executive Director
	Dorcho Dimitrov Ilchev – Executive Director
	Peter Cherfalvi – Executive Director
	Ivailo Tsvetanov Donchev*
Shareholders (shares over 10%)	
	MKB Bank, Hungary – 60%
	Union Group – 19.86%
	Boras – 14.14%

* By Resolution No. 42 of 9 October 2006 the Sofia City Court entered a deletion of Ivan Totev Radev as a chief executive director and Ivailo Tsvetanov Donchev as a member of the Management Board; under the same resolution Maria Dimova Ilieva was entered as a chief executive director and member of the Management Board and Radoslav Simeonov Velkov as a procurator. Ivan Totev Radev is still in office as a chairman of the Management Board.

MUNICIPAL BANK PLC

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**78 216**	**73 783**	**2 471**	**1 962**
Claims on financial institutions, net	**127 731**	**54 988**	**52 859**	**19 884**
Claims under repurchase agreements	**45 689**	**45 689**	**0**	**0**
Trading portfolio	**86 893**	**75 772**	**8 991**	**2 130**
Investment portfolio	**48 003**	**32 320**	**15 675**	**8**
Loans to non-financial institutions and other customers, net	**173 594**	**133 303**	**37 016**	**3 275**
Loans to budget	5 203	5 203	0	0
Commercial loans	146 253	100 350	42 860	3 043
Commercial real estate and construction loans	49 206	25 682	22 000	1 524
Other commercial loans	97 047	74 668	20 860	1 519
Agricultural loans	3 851	3 851	0	0
Consumer loans	21 834	21 193	641	0
Housing mortgage loans to individuals	5 779	4 734	1 045	0
Other loans	9 272	8 732	308	232
Loans to non-financial institutions and other customers, total	**192 192**	**144 063**	**44 854**	**3 275**
Less: specific provisions	**18 598**	**10 760**	**7 838**	**0**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**2 711**	**2 680**	**30**	**1**
Intangible assets	**2 277**	**2 277**	**0**	**0**
Premises and other fixed assets	**8 603**	**8 603**	**0**	**0**
Assets, total	**573 717**	**429 415**	**117 042**	**27 260**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**56 649**	**56 232**	**274**	**143**
Demand deposits of banks	260	97	47	116
Time deposits of banks	49 708	49 708	0	0
Deposits of other financial institutions	6 681	6 427	227	27
Deposits of non-financial institutions and other customers	**405 678**	**328 122**	**51 341**	**26 215**
Demand deposits	255 507	241 244	9 988	4 275
Time deposits	138 449	81 374	36 923	20 152
Savings deposits	11 722	5 504	4 430	1 788
Deposits, total	**462 327**	**384 354**	**51 615**	**26 358**
Borrowings under repurchase agreements	**554**	**554**	**0**	**0**
Short-term borrowings	**8 480**	**84**	**8 396**	**0**
Long-term borrowings	**45 100**	**946**	**44 154**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**17 692**	**5 377**	**11 490**	**825**
Liabilities, total	**534 153**	**391 315**	**115 655**	**27 183**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**39 564**	**39 564**		
Shareholder capital	25 000	25 000		
Reserves	13 266	13 266		
Profit/loss, current year	1 298	1 298		
Liabilities, minority interest, and capital, total	**573 717**	**430 879**	**115 655**	**27 183**
Memo: credit substitutes and other off-balance sheet commitments	**58 143**	**46 564**	**11 285**	**294**

MUNICIPAL BANK PLC

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**21 751**	**15 103**	**5 215**	**1 433**
Interest income from claims on financial institutions	2 275	397	1 263	615
Interest income from claims under repurchase agreements	995	995	0	0
Interest income from trading portfolio	4 412	3 765	574	73
Interest income from investment portfolio	493	357	136	0
Interest income from loans	13 550	9 563	3 242	745
Dividend income	26	26	0	0
INTEREST EXPENDITURE	**7 147**	**2 913**	**3 677**	**557**
Interest expenditure on deposits of financial institutions	386	298	73	15
Interest expenditure on deposits of non-financial institutions and other customers	4 384	2 593	1 249	542
Interest expenditure on borrowings under repurchase agreements	4	4	0	0
Interest expenditure on borrowings	2 373	18	2 355	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	**14 604**	**12 190**	**1 538**	**876**
CREDIT PROVISIONS				
Accrued provisions	5 516			
Reintegrated provisions	5 625			
Credit provisions, net	-109			
TRADING PORTFOLIO GAIN/LOSS	**-840**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**174**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**6 356**			
NON-INTEREST EXPENDITURE	**18 887**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**1 516**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**55**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**273**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**1 298**			

MUNICIPAL BANK PLC

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 Borisov Trenev – Executive Director
	Georgi Hristov Belovski – Executive Director
	Violeta Stefanova Ilieva – Executive Director
Procurators	Asya Boyanova Krumova
	Violeta Stefanova Ilieva
	Radostina Draganova Dimova
Shareholders (shares over 10%)	
	Sofia Municipality – 67%

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**7 428**	**6 731**	**497**	**200**
Claims on financial institutions, net	**23 201**	**2 101**	**20 239**	**861**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**319**	**319**	**0**	**0**
Investment portfolio	**4 866**	**2 847**	**2 019**	**0**
Loans to non-financial institutions and other customers, net	**81 110**	**27 944**	**48 924**	**4 242**
Loans to budget	0	0	0	0
Commercial loans	62 285	8 194	49 453	4 638
Commercial real estate and construction loans	37 898	3 060	33 932	906
Other commercial loans	24 387	5 134	15 521	3 732
Agricultural loans	21 455	21 455	0	0
Consumer loans	344	116	228	0
Housing mortgage loans to individuals	330	50	280	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**84 414**	**29 815**	**49 961**	**4 638**
Less: specific provisions	**3 304**	**1 871**	**1 037**	**396**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**784**	**784**	**0**	**0**
Other assets	**801**	**152**	**644**	**5**
Intangible assets	**579**	**579**	**0**	**0**
Premises and other fixed assets	**351**	**351**	**0**	**0**
Assets, total	**119 439**	**41 808**	**72 323**	**5 308**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**24 981**	**354**	**20 452**	**4 175**
Demand deposits of banks	39	19	17	3
Time deposits of banks	24 515	0	20 343	4 172
Deposits of other financial institutions	427	335	92	0
Deposits of non-financial institutions and other customers	**40 782**	**20 924**	**18 679**	**1 179**
Demand deposits	22 979	5 913	16 029	1 037
Time deposits	17 803	15 011	2 650	142
Savings deposits	0	0	0	0
Deposits, total	**65 763**	**21 278**	**39 131**	**5 354**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**26 609**	**13 749**	**12 860**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**6 066**	**0**	**6 066**	**0**
Other liabilities	**1 794**	**407**	**1 041**	**346**
Liabilities, total	**100 232**	**35 434**	**59 098**	**5 700**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**19 207**	**19 207**		
Shareholder capital	15 800	15 800		
Reserves	404	404		
Profit/loss, current year	3 003	3 003		
Liabilities, minority interest, and capital, total	**119 439**	**54 641**	**59 098**	**5 700**
Memo: credit substitutes and other off-balance sheet commitments	**29 559**	**8 174**	**17 724**	**3 661**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**7 800**	**2 473**	**5 006**	**321**
Interest income from claims on financial institutions	603	32	539	32
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	198	95	103	0
Interest income from loans	6 999	2 346	4 364	289
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**1 957**	**713**	**1 086**	**158**
Interest expenditure on deposits of financial institutions	689	2	536	151
Interest expenditure on deposits of non-financial institutions and other customers	641	461	173	7
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	627	250	377	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	**5 843**	**1 760**	**3 920**	**163**
CREDIT PROVISIONS				
Accrued provisions	642			
Reintegrated provisions	0			
Credit provisions, net	642			
TRADING PORTFOLIO GAIN/LOSS	**26**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**594**			
NON-INTEREST EXPENDITURE	**2 897**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**2 924**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**180**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**101**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**3 003**			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

License granted by the BNB	Order No. RD 22-1067 of 13 August 2003 of the BNB Governor entitling the West–East 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 Centre tel. 02/970 24 10 Website: www.westeastbank.bg
Management	
Supervisory Board	Boris Pesjak – Chairman
	Andrej Hazabent
	Gregor Kaiser
Management Board	Dusan Valencic – Chairman and Executive Director
	Nabil Khalil Issa – Executive Director
	Margarita Atanasova Gencheva – Executive Director
Procurator	Safi Said Harb
Shareholders (shares over 10%)	
	Nova Ljubljanska Banka, Slovenia – 72.51%
	LB Maxima, Ljubljana – 24.50%

PIRAEUS BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**151 688**	**133 229**	**13 768**	**4 691**
Claims on financial institutions, net	**333 553**	**91 256**	**174 075**	**68 222**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**90 312**	**55 900**	**14 940**	**19 472**
Investment portfolio	**1 449**	**367**	**284**	**798**
Loans to non-financial institutions and other customers, net	**979 801**	**298 196**	**659 426**	**22 179**
Loans to budget	0	0	0	0
Commercial loans	785 358	209 510	553 355	22 493
Commercial real estate and construction loans	305 301	25 256	276 403	3 642
Other commercial loans	480 057	184 254	276 952	18 851
Agricultural loans	10 721	8 306	2 415	0
Consumer loans	62 840	58 288	4 489	63
Housing mortgage loans to individuals	144 957	37 599	107 181	177
Other loans	469	405	55	9
Loans to non-financial institutions and other customers, total	**1 004 345**	**314 108**	**667 495**	**22 742**
Less: specific provisions	**24 544**	**15 912**	**8 069**	**563**
Assets for resale	**1 063**	**1 063**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**40**	**40**	**0**	**0**
Other assets	**61 591**	**10 939**	**42 890**	**7 762**
Intangible assets	**2 340**	**2 340**	**0**	**0**
Premises and other fixed assets	**19 762**	**19 762**	**0**	**0**
Assets, total	**1 641 599**	**613 092**	**905 383**	**123 124**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**767 981**	**177 778**	**566 850**	**23 353**
Demand deposits of banks	627	627	0	0
Time deposits of banks	703 350	114 590	565 580	23 180
Deposits of other financial institutions	64 004	62 561	1 270	173
Deposits of non-financial institutions and other customers	**600 129**	**265 220**	**249 072**	**85 837**
Demand deposits	216 146	130 956	74 608	10 582
Time deposits	333 213	127 733	134 071	71 409
Savings deposits	50 770	6 531	40 393	3 846
Deposits, total	**1 368 110**	**442 998**	**815 922**	**109 190**
Borrowings under repurchase agreements	**2 043**	**2 043**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**22 470**	**12 762**	**9 708**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**39 781**	**0**	**39 781**	**0**
Other liabilities	**107 653**	**28 696**	**66 326**	**12 631**
Liabilities, total	**1 540 057**	**486 499**	**931 737**	**121 821**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**101 542**	**101 542**		
Shareholder capital	70 362	70 362		
Reserves	16 025	16 025		
Profit/loss, current year	15 155	15 155		
Liabilities, minority interest, and capital, total	**1 641 599**	**588 041**	**931 737**	**121 821**
Memo: credit substitutes and other off-balance sheet commitments	**224 954**	**128 060**	**85 824**	**11 070**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**55 232**	**23 842**	**25 996**	**5 394**
Interest income from claims on financial institutions	4 117	1 047	294	2 776
Interest income from claims under repurchase agreements	4	4	0	0
Interest income from trading portfolio	2 572	1 479	288	805
Interest income from investment portfolio	957	593	196	168
Interest income from loans	47 582	20 719	25 218	1 645
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**24 151**	**8 851**	**11 683**	**3 617**
Interest expenditure on deposits of financial institutions	11 423	3 281	6 998	1 144
Interest expenditure on deposits of non-financial institutions and other customers	10 571	4 897	3 201	2 473
Interest expenditure on borrowings under repurchase agreements	176	176	0	0
Interest expenditure on borrowings	1 242	496	746	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	738	0	738	0
Interest expenditure on other liabilities	1	1	0	0
INTEREST AND DIVIDEND INCOME, NET	**31 081**	**14 991**	**14 313**	**1 777**
CREDIT PROVISIONS				
Accrued provisions	8 747			
Reintegrated provisions	6 501			
Credit provisions, net	2 246			
TRADING PORTFOLIO GAIN/LOSS	**-4 200**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-1 258**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**15 770**			
NON-INTEREST EXPENDITURE	**23 157**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**15 990**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 861**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**2 696**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**15 155**			

PIRAEUS BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	3 Vitosha Blvd., Sredets District, Sofia 1000 tel. 02/9805654 Website: www.piraeusbank.bg
Management	
Board of Directors	Michael Colakides – Chairman
	Athanasios Kutsopoulos – Chief Executive Officer
	Emil Angelov
	John Kyriakopoulos
	George Mantakas
	George Papaioannou
	Spiridon Papaspyrou
	Vassiliki Campbell
	Ilias Milis
Executive Members of the Board of Directors	Athanasios Kutsopoulos – Chief Executive Director
	Emil Angelov – Deputy Chief Executive Director
Shareholders (shares over 10%)	
	Piraeus Bank S.A., Athens, Greece – 99.85%

Postbank

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**201 458**	**45 155**	**148 049**	**8 254**
Claims on financial institutions, net	**737 142**	**19 042**	**596 617**	**121 483**
Claims under repurchase agreements	**12 713**	**9 566**	**2 567**	**580**
Trading portfolio	**109 111**	**54 036**	**32 599**	**22 476**
Investment portfolio	**68 288**	**6 156**	**56 596**	**5 536**
Loans to non-financial institutions and other customers, net	**1 259 489**	**635 535**	**595 628**	**28 326**
Loans to budget	0	0	0	0
Commercial loans	791 032	290 906	472 756	27 370
Commercial real estate and construction loans	175 555	34 153	136 751	4 651
Other commercial loans	615 477	256 753	336 005	22 719
Agricultural loans	3 019	2 823	196	0
Consumer loans	289 455	288 440	859	156
Housing mortgage loans to individuals	197 976	95 115	102 131	730
Other loans	39 394	7 049	32 208	137
Loans to non-financial institutions and other customers, total	**1 320 876**	**684 333**	**608 150**	**28 393**
Less: specific provisions	**61 387**	**48 798**	**12 522**	**67**
Assets for resale	**433**	**433**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**11 857**	**6 891**	**3 429**	**1 537**
Intangible assets	**10 132**	**10 132**	**0**	**0**
Premises and other fixed assets	**53 553**	**53 553**	**0**	**0**
Assets, total	**2 464 176**	**840 499**	**1 435 485**	**188 192**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**125 187**	**62 828**	**60 778**	**1 581**
Demand deposits of banks	49 004	5 994	42 839	171
Time deposits of banks	36 498	29 065	7 433	0
Deposits of other financial institutions	39 685	27 769	10 506	1 410
Deposits of non-financial institutions and other customers	**1 877 861**	**664 816**	**1 020 942**	**192 103**
Demand deposits	477 654	294 076	155 986	27 592
Time deposits	1 228 952	293 050	811 912	123 990
Savings deposits	171 255	77 690	53 044	40 521
Deposits, total	**2 003 048**	**727 644**	**1 081 720**	**193 684**
Borrowings under repurchase agreements	**24 525**	**24 525**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**113 864**	**95 470**	**18 394**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**33 199**	**25 304**	**5 629**	**2 266**
Liabilities, total	**2 174 636**	**872 943**	**1 105 743**	**195 950**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**289 540**	**289 540**		
Shareholder capital	207 716	207 716		
Reserves	59 453	59 453		
Profit/loss, current year	22 371	22 371		
Liabilities, minority interest, and capital, total	**2 464 176**	**1 162 483**	**1 105 743**	**195 950**
Memo: credit substitutes and other off-balance sheet commitments	**884 451**	**276 091**	**525 677**	**82 683**

Postbank

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**105 684**	**61 404**	**38 014**	**6 266**
Interest income from claims on financial institutions	9 147	148	5 623	3 376
Interest income from claims under repurchase agreements	579	411	117	51
Interest income from trading portfolio	3 717	1 176	1 721	820
Interest income from investment portfolio	1 801	326	1 297	178
Interest income from loans	90 315	59 218	29 256	1 841
Dividend income	125	125	0	0
INTEREST EXPENDITURE	**37 828**	**13 919**	**21 133**	**2 776**
Interest expenditure on deposits of financial institutions	2 371	1 024	1 277	70
Interest expenditure on deposits of non-financial institutions and other customers	27 595	10 474	14 733	2 388
Interest expenditure on borrowings under repurchase agreements	203	203	0	0
Interest expenditure on borrowings	5 051	2 215	2 836	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	2 608	3	2 287	318
INTEREST AND DIVIDEND INCOME, NET	**67 856**	**47 485**	**16 881**	**3 490**
CREDIT PROVISIONS				
Accrued provisions	38 578			
Reintegrated provisions	19 861			
Credit provisions, net	18 717			
TRADING PORTFOLIO GAIN/LOSS	**-829**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**2 786**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**38 374**			
NON-INTEREST EXPENDITURE	**64 023**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**25 447**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**1 058**			
EXTRAORDINARY GAIN/LOSS	**-164**			
TAX	**3 970**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**22 371**			

Postbank

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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	Antonios Konstantinos Hassiotis – Chief Executive Director
	Theodore Karakassis – Executive Director
	Asen Vasilev Yagodin – Executive Director
	Evangelos Yoanis Kavalos
	Haralambos Margaritis Kyrkos
	Hristos Prodromos Komiopoulos
	Piergiorgio Pradelli
	Georgios Spiridon Katsaros
Procurator	Petya Nikolova Dimitrova
Shareholders (shares over 10%)	
	EFG Eurobank Ergasias S. A. – 75.33%
	CEN Balkan Holdings Limited – 24.33%

ProCredit Bank

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**50 902**	**25 760**	**22 500**	**2 642**
Claims on financial institutions, net	**123 067**	**21 731**	**88 474**	**12 862**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**0**	**0**	**0**	**0**
Investment portfolio	**5 278**	**95**	**4 453**	**730**
Loans to non-financial institutions and other customers, net	**395 432**	**275 835**	**117 958**	**1 639**
Loans to budget	0	0	0	0
Commercial loans	330 722	231 608	97 513	1 601
Commercial real estate and construction loans	2 422	376	1 786	260
Other commercial loans	328 300	231 232	95 727	1 341
Agricultural loans	27 675	27 411	264	0
Consumer loans	19 197	18 890	300	7
Housing mortgage loans to individuals	28 760	6 854	21 864	42
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**406 354**	**284 763**	**119 941**	**1 650**
Less: specific provisions	**10 922**	**8 928**	**1 983**	**11**
Assets for resale	**7**	**7**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**500**	**500**	**0**	**0**
Other assets	**16 203**	**4 270**	**11 891**	**42**
Intangible assets	**2 413**	**2 413**	**0**	**0**
Premises and other fixed assets	**8 567**	**8 567**	**0**	**0**
Assets, total	**602 369**	**339 178**	**245 276**	**17 915**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**54 061**	**43 294**	**1 386**	**9 381**
Demand deposits of banks	1 428	47	1 000	381
Time deposits of banks	11 340	2 373	0	8 967
Deposits of other financial institutions	41 293	40 874	386	33
Deposits of non-financial institutions and other customers	**328 319**	**198 715**	**102 072**	**27 532**
Demand deposits	105 917	80 862	21 740	3 315
Time deposits	213 092	114 279	75 750	23 063
Savings deposits	9 310	3 574	4 582	1 154
Deposits, total	**382 380**	**242 009**	**103 458**	**36 913**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**30 725**	**10 061**	**20 664**	**0**
Long-term borrowings	**111 448**	**0**	**111 448**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**20 314**	**0**	**20 314**	**0**
Other liabilities	**8 009**	**4 704**	**2 350**	**955**
Liabilities, total	**552 876**	**256 774**	**258 234**	**37 868**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**49 493**	**49 493**		
Shareholder capital	34 500	34 500		
Reserves	9 783	9 783		
Profit/loss, current year	5 210	5 210		
Liabilities, minority interest, and capital, total	**602 369**	**306 267**	**258 234**	**37 868**
Memo: credit substitutes and other off-balance sheet commitments	**57 202**	**41 185**	**14 896**	**1 121**

ProCredit Bank

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**41 984**	**25 124**	**16 379**	**481**
Interest income from claims on financial institutions	2 009	83	1 582	344
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	271	0	233	38
Interest income from loans	39 704	25 041	14 564	99
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**17 542**	**7 984**	**8 618**	**940**
Interest expenditure on deposits of financial institutions	2 275	1 883	62	330
Interest expenditure on deposits of non-financial institutions and other customers	7 252	5 022	1 756	474
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	6 871	1 079	5 656	136
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 144	0	1 144	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	**24 442**	**17 140**	**7 761**	**-459**
CREDIT PROVISIONS				
Accrued provisions	15 741			
Reintegrated provisions	12 576			
Credit provisions, net	3 165			
TRADING PORTFOLIO GAIN/LOSS	**0**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**-206**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**8 625**			
NON-INTEREST EXPENDITURE	**23 797**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**5 899**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**80**			
EXTRAORDINARY GAIN/LOSS	**132**			
TAX	**901**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**5 210**			

ProCredit Bank

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 Website: www.procreditbank.bg
Management	
Supervisory Board	Klaus-Peter Zeitinger – Chairman
	Hanns Martin Hagen – Deputy Chairman
	Christoph Andreas Freytag
	Perr Maria Gerhard Leonard Heinrih Fischer
	Konstantin Torgov
Management Board	Petar Slavchev Slavov – Executive Director
	Mariana Dimitrova Petkova – Executive Director
	Kai Ilm – Procurator
Shareholders (shares over 10%)	
	ProCredit Holding AG – 59.13%
	European Bank for Reconstruction and Development – 19.71%
	Commerzbank AG – 19.71%

Raiffeisen BANK

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**257 048**	**43 670**	**204 672**	**8 706**
Claims on financial institutions, net	**670 372**	**44 343**	**379 365**	**246 664**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**418 919**	**107 544**	**219 800**	**91 575**
Investment portfolio	**288 501**	**132 376**	**147 447**	**8 678**
Loans to non-financial institutions and other customers, net	**1 562 360**	**566 651**	**974 353**	**21 356**
Loans to budget	23 899	3 776	20 123	0
Commercial loans	1 215 686	296 458	895 434	23 794
Commercial real estate and construction loans	239 415	18 824	220 200	391
Other commercial loans	976 271	277 634	675 234	23 403
Agricultural loans	19 558	10 413	9 145	0
Consumer loans	261 877	245 369	16 495	13
Housing mortgage loans to individuals	94 033	28 258	65 178	597
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	**1 615 053**	**584 274**	**1 006 375**	**24 404**
Less: specific provisions	**52 693**	**17 623**	**32 022**	**3 048**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**4700**	**4700**	**0**	**0**
Other assets	**9 861**	**4 828**	**3 915**	**1 118**
Intangible assets	**9 872**	**9 872**	**0**	**0**
Premises and other fixed assets	**18 547**	**18 547**	**0**	**0**
Assets, total	**3 240 180**	**932 531**	**1 929 552**	**378 097**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**207 527**	**105 355**	**81 793**	**20 379**
Demand deposits of banks	11 774	7 662	3 922	190
Time deposits of banks	114 792	29 038	66 355	19 399
Deposits of other financial institutions	80 961	68 655	11 516	790
Deposits of non-financial institutions and other customers	**2 103 125**	**842 904**	**906 214**	**354 007**
Demand deposits	1 085 907	549 512	413 422	122 973
Time deposits	1 016 904	293 356	492 526	231 022
Savings deposits	314	36	266	12
Deposits, total	**2 310 652**	**948 259**	**988 007**	**374 386**
Borrowings under repurchase agreements	**1 941**	**1 941**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**496 076**	**11 962**	**435 291**	**48 823**
Subordinated term debt and debt/equity (hybrid) instruments	**120 260**	**0**	**120 260**	**0**
Other liabilities	**80 086**	**31 275**	**41 441**	**7 370**
Liabilities, total	**3 009 015**	**993 437**	**1 584 999**	**430 579**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**231 165**	**231 165**		
Shareholder capital	94 932	94 932		
Reserves	86 122	86 122		
Profit/loss, current year	50 111	50 111		
Liabilities, minority interest, and capital, total	**3 240 180**	**1 224 602**	**1 584 999**	**430 579**
Memo: credit substitutes and other off-balance sheet commitments	**692 057**	**234 103**	**374 723**	**83 231**

Raiffeisen BANK

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**145 242**	**82 444**	**55 198**	**7 600**
Interest income from claims on financial institutions	11 047	1 193	5 178	4 676
Interest income from claims under repurchase agreements	370	4	366	0
Interest income from trading portfolio	15 503	15 503	0	0
Interest income from investment portfolio	9 843	10 369	-526	0
Interest income from loans	108 479	55 375	50 180	2 924
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**45 581**	**10 231**	**29 274**	**6 076**
Interest expenditure on deposits of financial institutions	2 966	1 159	950	857
Interest expenditure on deposits of non-financial institutions and other customers	26 357	8 929	14 014	3 414
Interest expenditure on borrowings under repurchase agreements	25	25	0	0
Interest expenditure on borrowings	12 482	113	10 564	1 805
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	3 746	0	3 746	0
Interest expenditure on other liabilities	5	5	0	0
INTEREST AND DIVIDEND INCOME, NET	**99 661**	**72 213**	**25 924**	**1 524**
CREDIT PROVISIONS				
Accrued provisions	27 842			
Reintegrated provisions	19 007			
Credit provisions, net	8 835			
TRADING PORTFOLIO GAIN/LOSS	**-4 154**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**764**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**28 473**			
NON-INTEREST EXPENDITURE	**56 877**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**59 032**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-31**			
EXTRAORDINARY GAIN/LOSS	**-47**			
TAX	**8 843**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**50 111**			

Raiffeisen BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**94 264**	**38 337**	**50 863**	**5 064**
Claims on financial institutions, net	**205 318**	**5 026**	**57 757**	**142 535**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**29 236**	**22 430**	**856**	**5 950**
Investment portfolio	**10 244**	**10 240**	**4**	**0**
Loans to non-financial institutions and other customers, net	**738 626**	**527 581**	**191 011**	**20 034**
Loans to budget	7	7	0	0
Commercial loans	376 933	179 942	179 157	17 834
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	376 933	179 942	179 157	17 834
Agricultural loans	2 778	387	2 391	0
Consumer loans	345 445	342 060	2 634	751
Housing mortgage loans to individuals	26 854	17 113	8 168	1 573
Other loans	3 201	3 201	0	0
Loans to non-financial institutions and other customers, total	**755 218**	**542 710**	**192 350**	**20 158**
Less: specific provisions	**16 592**	**15 129**	**1 339**	**124**
Assets for resale	**464**	**464**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**800**	**800**	**0**	**0**
Other assets	**6 047**	**4 569**	**1 352**	**126**
Intangible assets	**7 160**	**7 160**	**0**	**0**
Premises and other fixed assets	**52 650**	**52 650**	**0**	**0**
Assets, total	**1 144 809**	**669 257**	**301 843**	**173 709**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**67 548**	**36 622**	**15 466**	**15 460**
Demand deposits of banks	25	25	0	0
Time deposits of banks	21 479	6 026	0	15 453
Deposits of other financial institutions	46 044	30 571	15 466	7
Deposits of non-financial institutions and other customers	**872 135**	**456 083**	**226 907**	**189 145**
Demand deposits	321 949	246 210	44 410	31 329
Time deposits	366 931	175 312	114 751	76 868
Savings deposits	183 255	34 561	67 746	80 948
Deposits, total	**939 683**	**492 705**	**242 373**	**204 605**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**3 118**	**3 118**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**24 820**	**17 049**	**5 098**	**2 673**
Liabilities, total	**967 621**	**512 872**	**247 471**	**207 278**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**177 188**	**177 188**		
Shareholder capital	28 530	28 530		
Reserves	118 277	118 277		
Profit/loss, current year	30 381	30 381		
Liabilities, minority interest, and capital, total	**1 144 809**	**690 060**	**247 471**	**207 278**
Memo: credit substitutes and other off-balance sheet commitments	**417 652**	**118 437**	**275 183**	**24 032**

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**56 675**	**40 213**	**11 973**	**4 489**
Interest income from claims on financial institutions	4 540	53	1 257	3 230
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 145	1 145	0	0
Interest income from investment portfolio	63	47	16	0
Interest income from loans	50 927	38 968	10 700	1 259
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**14 360**	**10 194**	**2 752**	**1 414**
Interest expenditure on deposits of financial institutions	1 888	1 650	234	4
Interest expenditure on deposits of non-financial institutions and other customers	12 450	8 522	2 518	1 410
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	22	22	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	**42 315**	**30 019**	**9 221**	**3 075**
CREDIT PROVISIONS				
Accrued provisions	13 545			
Reintegrated provisions	19 962			
Credit provisions, net	-6 417			
TRADING PORTFOLIO GAIN/LOSS	**-660**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**63**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**13 959**			
NON-INTEREST EXPENDITURE	**32 411**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**29 683**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**6 059**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**5 361**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**30 381**			

SOCIETE GENERALE
ЕКСПРЕСБАНК

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 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 of the Varna Regional Court.
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
	Jean-Didier Georges François René
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 Dobreva
	Zhivka Stoyanova Sarachinova
	Elenka Petrova Bakalova
Shareholders (shares over 10%)	
	Société Générale, Paris – 97.95%

T. C. ZIRAAT BANK, SOFIA BRANCH

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	**2 116**	**0**	**2 116**	**1 352**	**602**	**162**
Claims on financial institutions, net	**18 601**	**10 113**	**8 488**	**4**	**8 419**	**65**
Claims under repurchase agreements	**0**	**0**	**0**	**0**	**0**	**0**
Trading portfolio	**0**	**0**	**0**	**0**	**0**	**0**
Investment portfolio	**26 570**	**0**	**26 570**	**0**	**22 564**	**4 006**
Loans to non-financial institutions and other customers, net	**597**	**0**	**597**	**491**	**31**	**75**
Loans to budget	0	0	0	0	0	0
Commercial loans	360	0	360	360	0	0
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	360	0	360	360	0	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	237	0	237	131	31	75
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	**597**	**0**	**597**	**491**	**31**	**75**
Less: specific provisions	**0**	**0**	**0**	**0**	**0**	**0**
Assets for resale	**0**	**0**	**0**	**0**	**0**	**0**
Other assets, net	**63**	**0**	**63**	**63**	**0**	**0**
Intangible assets	**212**	**0**	**212**	**212**	**0**	**0**
Premises and other fixed assets	**28**	**0**	**28**	**28**	**0**	**0**
Assets, total	**48 187**	**10 113**	**38 074**	**2 150**	**31 616**	**4 308**
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	**2 860**	**2 860**	**0**	**0**	**0**	**0**
Demand deposits of banks	2 860	2 860	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	**17 900**	**0**	**17 900**	**2 268**	**11 437**	**4 195**
Demand deposits	4 533	0	4 533	1 922	1 304	1 307
Time deposits	13 367	0	13 367	346	10 133	2 888
Savings deposits	0	0	0	0	0	0
Deposits, total	**20 760**	**2 860**	**17 900**	**2 268**	**11 437**	**4 195**
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	**130**	**0**	**130**	**52**	**72**	**6**
Liabilities, total	**20 890**	**2 860**	**18 030**	**2 320**	**11 509**	**4 201**
Reserves and financial result, total	**27 297**	**26 838**	**459**	**459**		
Reserves	26 838	26 838	0	0		
Profit/loss, current year	459	0	459	459		
Liabilities, reserves, and financial result, total	**48 187**	**29 698**	**18 489**	**2 779**	**11 509**	**4 201**
Memo: credit substitutes and other off-balance sheet commitments	**481**	**0**	**481**	**273**	**195**	**13**

T. C. ZIRAAT BANK, SOFIA BRANCH

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**1 321**	**49**	**1 272**	**42**	**1012**	**218**
Interest income from claims on financial institutions	230	49	181	8	161	12
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	1048	0	1048	0	848	200
Interest income from loans	43	0	43	34	3	6
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	**130**	**0**	**130**	**6**	**73**	**51**
Interest expenditure on deposits of financial institutions	0	0	0	0	0	0
Interest expenditure on deposits of non-financial institutions and other customers	130	0	130	6	73	51
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	**1 191**	**49**	**1 142**	**36**	**939**	**167**
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	**145**	**0**	**145**			
NON-INTEREST EXPENDITURE	**810**	**0**	**810**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**526**	**49**	**477**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**14**	**0**	**14**			
EXTRAORDINARY GAIN/LOSS	**1**	**0**	**1**			
TAX	**82**	**0**	**82**			
PROFIT/LOSS, NET	**459**	**49**	**410**			

T. C. ZIRAAT BANK, SOFIA BRANCH

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**2 649**	**1 261**	**1 244**	**144**
Claims on financial institutions, net	**9 074**	**13**	**2 139**	**6 922**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**665**	**199**	**466**	**0**
Investment portfolio	**45**	**45**	**0**	**0**
Loans to non-financial institutions and other customers, net	**23 654**	**12 840**	**10 534**	**280**
Loans to budget	0	0	0	0
Commercial loans	17 323	9 681	6 921	721
Commercial real estate and construction loans	7 902	3 917	3 821	164
Other commercial loans	9 421	5 764	3 100	557
Agricultural loans	3 024	3 024	0	0
Consumer loans	1 150	258	886	6
Housing mortgage loans to individuals	635	0	611	24
Other loans	2 229	12	2 217	0
Loans to non-financial institutions and other customers, total	**24 361**	**12 975**	**10 635**	**751**
Less: specific provisions	**707**	**135**	**101**	**471**
Assets for resale	**101**	**101**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**2 201**	**2 191**	**6**	**4**
Intangible assets	**66**	**66**	**0**	**0**
Premises and other fixed assets	**6 096**	**6 096**	**0**	**0**
Assets, total	**44 551**	**22 812**	**14 389**	**7 350**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**2 042**	**30**	**2 011**	**1**
Demand deposits of banks	0	0	0	0
Time deposits of banks	1 956	0	1 956	0
Deposits of other financial institutions	86	30	55	1
Deposits of non-financial institutions and other customers	**17 736**	**8 576**	**4 549**	**4 611**
Demand deposits	5 192	3 433	788	971
Time deposits	10 342	4 172	2 960	3 210
Savings deposits	2 202	971	801	430
Deposits, total	**19 778**	**8 606**	**6 560**	**4 612**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**7 865**	**3 948**	**3 917**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**1 419**	**0**	**779**	**640**
Other liabilities	**875**	**834**	**3**	**38**
Liabilities, total	**29 937**	**13 388**	**11 259**	**5 290**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**14 614**	**14 614**		
Shareholder capital	10 000	10 000		
Reserves	4 073	4 073		
Profit/loss, current year	541	541		
Liabilities, minority interest, and capital, total	**44 551**	**28 002**	**11 259**	**5 290**
Memo: credit substitutes and other off-balance sheet commitments	**4 480**	**4 037**	**57**	**386**

TEXIM PRIVATE ENTREPRENEURIAL BANK

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**2 329**	**871**	**841**	**617**
Interest income from claims on financial institutions	366	54	53	259
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	11	11	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	1 952	806	788	358
Dividend income	0	0	0	0
INTEREST EXPENDITURE	**687**	**240**	**315**	**132**
Interest expenditure on deposits of financial institutions	21	21	0	0
Interest expenditure on deposits of non-financial institutions and other customers	367	195	84	88
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	227	23	204	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	71	0	27	44
Interest expenditure on other liabilities	1	1	0	0
INTEREST AND DIVIDEND INCOME, NET	**1 642**	**631**	**526**	**485**
CREDIT PROVISIONS				
Accrued provisions	1 111			
Reintegrated provisions	919			
Credit provisions, net	192			
TRADING PORTFOLIO GAIN/LOSS	**-1**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**2 236**			
NON-INTEREST EXPENDITURE	**2 574**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**1 111**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**-407**			
EXTRAORDINARY GAIN/LOSS	**-163**			
TAX	**0**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**541**			

TEXIM PRIVATE ENTREPRENEURIAL BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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, amended by Order No. RD22-0687 of 25 April 2006 of the BNB Governor, изменена със Заповед № РД22-0687 от 3 август 2006 г. на управителя на БНБ
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%

TOKUDA BANK AD

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**14 583**	**11 373**	**2 377**	**833**
Claims on financial institutions, net	**11 211**	**2 809**	**7 359**	**1 043**
Claims under repurchase agreements	**0**	**0**	**0**	**0**
Trading portfolio	**18 444**	**7 216**	**11 228**	**0**
Investment portfolio	**12 973**	**1 053**	**7 349**	**4 571**
Loans to non-financial institutions and other customers, net	**59 614**	**44 171**	**13 744**	**1 699**
Loans to budget	0	0	0	0
Commercial loans	38 204	24 229	12 252	1 723
Commercial real estate and construction loans	12 353	6 938	4 901	514
Other commercial loans	25 851	17 291	7 351	1 209
Agricultural loans	7 464	7 464	0	0
Consumer loans	10 858	9 090	1 693	75
Housing mortgage loans to individuals	1 084	903	181	0
Other loans	4 310	4 310	0	0
Loans to non-financial institutions and other customers, total	**61 920**	**45 996**	**14 126**	**1 798**
Less: specific provisions	**2 306**	**1 825**	**382**	**99**
Assets for resale	**0**	**0**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**0**	**0**	**0**	**0**
Other assets	**317**	**314**	**3**	**0**
Intangible assets	**260**	**260**	**0**	**0**
Premises and other fixed assets	**3 371**	**3 371**	**0**	**0**
Assets, total	**120 773**	**70 567**	**42 060**	**8 146**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**3 275**	**2 937**	**109**	**229**
Demand deposits of banks	181	0	109	72
Time deposits of banks	2 800	2 800	0	0
Deposits of other financial institutions	294	137	0	157
Deposits of non-financial institutions and other customers	**78 682**	**36 907**	**31 854**	**9 921**
Demand deposits	22 297	11 351	9 787	1 159
Time deposits	56 385	25 556	22 067	8 762
Savings deposits	0	0	0	0
Deposits, total	**81 957**	**39 844**	**31 963**	**10 150**
Borrowings under repurchase agreements	**0**	**0**	**0**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**7 085**	**7 085**	**0**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**1 318**	**775**	**464**	**79**
Liabilities, total	**90 360**	**47 704**	**32 427**	**10 229**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**30 413**	**30 413**		
Shareholder capital	45 000	45 000		
Reserves	-14 311	-14 311		
Profit/loss, current year	-276	-276		
Liabilities, minority interest, and capital, total	**120 773**	**78 117**	**32 427**	**10 229**
Memo: credit substitutes and other off-balance sheet commitments	**8 734**	**6 520**	**1 885**	**329**

TOKUDA BANK AD

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**5 583**	**3 145**	**1 886**	**552**
Interest income from claims on financial institutions	184	19	117	48
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	802	72	441	289
Interest income from investment portfolio	0	0	0	0
Interest income from loans	4 162	2 619	1 328	215
Dividend income	435	435	0	0
INTEREST EXPENDITURE	**1 740**	**834**	**603**	**303**
Interest expenditure on deposits of financial institutions	19	18	0	1
Interest expenditure on deposits of non-financial institutions and other customers	1 631	726	603	302
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	90	90	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	**3 843**	**2 311**	**1 283**	**249**
CREDIT PROVISIONS				
Accrued provisions	1 354			
Reintegrated provisions	482			
Credit provisions, net	872			
TRADING PORTFOLIO GAIN/LOSS	**-340**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**0**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**1 093**			
NON-INTEREST EXPENDITURE	**4 077**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**-353**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**77**			
EXTRAORDINARY GAIN/LOSS	**0**			
TAX	**0**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**-276**			

TOKUDA BANK AD

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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, paragraphs 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	Satoru Nakagami* – Chairman
	International Hospital Services Co., represented by Rumen Slaveikov Serbezov
	Tokushukai, Sofia, represented by Lyubomir Petrov Dachev and Valentin Krustev Stankov
Management Board	Stoyan Peikov Stoyanov – Chairman and Procurator
	Plamen Ivanov Petrov – Executive Director
	Yonka Nikolova Kinova – Executive Director
	Lyubomir Stoyanchov Manolov* – Executive Director
	Stanimir Boyanov Mihailov – Procurator
Shareholders (shares over 10%)	
	International Hospital Services Co. – 93.84%

* Approved by the General Meeting; as of 30 October 2006 his name was not entered in the Register.

UNITED BULGARIAN BANK
A Member of NBG Group

BALANCE SHEET AS OF 30 SEPTEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	**544 879**	**108 945**	**419 413**	**16 521**
Claims on financial institutions, net	**450 869**	**144 615**	**54 552**	**251 702**
Claims under repurchase agreements	**6 027**	**1 006**	**3 891**	**1 130**
Trading portfolio	**187 479**	**62 588**	**62 811**	**62 080**
Investment portfolio	**1 730**	**1 112**	**129**	**489**
Loans to non-financial institutions and other customers, net	**2 396 572**	**1 439 324**	**932 942**	**24 306**
Loans to budget	1 630	1 630	0	0
Commercial loans	1 109 929	240 184	846 845	22 900
Commercial real estate and construction loans	168 681	20 103	146 089	2 489
Other commercial loans	941 248	220 081	700 756	20 411
Agricultural loans	131 470	86 734	43 577	1 159
Consumer loans	732 971	731 121	1 819	31
Housing mortgage loans to individuals	499 609	451 269	48 182	158
Other loans	3 478	3 113	272	93
Loans to non-financial institutions and other customers, total	**2 479 087**	**1 514 051**	**940 695**	**24 341**
Less: specific provisions	**82 515**	**74 727**	**7 753**	**35**
Assets for resale	**1 231**	**1 231**	**0**	**0**
Investments in unconsolidated subsidiaries and associated companies	**3720**	**3720**	**0**	**0**
Other assets	**7 677**	**7 655**	**7**	**15**
Intangible assets	**15 868**	**15 868**	**0**	**0**
Premises and other fixed assets	**67 828**	**67 828**	**0**	**0**
Assets, total	**3 683 880**	**1 853 892**	**1 473 745**	**356 243**
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	**346 776**	**299 998**	**36 947**	**9 831**
Demand deposits of banks	26 813	5 111	13 292	8 410
Time deposits of banks	167 589	165 031	2 558	0
Deposits of other financial institutions	152 374	129 856	21 097	1 421
Deposits of non-financial institutions and other customers	**2 434 123**	**1 266 780**	**825 186**	**342 157**
Demand deposits	965 034	686 536	223 973	54 525
Time deposits	970 431	427 275	366 506	176 650
Savings deposits	498 658	152 969	234 707	110 982
Deposits, total	**2 780 899**	**1 566 778**	**862 133**	**351 988**
Borrowings under repurchase agreements	**13 625**	**9 421**	**4 204**	**0**
Short-term borrowings	**0**	**0**	**0**	**0**
Long-term borrowings	**370 116**	**142 127**	**227 989**	**0**
Subordinated term debt and debt/equity (hybrid) instruments	**0**	**0**	**0**	**0**
Other liabilities	**14 310**	**14 310**	**0**	**0**
Liabilities, total	**3 178 950**	**1 732 636**	**1 094 326**	**351 988**
Minority interest in consolidated subsidiaries	**0**	**0**	**0**	**0**
Equity, total	**504 930**	**504 930**		
Shareholder capital	75 964	75 964		
Reserves	344 203	344 203		
Profit/loss, current year	84 763	84 763		
Liabilities, minority interest, and capital, total	**3 683 880**	**2 237 566**	**1 094 326**	**351 988**
Memo: credit substitutes and other off-balance sheet commitments	**416 860**	**82 596**	**148 732**	**185 532**

UNITED BULGARIAN BANK
A Member of NBG Group

INCOME STATEMENT
(September 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	**191 567**	**126 504**	**52 865**	**12 198**
Interest income from claims on financial institutions	8 903	296	1 087	7 520
Interest income from claims under repurchase agreements	292	63	185	44
Interest income from trading portfolio	6 941	2 347	2 151	2 443
Interest income from investment portfolio	0	0	0	0
Interest income from loans	175 291	123 658	49 442	2 191
Dividend income	140	140	0	0
INTEREST EXPENDITURE	**42 180**	**25 192**	**12 898**	**4 090**
Interest expenditure on deposits of financial institutions	3 473	2 598	563	312
Interest expenditure on deposits of non-financial institutions and other customers	28 566	17 720	7 068	3 778
Interest expenditure on borrowings under repurchase agreements	86	59	27	0
Interest expenditure on borrowings	10 055	4 815	5 240	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	**149 387**	**101 312**	**39 967**	**8 108**
CREDIT PROVISIONS				
Accrued provisions	59 481			
Reintegrated provisions	31 301			
Credit provisions, net	28 180			
TRADING PORTFOLIO GAIN/LOSS	**-3 592**			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	**172**			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	**0**			
OTHER NON-INTEREST INCOME	**52 816**			
NON-INTEREST EXPENDITURE	**84 067**			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	**86 536**			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	**6 693**			
EXTRAORDINARY GAIN/LOSS	**6 442**			
TAX	**14 908**			
MINORITY INTEREST	**0**			
PROFIT/LOSS, NET	**84 763**			

UNITED BULGARIAN BANK
A Member of NBG Group

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 SEPTEMBER 2006

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. 02/9854 2800, 2117, 2136, 2232 Website: www.ubb.bg
Management	
Board of Directors	Stilian Petkov Vatev – Chief Executive Director
	Christos Alexandros Katsanis – Executive Director
	Radka Ivanova Toncheva – Executive Director
	Ioannis Pechlivanidis
	Efstratios Georgios Arapoglou
	Agis Ioannis Leopoulos
	Alexandros Georgios Tourkolias
	Anthimos Thomopoulos
	Konstantinos Adamantios Othoneos
Shareholders (shares over 10%)	
	National Bank of Greece – 99.9%