

Commercial Banks in Bulgaria

October – December 2006



BULGARIAN
NATIONAL
BANK

Commercial Banks in Bulgaria



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ISSN 1311–4824

This issue includes materials and data received by 19 February 2007 (Sections II – V) and by 5 April 2007 (Section I).

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Due acknowledgment is requested.

Elements of the 1999 issue banknote with a nominal value of 10 leva 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

(fourth quarter of 2006)

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1. Introduction

This report includes analysis of major trends in the banking system during the fourth 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 or insignificant 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

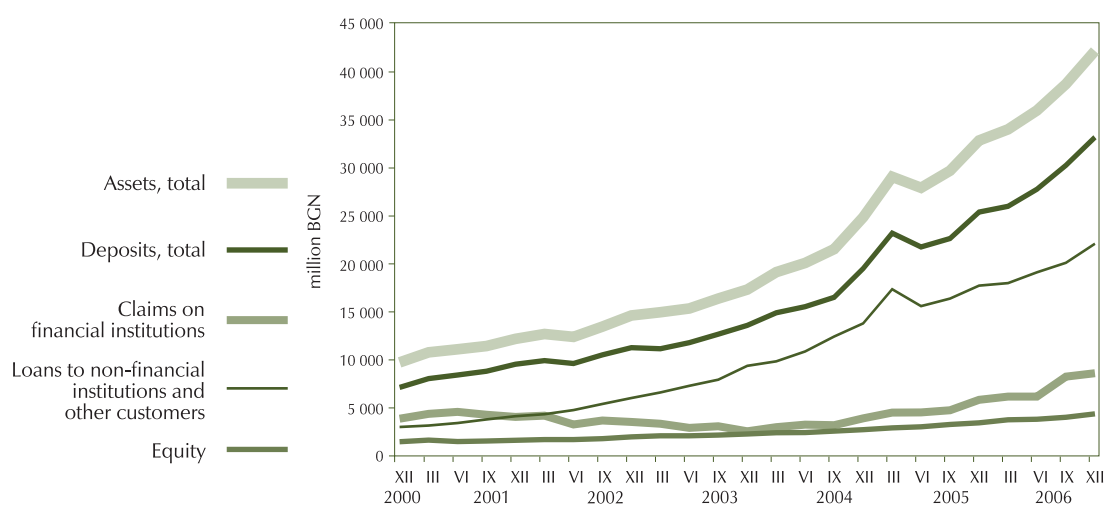
2.1. Structure, Changes, and Trends

Over the last quarter of 2006 banking system's balance sheet assets went up by BGN 3452 million (8.9 per cent). By the end of 2006 they reached BGN 42,195 million marking an annual increase of BGN 9344 million (28.4 per cent). The balance sheet figure picked up by some 1.3 percentage points on the previous quarter as a result of the enhanced activity on the banking market typical of the last month of the year. Only in December the banking system assets marked an increase of 5.5 per cent (BGN 2209 million). The main source of the quarterly increase in the banking system balance sheet figure was the rise in the deposit base (BGN 2912 million) due mostly to the increase in deposits of non-financial institutions and other customers (BGN 1974 million). Over the period under review banks used additional financing in the form of equity (BGN 362 million), long- and short-term borrowings (BGN 167 million), subordinated debt and debt equity (hybrid) instruments (BGN 75 million), and repurchase operations (BGN 55 million). The ten Group I banks continued to implement their usual offensive market policy and their balance sheet figure rose by BGN 2855 million (10.1 per cent) on 30 November 2006. The group of medium and small-sized banks expanded their operations by BGN 854 million (9.8 per cent). Over the fourth quarter assets of foreign bank branches marked a decrease of BGN 257 million (15.9 per cent) owing to the exhausted one-off effect of a big privatiza-

tion transaction concluded in September with the financial intermediation of one of the branches, which reported a decline of BGN 516 million (59.7 per cent)¹ at the end of December.

Chart 1

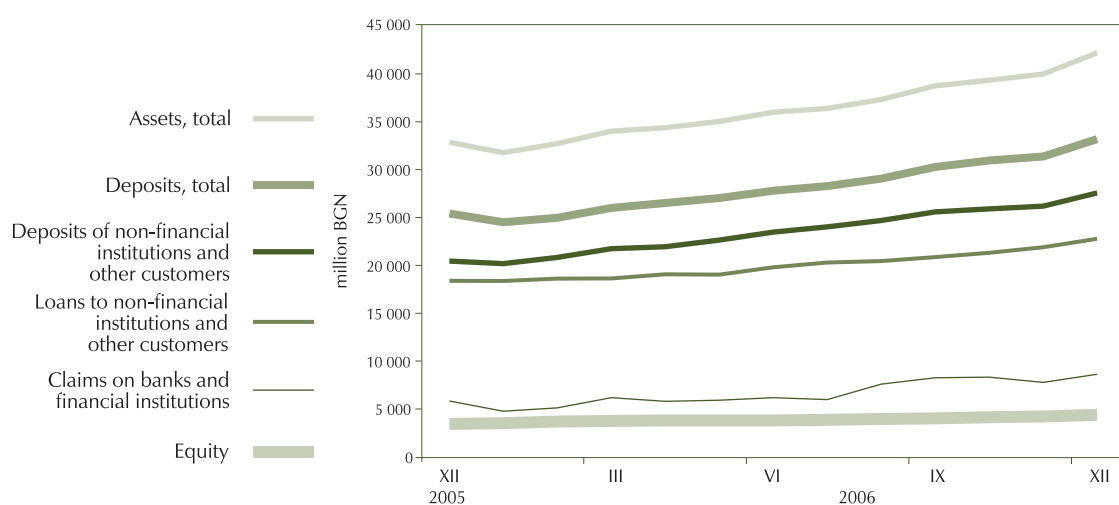
Dynamics of Major Balance Sheet Aggregates by Quarter



In a one-year horizon all but two banks and a foreign bank branch saw an increase in their balance sheet assets. The annual growth in the banking system was mostly attributable to the ten largest banks (BGN 7.1 billion or 29.3 per cent) and Group II credit institutions (BGN 2.7 billion or 38.9 per cent). Concurrently, Group III contracted its market share and recorded a decrease of BGN 0.4 billion (23.9 per cent) stemming from the reduction in the number of foreign bank branches. More than one-third of the rise in the banking system balance sheet came from three Group I institutions.

Chart 2

Dynamics of Major Balance Sheet Aggregates



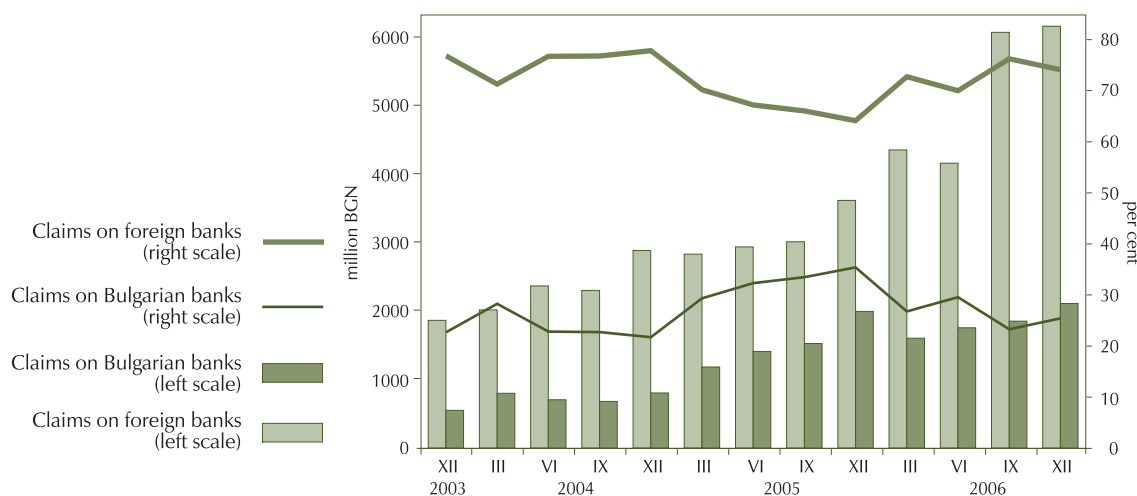
¹ The impact of the completed privatization transaction, resulting in a restoration of the values to their normal levels, affected on the dynamics of 'claims on financial institutions' and 'deposits of non-financial institutions' items.

Changes in commercial bank balance sheet aggregates were as follows:

The *banking system cash* recorded the second most important absolute quarterly increase in the balance sheet items (following that of net loans). The rise of BGN 644 million (16.5 per cent) accounts for 10.8 per cent share of cash in the banking sector assets. The aggregate's dynamics reflected November adjustment of additional required reserves when six banks deposited BGN 535 million. Over the last twelve months banking system cash went up by BGN 1320 million (40.7 per cent).

In the reporting quarter *net claims on financial institutions* increased at slow rates reaching BGN 361 million or 4.4 per cent compared with the same quarter of 2005 and the previous quarter of 2006. During the quarter *claims on international financial institutions* picked up by BGN 91 million (1.5 per cent) as only demand deposits saw an increase. The balance sheet aggregate rose by BGN 2779 million (47.6 per cent) within a year. At the end of 2006 net claims on financial institutions made up 20.4 per cent of banking system balance sheet assets and increased their share by 3 percentage points on December 2005. Time deposits with non-resident banks (BGN 4930 million) accounted for the bulk of domestic banks' claims. The share of demand and time deposits with foreign credit institutions went up by 10 percentage points and by end-2006 occupied 74.6 percent of total deposits with banks.

Chart 3
Claims on Banks



As opposed to the previous quarter *assets in trading portfolio* saw an enhanced growth and their share in banking system assets remained unchanged (5.3 per cent). During the fourth quarter of 2006 banks invested another BGN 184 million in the trade portfolio posting an increase of 9 per cent compared with 0.7 per cent in the previous quarter. As dealers' preferences were mostly for *foreign issuers' securities* (BGN 140 million) their balance doubled. Prime rate issuers' securities saw the most sizeable growth (BGN 109 million). Banks acquired EIB lev-denominated bonds amounting to BGN 116 million which led to an increase in the lev component of trade portfolio, occupying 44.7 per cent by end-2006. As a result of acquiring US dollar-denominated bonds foreign corporate securities picked up by BGN 33 million. *Local issuers' securities* increased slower: by BGN 37 million. The dynamics of the item reflected the rise in municipal bonds (up by BGN 11 million) and corporate securities (by BGN 95 million) in parallel with the contraction in the other segments. Over the last 12 months the banking sector trading portfolio assets went up by BGN 206 million (10.1 per cent) due to the strong interest in trade instruments in the review quarter.

A turnaround occurred in *investment portfolio* dynamics by posting a 10 per cent growth (BGN 283 million) on end-September taking into account the decrease of 1.3 per cent recorded in the previous quarter. The share of the balance sheet aggregate in banking system assets increased slightly to 7.4 per cent. The position was influenced by the participation of Group I banks which abstained from investing over the second and third quarters. During the reference period the ten credit institutions acquired assets amounting to BGN 264 million thus marking an increase of 12.5 per cent, while small and medium-sized banks exhibited a 2.7 per cent growth (BGN 19 million).

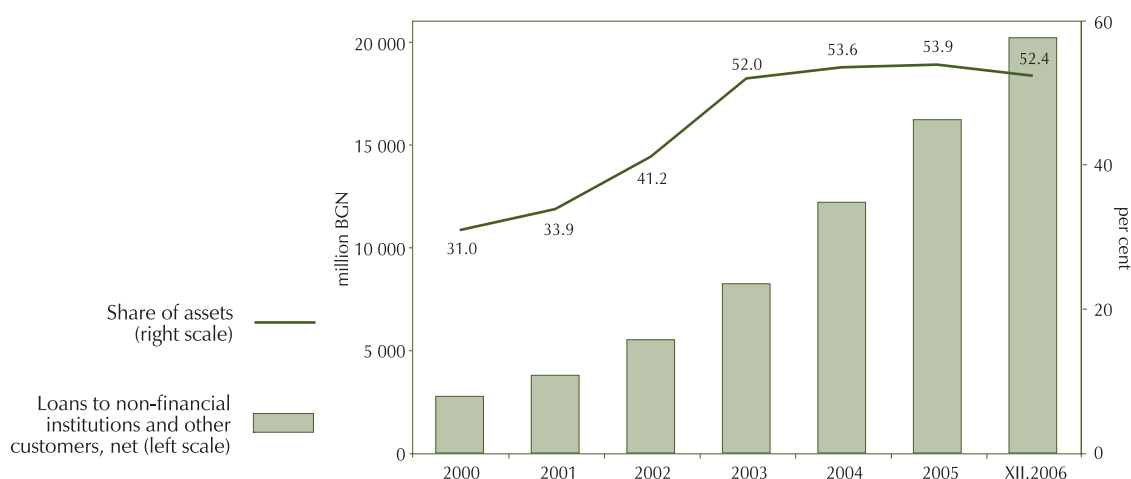
In the fourth quarter of 2006 the two investment portfolio positions recorded divergent dynamics. Investments held to maturity fell by BGN 344 million (30.1 per cent), while assets for sale grew by BGN 628 million (37 per cent). The analysis reflecting the impact of these operations showed that investment growth was mostly attributable to the acquisition of prime rate foreign issuers' securities (mainly EIB bonds) and other external debt securities which accounted for more than half of the increase. Corporate securities of local issuers (BGN 58 million), Bulgarian government securities and other debt instruments also recorded growth. Banking sector investment portfolio rose by BGN 431 million (16 per cent) within a year.

In the fourth quarter *gross loans* growth rate approximated that of assets. Gross loans increased by 9.1 per cent (BGN 1902 million) on September: up 0.9 percentage points compared with the same quarter of the prior year. However, the sale of credit portfolios as an instrument curbing credit growth continued. Loans amounting to BGN 802 million were transferred from banks' balance sheets during the fourth quarter of 2006. Within a year the total amount of banks' credit portfolios transferred to local and foreign institutions reached BGN 3.2 billion. Thus, under the restrictions provided for in Ordinance № 21 the banking system annual growth of total loans of non-financial institutions and other customers reached BGN 4391 million (23.9%). According to the supervisory reports data the ten largest banks extended their market share by BGN 3856 million (28.1 per cent) in this balance sheet aggregate and Group II institutions by BGN 1071 million (29.8 per cent).

Over the review quarter Group I banks' credit portfolios increased by BGN 1501 million, those of Group II banks by BGN 357 million and foreign bank branches by BGN 43 million. Only six banks recorded a decrease on September.

Chart 4

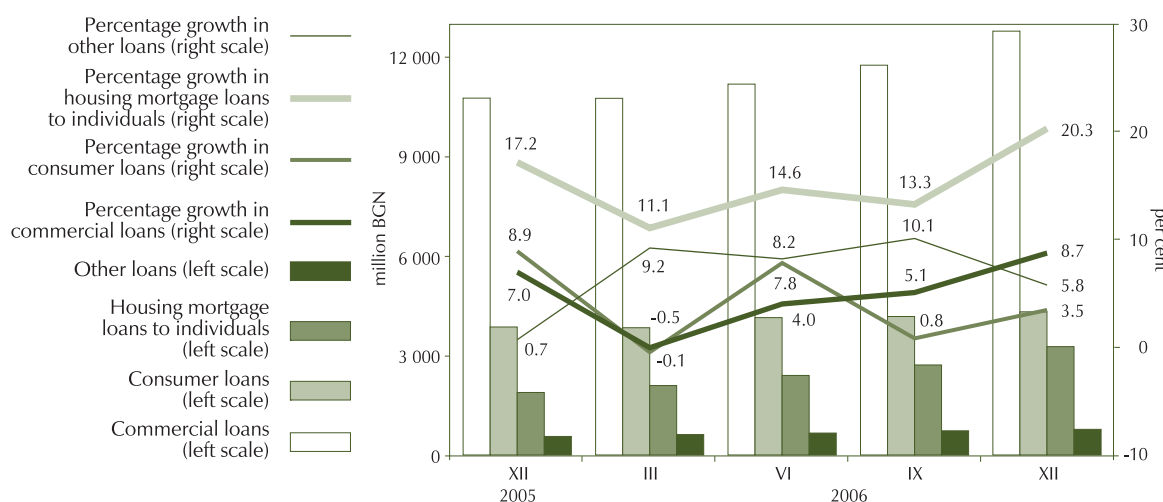
Loans to Non-financial Institutions and Other Customers



* December 2006 data (audited annual data for the 2000–2005 period).

Between September and December 2006 all segments of the banking systems' credit portfolio increased except for *other loans* which went down by BGN 27 million (8.3 per cent). Commercial and mortgage loans again posted the highest growth of BGN 1107 million (8.7 per cent) and BGN 593 million (20.3 per cent) respectively. Consumer loans rose by BGN 156 million (3.5 per cent) and agricultural loans by BGN 52 million (13 per cent). The ambition of most banks to extend their market shares in retail banking underpinned the trend towards enhancing the share of household loans on the account of the fall in the commercial segment share. Over the last two years the share of commercial loans in banks' gross loans decreased by 8 percentage points and by end-2006 was 60.5 per cent. During the same period *housing mortgage loans* posted an increase in their weight to reach 15.5 per cent of the credit portfolio. Regardless of the impetuous development of mortgage market in a one-year horizon the growth rate of housing loans in banks' balance sheets slowed down to 73.4 per cent at the close of December (against 101.2 per cent between December 2004 and December 2005). Over the period under review *consumer loans* contracted their share in the total portfolio to 20.4 per cent.

Chart 5
Credit Dynamics



The fourth quarter of 2006 had a specific impact on *net loans* (overall portfolio less the amount of allocated provisions) which grew faster than gross loans.² Net loans went up by BGN 1975 million (9.8 per cent) on end-September and their share in the banking system balance sheet figure increased by 0.5 percentage points reaching 52.4 per cent. By 31 December 2005 net loans comprised 54 per cent of total assets and within a year they grew by BGN 4363 million (24.6 per cent). The foreign currency structure of the net credit portfolio did not signal any significant change in the review quarter and showed that by-end 2006 lev-denominated loans comprised 54% of total assets, the share of euro-denominated loans 43.7 per cent and that of loans in other currencies 2 per cent. This was mostly attributable to the portfolio change by currency corresponding to that in September: the lev component grew by BGN 1104 million and loans in euro by BGN 903 million, while a decline of BGN 32 million was recorded in other currencies.

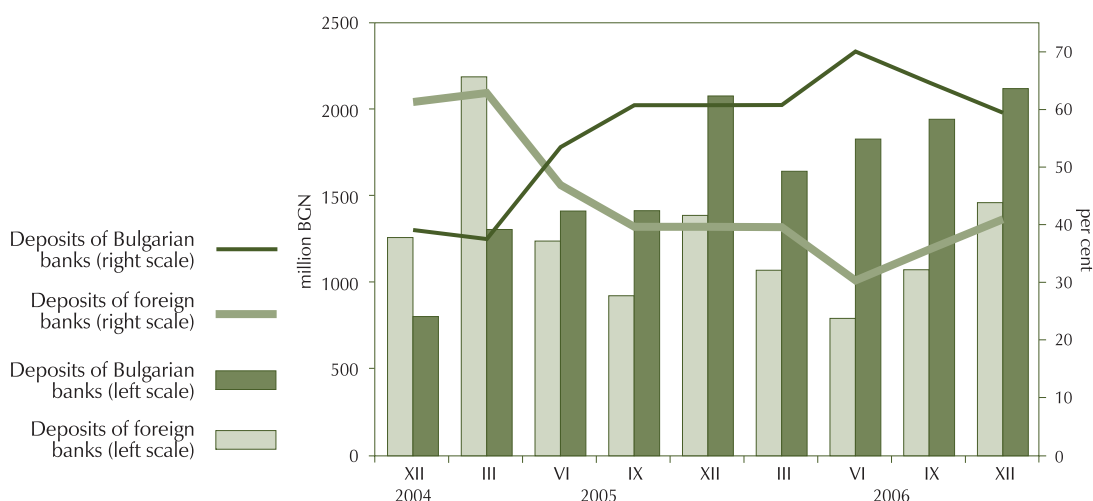
² Compared with the same period of the prior year this item recorded an increase of 5 per cent (BGN 228 million).

2.2. Liabilities and Equity Structure

The rise in the banking system's *deposit base* was mostly attributable to the seasonal factors typical of the end-of-year period. During the fourth quarter the banking system *total deposits* increased by BGN 2912 million (9.6 per cent), with December growth of BGN 1817 million (5.8 per cent). There were no sizable changes in the foreign currency structure of banks' resources attracted from financial and non-financial customers. By end-2006 deposits in national currency increased their share by 1 percentage point on end-September and comprised 48.5 per cent of the total deposit base, while the share of resources in euro contracted a bit to 38.7 per cent. Over the review quarter lev-denominated deposits picked up by BGN 1745 million and those in euro by BGN 901 million. Deposits of non-financial institutions (BGN 1974 million) were the main factor responsible for the reported quarterly growth. Group I banks traditionally contributed most substantially to the banks' deposit base growth (82 per cent). Group II banks posted an increase of BGN 811 million (12 per cent). Over the last 12 months total deposits picked up by BGN 7776 million (30.6 per cent).

Deposits of financial institutions recorded quarterly growth of BGN 938 million (20 per cent). The dynamics is determined by the increase posted by Group I banks. Time deposits of banks saw the most sizable growth of BGN 536 million (19.1 per cent) on September, followed by resources from other financial institutions amounting to BGN 375 million (22.3 per cent). Expansion in the activity of most of the subsidiaries and foreign bank branches in Bulgaria was financed to a large extent by their parent institutions. Demand and time deposits attracted from foreign banks went up by BGN 386 million, their share in deposits from banks increasing by 5 percentage points to 40.8 per cent. The total resources from deposits of financial institutions increased by BGN 662 million (13.3 per cent).

Chart 6
Dynamics of Banks' Deposits



At the end of 2006 *deposits of non-financial institutions* reached BGN 27.6 billion increasing by nearly BGN 2 billion (7.7 per cent) over the review quarter. Demand deposits (BGN 952 million, 9.3 per cent) ranked first in accordance with the structural analysis of increased resources. During the same period time deposits posted an increase of BGN 801 million (6.3 per cent) and savings deposits went up by BGN 220 million (8.2 per cent). Group I banks contributed to the growth in deposits of

non-financial institutions by BGN 1683 million (9.2 per cent) and Group II banks by BGN 730 million (12.4 per cent). Foreign bank branches recorded a decrease of BGN 439 million (32.5 per cent) as three of them reduced their resources.

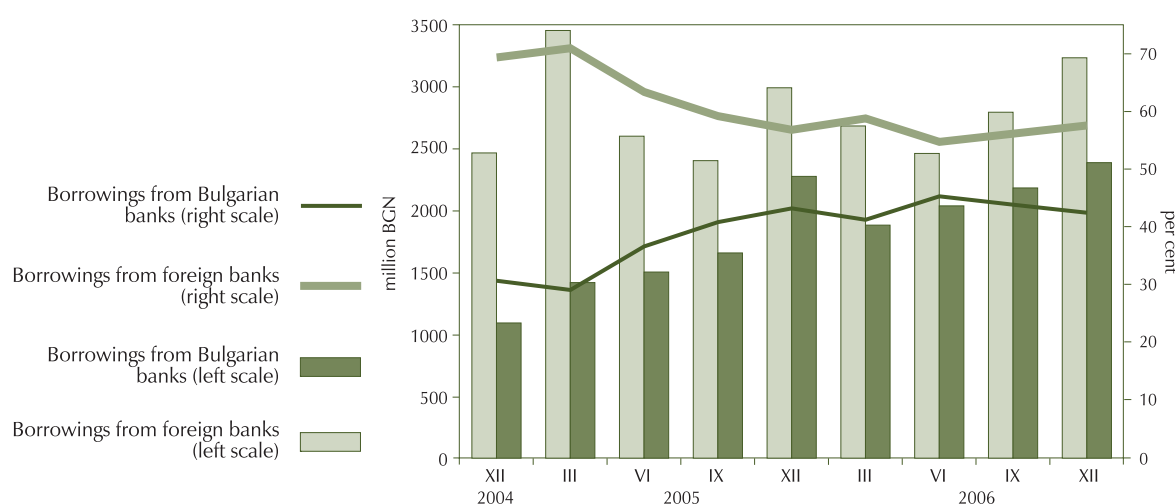
By the end of 2006 deposits of *enterprises and individuals* picked up by BGN 7.1 billion (34.8 per cent). The amount of banking system time deposits went up by BGN 3558 million (36 per cent), demand deposits by BGN 3056 million (37.5 per cent) and savings deposits by BGN 500 million (20.7 per cent) on 31 December 2005.

The relative weight of *short-term financing funds* slightly increased and by end-2006 it accounted for 0.6 per cent (against 0.8 per cent in the prior year). Within a one-year horizon the banking system resources decreased by BGN 27 million (11.5 per cent).

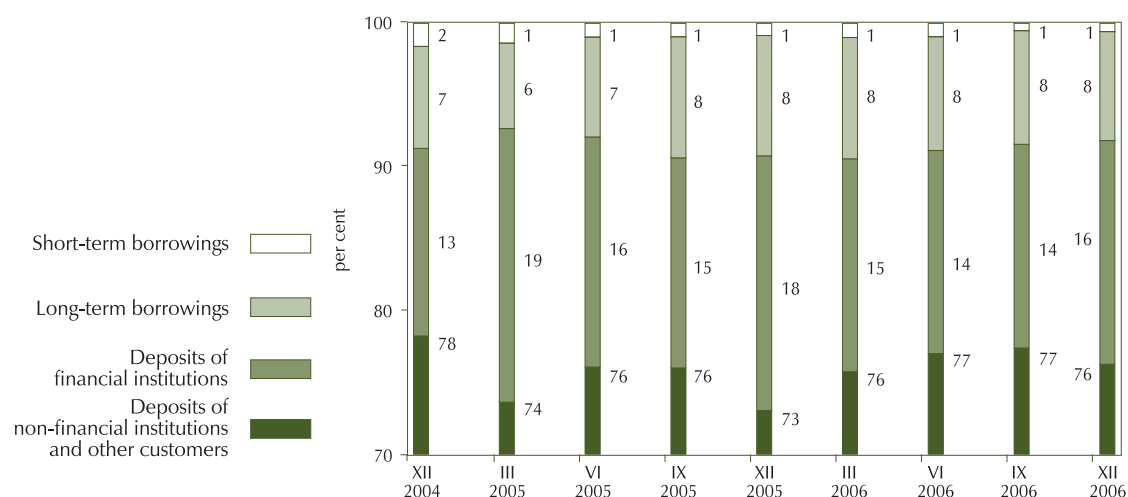
The widespread use of *long-term borrowed funds* was ascribable to the need for a longer term financing. More than half of the 24 banks having such resources recorded growth in the fourth quarter and the aggregate increased by BGN 127 million (4.9 per cent). The share of long-term funds in financing sources contracted a bit to 7.3 per cent. Foreign bank branches did not use borrowed resources. By end-2006 the weight of foreign bank financing in the total amount of credit institutions' borrowed funds fell by 2 percentage points to 88 per cent. Over the last 12 months long-term borrowed funds in the banking system grew by BGN 397 million (16.9 per cent).

Chart 7

Developments in Borrowings from Banks



In the fourth quarter of 2006 *financing funds* (deposits, short and long-term borrowed funds) sustained their upward trend (up BGN 3079 million, 9.3 per cent) and their total amount rose by BGN 8146 million (29.1 per cent) in a year.

Chart 8
Total Funds

The *equity* balance sheet aggregate followed the accelerating growth typical of most items in the bank's balance sheet. Over the last quarter of 2006 the equity position picked up by BGN 362 million (9 per cent), approximating BGN 4.4 billion. The increase reflected to a great extent the rise in the banking system current profit which came to BGN 278 million (52.5 per cent). The net income realized in the last three months of the year was strongly impacted by the reintegration of provisions carried out in compliance with the regulatory amendments to Ordinance No. 9. In the quarter under review four of the banks raised their capital; hence, ordinary shares went up by BGN 143 million (10.5 per cent). The one-year growth rates of the banking sector equity almost matched those of assets: it rose by 27.4 per cent (BGN 942 million).

Proprietorship Changes

Fuat Guven became the sole proprietor of D Commerce Bank's capital by acquiring 100 per cent of its voting shares.

Nova Ljubljanska Banka acquired the shares of LB Maxima Ltd., which comprised 24.5 per cent of NLB West-East Bank's capital, thus increasing its participation in the Bulgarian bank's shareholder capital to 97 per cent.

In December *Eurobank EFG Holding (Luxembourg) S.A.* acquired 91.2 per cent of DZI Bank's shares.

2.3. Dynamics of Major Balance Sheet Aggregates by Bank Group

Chart 9

Market Shares of Bank Groups as of December 2005

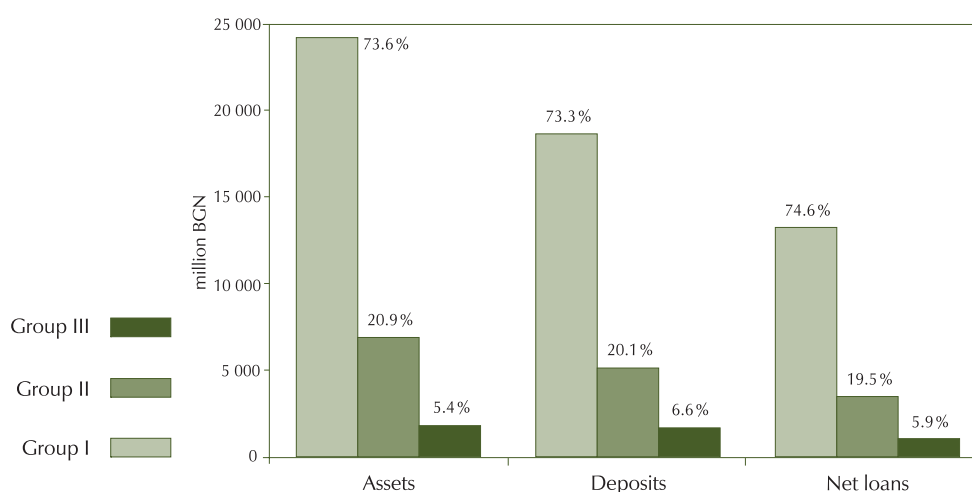


Chart 10

Market Shares of Bank Groups as of September 2006

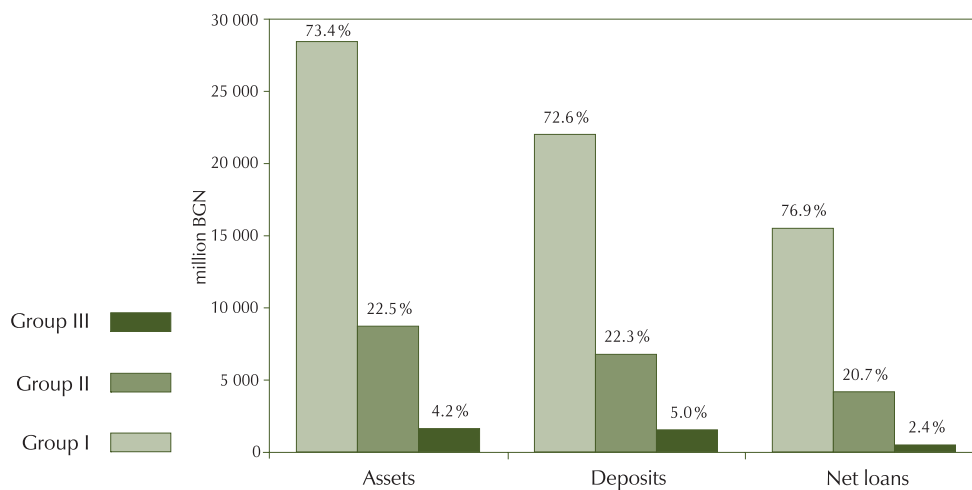
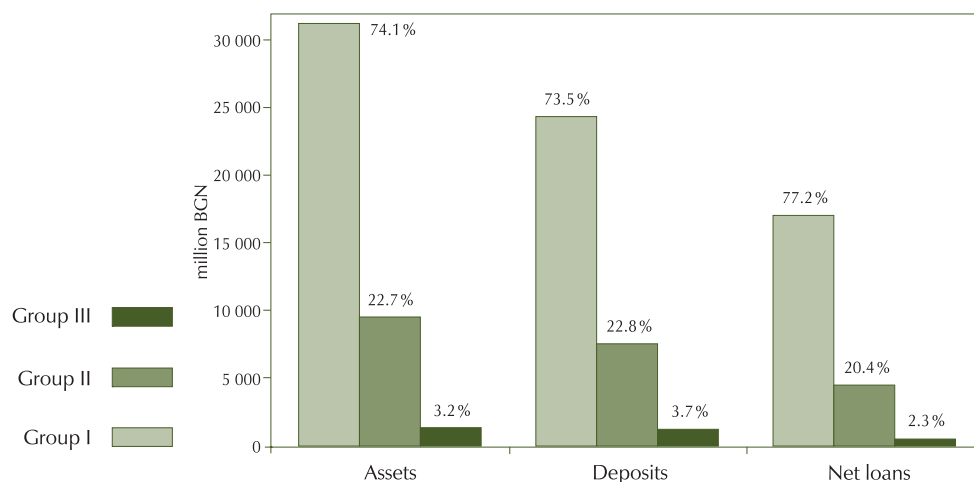


Chart 11
Market Shares of Bank Groups as of December 2006

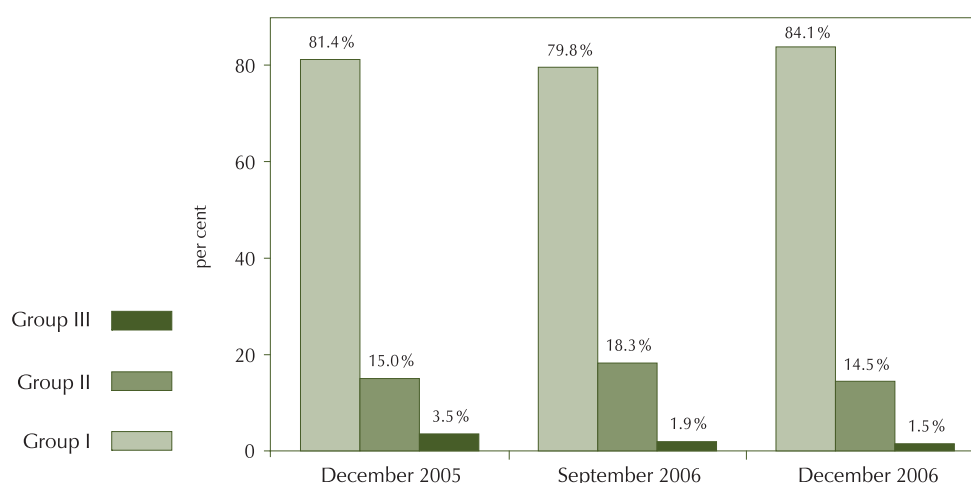


Fluctuations in the market shares of the three bank groups in the last quarter of 2006 showed that foreign bank branches were regaining their usual figures. The cut in balance sheet aggregates of a foreign bank branch following the finalisation of the above-mentioned privatisation transaction underlay the change. As a result, the market share of Group III banks decreased by 1 percentage point to 3.2 per cent. The group of medium and small-sized credit institutions added 0.2 percentage points to their shares and by year-end they held 22.7 per cent of the market. The market share given up by the foreign bank branches was mostly occupied by the *ten largest banks* whose assets rose by 0.8 percentage points to reach 74.1 per cent in the banking system balance sheet figure.

3. Operational Results: State and Trends

The banking sector ended 2006 in a net profit of BGN 808 million. Compared with end-2005, the financial result grew by BGN 223 million (38.2 per cent). In a year the banking system expenditure on provisions dropped by BGN 125 million,³ taking into account that in the December 2004 to December 2005 period additional provisions to the amount of BGN 102 million were allocated. A detailed analysis of the trends, income sources and individual banks' contribution is presented in the *Earnings* section.

³ For further details see *Provision Analysis* in *Asset Quality "A"* section and footnote 6 on p.38.

Chart 12
Profit

Market Concentration Index (HHI)

At the end of 2006 DSK Bank was the only credit institution in the banking system in which concentration was observed. The largest Bulgarian bank retained its market positions in consumer loans and savings deposits and continued to report moderate concentration in both aggregates. Concentration in all Group I positions (excluding short-term borrowings) remained high. High values of other loans and claims and short-term borrowings and moderate levels of agricultural loans were reported by medium and small-sized banks.

4. Banking System Risk Profile: Major Bank Risks

In the fourth quarter *two major groups of factors – internal and external* – influenced the banking system risk profile. *Internal factors* were based on the business models adopted and followed throughout 2006; for the bulk of institutions they were related to retail banking and expansion of project financing (especially in terms of the corporate segment: *small and medium-sized corporations*). This involved the changes in the major credit products' price levels and the attempts to expand the sources of funds by means of higher interest rates and new deposit and savings and investment products. *External factors* included the measures for curtailing credit growth which impacted the banks' aggressiveness and resulted in alternative ways of retaining credit market positions. Commercial bank behaviour was affected by the adoption of the new capital framework which often presupposed the use of additional capital resources to cover major risks. This stimulated banks to intensify their activities, including by assessing capital resources and the measures to be initiated for providing capital support at the time the regulation is adopted (since the start of 2007). Naturally, rising interest rates on international markets in the October 2006 to December 2006 period also influenced banks' behaviour. Although these factors impacted the banking system risk profile, they did not change it substantially.

Structurally, commercial bank balance sheets did not undergo any significant changes. Loans retained their position of a leading balance sheet aggregate; the sharpness of the risk, its distribution by instrument and the degree of its provisioning were not impacted by market factors. The change in the

classification structure (analysed in detail in the *Asset Quality* section) stemmed, on the one hand, from the removal of the stricter supervisory classification requirements as a timely reaction of the central bank to the state of the banking system and the economic environment at the end of 2006, and, on the other hand, from the improved capacity of the sector for credit risk management, especially as regards the consumer segment loans. In this respect both the efforts of banks with leading market positions (which within a period of nearly six months improved their organisational capacity for identification, management and reduction of risk related to servicing past due liabilities in the retail banking) and the good quality of the other market players' loans were taken into account. Despite the upward trend in the corporate segment, investments in *securities and debt instruments* preserved their quality of low-risk placements ensuring admissible profitability. Their foreign currency component and structure by issuer did not exert additional pressure on institutions' capital either. Banks benefited from the favourable trends in the interest rates of their European partners towards which the bulk of their deposits were directed. This generated low-risk earnings. *Funds* retained their reliability and structure. Their growth (mainly that of *deposits of non-financial institutions*) guaranteed a low degree of dependence on the interbank market, while the small share of target financing should be considered an indicator of the banking system capacity to meet customer needs for financing. Most banks reported a growth in their *own funds* similar to that in assets. However, in some of the cases asset growth quickly exhausted the capital of individual banks and they had to resort to instruments for its increase, mainly to tier 2 capital. The profit generated by end-2006 exceeded that of previous corresponding periods but its distribution among banks led to the conclusion that not all institutions could rely on it to support their activities in 2007.

Despite some positive trends observed in the period under review, the problem banks' risk was not substantially cut. In some of them changes in their behaviour model was observed: improved management of major risks, increased shareholder capital, proprietorship changes, changes in the income structure and decreased expenditure. Actions were undertaken for fulfilling the prescriptions resulting from the completed full supervisory inspections. Nevertheless, the grounds for focusing greater attention on the behaviour of the banks from this group were preserved. Weaknesses in credit risk management were sustained and there were doubts about lending to individuals and companies in violation of good banking practice as well as disputes between shareholders.

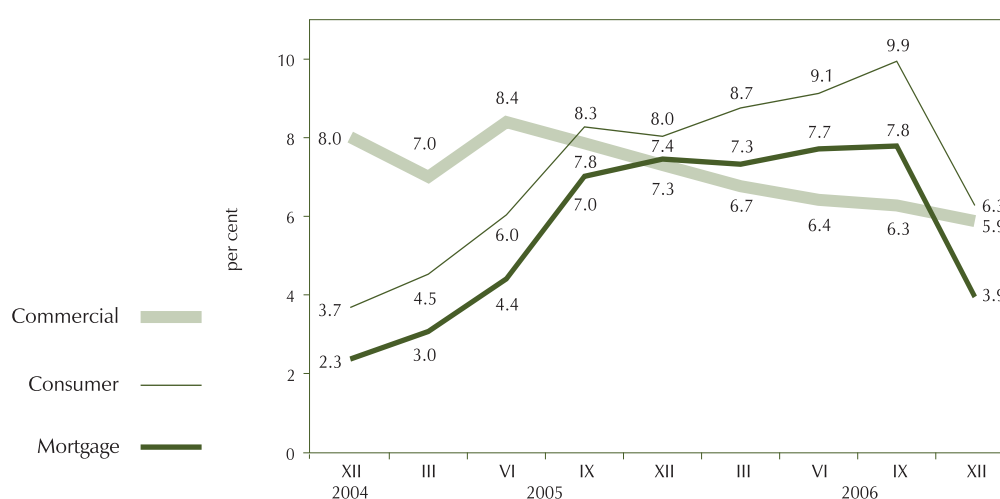
As regards supervisory regulations, during the review quarter no formal violations threatening banks' financial health were registered. Practically, no breaches of basic regulators were found. Capital coverage was adequate to banks' risk profile. Impairment and classification of loans in general adhered to regulatory requirements for timely and conservative risk assessment. Deviations were removed mainly in the course of full supervisory inspections; in individual cases they were identified by off-sight supervision methods as well. Concentrations did not engage capital over the maximum admissible for a single exposure. However, there were cases of more risky behaviour which tested individual banks' ability to cover the risk promptly provided it became sharper.

The lower degree and sharpness of credit risk over the review period was the most significant change in the banking system risk profile. The decrease in the share of classified assets from 3.96 per cent to 3.09 per cent reflected mainly the consumer segment dynamics (analysed in detail in the *Asset Quality* section); in addition, it indicated the preserved quality of corporate claims occupying 60 per cent of banks' total loans. In assessing real risk level it should be noted that within 2006 the transfer of credit risk outside the banking system led to sales of loans to the amount of over BGN 3.2 billion. In essence, these were standard loans, some of them securitised, with servicing still effected through the intermediation of commercial banks in which credit risk was originally initiated. This presupposes the subsequent return into the banking system of a part of the sold amounts which would

change the credit risk level. On the one hand, if the level of classification is sustained, a technical improvement of portfolio quality may be expected by the end of 2006. On the other hand, this would increase the share of loans in assets and would correspondingly engage additional capital; thus, the potential pressure might rise in case the basic characteristics of the environment and the asset quality are changed.

Chart 13

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



Within the review period commercial bank behaviour in corporate lending did not see dramatic changes. The segment of loans with a single value of over BGN 1 million remained in a good state. By end-December 2006 they came to BGN 9730 million (against BGN 8911 million by end-September). Standard loans comprised 93.5 per cent (93.1 per cent by the end of the third quarter) and non-performing 1.3 per cent (1.2 per cent by the end of the third quarter).

In the review quarter banks went on following a business model restricting their exposure to *marker risk*. The values of the capital involved in market risk coverage reached 3.76 per cent and were comparable to those of the previous quarter (3.63 per cent). In terms of structure position risk still prevailed (97 per cent of the risk-weighted asset equivalent for market risk), with the bulk of it formed by debt instruments of the Bulgarian government and prime-rate foreign issuers. At the end of the review period the number of banks which did not report trading portfolios was again five. Assets and liabilities interest rate sensitivity measured on the basis of interest rate imbalances pointed to a GAP-position of -1.84 per cent with parameters comparable to those of previous periods. Of note is that banks did not resort to interest rate hedging derivatives: the net position of the used interest rate contracts came to BGN 54 million which practically did not impact interest rate risk management. The steady structure of interest rate assets and liabilities was the major reason behind the reluctance of most banks to use such instruments. Disregarding the derivatives effect, interest rate sensitive liabilities exceeded interest rate sensitive assets by BGN 777 million, with sensitivity being the highest in the 30-day horizon. During this period liabilities exceeded assets by some BGN 4301 million. Nevertheless, the banking system and individual banks were not exposed to substantial *liquidity risk*. Credit institutions maintained their share of high liquid assets at a level ensuring a high degree of potential outflow coverage due also to the measures taken to limit lending.

5. Asset Quality 'A'

- *For the first time since the beginning of the credit expansion classified assets posted a 12-month drop (BGN 88 million or 6 per cent).*
- *Banks' classified assets declined by BGN 275 million in a month; the change reflected entirely the loan reclassification made by the ten largest banks. Correspondingly, within the review quarter classified loans decreased by BGN 237 million: consumer loans fell by BGN 155 million and housing mortgage loans by BGN 89 million, while commercial loans picked up by BGN 15 million.*
- *The weight of classified loans extended to individuals in total classified loans went down from 43 per cent to 32 per cent mainly at the expense of classified commercial loans which matched the share reported in the same period of 2005 (61 per cent).*

The abolition of the regime under Article 5, item 4 of Ordinance No. 9 brought about a significant change in the picture of asset quality. For the first time since the beginning of the credit expansion classified assets posted a 12-month drop. Between December 2005 and December 2006 they contracted by BGN 88 million (6 per cent) and the drop was observed in all types of claims excluding agricultural loans. Classified loans as a share of non-financial institutions' gross loans reached their lowest value in the last nine years (6 per cent). Despite the decline in the degree of loan contamination, the credit portfolio remained a bearer of the greatest risk in banks' balance sheets. As regards investments in various financial instruments, no reorientation to instruments generating higher earnings, but also higher market risk occurred. The bulk of banks followed a moderate investment policy combined with active securities portfolio management aimed at achieving positive financial results based on admissible risk levels and sustained good liquidity. Insofar as banks' trading portfolios displayed a diversification trend (mainly in the corporate securities segment) in a one-year horizon, this trend was in line with the investment policy adopted by institutions.

5.1. The Increased Credit Risk Zone

Institutions which fell within the scope of this zone faced various problems and were assigned a rating of 3 or less. Part of them belonged to this zone owing to the negative processes concerning their amount, classification groups and the trends in problematic exposures, often coupled with high loan concentration to individual customers and/or branches. In some of the banks provisions did not provide sufficient support due to inadequate provisioning procedures, violation of the legal framework and low earnings. In the bulk of these institutions on-sight inspections established also lack of adequate procedures for credit risk management.

5.2. Asset Quality Level and Trends

The change in the loan classification regulatory framework prompted optimization in the values of key asset quality indicators. Between 30 November 2006 and 31 December 2006 banking system *classified assets* declined by BGN 275 million; the change entirely stemmed from reclassification of loans with lower risk weights in the ten largest banks. They reported a drop in classified assets coming to BGN 293 million over a month, while Group II banks posted a BGN 23 million rise. Classified assets of foreign bank branches fell by BGN 5 million. Within the review quarter banks' classified assets went down by BGN 237 million (15 per cent). As a result, their share in the banking system gross assets decreased from 4 per cent in September 2006 to 3 per cent in December 2006 with only five banks showing a reversed trend.

Chart 14

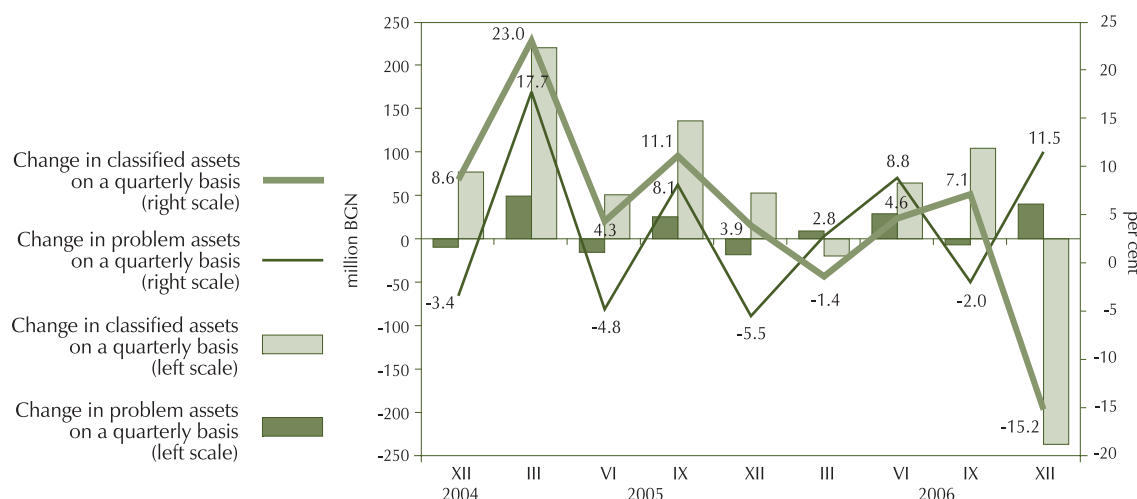
Classified and Gross Asset Growth Rates



For a second time in 2006 the decline in the classified assets was accompanied by a growth in *problem assets*. The BGN 40 million (11.5 per cent) increase did not affect their share in the banking system gross assets: 1 per cent. In a one-year horizon problem assets rose by BGN 70 million (22 per cent).

Chart 15

Classified and Problem Asset Growth Rates



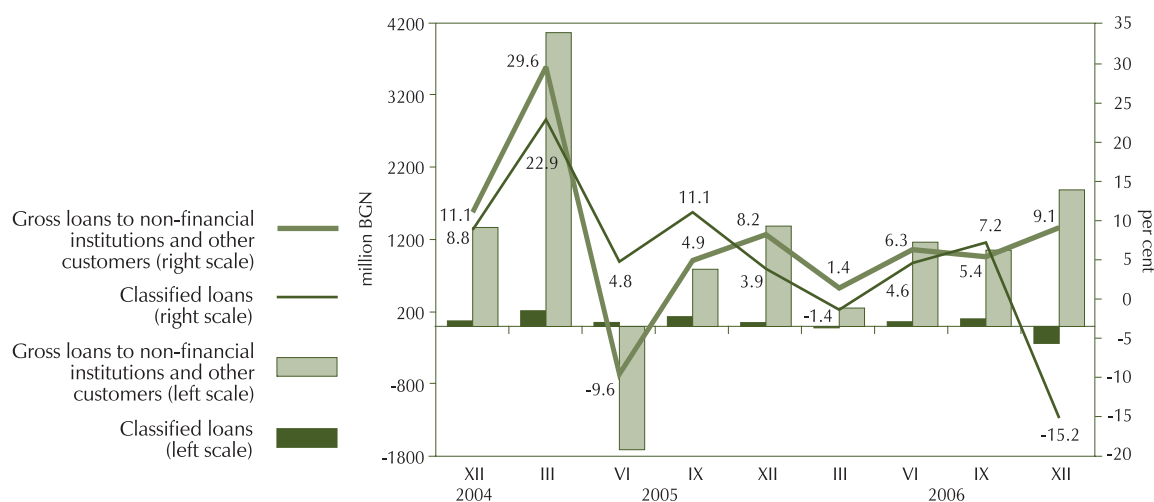
Trends in *classified loans* followed those of classified assets, reflecting the negligibly small share of classified claims on financial institutions (just 0.1 per cent). Over the review quarter classified loans went down by BGN 237 million: classified consumer loans declined by BGN 155 million and classified housing mortgage loans by BGN 89 million. Classified trade loans posted an increase by 15 million. As a result, the share of classified loans in gross loans fell by 7.7 per cent to 5.8 per cent exhibit-

ing the lowest value of this indicator in the last nine years. A quarter of banks reported larger shares of classified assets than in September.

The structure of classified assets experienced no significant change irrespective of the decline reported in each of asset categories. A new decline in the share of assets classified as watch, the lowest risk group, was recorded in 2006: by 1 percentage point to 48 per cent (a fall by BGN 125 million). This was offset by the increased weight of assets classified as non-performing, the highest risk group, from 33 per cent to 37 per cent (a fall by BGN 25 million). The share of assets classified as substandard also went down: from 18 per cent to 15 per cent (a fall by BGN 87 million). The trend in one-year horizon was similar: more dynamic developments were clearly pronounced due to decreased shares of watch and substandard assets by BGN 108 million and BGN 62 million respectively and the increased share of non-performing assets by BGN 82 million. Over the last 12 months more than one-third of the banks reported weaker sharpness of classified assets measured through the share of the highest risk category.

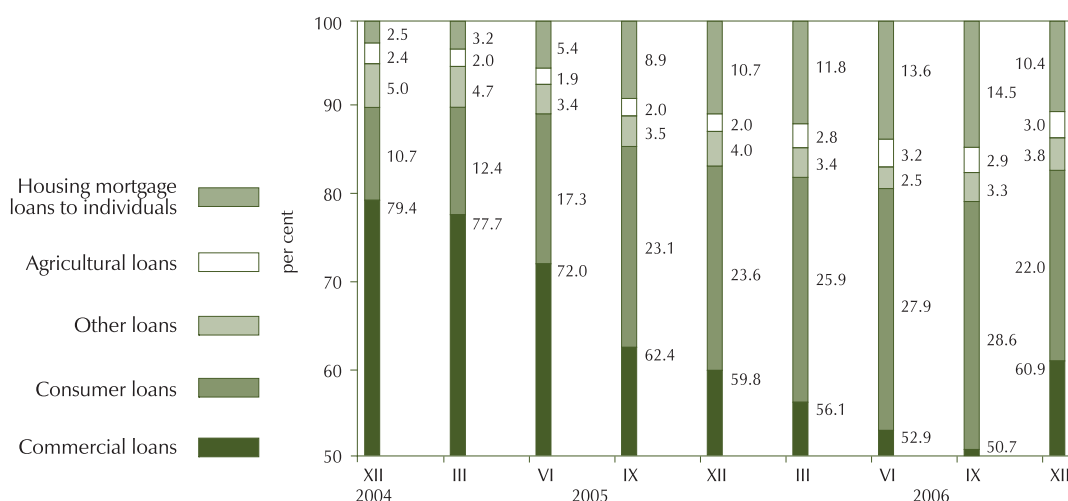
Chart 16

Growth Rates of Gross and Classified Loans



Changes in the structure of classified loans led to improvements in classification of each of the main segments. Compared with September classified consumer loans fell by about 4 percentage points to 6.3 per cent of total consumer loans approaching the degree of contamination of the commercial loan portfolio (5.9 per cent). Classified housing mortgage loans displayed similar dynamics: from 7.8 per cent at the end of the third quarter they fell to 3.9 per cent of all loans in this segment. Over the last 12 months classified consumer loans declined most significantly: by BGN 42 million followed by classified commercial loans worth BGN 38 million and classified housing mortgage loans worth BGN 13 million. In spite of the fact that commercial loans are beyond the scope of the amendments to Ordinance No. 9, these loans also exhibited positive developments. Although classified commercial loans grew by BGN 15 million over the review quarter, they went down by 40 basis points as a share of total commercial loans, with only five banks reporting an increase. All these changes led to a substantial modification of the classified loan structure. The weight of classified loans to individuals decreased from 43 to 32 per cent mostly at the expense of classified commercial loans whose share almost matched that reported in the corresponding period of 2006: 61 per cent (Chart 17).

Chart 17
Classified Loans Structure



The structure of classified loans by bank group also experienced changes. Despite the increased weight of classified commercial loans both in Group I and Group II banks, the growth was more clearly pronounced in the group of large banks. The share of classified loans to individuals (consumer and mortgage loans) of the 10 largest banks fell by 10 percentage points to 41.1 per cent of total classified loans, while the group of small and medium-sized banks reported a decrease of mere 2 percentage points to 10.7 per cent.

Chart 18
Classified Loans Structure by Bank Group as of September 2006

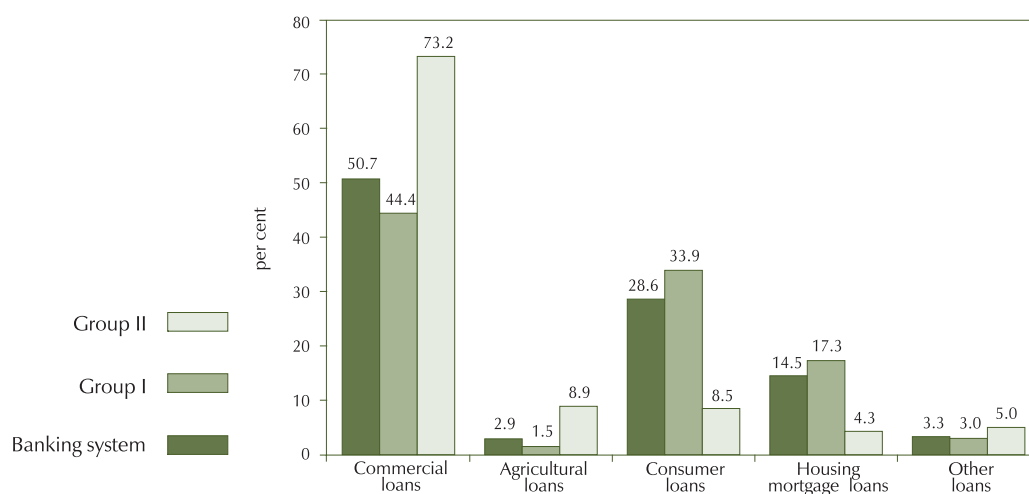
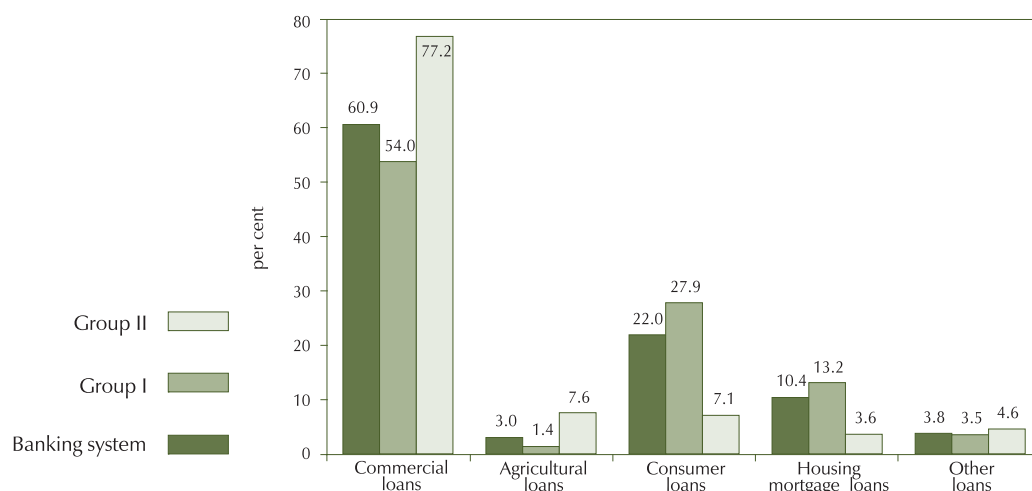
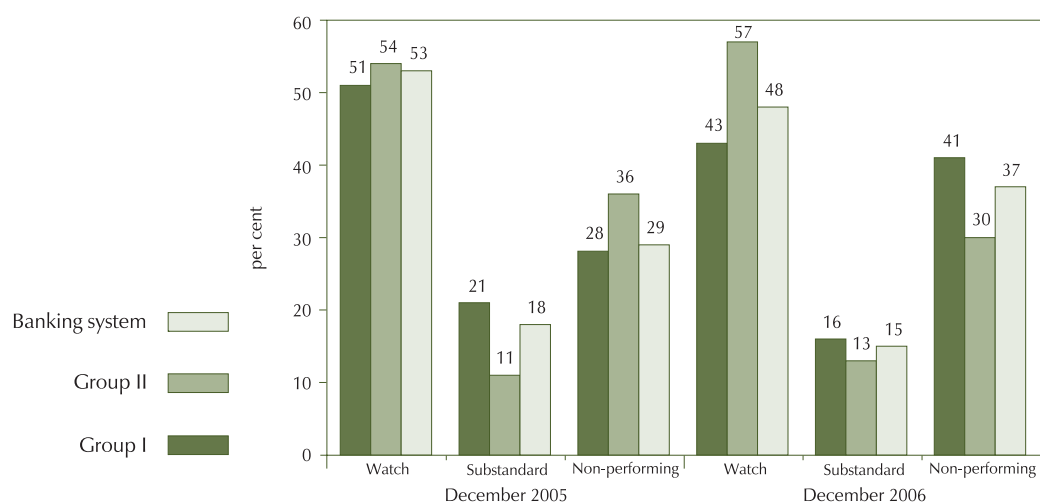


Chart 19

Classified Loans Structure by Bank Group as of December 2006

As to the structure of classified loans Group I and Group II banks exhibited opposite trends. The 10 largest banks included in Group I reported a decline in all loan categories other than standard, while the group of small and medium-sized banks included in Group II reported a fall only in sub-standard loans (the decline in non-performing loans was negligibly small). As a result, the share of Group I classified loans went down from 7.7 per cent in September to 5.4 per cent in December, while that of Group II increased from 7.1 per cent to 7.7 per cent. The banking system trends were determined by the parameters of the large banks which posted an increase of standard loans by 1.7 percentage points to 94.2 per cent.

Chart 20

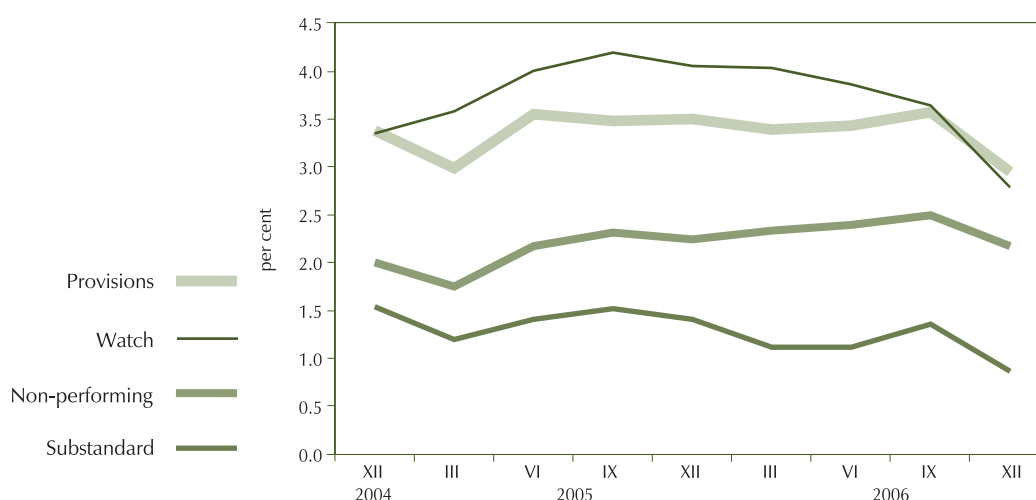
Classification Structure of Loans

Credit quality by bank group is as follow:

	December 2005	September 2006	December 2006
Group I			
Total (million BGN)	13 730	16 085	17 586
Standard (%)	92	92.3	94.6
Non-performing (%)	2.3	2.6	2.2
Group II			
Total (million BGN)	3 593	4 306	4 664
Standard (%)	92.5	92.9	92.3
Non-performing (%)	2.7	2.3	2.3
Group III			
Total (million BGN)	1 056	478	521
Standard (%)	96.2	96.4	96.8
Non-performing (%)	0.5	0.1	0.1

Chart 21

Credit Classification



5.3. Provision Analysis

The decrease in classified assets by BGN 237 million reported in the fourth quarter was accompanied by a release of provisions in the amount of BGN 91 million. This prompted a decline in some ratios measuring the degree of provisioning. The degree of *provisioning for gross assets* went down from the steady 1.9 per cent in the last four quarters to 1.6 per cent. In a one-year horizon banking system provisions increased by just 4 per cent (BGN 28 million) against a 28 per cent growth of gross assets over the same period. The bulk of banks (18) reported a decrease in the values of this indicator. *The degree of provisioning for claims on non-financial institutions* also posted a fall: from 3.6 per cent to 2.9 per cent. With a few exceptions this fall is typical of the banks which also reported a lower degree of provisioning for gross assets. *Provisions on a portfolio basis* matched the previous quarter's level of 1.2 per cent. Such provisions were allocated by 20 banks.

The coverage indicator, measuring the degree of coverage of non-performing exposures with the amount of all provisions allocated by banks, exhibited a decline in the reporting quarter: from 143 per cent to 136 per cent.

6. Earnings 'E'

- *As a result of a two-fold smaller amount of net credit provisions (BGN 114 million) compared with the corresponding period of 2005 (BGN 238 million), the banking system net profit rose by BGN 223 million (38 per cent) preserving the sustainable growth of major income centers.*
- *Improved values of ROA and ROE, the key profitability indicators, on December 2005 have not been accompanied by similar trends in the remaining profitability determinants.*
- *The significant pressure on the profitability of banks owned by resident shareholders reflects both the inability to provide resources under the conditions similar to those of institutions owned by foreign banks, as well as insufficient information and human resources.*

The banking system financial results over the quarter under review was strongly impacted by the sizable amount of reintegrated provisions, a result of the changes to the statutory framework. Therefore, the banking system profit reported only for the review quarter rose by BGN 278 million (53 per cent), affecting also the developments of ROA and core ROA, the major profitability indicators. Given the clearly pronounced ROA downward trend in the previous three years (from 2.43 per cent by 31 December 2003 to 2.12 per cent by 31 December 2004 and to 2.05 per cent by 31 December 2005) the value of this indicator at the end of 2006 was 2.21 per cent. The indicator measuring core ROA followed a similar pattern. Profit generated by currency revaluation, the steady growth of non-interest earnings and slower growth of administrative expenditure are the other factors strongly impacting the banking system profitability over a one-year horizon. Sizable losses accumulated from trading portfolio securities and smaller amount of earnings from investments for sale and significantly lower amount of extra revenue exerted pressure on the profitability of a number of banks and the banking system as a whole. Removed credit constraints and expected credit growth in the following 12 months give grounds to anticipate better financial results in most of the institutions. The challenges faced by some small and medium-sized banks, associated with providing resources under competitive terms and conditions and preserving the market share, will remain.

6.1. The High-problem Income Zone

The high-problem income zone is normally observed in banks with ratings of 3 and 4. In these institutions earnings are insufficient to entirely maintain operations and do not ensure capital and provisions growth related to their overall performance. Very often these banks' net earnings fluctuate dramatically due to their dependence on individual events or strong reliance on extra profits generated from operations other than common bank operations. In some of these banks both the quality and the volume of earnings may be affected by extremely high or poorly managed credit risk and the need of allocating additional provisions.

6.2. Earnings Level and Trends

As a result of a two-fold smaller amount of net credit provisions (BGN 114 million) compared with the corresponding period of 2005 (BGN 238 million), the banking system net profit rose by BGN 223 million (38 per cent) preserving the sustainable growth of major income centers. However, if the effect of provisions is disregarded, the banking system profit before currency revaluation, extra

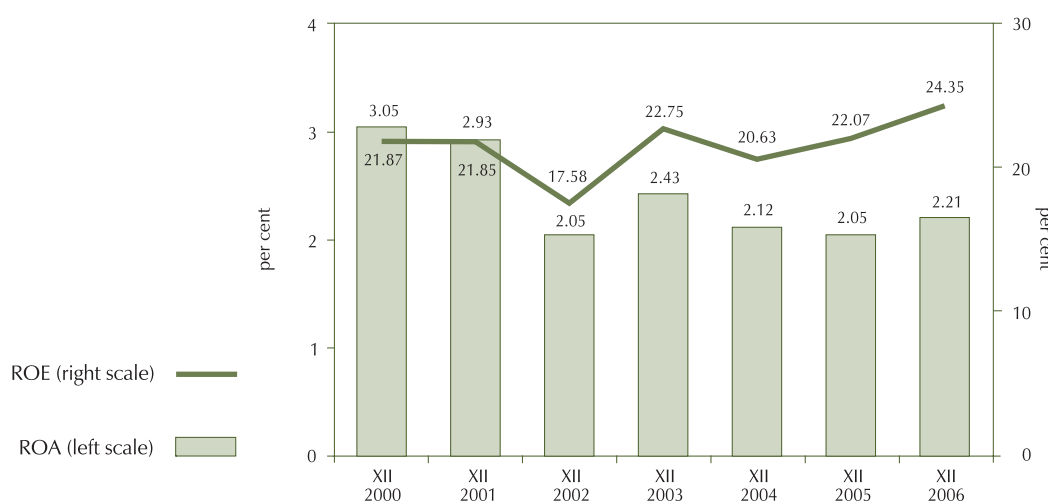
income (expenditure) and taxation exhibits a 14 per cent growth (BGN 128 million) which is significantly lower than that reported between December 2004 and December 2005 (40% or BGN 256 million). The annual growth rate of the net interest income matched the level of the previous two quarters (17 per cent). Concurrently, a stronger 12-month growth was reported in non-interest income (32 per cent) which almost matched the growth for the previous 12-month period (34 per cent). Despite the identical structure of income from core operations for both bank groups, serious differences occurred as regards the major profitability parameters. The improved return in the group of large banks pertained mostly to the effect of released provisions (a decrease by BGN 122 million on the corresponding period of 2005), while this effect was insignificant for Group II banks (an increase by BGN 2 million). The pressure on Group I banks' profitability reflected only losses from trading portfolio securities, while in addition to these losses the pressure on Group II banks' profitability was associated with the reported losses from investments to maturity and extra losses. Group II, including 18 small and medium-sized banks, maintained higher growth rates of net interest income (22 per cent) than the group of large banks (19 per cent) and higher growth of non-interest income: 49 per cent against 30 per cent respectively. On the other hand, non-interest expenditure of Group II banks grew faster (25 per cent) than that of the large banks (18 per cent). However, it should be taken into account that more than a quarter of the Group II banks' profit was generated by one bank.

Leading banking system indicators were:

Ratio as a percentage of average assets	December 2005	December 2006
Net interest income (%)	4.68	4.29
Non-interest expenditure (%)	3.83	3.54
Extraordinary gain/loss (%)	0.2	0.02
Efficiency ratio (%)	59.15	60.20
Net result (post-tax ROA since year start) (%)	2.05	2.21
Core ROA (net income from core operations since year start) (%)	2.59	2.88
Return on equity (ROE) (%)	22.07	24.35
Average assets (million BGN)	28 483	36 487

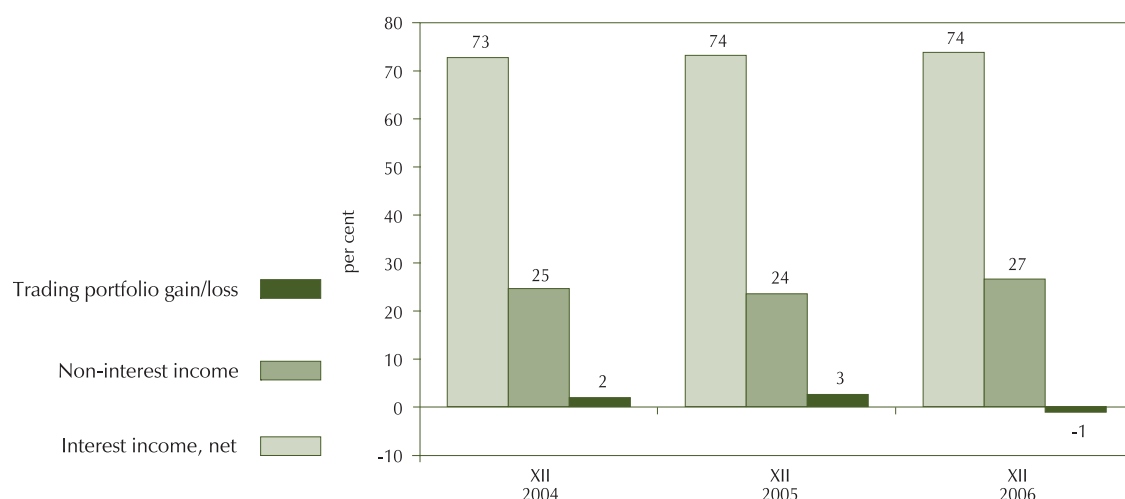
Chart 22

Return on Assets and Return on Equity



Non-interest income from fees and commissions grew steadily: by 32 per cent over the last 12 months against 26 per cent in the previous 12-month period. Coupled with the reported losses from trading portfolio securities this led to a 3 percentage point increase (to 27 per cent) in the share of fees and commissions within the income from core operations. Enhanced financial intermediation beyond common lending operations will prompt an increase in the weight of non-interest income, with institutions owned by foreign banks expected to faster increase their shares of non-interest income.

Chart 23

Income from Core Operations

Although Group II banks reported higher net interest margin and stronger return on interest-earning assets due to the higher price to be paid on borrowed funds, larger non-interest expenditure and lower non-interest income, these banks posted lower profitability compared with the 10 largest banks. The banking system ROA grew from 2.05 per cent to 2.21 per cent. The doubled number of Group II banks reporting values of under 1 per cent caused concerns. At the end of 2005 their number was 4, while it doubled in a year. Although the market share of banks reporting ROA values of over 2 per cent rose from 48 to 54 per cent between December 2005 and December 2006, it remained lower than that attained at the end of 2004 (58 per cent).

Chart 24
Market Shares Based on ROA

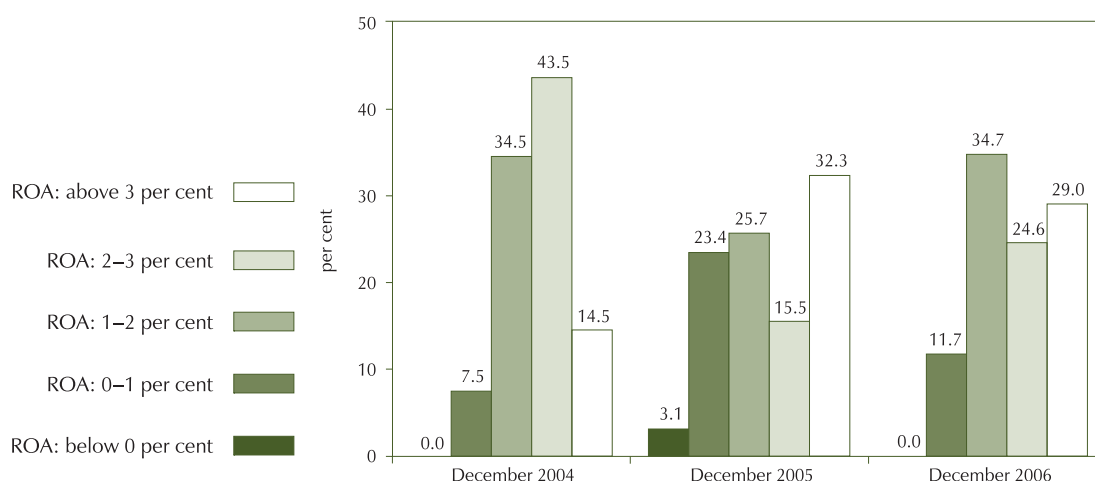
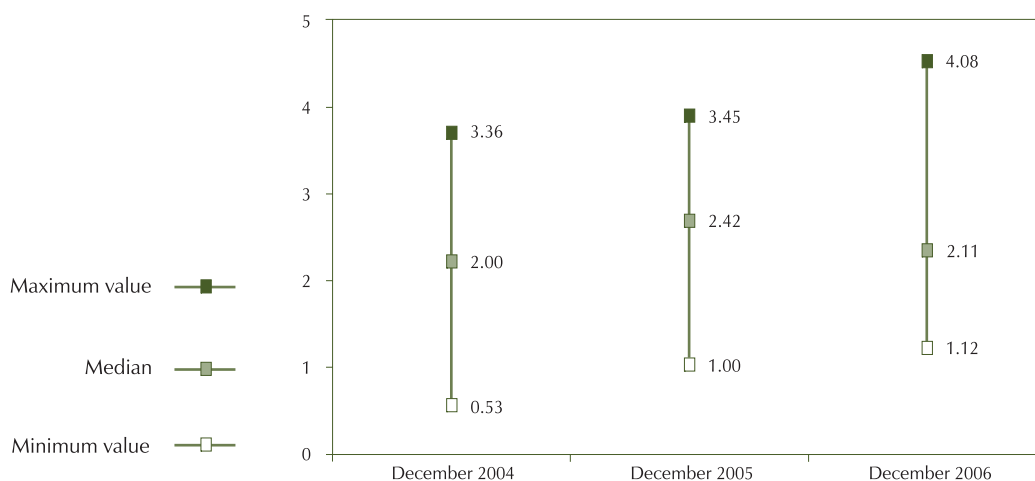


Chart 25
ROA Values of the 10 Largest Banks



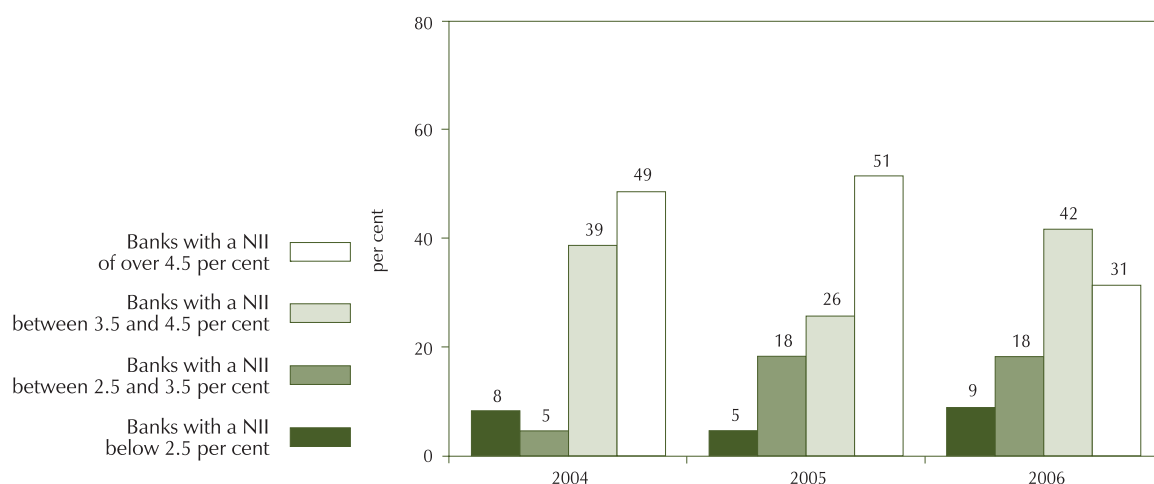
Core ROA reached 2.88 per cent against 2.59 per cent a year earlier, reflecting the improved values of this ratio in 17 banks. Only one bank from the group of the ten largest banks showed a negative trend, while half of Group II banks reported worsened values of this ratio.

In spite of the fact that in the last two quarters *net interest income* stabilized at 4.29 per cent, this level was lower than that reported at the end of 2005 (4.68 per cent). This pertains to the sustained faster growth of interest expenditure compared with interest income and continued decline in the *share of interest-bearing assets in the banking system average gross assets* (by 1 percentage point to 86.1 per cent). The dynamics of the banking system income and expenditure structure suggested that in the last 12 months the share of interest income on loans went down by about 3 percentage points

mainly on the account of interest income from deposits in banks. These developments were more clearly pronounced in small and medium-sized banks which posted a decline of about 7 percentage points. The share of interest income from loans in large banks went down by less than 2 percentage points. Interest expenditure followed a similar trend which was also more clearly pronounced in Group II banks. The share of interest expenditure on deposits of banks and other financial institutions decreased by 3 percentage points compensated by the increased share of expenditure on funds borrowed from non-financial institutions. The fall in the share of interest expenditure on long-term borrowed funds of Group I banks was insignificant, while it was substantial (by 7 percentage points) for small and medium-sized banks at the expense of interest on deposits of non-financial institutions.

Chart 26

Net Interest Income (NII) as a Share of Average Gross Assets since Early 2006



Over the last 12 months *net interest rate margin* decreased at a faster pace: by 0.4 percentage points to 4.98 per cent against 0.25 percentage points in the previous one-year period. The cost of financing of operations continued to increase though the growth was more moderate compared with the previous 12-month period. In the December 2004 – December 2005 period the *cost of interest liabilities* went up by 33 basis points and the *cost of financing of interest-bearing assets* by 37 basis points, while in the December 2005 – December 2006 period, these costs grew by 23 and 26 basis points respectively. As a result of the higher *cost of interest liabilities* for most of the banks, the banking system value of this indicator was 2.65 per cent, with Group II banks reporting higher cost of financing (3.05 per cent) than Group I banks (2.32 per cent). The increasing *cost of financing of interest-bearing assets* in these 20 banks reporting a higher cost of interest liabilities prompted an increase in the indicator's value from 2.37 per cent to 2.63 per cent. The bulk of Group I banks' interest expenditure were made on deposits of non-financial institutions (60 per cent), followed by interest expenditure on deposits of banks and other financial institutions (1/5) and interest expenditure on long-term and short-term borrowed funds (13 per cent). Group II banks' interest expenditure on deposits to non-financial institutions accounted for 69 per cent, followed by interest expenditure on long-term and short-term borrowed funds of 18 per cent and interest expenditure on deposits of banks and other financial institutions of 11 per cent.

The increasing excess of interest liabilities over interest-bearing assets will continue to exert pressure on the banking system profitability. In addition to the increasing excess of interest liabilities over interest-bearing assets from 97.7 per cent to 99.4 per cent, the number of institutions with interest liabilities outstripping interest-bearing assets was growing. By the end of 2005 only a quarter of banks reported more than 100 per cent, while at the end of 2006 their number reached 12.

The *return on interest-bearing assets* went down in 6 Group I banks and 10 Group II banks, with the value of this indicator for the banking system decreasing from 7.74 per cent to 7.61 per cent.

Although *non-interest income* grew slower (from 34 to 32 per cent in the two 12-month periods under review), it posted slight but steady growth as a percentage of average assets (from 1.94 to 1.99 per cent). The three largest bank generated more than half of Group I banks' non-interest income and 37 per cent of the banking system non-interest income.

Chart 27

Selected Profitability Ratios

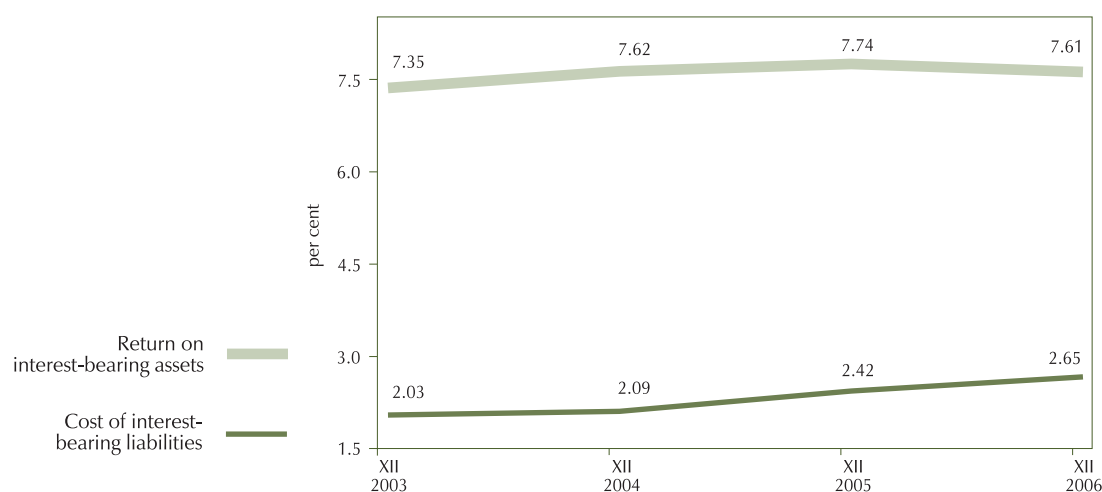
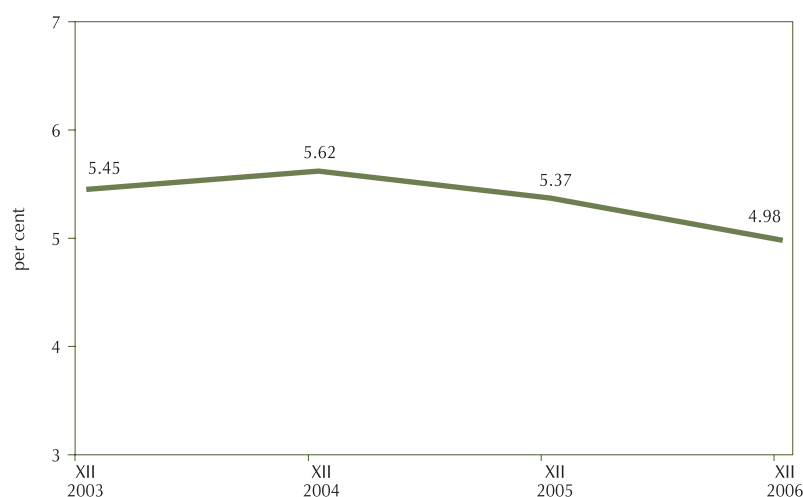


Chart 28

Net Interest Margin



Excluding three Group I banks and two Group II banks, all other institutions reported improved values of the *non-interest expenditure indicator*. The end-year level of 3.54 per cent was lower both on the corresponding period of 2005 (3.83 per cent) and on the end of 2004 (4.31 per cent). Group II banks traditionally maintained higher median values (4.23 per cent) compared with those of Group I banks (3.37 per cent). Overall, the non-interest expenditure structure underwent no significant changes in both review periods, except for the slight fall in the share of external service expenditure at the expense of the increased other non-interest expenditure.

Chart 29

Efficiency Ratio (Non-interest Expenditure as a Share of Earnings from Core Operations since Early 2006)

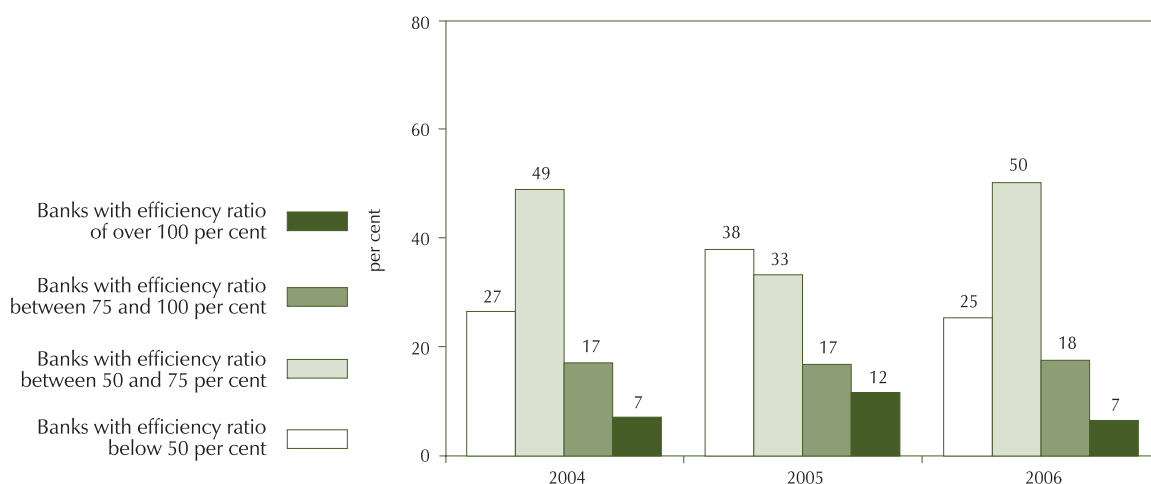
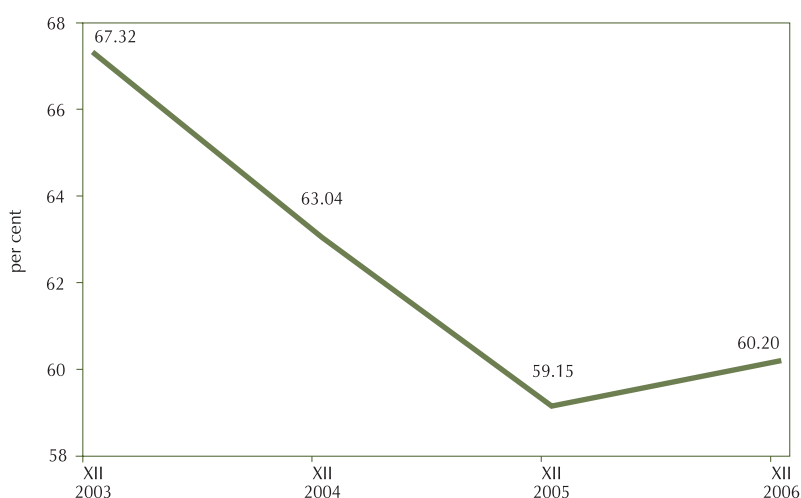


Chart 30

Efficiency Ratio



The *efficiency ratio* rose by a mere 1 percentage point to 60.2 per cent, although non-interest expenditure growth rates (18 per cent) matched core operations income rates (16 per cent). Only three

Group I banks and half of Group II banks reported worsened values compared with the base period. Of note is the decreasing number of institutions failing to cover their operational expenditure by core operations income (from five to three). However, the three banks which succeeded in overcoming the 100 per cent barrier reported still high values. Compared with the same period of 2005, the market share of institutions reporting the efficiency ratio between 50 and 75 per cent increased and they occupied half of the banking system assets at the expense of those in the lowest range (below 50 per cent).

High profits recorded at the end of 2006 contributed to the banking system higher *return on equity* (ROE): from 22.1 to 24.4 per cent. Improved values were reported by seven Group I banks and seven Group II banks. Excluding two Group II banks, all other institutions reported *return on equity* (ROE) significantly below the average banking system value.

Chart 31
Market Shares Based on ROE

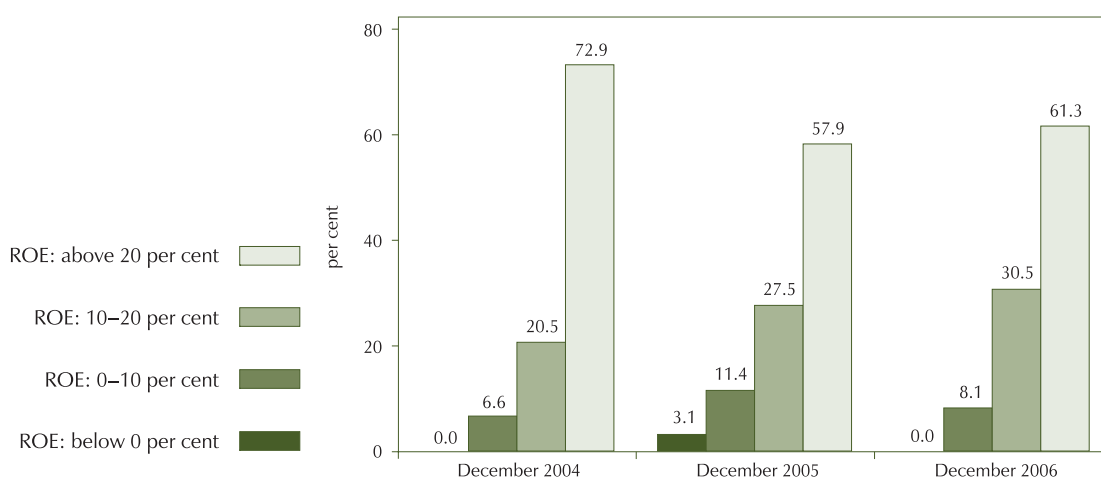
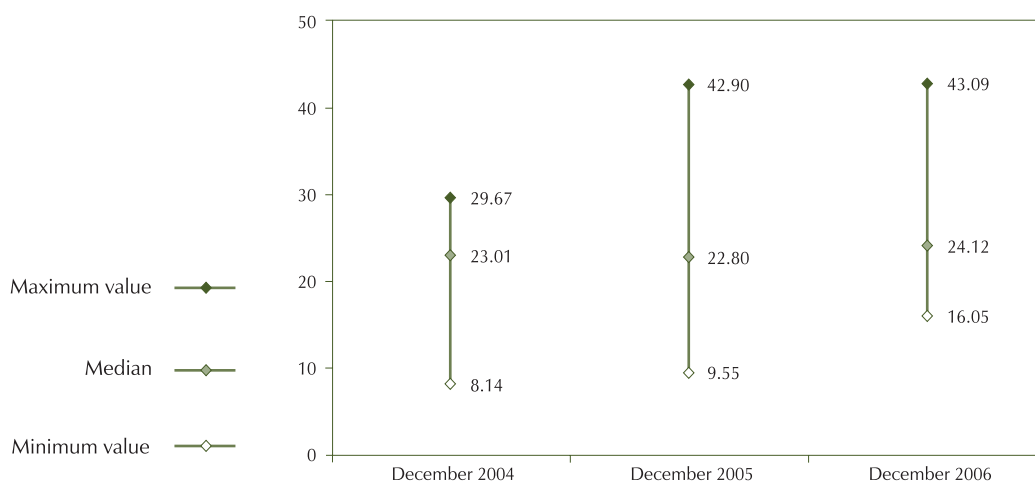


Chart 32
ROE Values of the 10 Largest Banks



At the end of December 2006 bank employees under a labour contract numbered 26,738, an increase of 2588 on the same period of 2005. Correspondingly, the amount of assets per employee reached BGN 1,578,000, an increase of about BGN 218,000.

7. Capital 'C'

- *Despite the quarterly and annual declines in most capital indicators, banks' own funds remained adequate to the system risk profile. Capital position stability was maintained through issuing shares and increased employment of additional capital instruments.*
- *Most banks will capitalize profits for 2006 to meet operational risk capital requirements. Subsidiary banks of large foreign companies will rely on further resource support by their shareholders, unlike the other banks which traditionally utilize the whole amount of the annual financial result. The new rules for measuring credit risk are expected to prompt more precise reporting of banks' risk profile consistent with the specificity of individual exposures to customers and counterparties.*

Increased bank operations over the last quarter of 2006 led to a moderate fall in capital indicators of the banking system to acceptable levels. Overall, the expansion of credit institutions' market positions was adequately supported by new shareholder contributions and extra capital in the form of subordinated term debt and debt/equity (hybrid) instruments. The profit generated in 2006 and lack of banks with negative financial results formed the potential for capital growth. Various methods of managing risk component and primarily credit risk continued to be used over the review period. Consequently, in a year the credit growth rate decreased by 5 percentage points compared with that of own funds. In the last 12 months the capital base of the banking system rose by 28.9 per cent against the total risk component growth of 34.8 per cent. The gap between these rates was sustained over the three-month horizon. At the banking system level, the risk component rate surpassed the capital base rate by 5 percentage points over the fourth quarter. The RWA equivalent of the ten largest banks grew by 8 per cent (against 2.3 per cent growth in equity) compared with 11 and 8 per cent correspondingly in Group II banks. In the last quarter of 2006 the banking system capital base rose by BGN 132 million (3.6 per cent), including BGN 91 million in support of tier 2 capital. Total risk component increased by 8.7 per cent (BGN 2099 million) matching the credit risk rate (8.5 per cent, BGN 1988 million). Further investment in securities pushed up the market risk to BGN 111 million (12.7 per cent). As a result, its share in total risk component slightly rose to 3.8 per cent by end-December.

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. These are banks whose capital position provided no adequate coverage of their risk profile and/or was subject to a strong pressure from dramatic internal and external factors. Some institutions were included here due to high risk concentrations in their credit portfolios and the high level of net classified assets as a share of the capital base. Shareholders and management of other banks had no capacity to meet in due time the emerging needs for additional capital. In a third group of banks, low earnings of poor quality are unable to support growth in capital and operations.

7.2. Capital Adequacy Level and Trends

Over the last quarter of 2006 the banking system total capital adequacy continued to decrease to reach 14.5 per cent (down 0.7 percentage points). The end-December level was still enough in view of the banking system unidentified risks. This conclusion is supported by the results of testing the new

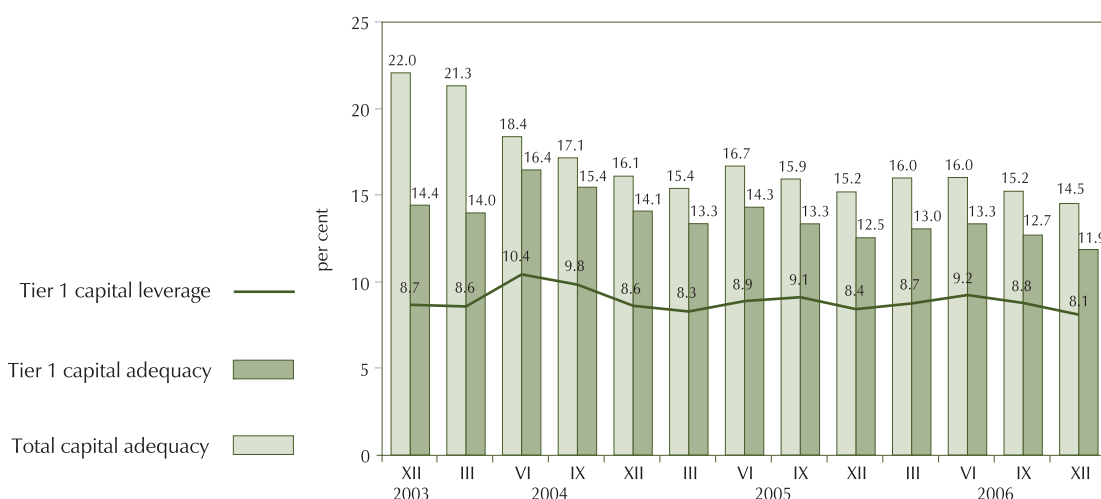
Ordinance No. 8 reflecting Basel II capital requirements and especially the inclusion of the operational risk. Commercial bank data as of 30 September 2006 show that total capital adequacy calculated under the new ordinance fell by 1.5 percentage points to 13.7 per cent. By end-December the banking system generated a capital surplus ensuring a reserve of 2.5 percentage points above the regulatory minimum. In the last three months of 2006 most banks reported declines in this indicator (growth is reported only by eight banks, of which four Group II banks). Three banks managed their adequacy by reducing the risk component, thereby preparing for Basel II. Over the review quarter some banks chose another way of regulating their capital indicators, that is by increasing own funds.

As of 31 December 2006 no banks violated the minimum capital adequacy requirement. However, values close to the regulatory minimum were registered. Banks' market shares based on reported capital adequacy confirm the upward trend in the number of banks with values below 13 per cent. Simultaneously, the share of banks recording the most favourable values decreased. Most banks reported values within the average band (with capital adequacy between 13 and 15 per cent).

At the banking system level, tier 1 capital adequacy dynamics over the fourth quarter of 2006 matched the total capital adequacy: down from 12.7 to 11.9 per cent (against 12.5 per cent a year earlier). Only five banks reported increases in this indicator on September 2006. Most small and medium-sized banks continued to maintain high values of tier 1 capital adequacy. To support their capital base, three banks used financial instruments included in tier 2 capital.

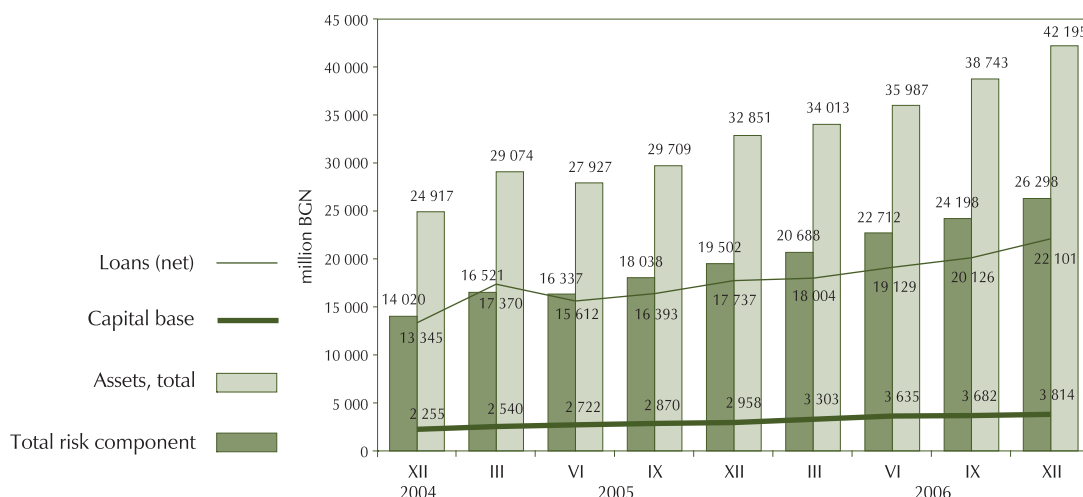
During the fourth quarter tier 1 capital leverage also showed a downward trend: by 0.7 percentage points to 8.1 per cent (against 8.4 per cent by the end of 2005). Six banks, of which only one large bank, registered increased values.

Chart 33
Capital Indicators Dynamics



Net classified assets as a share of own funds significantly improved over the fourth quarter of 2006 following the amendments to BNB Ordinance No. 9 on classification of exposures. The subsequent decrease in net classified assets (by BGN 145 million) along with the increase in banking own funds pushed their ratio down to 20.5 per cent. Therefore, at the close of the year it improved by 4.7 percentage points and in a one-year horizon by 9 percentage points. The annual dynamics of the ratio between net classified assets and own funds reflected its improved level in most banks.

Chart 34

Dynamics of the Major Factors Determining the Level of Capital Indicators

Investments in fixed assets posted an insignificant increase in the review quarter. Compared with September, their share in banking own funds rose by 0.5 percentage points to 24 per cent at the end of 2006. In the last 12 months this indicator improved by 2.1 percentage points, reflecting the faster growth of the capital base. Quarterly dynamics was affected by the BGN 51 million growth in total fixed asset.

7.3. Capital in Excess of Capital Base Regulation

Banking system *capital in excess* decreased for a second consecutive quarter. Between September and December the banking sector utilized another BGN 112 million of the capital in excess. As a result, it dropped to BGN 649 million by the end of 2006. Compared to 30 September 2006, the ten largest banks decreased their capital reserve by BGN 119 million. Banking system capital in excess rose by BGN 51 million on December 2005, seven Group I banks contributing by BGN 47 million to this growth. Over the last year half of small and medium-sized banks also increased their buffer capital. By the end of 2006 two-thirds of the capital in excess was concentrated in Group I.

8. Liquidity 'L'

- In the fourth quarter of 2006 liquidity sustained its good basic characteristics reflecting the asset structure and financing fund stability.*
- Ample liquidity of the banking system over the review quarter and the whole 2006 was mainly due to the regulatory requirements for maintaining additional required reserves by banks whose lending growth exceeded the rates under BNB Ordinance No. 21. In addition, high liquidity levels also reflected cyclical factors or typical end-year transfers.*
- The outlook for the first quarter of 2007 points to retention of the good liquidity potential of the banking system. The large volume of expected additional required reserves over the last maintenance period (February – May 2007) consistent with the provisions of BNB Ordinance No. 21 will probably facilitate future traditional fiscal outflows. Over a longer-term horizon high liquidity is expected to decrease to moderate levels owing to more efficient management and lower earnings imbalances in a strongly competitive market environment.*

Over the last quarter and the whole 2006 banks' strategies and practice in managing current liquidity were implemented in line with stronger requirements for additional required reserves implying an asset structure with a higher share of potential liquidity items. The analysis of the asset quality shows no signs of negative effects on the liquidity position in the short run. Even banks registering credit risk potential sharpness and those which extended the largest volumes of loans over the quarter reported high values of key liquidity indicators. The amount and degree of diversification of financing funds confirm the trend of sustainable growth in deposits from non-financial institutions and other customers (the main and most stable source). To satisfy liquidity needs, some banks attracted additional funds from the foreign parent banks or the interbank money market. At an individual bank level, the fourth quarter saw no unforeseen changes in financial sources and outflow of customer funds due to changed market conditions.

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 changes in market conditions. Therefore, their liquidity position is expected to suffer greater pressure. Weaknesses in liquidity management procedures are most frequently established in these banks. Considerable deposit concentrations require increased supervisory attention. High liquidity risk may stem from banks' dependence on a sizable amount of expensive funds for financing longer-term assets. No serious concerns about institutions included in this zone were reported both in the prior quarter and at the end of December 2006.

8.2. Major Liquidity Indicators: Level and Trends

As in the previous reporting periods of 2006 key liquidity ratios reflected the high liquidity potential steadily maintained in the fourth quarter. By the time of the analysis and in the short run no signs of supervisory concerns occurred in terms of the liquidity position of the banking system and individual banks.

The share of tradable assets⁴ in total banking assets was one of the major and most important indicators showing a steady upward trend over the year and contributing to the positive liquidity assessment. As of 31 December 2006 it was 31.1 per cent and its level was sustained on the previous quarter since total and tradable assets posted identical rates of growth.⁵ In 2006 this ratio moved within a narrow band of 29–31 per cent, reflecting large volumes of funds combined with placements and short-term investment which might be transformed in cash at a reasonable price to meet normal liquidity needs. Over the last quarter of 2006 tradable assets rose by BGN 1066 million or 9 per cent in all components, excluding time deposits with banks and Bulgarian government securities. Only a few banks reported insignificant fluctuations and a fall in tradable assets as a share of total assets due mainly to the technical regulation of the high levels.

The ratio of *tradable assets to total borrowed funds* slightly fell on the prior quarter (from 36.0 per cent to 35.8 per cent) still reflecting the high degree of coverage of borrowed funds by tradable assets. The change was prompted by higher quarterly growth of borrowed funds (9.4 per cent) than that of tradable assets (8.9 per cent).

⁴ The concept of tradable assets is broader than liquid assets. In addition to overnight deposits, tradable assets include all deposits with banks of up to 30 days and claims on repurchase agreements of up to 30 days.

⁵ Both assets and tradable assets increased by 8.9 per cent.

The loans to deposits ratio posted a steady decrease over 2006, albeit insignificant in the last three months (from 68.9 per cent by end-September to 68.6 by end-December 2006). The downward trend over the year reflected mostly the combined effect of several factors intended to bring lending in line with regulatory constraints: the large volume of sold loans, on the one hand, and the deposit base regulation in some subsidiaries through transferring funds from subsidiaries to parent banks. The insignificant drop in this ratio over the fourth quarter was attributable to the faster credit growth (5.4 per cent in the third quarter and 9.1 per cent in the fourth quarter) compared to deposit growth (9 per cent and 9.6 per cent respectively). Unlike the previous quarter, half of systemically important banks reported growth in this indicator between October and December 2006.

For the second consecutive quarter approximately 63 per cent of *financing funds were transformed into loans*. Relatively sustained level of the loans to total funds ratio was due to the robust credit growth (9.1 per cent, BGN 1902 million) which almost matched funds growth (9.3 per cent, BGN 3079 million). At the banking system level, time deposits of foreign banks⁶, mostly of parent banks, posted growth thereby providing funds to finance operations and regulate liquidity position.

The liquid assets ratio rose by around 2 percentage points to 33.5 per cent by the end of December 2006, with Group II banks traditionally reporting higher values (34 per cent) compared with the ten large banks (30 per cent). The asset and liability maturity imbalance analysis confirms the conclusion that small and medium-sized banks strove to ensure a liquidity buffer by covering borrowing outflows over a longer horizon compared with that of Group I banks. In this group conservative assumptions prevail as to the amount of outflows which would be covered by liquid assets in the shortest time horizon of up to seven days and over six months. The eighteen Group II banks are expected to ensure coverage of over 100 per cent in the horizons of up to seven days, up to one month and up to three months.

The fourth quarter of 2006 saw a selection of *government securities primary dealers*. All 23 applicant commercial banks satisfied the selection criteria.

⁶ The October to December 2006 period saw an increase of BGN 332 million (33 per cent) to BGN 1327 million.

Appendix 1

Chart 35
Total Amount of Loans by Quarter

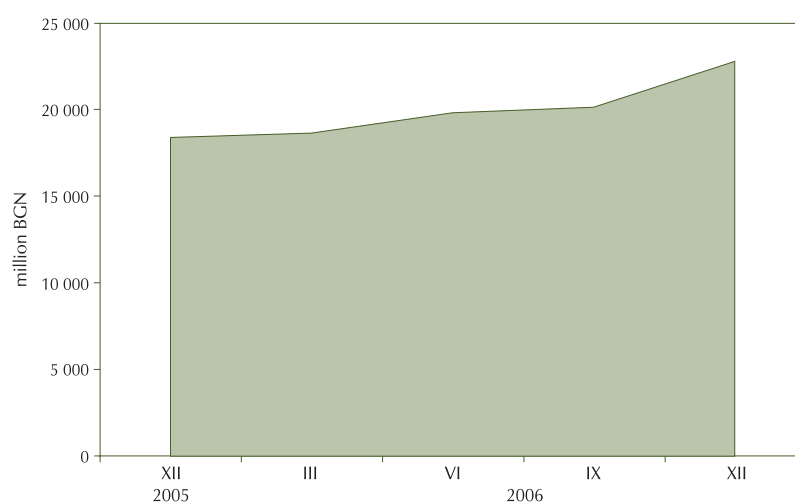


Chart 36
Credit Structure as of December 2006

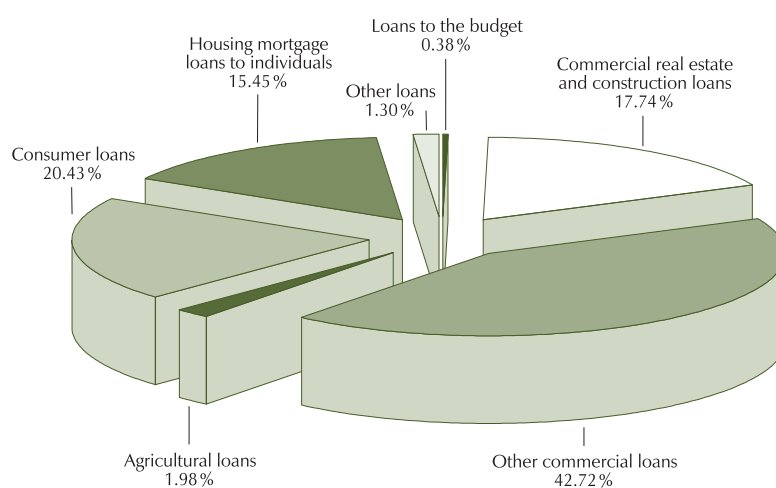


Chart 37

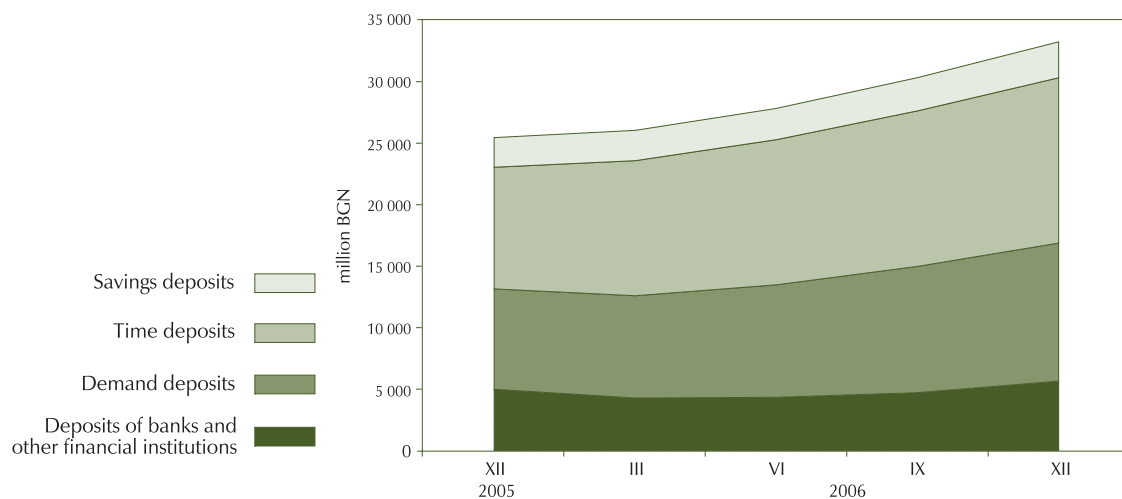
Deposits of Financial and Non-financial Institutions by Quarter

Chart 38

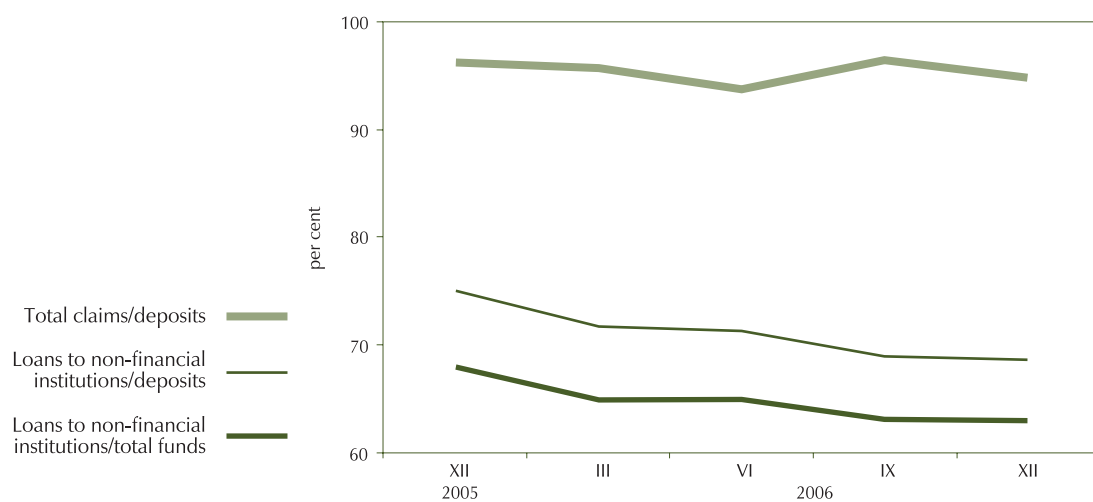
The Loans to Deposits Ratios

Chart 39

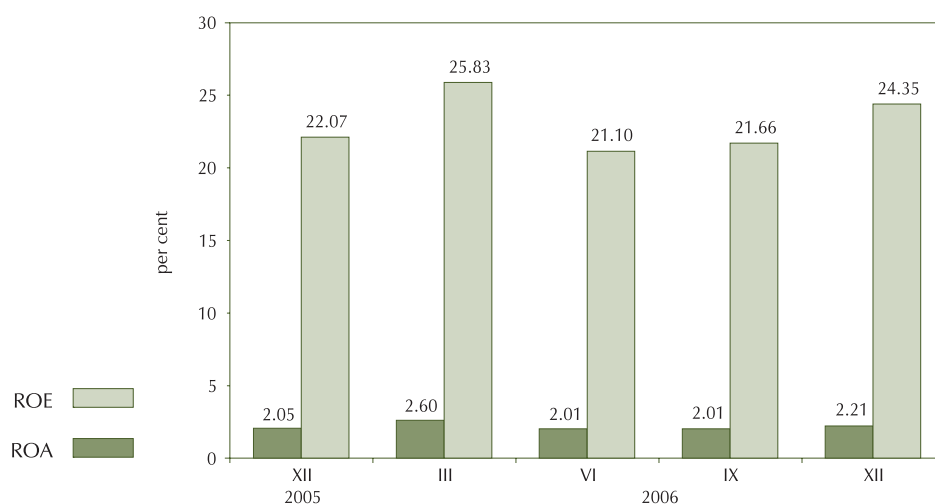
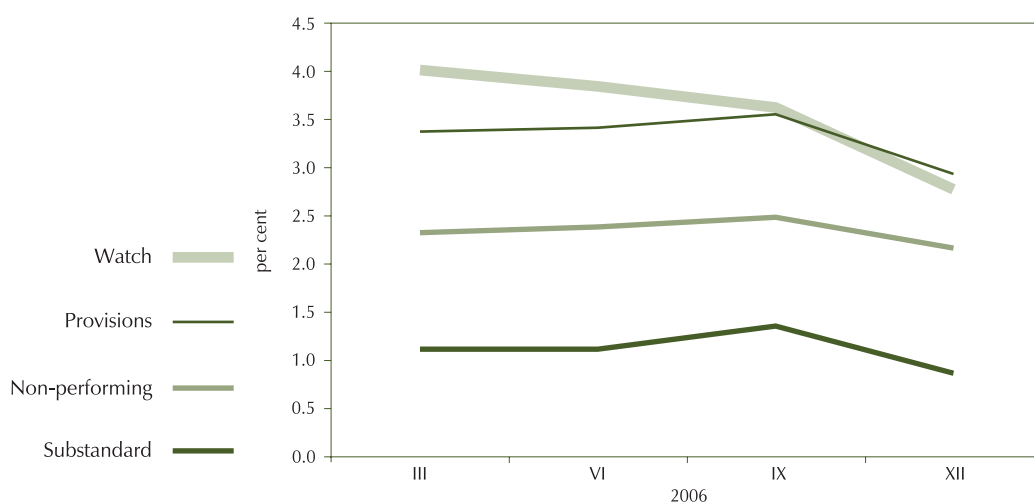
Return on Assets (ROA) and Return on Equity (ROE)

Chart 40

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 the beginning of the year)	Net profit since early year/average assets since the beginning of the year
2.	Core ROA (net income from core operations since early year as a percentage of average assets since the beginning of the year)	Income from core operations since the beginning of the 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 (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), <i>source – Ordinance No. 11</i>
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), <i>source – balance sheets of commercial banks</i>
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

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

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

3. A bank *passport* includes basic information on the structure of shareholder capital and management, which reflect the *actual state at the time of preparing the information* (end-January 2007). 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, HVB Bank Biochim, First Investment Bank, Raiffeisenbank (Bulgaria), Bulgarian Post Bank, United Bulgarian 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 Citibank N. A., Alpha Bank, ING Bank N. V. 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

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CAPITAL ADEQUACY OF COMMERCIAL BANKS AS OF 31 DECEMBER 2006

(under Ordinance No. 8 of the BNB)

Banks	Equity (BGN'000)	Tier 1 capital (BGN'000)	Risk component (%)	Capital adequacy ratio (%)	Tier 1 capital ratio (%)
Group I	2 896 160	2 304 422	20 558 198	14.09	11.21
Group II	917 647	810 962	5 739 433	15.99	14.13
Banking system, total	3 813 807	3 115 384	26 297 631	14.50	11.85

Source: BNB.

CREDIT PORTFOLIO OF COMMERCIAL BANKS

(under Ordinance No. 9 of the BNB)

Bank groups	Loans	December 2006
Group I	Total (BGN'000)	23 323 423
	Standard (%)	95.92
	Watch (%)	1.76
	Substandard (%)	0.65
	Non-performing (%)	1.66
	Provisions (%)	2.21
Group II	Total (BGN'000)	7 043 917
	Standard (%)	94.92
	Watch (%)	2.92
	Substandard (%)	0.64
	Non-performing (%)	1.51
	Provisions (%)	2.16
Group III	Total (BGN'000)	1 025 933
	Standard (%)	98.37
	Watch (%)	1.56
	Substandard (%)	0.00
	Non-performing (%)	0.07
	Provisions (%)	0.25
Banking system, total	Total (BGN'000)	31 393 273
	Standard (%)	95.78
	Watch (%)	2.02
	Substandard (%)	0.63
	Non-performing (%)	1.57
	Provisions (%)	2.14

Source: BNB.

LIQUIDITY OF COMMERCIAL BANKS AS OF 31 DECEMBER 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	10 224 037	1 507 166						
ASSETS, TOTAL – inflow	30 322 203	1 745 534	10 007 462	2 493 311	1 474 723	1 500 063	3 431 698	11 414 946
BORROWED FUNDS, TOTAL (DEPOSITS)	27 932 675		7 955 726	4 715 873	2 128 789	1 448 505	2 641 144	9 042 638
Coefficient of liquid assets	31.21							
Adjusted coefficient of liquid assets to deposits			125.79	89.33	69.28	103.56	129.93	126.23
Group II								
Liquid assets, total	3 767 137	453 863						
ASSETS, TOTAL – inflow	9 246 807	618 749	3 899 431	328 155	432 888	464 836	927 732	3 193 765
BORROWED FUNDS, TOTAL (DEPOSITS)	8 582 742		2 297 466	1 106 040	994 996	1 290 099	1 132 077	1 762 064
Coefficient of liquid assets	38.60							
Adjusted coefficient of liquid assets to deposits			169.73	166.94	110.89	36.62	81.95	181.25
Group III								
Liquid assets, total	631 495	5 701						
ASSETS, TOTAL – inflow	1 335 720	6 088	916 901	46 118	62 528	25 403	68 981	215 789
BORROWED FUNDS, TOTAL (DEPOSITS)	1 288 680		769 330	193 510	69 612	53 683	8 057	194 488
Coefficient of liquid assets	48.56							
Adjusted coefficient of liquid assets to deposits			119.18	32.59	89.82	47.32	856.16	110.95
BANKING SYSTEM, TOTAL								
Liquid assets, total	14 622 669	1 966 730						
ASSETS, TOTAL – inflow	40 904 730	2 370 371	14 823 794	2 867 584	1 970 139	1 990 302	4 428 411	14 824 500
BORROWED FUNDS, TOTAL (DEPOSITS)	37 804 097		11 022 522	6 015 423	3 193 397	2 792 287	3 781 278	10 999 190
Coefficient of liquid assets	33.48							
Adjusted coefficient of liquid assets to deposits			134.49	101.77	61.69	71.28	117.11	134.78

Source: BNB.

HIGH LIQUIDITY ASSET RATIOS

(share of deposits, %)

Commercial bank groups		December 2006
Group I	Primary liquidity	13.52
	Secondary liquidity	31.21
Group II	Primary liquidity	14.14
	Secondary liquidity	38.60
Group III	Primary liquidity	15.52
	Secondary liquidity	48.56
Banking system, total	Primary liquidity	13.74
	Secondary liquidity	33.48

Source: BNB.

IV. Balance Sheets and Income Statements

(as of December 2006)

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BALANCE SHEET OF THE BANKING SYSTEM AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
ASSETS					
Vault cash and current accounts with the BNB	4 559 045		2 177 724	2 272 136	109 185
Claims on financial institutions					
Demand deposits with banks	1 360 574	251 306	11 910	810 804	286 554
Time deposits with banks	6 983 216	60 765	1 791 128	3 364 242	1 767 081
Loans to banks	42 497	0	1 830	29 523	11 144
Other claims on banks	7 261	0	5 038	1 375	848
Loans to other financial institutions	229 156	0	39 657	189 499	0
Claims on financial institutions, total	8 622 704	312 071	1 849 563	4 395 443	2 065 627
Less: specific provisions	1 320		923	397	0
Claims on financial institutions, net	8 621 384	312 071	1 848 640	4 395 046	2 065 627
Claims under repurchase agreements	254 146	0	144 812	71 030	38 304
Trading portfolio	2 242 446	6 865	995 468	785 268	454 845
Investment portfolio					
Investments held to maturity	800 160	0	261 901	265 183	273 076
Investments available for sale	2 326 618	0	1 016 307	949 604	360 707
Loans to non-financial institutions and other customers					
Loans to budget	86 528		61 603	24 925	0
Commercial loans					
Commercial real estate and construction loans	4 040 273		937 701	3 010 545	92 027
Other commercial loans	9 727 984		4 272 405	5 164 093	291 486
Agricultural loans	450 233		362 851	85 111	2 271
Consumer loans	4 652 148		4 353 699	262 385	36 064
Housing mortgage loans to individuals	3 518 390		2 341 761	1 151 877	24 752
Other loans	295 013	0	116 625	169 178	9 210
Loans to non-financial institutions and other customers, total	22 770 569	0	12 446 645	9 868 114	455 810
Less: specific provisions	669 950		440 836	210 206	18 908
Loans to non-financial institutions and other customers, net	22 100 619	0	12 005 809	9 657 908	436 902
Memo: purchased loans	12 212				
Assets for resale	22 311		22 311	0	0
Investments in subsidiaries, associated and joint-venture companies	62 502		62 502	0	0
Other assets					
Hedging derivatives	4 210	0	4 210	0	0
Other assets	169 790	410	115 330	42 349	11 701
Other assets, total	174 000	410	119 540	42 349	11 701
Intangible assets	107 251		106 920	0	331
Premises and other fixed assets	924 382		922 351	0	2 031
Assets, total	42 194 864	319 346	19 684 285	18 438 524	3 752 709

(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	223 081	2 441	49 658	123 172	47 810
Time deposits of banks	3 345 359	116 910	1 482 976	1 477 033	268 440
Deposits of other financial institutions	2 059 867	0	925 978	1 077 453	56 436
Deposits of non-financial institutions and other customers					
Demand deposits	11 211 496	0	7 414 420	3 008 001	789 075
Time deposits	13 435 411	0	4 763 494	6 097 224	2 574 693
Savings deposits	2 913 104	0	1 451 531	1 066 027	395 546
Deposits, total	33 188 318	119 351	16 088 057	12 848 910	4 132 000
Borrowings under repurchase agreements	434 489	0	152 808	244 738	36 943
Short-term borrowings					
From the BNB	0		0	0	0
From banks	149 779	0	0	149 779	0
Other	58 696	0	28 747	29 949	0
Long-term borrowings	2 742 448	0	443 919	2 263 767	34 762
Memo: borrowings from banks	1 899 590	0	126 759	1 738 069	34 762
Subordinated term debt and debt/equity (hybrid) instruments					
Subordinated term debt	190 582		25 672	164 281	629
Debt/equity (hybrid) instruments	355 774		11 165	344 609	0
Other liabilities					
Trading portfolio liabilities	21 206	223	6 498	7 108	7 377
Hedging derivatives	4 072	0	3 256	816	0
Specific provisions on off-balance sheet commitments	48 016	0	6 113	2 707	39 196
Other liabilities	612 700	22 776	330 839	192 913	66 172
Liabilities, total	37 806 080	142 350	17 097 074	16 249 577	4 317 079
Minority interest in consolidated subsidiaries	0		0	0	0
Equity					
Common stock	1 502 447		1 502 447		
Share premium on common stock	1 789		1 789		
Preferred stock and related premium	0		0		
Reserves					
Retained profit/loss, previous years	69 512	34 337	35 175		
Statutory reserves	911 215		911 215		
Other reserves	832 000	25 741	806 259		
Cumulative foreign exchange translation adjustment	0		0		
Other equity components					
Revaluation – fixed assets	254 504	0	254 504		
Revaluation – investments available for sale	8 374	-57	8 431		
Revaluation – cash flow hedges	0	0	0		
Profit/loss, current year	807 590		807 590		
One-off effect of the change in accounting regime	1 353	0	1 353		
Equity, total	4 388 784	60 021	4 328 763		
Liabilities, minority interest, and capital, total	42 194 864	202 371	21 425 837	16 249 577	4 317 079
Memo: credit substitutes and other off-balance sheet commitments	8 265 605	74 488	3 252 712	3 934 224	1 004 181

INCOME STATEMENT OF THE BANKING SYSTEM

(December 2006)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME					
Interest income from demand deposits with banks	18 108	5 400	202	10 481	2 025
Interest income from time deposits with banks	184 163	10 626	24 882	64 861	83 794
Interest income from loans to banks	2 778	0	142	1 747	889
Interest income from other claims on banks	3 954	0	13	2 660	1 281
Interest income from loans to other financial institutions	12 884	0	2 608	10 258	18
Interest income from claims under repurchase agreements	9 840	0	3 658	4 072	2 110
Interest income from trading portfolio	111 779	0	59 240	22 617	29 922
Interest income from investment portfolio	127 712	0	55 504	45 364	26 844
Bulgarian government securities	62 466		41 333	18 711	2 422
Other domestic debt securities	20 741	0	12 427	7 487	827
Debt securities issued by foreign governments and international financial institutions	22 291		384	12 045	9 862
Other external debt securities	22 214	0	1 360	7 121	13 733
Interest income from loans	1 961 850	0	1 171 311	732 723	57 816
Loans to budget	3 239		3 078	161	0
Commercial real estate and construction loans	340 628		74 457	249 962	16 209
Other commercial loans	809 618		388 682	383 749	37 187
Agricultural loans	30 001		24 474	5 140	387
Consumer loans	553 104		532 281	19 708	1 115
Housing mortgage loans to individuals	208 178		141 410	64 997	1 771
Other loans	17 082	0	6 929	9 006	1 147
Dividend income	4 601	0	4 551	50	0
Interest and dividend income, total	2 437 669	16 026	1 322 111	894 833	204 699
INTEREST EXPENDITURE					
Interest expenditure on deposits of banks	66 275	3 980	19 910	30 101	12 284
Interest expenditure on deposits of other financial institutions	87 219	0	26 248	59 117	1 854
Interest expenditure on demand deposits of non-financial institutions and other customers	64 891	0	40 024	20 531	4 336
Interest expenditure on time deposits of non-financial institutions and other customers	413 274	0	170 511	163 803	78 960
Interest expenditure on savings deposits of non-financial institutions and other customers	43 450	0	28 429	11 172	3 849
Interest expenditure on borrowings under repurchase agreements	8 632	0	3 469	3 133	2 030
Interest expenditure on short-term borrowings	11 688	0	1 533	9 514	641
Interest expenditure on long-term borrowings	104 839	0	13 730	84 301	6 808
Interest expenditure on subordinated term debt	11 586		375	11 154	57
Interest expenditure on debt/equity (hybrid) instruments	19 363		165	19 198	0
Interest expenditure on other liabilities	10 786	4	700	5 549	4 533
Interest expenditure, total	842 003	3 984	305 094	417 573	115 352
INTEREST AND DIVIDEND INCOME, NET	1 595 666	12 042	1 017 017	477 260	89 347
CREDIT PROVISIONS					
Accrued provisions	503 857	0			
Reintegrated provisions	390 231	0			
Credit provisions, net	113 626	0			

(continued)

(continued)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS					
Gain/loss on securities trading portfolio	-36 078	0			
Gain/loss on derivatives held for trading	9 597	-5			
Gain/loss on other instruments in trading portfolio	853	0			
Trading portfolio gain/loss, total	-25 628	-5			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE					
Gain/loss on investments available for sale	16 822	0			
Gain/loss on instruments effectively hedging investments available for sale	468	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	4 571	0			
OTHER NON-INTEREST INCOME					
Loan servicing income	164 559	0			
Fee income on off-balance sheet accounts	38 737	0			
Service charges on deposits	177 829	0			
Other fees and commissions	193 104	0			
Gain/loss on assets held for resale	394	0			
Gain/loss on sale of other assets	22 850	0			
Gain/loss on foreign currency transactions	74 883	-1 448			
Other non-interest income	55 324	1 257			
NON-INTEREST EXPENDITURE					
Salary, social security, and pension expenditure	435 992				
Occupancy expenditure, net	218 941				
External service expenditure paid to shareholders, subsidiaries and associated companies	15 406				
Other external service expenditure	311 109	4 498			
Other non-interest expenditure	309 404	0			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	915 101	7 348			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	27 284	1 045			
EXTRAORDINARY GAIN/LOSS	7 246	0			
TAX	142 041				
MINORITY INTEREST	0				
PROFIT/LOSS, NET	807 590	8 393			

BALANCE SHEET OF GROUP I BANKS AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	3 297 423	1 413 789	1 806 628	77 006
Claims on financial institutions				
Demand deposits with banks	976 239	8 315	735 191	232 733
Time deposits with banks	4 582 551	1 221 750	2 208 623	1 152 178
Loans to banks	21 082	2	9 936	11 144
Other claims on banks	6 506	4 749	1 035	722
Loans to other financial institutions	150 998	29 703	121 295	0
Claims on financial institutions, total	5 737 376	1 264 519	3 076 080	1 396 777
Less: specific provisions	685	379	306	0
Claims on financial institutions, net	5 736 691	1 264 140	3 075 774	1 396 777
Claims under repurchase agreements	62 827	31 951	29 515	1 361
Trading portfolio	1 770 215	653 805	685 742	430 668
Investment portfolio				
Investments held to maturity	531 186	93 443	179 882	257 861
Investments available for sale	1 853 228	795 846	739 196	318 186
Loans to non-financial institutions and other customers				
Loans to budget	62 565	39 377	23 188	0
Commercial loans				
Commercial real estate and construction loans	2 721 529	580 799	2 096 775	43 955
Other commercial loans	7 235 770	2 843 906	4 225 211	166 653
Agricultural loans	267 545	194 178	71 676	1 691
Consumer loans	4 117 847	3 890 577	202 143	25 127
Housing mortgage loans to individuals	3 024 878	2 140 215	869 150	15 513
Other loans	155 913	66 934	82 092	6 887
Loans to non-financial institutions and other customers, total	17 586 047	9 755 986	7 570 235	259 826
Less: specific provisions	515 566	357 462	148 602	9 502
Loans to non-financial institutions and other customers, net	17 070 481	9 398 524	7 421 633	250 324
Memo: purchased loans	11 580			
Assets for resale	10 524	10 524	0	0
Investments in subsidiaries, associated and joint-venture companies	55 256	55 256	0	0
Other assets				
Hedging derivatives	4 210	4 210	0	0
Other assets	102 243	76 417	19 488	6 338
Other assets, total	106 453	80 627	19 488	6 338
Intangible assets	81 173	80 842	0	331
Premises and other fixed assets	701 703	699 672	0	2 031
Assets, total	31 277 160	14 578 419	13 957 858	2 740 883

(continued)

(continued)		(BGN'000)		
	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	128 718	22 785	95 604	10 329
Time deposits of banks	2 655 501	1 226 209	1 231 498	197 794
Deposits of other financial institutions	1 585 974	617 080	951 781	17 113
Deposits of non-financial institutions and other customers				
Demand deposits	7 830 833	5 032 362	2 282 669	515 802
Time deposits	9 857 002	3 544 928	4 461 893	1 850 181
Savings deposits	2 327 591	1 214 042	794 736	318 813
Deposits, total	24 385 619	11 657 406	9 818 181	2 910 032
Borrowings under repurchase agreements	415 019	133 338	244 738	36 943
Short-term borrowings				
From the BNB	0	0	0	0
From banks	66	0	66	0
Other	18 491	18 078	413	0
Long-term borrowings	2 152 077	372 983	1 744 367	34 727
Memo: borrowings from banks	1 628 114	126 759	1 466 628	34 727
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	127 282	0	127 282	0
Debt/equity (hybrid) instruments	318 010	0	318 010	0
Other liabilities				
Trading portfolio liabilities	20 096	6 492	6 580	7 024
Hedging derivatives	3 256	3 256	0	0
Specific provisions on off-balance sheet commitments	48 016	6 113	2 707	39 196
Other liabilities	446 432	252 316	163 361	30 755
Liabilities, total	27 934 364	12 449 982	12 425 705	3 058 677
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	944 399	944 399		
Share premium on common stock	22	22		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	44 632	44 632		
Statutory reserves	728 550	728 550		
Other reserves	702 736	702 736		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	234 163	234 163		
Revaluation – investments available for sale	9 493	9 493		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	678 801	678 801		
One-off effect of the change in accounting regime	0	0		
Equity, total	3 342 796	3 342 796		
Liabilities, minority interest, and capital, total	31 277 160	15 792 778	12 425 705	3 058 677
Memo: credit substitutes and other off-balance sheet commitments	5 955 969	2 195 243	3 000 464	760 262

INCOME STATEMENT OF GROUP I BANKS

(December 2006)

(BGN'000)				
	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	11 354	35	9 607	1 712
Interest income from time deposits with banks	115 083	18 378	38 676	58 029
Interest income from loans to banks	1 984	57	1 040	887
Interest income from other claims on banks	3 944	5	2 658	1 281
Interest income from loans to other financial institutions	7 495	1 787	5 708	0
Interest income from claims under repurchase agreements	2 581	1 012	1 447	122
Interest income from trading portfolio	89 173	44 331	17 504	27 338
Interest income from investment portfolio	95 379	44 155	28 766	22 458
Bulgarian government securities	45 746	31 847	12 951	948
Other domestic debt securities	12 111	10 896	701	514
Debt securities issued by foreign governments and international financial institutions	18 745	336	10 013	8 396
Other external debt securities	18 777	1 076	5 101	12 600
Interest income from loans	1 493 614	944 105	517 923	31 586
Loans to budget	2 167	2 140	27	0
Commercial real estate and construction loans	210 622	45 870	156 133	8 619
Other commercial loans	577 820	265 623	291 082	21 115
Agricultural loans	13 171	9 573	3 561	37
Consumer loans	507 693	491 698	15 213	782
Housing mortgage loans to individuals	172 535	125 917	45 611	1 007
Other loans	9606	3284	6296	26
Dividend income	2390	2390	0	0
Interest and dividend income, total	1 822 997	1 056 255	623 329	143 413
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	51 871	17 306	24 902	9 663
Interest expenditure on deposits of other financial institutions	70 187	14 347	55 445	395
Interest expenditure on demand deposits of non-financial institutions and other customers	41 421	23 849	14 656	2 916
Interest expenditure on time deposits of non-financial institutions and other customers	288 347	130 383	104 582	53 382
Interest expenditure on savings deposits of non-financial institutions and other customers	28 158	20 024	5 927	2 207
Interest expenditure on borrowings under repurchase agreements	7 462	2 326	3 106	2 030
Interest expenditure on short-term borrowings	2 309	292	1 769	248
Interest expenditure on long-term borrowings	72 814	12 382	55 222	5 210
Interest expenditure on subordinated term debt	10 144	0	10 144	0
Interest expenditure on debt/equity (hybrid) instruments	17 622	0	17 622	0
Interest expenditure on other liabilities	9 117	609	4 936	3 572
Interest expenditure, total	599 452	221 518	298 311	79 623
INTEREST AND DIVIDEND INCOME, NET	1 223 545	834 737	325 018	63 790
CREDIT PROVISIONS				
Accrued provisions	351 388			
Reintegrated provisions	278 183			
Credit provisions, net	73 205			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	-33 596			
Gain/loss on derivatives held for trading	7 466			
Gain/loss on other instruments in trading portfolio	857			
Trading portfolio gain/loss, total	-25 273			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	9 709			
Gain/loss on instruments effectively hedging investments available for sale	609			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	5 419			
OTHER NON-INTEREST INCOME				
Loan servicing income	134 769			
Fee income on off-balance sheet accounts	25 254			
Service charges on deposits	136 923			
Other fees and commissions	143 443			
Gain/loss on assets held for resale	258			
Gain/loss on sale of other assets	2 383			
Gain/loss on foreign currency transactions	52 554			
Other non-interest income	28 005			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	295 144			
Occupancy expenditure, net	140 298			
External service expenditure paid to shareholders, subsidiaries and associated companies	9 195			
Other external service expenditure	236 743			
Other non-interest expenditure	212 982			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	770 031			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	21 239			
EXTRAORDINARY GAIN/LOSS	8 404			
TAX	120 873			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	678 801			

BALANCE SHEET OF GROUP II BANKS AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	1 069 769	707 516	333 122	29 131
Claims on financial institutions				
Demand deposits with banks	131 810	3 509	75 080	53 221
Time deposits with banks	2 184 222	495 143	1 095 867	593 212
Loans to banks	19 587	0	19 587	0
Other claims on banks	755	289	340	126
Loans to other financial institutions	44 001	6 222	37 779	0
Claims on financial institutions, total	2 380 375	505 163	1 228 653	646 559
Less: specific provisions	635	544	91	0
Claims on financial institutions, net	2 379 740	504 619	1 228 562	646 559
Claims under repurchase agreements	191 319	112 861	41 515	36 943
Trading portfolio	388 131	276 334	87 905	23 892
Investment portfolio				
Investments held to maturity	268 974	168 458	85 301	15 215
Investments available for sale	437 000	212 002	186 282	38 716
Loans to non-financial institutions and other customers				
Loans to budget	23 963	22 226	1 737	0
Commercial loans				
Commercial real estate and construction loans	1 165 994	344 490	780 692	40 812
Other commercial loans	2 165 344	1 228 759	818 649	117 936
Agricultural loans	175 035	161 020	13 435	580
Consumer loans	531 496	461 270	59 368	10 858
Housing mortgage loans to individuals	463 043	193 440	260 389	9 214
Other loans	138 667	49 492	86 916	2 259
Loans to non-financial institutions and other customers, total	4 663 542	2 460 697	2 021 186	181 659
Less: specific provisions	151 828	82 720	60 379	8 729
Loans to non-financial institutions and other customers, net	4 511 714	2 377 977	1 960 807	172 930
Memo: purchased loans	632			
Assets for resale	11 787	11 787	0	0
Investments in subsidiaries, associated and joint-venture companies	7 246	7 246	0	0
Other assets				
Hedging derivatives	0	0	0	0
Other assets	60 638	34 789	21 054	4 795
Other assets, total	60 638	34 789	21 054	4 795
Intangible assets	25 025	25 025	0	0
Premises and other fixed assets	205 832	205 832	0	0
Assets, total	9 557 175	4 644 446	3 944 548	968 181

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(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions				
Demand deposits of banks	48 352	3 049	24 046	21 257
Time deposits of banks	457 665	230 944	159 939	66 782
Deposits of other financial institutions	425 974	292 154	95 503	38 317
Deposits of non-financial institutions and other customers				
Demand deposits	2 803 303	2 113 286	487 627	202 390
Time deposits	3 276 420	1 132 918	1 555 231	588 271
Savings deposits	555 084	233 910	246 743	74 431
Deposits, total	7 566 798	4 006 261	2 569 089	991 448
Borrowings under repurchase agreements	19 470	19 470	0	0
Short-term borrowings				
From the BNB	0	0	0	0
From banks	149 713	0	149 713	0
Other	40 205	10 669	29 536	0
Long-term borrowings	590 371	70 936	519 400	35
Memo: borrowings from banks	271 476	0	271 441	35
Subordinated term debt and debt/equity (hybrid) instruments				
Subordinated term debt	63 300	25 672	36 999	629
Debt/equity (hybrid) instruments	37 764	11 165	26 599	0
Other liabilities				
Trading portfolio liabilities	563	6	217	340
Hedging derivatives	816	0	816	0
Specific provisions on off-balance sheet commitments	0	0	0	0
Other liabilities	114 036	73 709	26 860	13 467
Liabilities, total	8 583 036	4 217 888	3 359 229	1 005 919
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	558 048	558 048		
Share premium on common stock	1 767	1 767		
Preferred stock and related premium	0	0		
Reserves				
Retained profit/loss, previous years	-9 457	-9 457		
Statutory reserves	182 665	182 665		
Other reserves	103 523	103 523		
Cumulative foreign exchange translation adjustment	0	0		
Other equity components				
Revaluation – fixed assets	20 341	20 341		
Revaluation – investments available for sale	-1 062	-1 062		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	116 961	116 961		
One-off effect of the change in accounting regime	1 353	1 353		
Equity, total	974 139	974 139		
Liabilities, minority interest, and capital, total	9 557 175	5 192 027	3 359 229	1 005 919
Memo: credit substitutes and other off-balance sheet commitments	1 533 707	804 540	561 392	167 775

INCOME STATEMENT OF GROUP II BANKS (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	872	6	565	301
Interest income from time deposits with banks	56 763	5 054	25 959	25 750
Interest income from loans to banks	711	2	707	2
Interest income from other claims on banks	10	8	2	0
Interest income from loans to other financial institutions	3 372	587	2 767	18
Interest income from claims under repurchase agreements	7 251	2 638	2 625	1 988
Interest income from trading portfolio	20 541	12 844	5 113	2 584
Interest income from investment portfolio	30 320	10 744	15 460	4 116
Bulgarian government securities	16 115	8 881	5 760	1 474
Other domestic debt securities	8 630	1 531	6 786	313
Debt securities issued by foreign governments and international financial institutions	2 138	48	894	1 196
Other external debt securities	3 437	284	2 020	1 133
Interest income from loans	443 720	216 339	203 033	24 348
Loans to budget	1 072	938	134	0
Commercial real estate and construction loans	122 767	27 897	87 897	6 973
Other commercial loans	216 274	113 872	87 409	14 993
Agricultural loans	16 527	14 783	1 570	174
Consumer loans	45 128	40 331	4 471	326
Housing mortgage loans to individuals	34 485	14 882	18 842	761
Other loans	7 467	3 636	2 710	1 121
Dividend income	2 211	2 161	50	0
Interest and dividend income, total	565 771	250 383	256 281	59 107
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	7 200	1 532	3 709	1 959
Interest expenditure on deposits of other financial institutions	16 376	11 819	3 166	1 391
Interest expenditure on demand deposits of non-financial institutions and other customers	18 229	14 162	2 831	1 236
Interest expenditure on time deposits of non-financial institutions and other customers	120 351	39 549	57 063	23 739
Interest expenditure on savings deposits of non-financial institutions and other customers	15 249	8 401	5 212	1 636
Interest expenditure on borrowings under repurchase agreements	1 166	1 139	27	0
Interest expenditure on short-term borrowings	8 981	1 241	7 364	376
Interest expenditure on long-term borrowings	32 025	1 348	29 079	1 598
Interest expenditure on subordinated term debt	1 442	375	1 010	57
Interest expenditure on debt/equity (hybrid) instruments	1 741	165	1 576	0
Interest expenditure on other liabilities	1 665	91	613	961
Interest expenditure, total	224 425	79 822	111 650	32 953
INTEREST AND DIVIDEND INCOME, NET	341 346	170 561	144 631	26 154
CREDIT PROVISIONS				
Accrued provisions	150 522			
Reintegrated provisions	109 029			
Credit provisions, net	41 493			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	-2 831			
Gain/loss on derivatives held for trading	167			
Gain/loss on other instruments in trading portfolio	0			
Trading portfolio gain/loss, total	-2 664			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE				
Gain/loss on investments available for sale	7 303			
Gain/loss on instruments effectively hedging investments available for sale	-141			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-848			
OTHER NON-INTEREST INCOME				
Loan servicing income	28 830			
Fee income on off-balance sheet accounts	12 594			
Service charges on deposits	38 738			
Other fees and commissions	42 221			
Gain/loss on assets held for resale	136			
Gain/loss on sale of other assets	20 467			
Gain/loss on foreign currency transactions	19 063			
Other non-interest income	23 492			
NON-INTEREST EXPENDITURE				
Salary, social security, and pension expenditure	128 176			
Occupancy expenditure, net	72 166			
External service expenditure paid to shareholders, subsidiaries and associated companies	6 211			
Other external service expenditure	62 113			
Other non-interest expenditure	87 768			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	132 610			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	4 534			
EXTRAORDINARY GAIN/LOSS	-1 158			
TAX	19 025			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	116 961			

BALANCE SHEET OF GROUP III BANKS AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	191 853		191 853	56 419	132 386	3 048
Claims on financial institutions						
Demand deposits with banks	252 525	251 306	1 219	86	533	600
Time deposits with banks	216 443	60 765	155 678	74 235	59 752	21 691
Loans to banks	1 828	0	1 828	1 828	0	0
Other claims on banks	0	0	0	0	0	0
Loans to other financial institutions	34 157	0	34 157	3 732	30 425	0
Claims on financial institutions, total	504 953	312 071	192 882	79 881	90 710	22 291
Less: specific provisions	0	0	0	0	0	0
Claims on financial institutions, net	504 953	312 071	192 882	79 881	90 710	22 291
Claims under repurchase agreements						
	0	0	0	0	0	0
Trading portfolio	84 100	6 865	77 235	65 329	11 621	285
Investment portfolio						
Investments held to maturity	0	0	0	0	0	0
Investments available for sale	36 390	0	36 390	8 459	24 126	3 805
Loans to non-financial institutions and other customers						
Loans to budget	0		0	0	0	0
Commercial loans						
Commercial real estate and construction loans	152 750		152 750	12 412	133 078	7 260
Other commercial loans	326 870		326 870	199 740	120 233	6 897
Agricultural loans	7 653		7 653	7 653	0	0
Consumer loans	2 805		2 805	1 852	874	79
Housing mortgage loans to individuals	30 469		30 469	8 106	22 338	25
Other loans	433	0	433	199	170	64
Loans to non-financial institutions and other customers, total	520 980	0	520 980	229 962	276 693	14 325
Less: specific provisions	2 556	0	2 556	654	1 225	677
Loans to non-financial institutions and other customers, net	518 424	0	518 424	229 308	275 468	13 648
Memo: purchased loans						
related parties	0					
unrelated parties	0					
Assets for resale	0		0	0	0	0
Other assets						
Hedging derivatives	0	0	0	0	0	0
Other assets	6 909	410	6 499	4 124	1 807	568
Other assets, total	6 909	410	6 499	4 124	1 807	568
Intangible assets	1 053		1 053	1 053	0	0
Premises and other fixed assets	16 847		16 847	16 847	0	0
Assets, total	1 360 529	319 346	1 041 183	461 420	536 118	43 645

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(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	46 011	2 441	43 570	23 824	3 522	16 224
Time deposits of banks	232 193	116 910	115 283	25 823	85 596	3 864
Deposits of other financial institutions	47 919	0	47 919	16 744	30 169	1 006
Deposits of non-financial institutions and other customers						
Demand deposits	577 360	0	577 360	268 772	237 705	70 883
Time deposits	301 989	0	301 989	85 648	80 100	136 241
Savings deposits	30 429	0	30 429	3 579	24 548	2 302
Deposits, total	1 235 901	119 351	1 116 550	424 390	461 640	230 520
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings						
From the BNB	0		0	0	0	0
From banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Memo: borrowings from banks	0	0	0	0	0	0
Other liabilities						
Trading portfolio liabilities	547	223	324	0	311	13
Hedging derivatives	0	0	0	0	0	0
Specific provisions on off-balance sheet commitments	0	0	0	0	0	0
Other liabilities	52 232	22 776	29 456	4 814	2 692	21 950
Liabilities, total	1 288 680	142 350	1 146 330	429 204	464 643	252 483
Reserves and financial result						
Reserves	60 078	60 078				
Retained profit/loss, previous years	34 337	34 337				
Other reserves	25 741	25 741				
Revaluation reserves	-57	-57				
Revaluation – fixed assets	0	0				
Revaluation – investments available for sale	-57	-57				
Revaluation – cash flow hedges	0	0				
Profit/loss, current year	11 828		11 828	11828		
One-off effect of the change in accounting regime	0	0				
Reserves and financial result, total	71 849	60 021	11 828	11828		
Liabilities, reserves, and financial result, total	1 360 529	202 371	1 158 158	441 032	464 643	252 483
Memo: credit substitutes and other off-balance sheet commitments	775 929	74 488	701 441	252 929	372 368	76 144

INCOME STATEMENT OF GROUP III BANKS (December 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME						
Interest income from demand deposits with banks	5 882	5 400	482	161	309	12
Interest income from time deposits with banks	12 317	10 626	1 691	1 450	226	15
Interest income from loans to banks	83	0	83	83	0	0
Interest income from other claims on banks	0	0	0	0	0	0
Interest income from loans to other financial institutions	2 017	0	2 017	234	1 783	0
Interest income from claims under repurchase agreements	8	0	8	8	0	0
Interest income from trading portfolio	2 065	0	2 065	2 065	0	0
Interest income from investment portfolio	2 013	0	2 013	605	1 138	270
Bulgarian government securities	605		605	605	0	0
Other domestic debt securities	0	0	0	0	0	0
External debt securities issued by foreign governments and international financial institutions	1 408		1 408	0	1 138	270
Other external debt securities	0	0	0	0	0	0
Interest income from loans	24 516	0	24 516	10 867	11 767	1 882
Loans to budget	0		0	0	0	0
Commercial real estate and construction loans	7 239		7 239	690	5 932	617
Other commercial loans	15 524		15 524	9 187	5 258	1 079
Agricultural loans	303		303	118	9	176
Consumer loans	283		283	252	24	7
Housing mortgage loans to individuals	1 158		1 158	611	544	3
Other loans	9	0	9	9	0	0
Dividend income	0	0	0	0	0	0
Interest and dividend income, total	48 901	16 026	32 875	15 473	15 223	2 179
INTEREST EXPENDITURE						
Interest expenditure on deposits of banks	7 204	3 980	3 224	1 072	1 490	662
Interest expenditure on deposits of other financial institutions	656	0	656	82	506	68
Interest expenditure on demand deposits of non-finacial institutions and other customers	5 241	0	5 241	2 013	3 044	184
Interest expenditure on time deposits of non-finacial institutions and other customers	4 576	0	4 576	579	2 158	1 839
Interest expenditure on savings deposits of non-finacial institutions and other customers	43	0	43	4	33	6
Interest expenditure on borrowings under repurchase agreements	4	0	4	4	0	0
Interest expenditure on short-term borrowings	398	0	398	0	381	17
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	18 126	3 984	14 142	3 754	7 612	2 776
INTEREST AND DIVIDEND INCOME, NET	30 775	12042	18 733	11 719	7 611	-597
CREDIT PROVISIONS						
Accrued provisions	1 947	0	1 947			
Reintegrated provisions	3 019	0	3 019			
Credit provisions, net	-1 072	0	-1 072			

(continued)

(continued)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS						
Gain/loss on trading portfolio securities	349	0	349			
Gain/loss on derivatives held for trading	1 964	-5	1 969			
Gain/loss on other instruments in trading portfolio	-4	0	-4			
Total trading portfolio gain/loss	2 309	-5	2 314			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE						
Gain/loss on investments available for sale	-190	0	-190			
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	960	0	960			
Fee income on off-balance sheet accounts	889	0	889			
Service charges on deposits	2 168	0	2 168			
Other fees and commissions	7 440	0	7 440			
Gain/loss on assets held for resale	0	0	0			
Gain/loss on sale of other assets	0	0	0			
Gain/loss on foreign currency transactions	3 266	-1 448	4 714			
Other non-interest income	3 827	1 257	2 570			
NON-INTEREST EXPENDITURE						
Salary, social security, and pension expenditure	12 672		12 672			
Occupancy expenditure, net	6 477		6 477			
External service expenditure	12 253	4 498	7 755			
Other non-interest expenditure	8 654	0	8 654			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	12 460	7 348	5 112			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 511	1 045	466			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	2 143		2 143			
PROFIT/LOSS, NET	11 828	8 393	3 435			

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

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Balance Sheets and Income Statements of Individual Commercial Banks

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

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	236 240	45 279	187 835	3 126
Claims on financial institutions, net	73 858	8 683	15 714	49 461
Claims under repurchase agreements	39 887	2 461	37 426	0
Trading portfolio	34 032	19 826	10 651	3 555
Investment portfolio	135 711	79 552	40 839	15 320
Loans to non-financial institutions and other customers, net	406 484	191 583	206 238	8 663
Loans to budget	0	0	0	0
Commercial loans	202 097	105 385	88 744	7 968
Commercial real estate and construction loans	83 961	37 866	45 222	873
Other commercial loans	118 136	67 519	43 522	7 095
Agricultural loans	9 146	9 146	0	0
Consumer loans	37 675	28 005	9 110	560
Housing mortgage loans to individuals	163 099	53 343	109 606	150
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	412 017	195 879	207 460	8 678
Less: specific provisions	5 533	4 296	1 222	15
Assets for resale	22	22	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	3 559	2 892	629	38
Intangible assets	2 328	2 328	0	0
Premises and other fixed assets	13 160	13 160	0	0
Assets, total	945 281	365 786	499 332	80 163
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	98 620	61 336	24 041	13 243
Demand deposits of banks	38	0	10	28
Time deposits of banks	6 958	5 001	1 957	0
Deposits of other financial institutions	91 624	56 335	22 074	13 215
Deposits of non-financial institutions and other customers	686 640	294 840	326 484	65 316
Demand deposits	267 285	159 187	94 146	13 952
Time deposits	375 301	125 579	202 645	47 077
Savings deposits	44 054	10 074	29 693	4 287
Deposits, total	785 260	356 176	350 525	78 559
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	82 043	5 196	76 847	0
Subordinated term debt and debt/equity (hybrid) instruments	4 918	0	4 918	0
Other liabilities	10 232	3 350	3 083	3 799
Liabilities, total	882 453	364 722	435 373	82 358
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	62 828	62 828		
Shareholder capital	31 500	31 500		
Reserves	22 095	22 095		
Profit/loss, current year	9 233	9 233		
Liabilities, minority interest, and capital, total	945 281	427 550	435 373	82 358
Memo: credit substitutes and other off-balance sheet commitments	128 233	62 080	55 414	10 739



ALLIANZ BULGARIA COMMERCIAL BANK

INCOME STATEMENT (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	47 691	21 643	21 873	4 175
Interest income from claims on financial institutions	5 655	545	2 964	2 146
Interest income from claims under repurchase agreements	2 572	296	2 275	1
Interest income from trading portfolio	2 083	1 406	462	215
Interest income from investment portfolio	5 768	2 502	2 159	1 107
Interest income from loans	31 522	16 803	14 013	706
Dividend income	91	91	0	0
INTEREST EXPENDITURE	22 353	8 761	11 337	2 255
Interest expenditure on deposits of financial institutions	4 987	4 140	396	451
Interest expenditure on deposits of non-financial institutions and other customers	13 378	4 617	6 957	1 804
Interest expenditure on borrowings under repurchase agreements	4	4	0	0
Interest expenditure on borrowings	3 956	0	3 956	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	28	0	28	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	25 338	12 882	10 536	1 920
CREDIT PROVISIONS				
Accrued provisions	3 811			
Reintegrated provisions	3 142			
Credit provisions, net	669			
TRADING PORTFOLIO GAIN/LOSS	-1 021			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-294			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-274			
OTHER NON-INTEREST INCOME	11 094			
NON-INTEREST EXPENDITURE	23 907			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	10 267			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	578			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 612			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	9 233			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Nedyalkov* – 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. – 79.76%

* Oleg Nedyalkov is a member of the BNB Governing Council as of 4 December 2006. On 14 February 2007 he was removed from office as a member of the Supervisory Board of Alliance Bulgaria Commercial Bank by the General Shareholders' Meeting. By resolution of the Sofia City Court of 14 March 2007 Maxim Stanev Sirakov was entered as a chairman of the Supervisory Board.



ALPHA BANK, SOFIA BRANCH

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	127 970	0	127 970	8 890	117 052	2 028
Claims on financial institutions, net	28 738	327	28 411	0	28 343	68
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	238 172	0	238 172	37 385	193 502	7 285
Loans to budget	0	0	0	0	0	0
Commercial loans	214 265	0	214 265	36 688	170 317	7 260
Commercial real estate and construction loans	152 750	0	152 750	12 412	133 078	7 260
Other commercial loans	61 515	0	61 515	24 276	37 239	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	1 170	0	1 170	322	848	0
Housing mortgage loans to individuals	22 738	0	22 738	375	22 338	25
Other loans	0	0	0	0	0	0
Loans to non-financial institutions and other customers, total	238 173	0	238 173	37 385	193 503	7 285
Less: specific provisions	1	0	1	0	1	0
Assets for resale	0	0	0	0	0	0
Other assets, net	3 081	79	3 002	2 800	97	105
Intangible assets	231	0	231	231	0	0
Premises and other fixed assets	15 503	0	15 503	15 503	0	0
Assets, total	413 707	406	413 301	64 821	338 994	9 486
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	217 489	118 017	99 472	14 301	84 122	1 049
Demand deposits of banks	1 108	1 107	1	1	0	0
Time deposits of banks	204 142	116 910	87 232	13 804	72 388	1 040
Deposits of other financial institutions	12 239	0	12 239	496	11 734	9
Deposits of non-financial institutions and other customers	186 671	0	186 671	42 030	136 344	8 297
Demand deposits	93 596	0	93 596	25 815	67 012	769
Time deposits	62 646	0	62 646	12 636	44 784	5 226
Savings deposits	30 429	0	30 429	3 579	24 548	2 302
Deposits, total	404 160	118 017	286 143	56 331	220 466	9 346
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	1 888	458	1 430	1 081	308	41
Liabilities, total	406 048	118 475	287 573	57 412	220 774	9 387
Reserves and financial result, total	7 659	6 727	932	932		
Reserves	6 727	6 727	0	0		
Profit/loss, current year	932	0	932	932		
Liabilities, reserves, and financial result, total	413 707	125 202	288 505	58 344	220 774	9 387
Memo: credit substitutes and other off-balance sheet commitments	191 765	0	191 765	27 804	162 756	1 205



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	12 667	555	12 112	1 509	9983	620
Interest income from claims on financial institutions	2 158	555	1 603	23	1 580	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	10 509	0	10 509	1 486	8403	620
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	3 987	873	3 114	434	2436	244
Interest expenditure on deposits of financial institutions	2 445	873	1 572	270	1 187	115
Interest expenditure on deposits of non-financial institutions and other customers	1 542	0	1 542	164	1 249	129
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	8 680	-318	8 998	1 075	7547	376
CREDIT PROVISIONS						
Accrued provisions	1	0	1			
Reintegrated provisions	0	0	0			
Credit provisions, net	1	0	1			
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	3 181	0	3 181			
NON-INTEREST EXPENDITURE	11 000	0	11 000			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	860	-318	1 178			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	237	0	237			
EXTRAORDINARY GAIN/LOSS	-1	0	-1			
TAX	164	0	164			
PROFIT/LOSS, NET	932	-318	1 250			



ALPHA BANK, SOFIA BRANCH

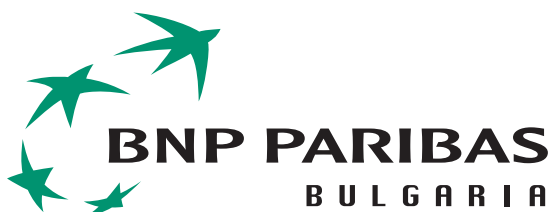
STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2006

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, Teoni Georgios Ziguraki – Deputy Governor, and Konstantinos Matteo Papachristoforou – Governor, put jointly, or with the signature of one of them and one of the signatures of the deputy governors entitled to second signature: Ani Dimitrova Krusteva, Iskrenna Stefanova Makarieva and Preslava Dobрева Dobрева
Shareholders (shares over 10%)	Branch of Alpha Bank AE, Athens, Greece

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	32 011	31 120	276	615
Claims on financial institutions, net	261 564	27 155	198 260	36 149
Claims under repurchase agreements	0	0	0	0
Trading portfolio	275	261	14	0
Investment portfolio	14 116	14 107	0	9
Loans to non-financial institutions and other customers, net	160 476	55 160	104 227	1 089
Loans to budget	0	0	0	0
Commercial loans	102 492	55 635	46 211	646
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	102 492	55 635	46 211	646
Agricultural loans	0	0	0	0
Consumer loans	210	190	11	9
Housing mortgage loans to individuals	341	341	0	0
Other loans	59 241	51	58 714	476
Loans to non-financial institutions and other customers, total	162 284	56 217	104 936	1 131
Less: specific provisions	1 808	1 057	709	42
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	304	303	0	1
Intangible assets	38	38	0	0
Premises and other fixed assets	999	999	0	0
Assets, total	469 783	129 143	302 777	37 863
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	152 391	24 374	85 882	42 135
Demand deposits of banks	35 983	202	21 373	14 408
Time deposits of banks	102 785	13 004	63 700	26 081
Deposits of other financial institutions	13 623	11 168	809	1 646
Deposits of non-financial institutions and other customers	258 707	154 040	75 178	29 489
Demand deposits	204 633	142 665	49 820	12 148
Time deposits	54 074	11 375	25 358	17 341
Savings deposits	0	0	0	0
Deposits, total	411 098	178 414	161 060	71 624
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	3 850	3 379	417	54
Liabilities, total	414 948	181 793	161 477	71 678
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	54 835	54 835		
Shareholder capital	36 000	36 000		
Reserves	11 715	11 715		
Profit/loss, current year	7 120	7 120		
Liabilities, minority interest, and capital, total	469 783	236 628	161 477	71 678
Memo: credit substitutes and other off-balance sheet commitments	446 436	218 729	122 483	105 224



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	17 698	3 009	10 891	3 798
Interest income from claims on financial institutions	6 925	529	3 559	2 837
Interest income from claims under repurchase agreements	73	10	63	0
Interest income from trading portfolio	1 194	126	382	686
Interest income from investment portfolio	703	230	470	3
Interest income from loans	8 784	2 095	6 417	272
Dividend income	19	19	0	0
INTEREST EXPENDITURE	7 426	1 784	2 610	3 032
Interest expenditure on deposits of financial institutions	2 470	363	1 054	1 053
Interest expenditure on deposits of non-financial institutions and other customers	3 897	1 419	1 178	1 300
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	1 059	2	378	679
INTEREST AND DIVIDEND INCOME, NET	10 272	1 225	8 281	766
CREDIT PROVISIONS				
Accrued provisions	1 852			
Reintegrated provisions	1 794			
Credit provisions, net	58			
TRADING PORTFOLIO GAIN/LOSS	-22			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	28			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	9 034			
NON-INTEREST EXPENDITURE	10 941			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	8 313			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	164			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 357			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	7 120			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	412 557	215 261	189 989	7 307
Claims on financial institutions, net	699 118	13 300	474 465	211 353
Claims under repurchase agreements	21 746	0	21 746	0
Trading portfolio	124 091	69 777	49 733	4 581
Investment portfolio	865 566	365 192	186 730	313 644
Loans to non-financial institutions and other customers, net	1 955 042	1 022 518	874 955	57 569
Loans to budget	14 628	14 628	0	0
Commercial loans	1 399 861	562 058	783 385	54 418
Commercial real estate and construction loans	192 639	63 364	129 195	80
Other commercial loans	1 207 222	498 694	654 190	54 338
Agricultural loans	19 239	18 429	549	261
Consumer loans	120 826	112 739	6 031	2 056
Housing mortgage loans to individuals	431 669	332 638	98 909	122
Other loans	36 773	32 732	2 236	1 805
Loans to non-financial institutions and other customers, total	2 022 996	1 073 224	891 110	58 662
Less: specific provisions	67 954	50 706	16 155	1 093
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	9425	9425	0	0
Other assets	4 037	3 903	128	6
Intangible assets	9 846	9 846	0	0
Premises and other fixed assets	108 097	108 097	0	0
Assets, total	4 209 525	1 817 319	1 797 746	594 460
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	141 536	100 779	34 917	5 840
Demand deposits of banks	9 508	959	6 216	2 333
Time deposits of banks	30 036	8 002	21 873	161
Deposits of other financial institutions	101 992	91 818	6 828	3 346
Deposits of non-financial institutions and other customers	3 198 423	1 239 607	1 389 758	569 058
Demand deposits	1 637 799	875 800	587 331	174 668
Time deposits	1 554 205	362 740	799 107	392 358
Savings deposits	6 419	1 067	3 320	2 032
Deposits, total	3 339 959	1 340 386	1 424 675	574 898
Borrowings under repurchase agreements	24 646	24 646	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	77 877	0	77 877	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	141 260	53 427	30 958	56 875
Liabilities, total	3 583 742	1 418 459	1 533 510	631 773
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	625 783	625 783		
Shareholder capital	166 370	166 370		
Reserves	382 023	382 023		
Profit/loss, current year	77 390	77 390		
Liabilities, minority interest, and capital, total	4 209 525	2 044 242	1 533 510	631 773
Memo: credit substitutes and other off-balance sheet commitments	842 959	347 394	365 244	130 321

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	219 272	105 701	86 390	27 181
Interest income from claims on financial institutions	22 634	1 090	11 168	10 376
Interest income from claims under repurchase agreements	10	10	0	0
Interest income from trading portfolio	6 826	4 147	1 780	899
Interest income from investment portfolio	38 653	16 548	10 181	11 924
Interest income from loans	150 283	83 040	63 261	3 982
Dividend income	866	866	0	0
INTEREST EXPENDITURE	48 323	14 430	22 732	11 161
Interest expenditure on deposits of financial institutions	1 977	1 199	520	258
Interest expenditure on deposits of non-financial institutions and other customers	39 370	12 298	19 309	7 763
Interest expenditure on borrowings under repurchase agreements	933	933	0	0
Interest expenditure on borrowings	2 256	0	2 256	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	3 787	0	647	3 140
INTEREST AND DIVIDEND INCOME, NET	170 949	91 271	63 658	16 020
CREDIT PROVISIONS				
Accrued provisions	33 402			
Reintegrated provisions	21 362			
Credit provisions, net	12 040			
TRADING PORTFOLIO GAIN/LOSS	-5 143			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-1 519			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	5 400			
OTHER NON-INTEREST INCOME	70 837			
NON-INTEREST EXPENDITURE	143 987			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	84 497			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	7 844			
EXTRAORDINARY GAIN/LOSS	0			
TAX	14 951			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	77 390			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Robert Zadrzil – Chairman Alberto Devoto – Deputy Chairman Thomas Gross Heinz Meidlinger Elena Goitini Marco Iannaccone Dimitar Georgiev Zhelev
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 Trayanova Kirova Stanislav Goranov Georgiev Lyubomir Ignatov Punchev
Shareholders (shares over 10%)	
	UniCredito Italiano S. A. – 86.14%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	34 207	7 785	25 801	621
Claims on financial institutions, net	51 448	60	28 063	23 325
Claims under repurchase agreements	0	0	0	0
Trading portfolio	3 810	2 354	1 456	0
Investment portfolio	11 081	2 036	6 254	2 791
Loans to non-financial institutions and other customers, net	347 971	171	334 584	13 216
Loans to budget	0	0	0	0
Commercial loans	351 309	403	338 704	12 202
Commercial real estate and construction loans	274 651	0	266 463	8 188
Other commercial loans	76 658	403	72 241	4 014
Agricultural loans	4 200	0	3 620	580
Consumer loans	984	0	984	0
Housing mortgage loans to individuals	11 195	0	9 638	1 557
Other loans	5 551	0	4 053	1 498
Loans to non-financial institutions and other customers, total	373 239	403	356 999	15 837
Less: specific provisions	25 268	232	22 415	2 621
Assets for resale	1 793	1 793	0	0
Investments in unconsolidated subsidiaries and associated companies	3000	3000	0	0
Other assets	845	583	260	2
Intangible assets	221	221	0	0
Premises and other fixed assets	4 494	4 494	0	0
Assets, total	458 870	22 497	396 418	39 955
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	56 775	4 037	28 994	23 744
Demand deposits of banks	0	0	0	0
Time deposits of banks	30 006	2 523	19 370	8 113
Deposits of other financial institutions	26 769	1 514	9 624	15 631
Deposits of non-financial institutions and other customers	80 337	11 591	56 416	12 330
Demand deposits	30 351	9 115	19 209	2 027
Time deposits	49 986	2 476	37 207	10 303
Savings deposits	0	0	0	0
Deposits, total	137 112	15 628	85 410	36 074
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	29 383	0	29 383	0
Long-term borrowings	175 661	0	175 661	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 471	3 457	1 826	188
Liabilities, total	347 627	19 085	292 280	36 262
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	111 243	111 243		
Shareholder capital	12 940	12 940		
Reserves	64 625	64 625		
Profit/loss, current year	33 678	33 678		
Liabilities, minority interest, and capital, total	458 870	130 328	292 280	36 262
Memo: credit substitutes and other off-balance sheet commitments	99 475	1 496	97 430	549



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	61 301	234	55 182	5 885
Interest income from claims on financial institutions	1 910	22	674	1 214
Interest income from claims under repurchase agreements	207	0	107	100
Interest income from trading portfolio	40	0	40	0
Interest income from investment portfolio	593	56	426	111
Interest income from loans	58 551	156	53 935	4 460
Dividend income	0	0	0	0
INTEREST EXPENDITURE	14 225	224	11 633	2 368
Interest expenditure on deposits of financial institutions	1 118	139	354	625
Interest expenditure on deposits of non-financial institutions and other customers	1 593	85	1 053	455
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	11 514	0	10 226	1 288
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	47 076	10	43 549	3 517
CREDIT PROVISIONS				
Accrued provisions	12 412			
Reintegrated provisions	8 203			
Credit provisions, net	4 209			
TRADING PORTFOLIO GAIN/LOSS	315			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	1			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	5 247			
NON-INTEREST EXPENDITURE	10 236			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	38 194			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-547			
EXTRAORDINARY GAIN/LOSS	0			
TAX	3 969			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	33 678			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Dinchyski 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 Dinchyski – Executive Director Dimitar Stoyanov Vuchev – Executive Director Dennis Earl Fiehler Michael Hunsberger
Shareholders (shares over 10%)	Bulgarian-American Investment Fund – 62.90%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	122 619	93 120	24 331	5 168
Claims on financial institutions, net	197 505	10 352	120 283	66 870
Claims under repurchase agreements	6 741	6 741	0	0
Trading portfolio	25 096	25 096	0	0
Investment portfolio	183 778	68 418	115 313	47
Loans to non-financial institutions and other customers, net	540 853	371 664	137 038	32 151
Loans to budget	0	0	0	0
Commercial loans	361 511	210 714	116 491	34 306
Commercial real estate and construction loans	115 842	69 328	36 713	9 801
Other commercial loans	245 669	141 386	79 778	24 505
Agricultural loans	14 352	13 957	395	0
Consumer loans	111 947	109 897	1 950	100
Housing mortgage loans to individuals	55 183	35 783	19 296	104
Other loans	11 119	10 641	424	54
Loans to non-financial institutions and other customers, total	554 112	380 992	138 556	34 564
Less: specific provisions	13 259	9 328	1 518	2 413
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	8 138	4 590	1 116	2 432
Intangible assets	4 372	4 372	0	0
Premises and other fixed assets	42 552	42 552	0	0
Assets, total	1 131 654	626 905	398 081	106 668
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	24 958	24 345	449	164
Demand deposits of banks	89	26	63	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	24 869	24 319	386	164
Deposits of non-financial institutions and other customers	902 270	519 332	282 547	100 391
Demand deposits	317 532	259 248	35 130	23 154
Time deposits	545 713	241 839	233 207	70 667
Savings deposits	39 025	18 245	14 210	6 570
Deposits, total	927 228	543 677	282 996	100 555
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	53 978	0	53 978	0
Long-term borrowings	9 308	9 273	0	35
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	24 599	16 417	5 455	2 727
Liabilities, total	1 015 113	569 367	342 429	103 317
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	116 541	116 541		
Shareholder capital	72 761	72 761		
Reserves	31 866	31 866		
Profit/loss, current year	11 914	11 914		
Liabilities, minority interest, and capital, total	1 131 654	685 908	342 429	103 317
Memo: credit substitutes and other off-balance sheet commitments	88 551	51 516	29 316	7 719

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	65 048	36 999	21 275	6 774
Interest income from claims on financial institutions	4 737	109	2 310	2 318
Interest income from claims under repurchase agreements	245	244	1	0
Interest income from trading portfolio	337	244	93	0
Interest income from investment portfolio	7 873	892	6 968	13
Interest income from loans	50 616	34 270	11 903	4 443
Dividend income	1 240	1 240	0	0
INTEREST EXPENDITURE	26 200	11 943	11 734	2 523
Interest expenditure on deposits of financial institutions	985	944	17	24
Interest expenditure on deposits of non-financial institutions and other customers	22 027	10 323	9 489	2 215
Interest expenditure on borrowings under repurchase agreements	480	469	11	0
Interest expenditure on borrowings	2 316	166	2 148	2
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	392	41	69	282
INTEREST AND DIVIDEND INCOME, NET	38 848	25 056	9 541	4 251
CREDIT PROVISIONS				
Accrued provisions	15 594			
Reintegrated provisions	5 549			
Credit provisions, net	10 045			
TRADING PORTFOLIO GAIN/LOSS	3 614			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	6 605			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	25 323			
NON-INTEREST EXPENDITURE	50 720			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	13 625			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	391			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2 102			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	11 914			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 31 DECEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	17 565	0	17 565	17 104	232	229
Claims on financial institutions, net	167 663	29 751	137 912	72 745	43 433	21 734
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	716	319	397	0	220	177
Investment portfolio	8 401	0	8 401	8 401	0	0
Loans to non-financial institutions and other customers, net	151 183	0	151 183	90 658	54 242	6 283
Loans to budget	0	0	0	0	0	0
Commercial loans	153 606	0	153 606	91 249	55 461	6 896
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	153 606	0	153 606	91 249	55 461	6 896
Agricultural loans	0	0	0	0	0	0
Consumer loans	0	0	0	0	0	0
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	71	0	71	2	5	64
Loans to non-financial institutions and other customers, total	153 677	0	153 677	91 251	55 466	6 960
Less: specific provisions	2 494	0	2 494	593	1 224	677
Assets for resale	0	0	0	0	0	0
Other assets, net	1 698	39	1 659	966	426	267
Intangible assets	341	0	341	341	0	0
Premises and other fixed assets	559	0	559	559	0	0
Assets, total	348 126	30 109	318 017	190 774	98 553	28 690
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	34 744	409	34 335	13 733	17 085	3 517
Demand deposits of banks	409	409	0	0	0	0
Time deposits of banks	2 526	0	2 526	0	0	2 526
Deposits of other financial institutions	31 809	0	31 809	13 733	17 085	991
Deposits of non-financial institutions and other customers	296 831	0	296 831	154 455	105 045	37 331
Demand deposits	235 267	0	235 267	133 686	87 737	13 844
Time deposits	61 564	0	61 564	20 769	17 308	23 487
Savings deposits	0	0	0	0	0	0
Deposits, total	331 575	409	331 166	168 188	122 130	40 848
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	12 126	7 849	4 277	2 916	799	562
Liabilities, total	343 701	8 258	335 443	171 104	122 929	41 410
Reserves and financial result, total	4 425	199	4 226	4 226		
Reserves	199	199	0	0		
Profit/loss, current year	4 226	0	4 226	4 226		
Liabilities, reserves, and financial result, total	348 126	8 457	339 669	175 330	122 929	41 410
Memo: credit substitutes and other off-balance sheet commitments	224 441	16 607	207 834	96 574	74 618	36 642


**CITIBANK N. A.,
SOFIA BRANCH**
INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	12 909	5 821	7 088	4 289	2336	463
Interest income from claims on financial institutions	7 210	5 821	1 389	1 389	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	605	0	605	605	0	0
Interest income from loans	5 094	0	5 094	2 295	2336	463
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	5 569	4	5 565	1 741	2996	828
Interest expenditure on deposits of financial institutions	407	0	407	99	202	106
Interest expenditure on deposits of non-financial institutions and other customers	5 158	0	5 158	1 642	2 794	722
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	7 340	5 817	1 523	2 548	-660	-365
CREDIT PROVISIONS						
Accrued provisions	1 885	0	1 885			
Reintegrated provisions	2 980	0	2 980			
Credit provisions, net	-1 095	0	-1 095			
TRADING PORTFOLIO GAIN/LOSS	1 022	0	1 022			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-190	0	-190			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	6 929	1 257	5 672			
NON-INTEREST EXPENDITURE	11 393	1 431	9 962			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 803	5 643	-840			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	222	0	222			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	799	0	799			
PROFIT/LOSS, NET	4 226	5 643	-1 417			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	121 085	112 433	5 848	2 804
Claims on financial institutions, net	429 611	221	317 781	111 609
Claims under repurchase agreements	0	0	0	0
Trading portfolio	28 878	26 763	2 115	0
Investment portfolio	22 155	905	10 071	11 179
Loans to non-financial institutions and other customers, net	380 100	228 835	122 147	29 118
Loans to budget	0	0	0	0
Commercial loans	370 781	226 281	115 439	29 061
Commercial real estate and construction loans	18 229	10 423	7 780	26
Other commercial loans	352 552	215 858	107 659	29 035
Agricultural loans	0	0	0	0
Consumer loans	3 130	1 861	1 238	31
Housing mortgage loans to individuals	2 960	73	2 861	26
Other loans	5 940	1 261	4 679	0
Loans to non-financial institutions and other customers, total	382 811	229 476	124 217	29 118
Less: specific provisions	2 711	641	2 070	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	5	5	0	0
Other assets	428	307	119	2
Intangible assets	421	421	0	0
Premises and other fixed assets	22 872	22 872	0	0
Assets, total	1 005 555	392 762	458 081	154 712
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	43 783	16 956	26 745	82
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	43 783	16 956	26 745	82
Deposits of non-financial institutions and other customers	884 215	440 577	291 335	152 303
Demand deposits	361 623	255 436	39 899	66 288
Time deposits	264 558	64 588	145 682	54 288
Savings deposits	258 034	120 553	105 754	31 727
Deposits, total	927 998	457 533	318 080	152 385
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	1 247	79	1 168	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	1 416	1 410	6	0
Liabilities, total	930 661	459 022	319 254	152 385
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	74 894	74 894		
Shareholder capital	50 000	50 000		
Reserves	18 287	18 287		
Profit/loss, current year	6 607	6 607		
Liabilities, minority interest, and capital, total	1 005 555	533 916	319 254	152 385
Memo: credit substitutes and other off-balance sheet commitments	149 207	96 499	49 663	3 045



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	43 778	21 196	16 727	5 855
Interest income from claims on financial institutions	9 701	98	6 365	3 238
Interest income from claims under repurchase agreements	120	6	114	0
Interest income from trading portfolio	1 165	843	322	0
Interest income from investment portfolio	1 013	167	451	395
Interest income from loans	31 779	20 082	9 475	2 222
Dividend income	0	0	0	0
INTEREST EXPENDITURE	26 858	11 123	11 957	3 778
Interest expenditure on deposits of financial institutions	1 980	710	1 267	3
Interest expenditure on deposits of non-financial institutions and other customers	24 844	10 383	10 686	3 775
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	34	30	4	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	16 920	10 073	4 770	2 077
CREDIT PROVISIONS				
Accrued provisions	4 316			
Reintegrated provisions	3 641			
Credit provisions, net	675			
TRADING PORTFOLIO GAIN/LOSS	921			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	160			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	11 296			
NON-INTEREST EXPENDITURE	22 892			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	5 730			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	2 043			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 166			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 607			


STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 – 69.34% directly and jointly with the Technology Center – Institute of Microelectronics related company – 98.41% Technology Center – Institute of Microelectronics – 29.06% directly and jointly with the Bromak related party – 98.41%

* By Resolution No. 37 of 21 December 2006 of the Sofia City Court an increase in the banks' capital was registered; as a result, its shareholders' structure was changed. The change was entered in the Central Depository on 4 January 2007.

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	16 276	14 895	913	468
Claims on financial institutions, net	119 671	74 026	21 195	24 450
Claims under repurchase agreements	1 960	0	1 960	0
Trading portfolio	12 195	6 128	6 067	0
Investment portfolio	11 309	10 214	1 095	0
Loans to non-financial institutions and other customers, net	36 941	13 763	16 976	6 202
Loans to budget	0	0	0	0
Commercial loans	35 809	13 017	16 558	6 234
Commercial real estate and construction loans	3 738	801	2 937	0
Other commercial loans	32 071	12 216	13 621	6 234
Agricultural loans	0	0	0	0
Consumer loans	1 520	847	624	49
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	37 329	13 864	17 182	6 283
Less: specific provisions	388	101	206	81
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	98	89	3	6
Intangible assets	77	77	0	0
Premises and other fixed assets	624	624	0	0
Assets, total	199 151	119 816	48 209	31 126
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	2 599	1 947	592	60
Demand deposits of banks	644	0	590	54
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	1 955	1 947	2	6
Deposits of non-financial institutions and other customers	176 245	128 834	15 898	31 513
Demand deposits	138 214	98 358	11 930	27 926
Time deposits	35 307	29 141	3 068	3 098
Savings deposits	2 724	1 335	900	489
Deposits, total	178 844	130 781	16 490	31 573
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	578	136	254	188
Liabilities, total	179 422	130 917	16 744	31 761
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	19 729	19 729		
Shareholder capital	20 000	20 000		
Reserves	-887	-887		
Profit/loss, current year	616	616		
Liabilities, minority interest, and capital, total	199 151	150 646	16 744	31 761
Memo: credit substitutes and other off-balance sheet commitments	17 917	8 592	4 463	4 862

**INCOME STATEMENT**

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	5 325	1 919	2 251	1 155
Interest income from claims on financial institutions	708	177	160	371
Interest income from claims under repurchase agreements	65	0	65	0
Interest income from trading portfolio	593	226	367	0
Interest income from investment portfolio	394	331	63	0
Interest income from loans	3 565	1 185	1 596	784
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 482	483	339	660
Interest expenditure on deposits of financial institutions	140	78	50	12
Interest expenditure on deposits of non-financial institutions and other customers	1 297	405	244	648
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	3 843	1 436	1 912	495
CREDIT PROVISIONS				
Accrued provisions	253			
Reintegrated provisions	268			
Credit provisions, net	-15			
TRADING PORTFOLIO GAIN/LOSS	-450			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	843			
NON-INTEREST EXPENDITURE	4 826			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-575			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 295			
EXTRAORDINARY GAIN/LOSS	0			
TAX	104			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	616			



D COMMERCE BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Stoyan Iliev Alexandrov – Chairman Fuat Gyuvén (Fuat Hyusniev Osmanov)* Elenka Harizanova Manova Bahattin Gurbuz
Management Board	Muammer Aksit Ozkural – Chief Executive Director Mumtaz Malik Agim – Executive Director Radka Boneva Nikodimova – Executive Director
Shareholders* (shares over 10%)	
	Fuat Gyuvén (Fuat Hyusniev Osmanov) – 100%

* By Resolution No. 34 of 9 January 2007 the Sofia City Court deleted Fuat Gyuvén (Fuat Hyusniev Osmanov) as a member of the Supervisory Board and entered Emel Gyuvén and Valery Borissov in his place.


BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	584 605	206 986	370 018	7 601
Claims on financial institutions, net	1 390 133	681 047	578 415	130 671
Claims under repurchase agreements	0	0	0	0
Trading portfolio	64 119	24 574	24 817	14 728
Investment portfolio	364 305	163 617	143 416	57 272
Loans to non-financial institutions and other customers, net	3 407 859	2 755 086	647 192	5 581
Loans to budget	1 490	1 490	0	0
Commercial loans	1 018 705	568 802	446 659	3 244
Commercial real estate and construction loans	90 113	30 858	59 201	54
Other commercial loans	928 592	537 944	387 458	3 190
Agricultural loans	7 160	6 833	327	0
Consumer loans	1 497 696	1 486 703	10 673	320
Housing mortgage loans to individuals	1 009 895	806 961	200 887	2 047
Other loans	1 483	1 448	11	24
Loans to non-financial institutions and other customers, total	3 536 429	2 872 237	658 557	5 635
Less: specific provisions	128 570	117 151	11 365	54
Assets for resale	152	152	0	0
Investments in unconsolidated subsidiaries and associated companies	23732	23732	0	0
Other assets	17 772	17 704	27	41
Intangible assets	14 818	14 818	0	0
Premises and other fixed assets	192 919	192 919	0	0
Assets, total	6 060 414	4 080 635	1 763 885	215 894
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	567 661	310 965	237 275	19 421
Demand deposits of banks	6 051	4 003	2 048	0
Time deposits of banks	469 876	215 787	234 775	19 314
Deposits of other financial institutions	91 734	91 175	452	107
Deposits of non-financial institutions and other customers	3 987 603	2 911 764	879 576	196 263
Demand deposits	859 224	747 059	104 515	7 650
Time deposits	2 156 702	1 396 589	612 420	147 693
Savings deposits	971 677	768 116	162 641	40 920
Deposits, total	4 555 264	3 222 729	1 116 851	215 684
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	691 897	0	691 897	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	88 984	72 663	15 729	592
Liabilities, total	5 336 145	3 295 392	1 824 477	216 276
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	724 269	724 269		
Shareholder capital	93 984	93 984		
Reserves	443 594	443 594		
Profit/loss, current year	186 691	186 691		
Liabilities, minority interest, and capital, total	6 060 414	4 019 661	1 824 477	216 276
Memo: credit substitutes and other off-balance sheet commitments	447 905	198 740	207 544	41 621



INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	388 441	320 013	58 695	9 733
Interest income from claims on financial institutions	25 002	9 107	10 143	5 752
Interest income from claims under repurchase agreements	2	2	0	0
Interest income from trading portfolio	3 098	1 092	1 121	885
Interest income from investment portfolio	18 840	8 225	8 382	2 233
Interest income from loans	341 411	301 499	39 049	863
Dividend income	88	88	0	0
INTEREST EXPENDITURE	102 531	67 546	32 698	2 287
Interest expenditure on deposits of financial institutions	3 385	2 968	379	38
Interest expenditure on deposits of non-financial institutions and other customers	78 410	64 552	11 609	2 249
Interest expenditure on borrowings under repurchase agreements	26	26	0	0
Interest expenditure on borrowings	20 710	0	20 710	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	285 910	252 467	25 997	7 446
CREDIT PROVISIONS				
Accrued provisions	92 110			
Reintegrated provisions	63 517			
Credit provisions, net	28 593			
TRADING PORTFOLIO GAIN/LOSS	-3 500			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	7 326			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	123 216			
NON-INTEREST EXPENDITURE	157 277			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	227 082			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-7 363			
EXTRAORDINARY GAIN/LOSS	0			
TAX	33 028			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	186 691			



DSK BANK PLC
OTP GROUP

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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%

* Source: information obtained from the Central Depository. It was submitted to the BNB Special Supervision Directorate.



THE BULGARIAN FINANCIAL GROUP

Insurance - Banking - Consulting

DZI BANK

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BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	110 265	101 181	6 184	2 900
Claims on financial institutions, net	275 057	70 069	52 741	152 247
Claims under repurchase agreements	3 527	3 527	0	0
Trading portfolio	105 982	97 541	5 722	2 719
Investment portfolio	78 508	24 416	36 070	18 022
Loans to non-financial institutions and other customers, net	440 142	292 167	118 306	29 669
Loans to budget	9 116	9 116	0	0
Commercial loans	292 738	172 273	91 325	29 140
Commercial real estate and construction loans	168 628	85 394	70 622	12 612
Other commercial loans	124 110	86 879	20 703	16 528
Agricultural loans	1 229	1 229	0	0
Consumer loans	53 556	51 583	1 877	96
Housing mortgage loans to individuals	82 667	64 701	16 834	1 132
Other loans	9 984	456	9 506	22
Loans to non-financial institutions and other customers, total	449 290	299 358	119 542	30 390
Less: specific provisions	9 148	7 191	1 236	721
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	7 941	6 388	235	1 318
Intangible assets	1 072	1 072	0	0
Premises and other fixed assets	15 148	15 148	0	0
Assets, total	1 037 642	611 509	219 258	206 875
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	86 703	75 829	3 225	7 649
Demand deposits of banks	2 809	2 479	0	330
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	83 894	73 350	3 225	7 319
Deposits of non-financial institutions and other customers	841 769	378 850	270 969	191 950
Demand deposits	282 757	244 013	30 151	8 593
Time deposits	529 091	121 190	228 815	179 086
Savings deposits	29 921	13 647	12 003	4 271
Deposits, total	928 472	454 679	274 194	199 599
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	36 837	36 837	0	0
Other liabilities	10 744	8 037	636	2 071
Liabilities, total	976 053	499 553	274 830	201 670
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	61 589	61 589		
Shareholder capital	50 000	50 000		
Reserves	9 861	9 861		
Profit/loss, current year	1 728	1 728		
Liabilities, minority interest, and capital, total	1 037 642	561 142	274 830	201 670
Memo: credit substitutes and other off-balance sheet commitments	95 667	57 200	23 867	14 600



THE BULGARIAN FINANCIAL GROUP

Insurance - Banking - Consulting

DZI BANK

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	60 650	28 212	18 604	13 834
Interest income from claims on financial institutions	9 949	302	3 655	5 992
Interest income from claims under repurchase agreements	101	101	0	0
Interest income from trading portfolio	5 347	4 276	562	509
Interest income from investment portfolio	5 810	733	2 948	2 129
Interest income from loans	39 370	22 727	11 439	5 204
Dividend income	73	73	0	0
INTEREST EXPENDITURE	29 142	9 825	10 272	9 045
Interest expenditure on deposits of financial institutions	2 195	1 787	111	297
Interest expenditure on deposits of non-financial institutions and other customers	26 366	7 457	10 161	8 748
Interest expenditure on borrowings under repurchase agreements	7	7	0	0
Interest expenditure on borrowings	20	20	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	540	540	0	0
Interest expenditure on other liabilities	14	14	0	0
INTEREST AND DIVIDEND INCOME, NET	31 508	18 387	8 332	4 789
CREDIT PROVISIONS				
Accrued provisions	7 927			
Reintegrated provisions	3 612			
Credit provisions, net	4 315			
TRADING PORTFOLIO GAIN/LOSS	-2 857			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-1 113			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-44			
OTHER NON-INTEREST INCOME	21 170			
NON-INTEREST EXPENDITURE	40 794			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 555			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-228			
EXTRAORDINARY GAIN/LOSS	-1 294			
TAX	305			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 728			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Piergiorgio Pradelli Theodoros Stilianos Karakassis Haralambos Margaritis Kyrkos Angelos Kostas Tsichrindzis Maxim Moncho Behar
Management Board	Antonios Konstantinos Hassiotis – Chairman Krasimir Totev Angarski – Chief Executive Director Tatyana Todorova Yankova – Executive Director Iliyan Stoyanov Mitev – Executive Director Asen Vasilev Yagodin – Executive Director David Arthur Watson Mihail Georgios Vlastarakis Hristos Prodromos Komiopoulos
Shareholders* (shares over 10%)	Eurobank EFG Holding S.A. (Luxemburg) – 91.20%

* Source: information obtained from the Central Depository on the actual status of DZI Bank's shareholders as of 31 December 2006. It was submitted to the BNB Special Supervision Directorate.

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	132 250	120 673	7 420	4 157
Claims on financial institutions, net	421 648	21 437	227 854	172 357
Claims under repurchase agreements	0	0	0	0
Trading portfolio	156 015	58 395	22 862	74 758
Investment portfolio	27 548	27 545	3	0
Loans to non-financial institutions and other customers, net	593 998	249 702	317 053	27 243
Loans to budget	249	134	115	0
Commercial loans	493 789	182 931	283 547	27 311
Commercial real estate and construction loans	124 106	19 097	81 877	23 132
Other commercial loans	369 683	163 834	201 670	4 179
Agricultural loans	2 519	2 519	0	0
Consumer loans	53 527	51 815	1 635	77
Housing mortgage loans to individuals	35 161	20 447	14 602	112
Other loans	26 080	2 493	23 587	0
Loans to non-financial institutions and other customers, total	611 325	260 339	323 486	27 500
Less: specific provisions	17 327	10 637	6 433	257
Assets for resale	357	357	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	15 888	5 880	6 336	3 672
Intangible assets	267	267	0	0
Premises and other fixed assets	30 559	30 559	0	0
Assets, total	1 378 530	514 815	581 528	282 187
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	203 683	45 993	154 517	3 173
Demand deposits of banks	1 090	977	80	33
Time deposits of banks	123 675	11 002	112 673	0
Deposits of other financial institutions	78 918	34 014	41 764	3 140
Deposits of non-financial institutions and other customers	993 564	270 400	439 596	283 568
Demand deposits	205 087	158 168	31 547	15 372
Time deposits	727 132	89 225	376 314	261 593
Savings deposits	61 345	23 007	31 735	6 603
Deposits, total	1 197 247	316 393	594 113	286 741
Borrowings under repurchase agreements	500	500	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	10 790	0	10 790	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	7 844	6 938	854	52
Liabilities, total	1 216 381	323 831	605 757	286 793
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	162 149	162 149		
Shareholder capital	69 721	69 721		
Reserves	62 450	62 450		
Profit/loss, current year	29 978	29 978		
Liabilities, minority interest, and capital, total	1 378 530	485 980	605 757	286 793
Memo: credit substitutes and other off-balance sheet commitments	55 693	32 092	21 697	1 904

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	73 275	22 892	31 901	18 482
Interest income from claims on financial institutions	16 303	610	7 879	7 814
Interest income from claims under repurchase agreements	18	12	0	6
Interest income from trading portfolio	14 117	2 980	3 989	7 148
Interest income from investment portfolio	544	544	0	0
Interest income from loans	41 171	17 624	20 033	3 514
Dividend income	1 122	1 122	0	0
INTEREST EXPENDITURE	50 172	7 272	25 289	17 611
Interest expenditure on deposits of financial institutions	5 630	1 016	4 408	206
Interest expenditure on deposits of non-financial institutions and other customers	43 281	6 253	19 954	17 074
Interest expenditure on borrowings under repurchase agreements	227	3	141	83
Interest expenditure on borrowings	1 034	0	786	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	23 103	15 620	6 612	871
CREDIT PROVISIONS				
Accrued provisions	5 655			
Reintegrated provisions	40 438			
Credit provisions, net	-34 783			
TRADING PORTFOLIO GAIN/LOSS	-1 591			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	3 258			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	22 143			
NON-INTEREST EXPENDITURE	47 948			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	33 748			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 245			
EXTRAORDINARY GAIN/LOSS	77			
TAX	5 092			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	29 978			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Transitional and Final Provisions of the Law on Amendments to the Law on Banks the license was updated by Order No. 100-00502 of the BNB Governor of 18 November 1999
Legal registration	Resolution No.1 of 18 March 1995 of the Sofia City Court on company file No. 2757 of 1995, lot No. 665, vol. 12, reg. II, p. 126
Address of the head office	2 Slavyanska Str., Sofia 1000 tel. 02/9399 240; 9399 400 Website: www.eibank.bg
Management	
Supervisory Board	Tsvetelina Borislavova Karagiozova – Chairman Valentina Radkova Ivanova – Deputy Chairman 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%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	7 325	4 062	3 083	180
Claims on financial institutions, net	12 252	4 919	6 016	1 317
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	88 019	4 918	83 101	0
Loans to budget	0	0	0	0
Commercial loans	84 368	2 001	82 367	0
Commercial real estate and construction loans	34 915	99	34 816	0
Other commercial loans	49 453	1 902	47 551	0
Agricultural loans	106	106	0	0
Consumer loans	3 747	3 152	595	0
Housing mortgage loans to individuals	4 869	0	4 869	0
Other loans	40	0	40	0
Loans to non-financial institutions and other customers, total	93 130	5 259	87 871	0
Less: specific provisions	5 111	341	4 770	0
Assets for resale	369	369	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 502	1 502	0	0
Intangible assets	304	304	0	0
Premises and other fixed assets	6 296	6 296	0	0
Assets, total	116 214	22 473	92 244	1 497
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	27 523	7 805	19 718	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	23 698	4 001	19 697	0
Deposits of other financial institutions	3 825	3 804	21	0
Deposits of non-financial institutions and other customers	63 890	14 869	47 530	1 491
Demand deposits	34 508	11 384	22 312	812
Time deposits	29 382	3 485	25 218	679
Savings deposits	0	0	0	0
Deposits, total	91 413	22 674	67 248	1 491
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	515	385	114	16
Liabilities, total	91 928	23 059	67 362	1 507
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	24 286	24 286		
Shareholder capital	17 852	17 852		
Reserves	6 405	6 405		
Profit/loss, current year	29	29		
Liabilities, minority interest, and capital, total	116 214	47 345	67 362	1 507
Memo: credit substitutes and other off-balance sheet commitments	14 769	1 566	12 705	498



**Emporiki Bank
Bulgaria EAD**

INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	6 961	554	6 258	149
Interest income from claims on financial institutions	445	181	115	149
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	6 511	373	6 138	0
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 868	330	1 482	56
Interest expenditure on deposits of financial institutions	787	115	672	0
Interest expenditure on deposits of non-financial institutions and other customers	1 081	215	810	56
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	5 093	224	4 776	93
CREDIT PROVISIONS				
Accrued provisions	1 463			
Reintegrated provisions	1 705			
Credit provisions, net	-242			
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	1 538			
NON-INTEREST EXPENDITURE	6 667			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	193			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	5			
EXTRAORDINARY GAIN/LOSS	0			
TAX	169			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	29			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Eleftherios Patroclus Baharopoulos – Chairman and Chief Executive Director Georgios Vassilios Tzamos – Executive Director Teodor Nikolov Palev – Executive Director
Procurators	Ioannis Vassilios Pilinis Iva Stefanova Kouzmanova
Shareholders (shares over 10%)	
	Commercial Bank of Greece, Athens – 100%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	6 137	6 083	34	20
Claims on financial institutions, net	23 018	2 933	19 991	94
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	9 436	439	8 997	0
Loans to non-financial institutions and other customers, net	69 238	43 940	25 298	0
Loans to budget	0	0	0	0
Commercial loans	69 612	42 314	27 298	0
Commercial real estate and construction loans	45 498	21 519	23 979	0
Other commercial loans	24 114	20 795	3 319	0
Agricultural loans	5 230	5 230	0	0
Consumer loans	221	221	0	0
Housing mortgage loans to individuals	206	206	0	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	75 269	47 971	27 298	0
Less: specific provisions	6 031	4 031	2 000	0
Assets for resale	2 206	2 206	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	101	101	0	0
Intangible assets	74	74	0	0
Premises and other fixed assets	2 176	2 176	0	0
Assets, total	112 386	57 952	54 320	114
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	8	3	4	1
Demand deposits of banks	1	1	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	7	2	4	1
Deposits of non-financial institutions and other customers	6 581	5 092	1 414	75
Demand deposits	4 289	2 858	1 365	66
Time deposits	2 161	2 103	49	9
Savings deposits	131	131	0	0
Deposits, total	6 589	5 095	1 418	76
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	64 075	1 340	62 735	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	649	585	64	0
Liabilities, total	71 313	7 020	64 217	76
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 073	41 073		
Shareholder capital	29 574	29 574		
Reserves	6 878	6 878		
Profit/loss, current year	4 621	4 621		
Liabilities, minority interest, and capital, total	112 386	48 093	64 217	76
Memo: credit substitutes and other off-balance sheet commitments	20 775	12 572	8 160	43

**INCOME STATEMENT**

(December 2006)

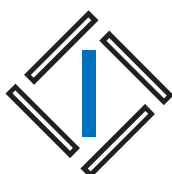
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	9 713	4 768	4 944	1
Interest income from claims on financial institutions	346	84	261	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	302	106	196	0
Interest income from loans	9 015	4 578	4 437	0
Dividend income	50	0	50	0
INTEREST EXPENDITURE	1 665	53	1 611	1
Interest expenditure on deposits of financial institutions	4	3	0	1
Interest expenditure on deposits of non-financial institutions and other customers	12	11	1	0
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	1 649	39	1 610	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	8 048	4 715	3 333	0
CREDIT PROVISIONS				
Accrued provisions	5 276			
Reintegrated provisions	4 542			
Credit provisions, net	734			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	352			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	927			
NON-INTEREST EXPENDITURE	3 156			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	5 437			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1			
EXTRAORDINARY GAIN/LOSS	0			
TAX	815			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	4 621			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 2006

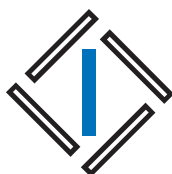
License granted by the BNB	Order No. 100-000078 of 25 February 1999 of the BNB Governor
Legal registration	Resolution No. 1 of the Sofia City Court of 11 March 1999 on company file No. 3400 of 1999
Address of the head office	1 Dyakon Ignatii Str., Sofia 1000 tel. 02/930 63 33 Website: www.nasbank.bg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



BALANCE SHEET AS OF 31 DECEMBER 2006

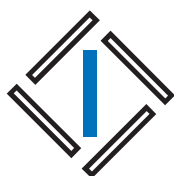
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	329 860	121 590	199 376	8 894
Claims on financial institutions, net	396 328	14 103	325 701	56 524
Claims under repurchase agreements	19 085	18 785	0	300
Trading portfolio	12 360	4 795	92	7 473
Investment portfolio	579 107	85 643	302 944	190 520
Loans to non-financial institutions and other customers, net	1 709 495	655 571	1 023 357	30 567
Loans to budget	0	0	0	0
Commercial loans	1 233 669	285 138	921 209	27 322
Commercial real estate and construction loans	812 596	154 195	648 745	9 656
Other commercial loans	421 073	130 943	272 464	17 666
Agricultural loans	30 077	23 866	5 761	450
Consumer loans	217 285	171 523	44 761	1 001
Housing mortgage loans to individuals	234 742	180 943	52 754	1 045
Other loans	38 804	16 739	17 479	4 586
Loans to non-financial institutions and other customers, total	1 754 577	678 209	1 041 964	34 404
Less: specific provisions	45 082	22 638	18 607	3 837
Assets for resale	3 607	3 607	0	0
Investments in unconsolidated subsidiaries and associated companies	8314	8314	0	0
Other assets	15 544	12 700	2 515	329
Intangible assets	705	374	0	331
Premises and other fixed assets	80 641	78 610	0	2 031
Assets, total	3 155 046	1 004 092	1 853 985	296 969
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	836 087	20 352	813 497	2 238
Demand deposits of banks	1 188	160	806	222
Time deposits of banks	9 247	4 260	4 987	0
Deposits of other financial institutions	825 652	15 932	807 704	2 016
Deposits of non-financial institutions and other customers	1 663 694	768 674	626 569	268 451
Demand deposits	889 233	532 761	291 260	65 212
Time deposits	774 461	235 913	335 309	203 239
Savings deposits	0	0	0	0
Deposits, total	2 499 781	789 026	1 440 066	270 689
Borrowings under repurchase agreements	225 366	39 806	185 560	0
Short-term borrowings	18 491	18 078	413	0
Long-term borrowings	88 882	0	54 155	34 727
Subordinated term debt and debt/equity (hybrid) instruments	147 680	0	147 680	0
Other liabilities	6 496	6 332	9	155
Liabilities, total	2 986 696	853 242	1 827 883	305 571
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	168 350	168 350		
Shareholder capital	100 000	100 000		
Reserves	39 603	39 603		
Profit/loss, current year	28 747	28 747		
Liabilities, minority interest, and capital, total	3 155 046	1 021 592	1 827 883	305 571
Memo: credit substitutes and other off-balance sheet commitments	786 597	240 356	478 529	67 712


INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	194 388	69 049	107 863	17 476
Interest income from claims on financial institutions	3 591	87	1 945	1 559
Interest income from claims under repurchase agreements	842	197	645	0
Interest income from trading portfolio	458	42	79	337
Interest income from investment portfolio	19 546	2 938	8 710	7 898
Interest income from loans	169 931	65 765	96 484	7 682
Dividend income	20	20	0	0
INTEREST EXPENDITURE	110 177	16 445	81 720	12 012
Interest expenditure on deposits of financial institutions	52 194	1 138	50 919	137
Interest expenditure on deposits of non-financial institutions and other customers	31 922	13 897	9 314	8 711
Interest expenditure on borrowings under repurchase agreements	957	447	510	0
Interest expenditure on borrowings	7 164	944	3 056	3 164
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	17 918	0	17 918	0
Interest expenditure on other liabilities	22	19	3	0
INTEREST AND DIVIDEND INCOME, NET	84 211	52 604	26 143	5 464
CREDIT PROVISIONS				
Accrued provisions	30 313			
Reintegrated provisions	17 642			
Credit provisions, net	12 671			
TRADING PORTFOLIO GAIN/LOSS	1 436			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-92			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	19			
OTHER NON-INTEREST INCOME	44 549			
NON-INTEREST EXPENDITURE	86 018			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	31 434			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 701			
EXTRAORDINARY GAIN/LOSS	0			
TAX	4 388			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	28 747			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Matio Alexandrov Mateev – Chairman and Executive Director Maya Lyubenova Georgieva – Executive Director Yordan Velichkov Skorchev – Executive Director Evgeni Krustev Lukanov – Executive Director Ivan Stefanov Ivanov Radoslav Todorov Milenkov Maya Ivanova Oyfalosh
Shareholders (shares over 10%)	Ivailo Dimitrov Moutafchiev – 31.83% Tseko Todorov Minev – 31.83% First Financial Brokerage House – 13.89%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	69 291	63 638	3 446	2 207
Claims on financial institutions, net	315 126	231 409	35 059	48 658
Claims under repurchase agreements	36 943	0	0	36 943
Trading portfolio	0	0	0	0
Investment portfolio	17 303	17 274	29	0
Loans to non-financial institutions and other customers, net	438 397	288 652	135 039	14 706
Loans to budget	354	353	1	0
Commercial loans	169 907	82 959	86 848	100
Commercial real estate and construction loans	57 209	16 630	40 579	0
Other commercial loans	112 698	66 329	46 269	100
Agricultural loans	28 269	22 298	5 971	0
Consumer loans	221 221	189 888	22 099	9 234
Housing mortgage loans to individuals	37 150	10 336	20 945	5 869
Other loans	15 118	8 347	6 563	208
Loans to non-financial institutions and other customers, total	472 019	314 181	142 427	15 411
Less: specific provisions	33 622	25 529	7 388	705
Assets for resale	1 429	1 429	0	0
Investments in unconsolidated subsidiaries and associated companies	1311	1311	0	0
Other assets	3 987	3 582	49	356
Intangible assets	8 041	8 041	0	0
Premises and other fixed assets	30 382	30 382	0	0
Assets, total	922 210	645 718	173 622	102 870
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	181 361	163 249	394	17 718
Demand deposits of banks	11	11	0	0
Time deposits of banks	179 764	162 048	0	17 716
Deposits of other financial institutions	1 586	1 190	394	2
Deposits of non-financial institutions and other customers	584 034	343 586	156 445	84 003
Demand deposits	233 480	204 762	21 467	7 251
Time deposits	244 828	92 982	92 722	59 124
Savings deposits	105 726	45 842	42 256	17 628
Deposits, total	765 395	506 835	156 839	101 721
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	4 716	4 716	0	0
Subordinated term debt and debt/equity (hybrid) instruments	21 055	0	21 055	0
Other liabilities	23 197	22 058	872	267
Liabilities, total	814 363	533 609	178 766	101 988
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	107 847	107 847		
Shareholder capital	41 103	41 103		
Reserves	52 276	52 276		
Profit/loss, current year	14 468	14 468		
Liabilities, minority interest, and capital, total	922 210	641 456	178 766	101 988
Memo: credit substitutes and other off-balance sheet commitments	50 489	24 891	25 372	226

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	49 578	30 261	14 598	4 719
Interest income from claims on financial institutions	5 470	2 138	817	2 515
Interest income from claims under repurchase agreements	1 892	5	0	1 887
Interest income from trading portfolio	0	0	0	0
Interest income from investment portfolio	732	717	0	15
Interest income from loans	41 484	27 401	13 781	302
Dividend income	0	0	0	0
INTEREST EXPENDITURE	10 975	6 014	3 569	1 392
Interest expenditure on deposits of financial institutions	986	270	522	194
Interest expenditure on deposits of non-financial institutions and other customers	8 995	5 577	2 220	1 198
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	162	162	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	827	0	827	0
Interest expenditure on other liabilities	5	5	0	0
INTEREST AND DIVIDEND INCOME, NET	38 603	24 247	11 029	3 327
CREDIT PROVISIONS				
Accrued provisions	50 510			
Reintegrated provisions	38 599			
Credit provisions, net	11 911			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	408			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	47 064			
NON-INTEREST EXPENDITURE	56 570			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	17 594			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	13			
EXTRAORDINARY GAIN/LOSS	0			
TAX	3 139			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	14 468			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	211 252	194 038	11 210	6 004
Claims on financial institutions, net	610 408	346 131	105 253	159 024
Claims under repurchase agreements	4 678	4 112	566	0
Trading portfolio	361 297	94 384	150 926	115 987
Investment portfolio	13 490	13 490	0	0
Loans to non-financial institutions and other customers, net	1 647 548	708 503	895 207	43 838
Loans to budget	15 352	15 352	0	0
Commercial loans	1 168 695	398 775	754 680	15 240
Commercial real estate and construction loans	499 349	122 681	375 884	784
Other commercial loans	669 346	276 094	378 796	14 456
Agricultural loans	12 213	10 141	2 072	0
Consumer loans	420 118	288 086	111 416	20 616
Housing mortgage loans to individuals	97 355	27 052	61 306	8 997
Other loans	1 492	1 154	8	330
Loans to non-financial institutions and other customers, total	1 715 225	740 560	929 482	45 183
Less: specific provisions	67 677	32 057	34 275	1 345
Assets for resale	2 546	2 546	0	0
Investments in unconsolidated subsidiaries and associated companies	655	655	0	0
Other assets	2 260	2 032	227	1
Intangible assets	6 707	6 707	0	0
Premises and other fixed assets	53 719	53 719	0	0
Assets, total	2 914 560	1 426 317	1 163 389	324 854
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	797 645	486 152	202 552	108 941
Demand deposits of banks	4 746	4 552	102	92
Time deposits of banks	758 163	455 425	194 050	108 688
Deposits of other financial institutions	34 736	26 175	8 400	161
Deposits of non-financial institutions and other customers	1 477 305	776 743	526 923	173 639
Demand deposits	804 505	570 533	208 491	25 481
Time deposits	345 643	75 851	170 687	99 105
Savings deposits	327 157	130 359	147 745	49 053
Deposits, total	2 274 950	1 262 895	729 475	282 580
Borrowings under repurchase agreements	96 121	0	59 178	36 943
Short-term borrowings	0	0	0	0
Long-term borrowings	162 082	2 784	159 298	0
Subordinated term debt and debt/equity (hybrid) instruments	78 983	0	78 983	0
Other liabilities	63 776	46 078	15 406	2 292
Liabilities, total	2 675 912	1 311 757	1 042 340	321 815
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	238 648	238 648		
Shareholder capital	36 842	36 842		
Reserves	158 894	158 894		
Profit/loss, current year	42 912	42 912		
Liabilities, minority interest, and capital, total	2 914 560	1 550 405	1 042 340	321 815
Memo: credit substitutes and other off-balance sheet commitments	650 868	337 932	273 349	39 587

INCOME STATEMENT
 (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	158 523	73 637	64 259	20 627
Interest income from claims on financial institutions	12 145	4 554	2 123	5 468
Interest income from claims under repurchase agreements	219	141	78	0
Interest income from trading portfolio	22 338	5 246	4 739	12 353
Interest income from investment portfolio	384	384	0	0
Interest income from loans	123 409	63 284	57 319	2 806
Dividend income	28	28	0	0
INTEREST EXPENDITURE	45 240	15 242	20 119	9 879
Interest expenditure on deposits of financial institutions	20 155	8 368	6 336	5 451
Interest expenditure on deposits of non-financial institutions and other customers	13 300	6 663	4 098	2 539
Interest expenditure on borrowings under repurchase agreements	4 349	5	2 455	1 889
Interest expenditure on borrowings	4 295	18	4 277	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	2 931	0	2 931	0
Interest expenditure on other liabilities	210	188	22	0
INTEREST AND DIVIDEND INCOME, NET	113 283	58 395	44 140	10 748
CREDIT PROVISIONS				
Accrued provisions	46 531			
Reintegrated provisions	22 192			
Credit provisions, net	24 339			
TRADING PORTFOLIO GAIN/LOSS	-2 388			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	4			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	51 245			
NON-INTEREST EXPENDITURE	84 831			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	52 974			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-1 147			
EXTRAORDINARY GAIN/LOSS	0			
TAX	8 915			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	42 912			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Edelmüller Josef Duregger Robert Zadrazil
Management Board	Peter Harold – Chairman and Chief Executive Director Andrea Casini – Deputy Chairman and Executive Director Emiliya Stefanova Palibachiyska – Executive Director Ludwig Wagner – Executive Director
Shareholders (shares over 10%)	Bank Austria Creditanstalt – 99.59%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	44 601	0	44 601	29 515	14 429	657
Claims on financial institutions, net	299 315	280 819	18 496	5 632	12 380	484
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	83 384	6 546	76 838	65 329	11 401	108
Investment portfolio	46	0	46	46	0	0
Loans to non-financial institutions and other customers, net	128 305	0	128 305	100 694	27 610	1
Loans to budget	0	0	0	0	0	0
Commercial loans	111 207	0	111 207	83 761	27 445	1
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	111 207	0	111 207	83 761	27 445	1
Agricultural loans	7 653	0	7 653	7 653	0	0
Consumer loans	1 413	0	1 413	1 413	0	0
Housing mortgage loans to individuals	7 731	0	7 731	7 731	0	0
Other loans	362	0	362	197	165	0
Loans to non-financial institutions and other customers, total	128 366	0	128 366	100 755	27 610	1
Less: specific provisions	61	0	61	61	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	2 084	292	1 792	312	1 284	196
Intangible assets	299	0	299	299	0	0
Premises and other fixed assets	761	0	761	761	0	0
Assets, total	558 795	287 657	271 138	202 588	67 104	1 446
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	73 422	755	72 667	38 357	18 080	16 230
Demand deposits of banks	44 324	755	43 569	23 823	3 522	16 224
Time deposits of banks	25 227	0	25 227	12 019	13 208	0
Deposits of other financial institutions	3 871	0	3 871	2 515	1 350	6
Deposits of non-financial institutions and other customers	414 262	0	414 262	157 928	96 361	159 973
Demand deposits	243 006	0	243 006	106 155	81 611	55 240
Time deposits	171 256	0	171 256	51 773	14 750	104 733
Savings deposits	0	0	0	0	0	0
Deposits, total	487 684	755	486 929	196 285	114 441	176 203
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	38 302	14 692	23 610	752	1 514	21 344
Liabilities, total	525 986	15 447	510 539	197 037	115 955	197 547
Reserves and financial result, total	32 809	26 721	6 088	6 088		
Reserves	26 721	26 721	0	0		
Profit/loss, current year	6 088	0	6 088	6 088		
Liabilities, reserves, and financial result, total	558 795	42 168	516 627	203 125	115 955	197 547
Memo: credit substitutes and other off-balance sheet commitments	359 145	57 881	301 264	128 182	134 798	38 284

INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	21 502	9 552	11 950	9 611	1535	804
Interest income from claims on financial institutions	10 575	9 552	1 023	499	512	12
Interest income from claims under repurchase agreements	8	0	8	8	0	0
Interest income from trading portfolio	2 065	0	2 065	2 065	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	8 854	0	8 854	7 039	1023	792
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	8 366	3 107	5 259	1 569	2057	1633
Interest expenditure on deposits of financial institutions	5 004	3 107	1 897	785	607	505
Interest expenditure on deposits of non-financial institutions and other customers	2 960	0	2 960	780	1 069	1 111
Interest expenditure on borrowings under repurchase agreements	4	0	4	4	0	0
Interest expenditure on borrowings	398	0	398	0	381	17
Interest expenditure on other liabilities	0	0	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	13 136	6 445	6 691	8 042	-522	-829
CREDIT PROVISIONS						
Accrued provisions	61	0	61			
Reintegrated provisions	39	0	39			
Credit provisions, net	22	0	22			
TRADING PORTFOLIO GAIN/LOSS	1 287	-5	1 292			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NON-INTEREST INCOME	8 236	-1 448	9 684			
NON-INTEREST EXPENDITURE	16 506	3 067	13 439			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	6 131	1 925	4 206			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 031	1 045	-14			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	1 074	0	1 074			
PROFIT/LOSS, NET	6 088	2 970	3 118			

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

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	44 140	23 483	19 998	659
Claims on financial institutions, net	54 344	338	36 069	17 937
Claims under repurchase agreements	0	0	0	0
Trading portfolio	2 951	219	2 008	724
Investment portfolio	33 478	26 748	5 009	1 721
Loans to non-financial institutions and other customers, net	228 458	131 552	89 311	7 595
Loans to budget	2 595	2 595	0	0
Commercial loans	202 666	110 331	83 615	8 720
Commercial real estate and construction loans	49 816	23 615	26 201	0
Other commercial loans	152 850	86 716	57 414	8 720
Agricultural loans	10 079	9 585	494	0
Consumer loans	1 790	1 538	212	40
Housing mortgage loans to individuals	4 754	1 174	3 580	0
Other loans	10 569	8 908	1 660	1
Loans to non-financial institutions and other customers, total	232 453	134 131	89 561	8 761
Less: specific provisions	3 995	2 579	250	1 166
Assets for resale	3 131	3 131	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	4 510	3 494	646	370
Intangible assets	165	165	0	0
Premises and other fixed assets	16 614	16 614	0	0
Assets, total	387 791	205 744	153 041	29 006
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	17 635	3 075	14 542	18
Demand deposits of banks	19	19	0	0
Time deposits of banks	16 045	1 957	14 088	0
Deposits of other financial institutions	1 571	1 099	454	18
Deposits of non-financial institutions and other customers	258 222	124 950	107 293	25 979
Demand deposits	140 596	95 753	40 320	4 523
Time deposits	103 408	24 221	59 941	19 246
Savings deposits	14 218	4 976	7 032	2 210
Deposits, total	275 857	128 025	121 835	25 997
Borrowings under repurchase agreements	6 110	6 110	0	0
Short-term borrowings	45 316	0	45 316	0
Long-term borrowings	8 035	8 035	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	10 518	2 097	6 485	1 936
Liabilities, total	345 836	144 267	173 636	27 933
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 955	41 955		
Shareholder capital	20 050	20 050		
Reserves	13 361	13 361		
Profit/loss, current year	8 544	8 544		
Liabilities, minority interest, and capital, total	387 791	186 222	173 636	27 933
Memo: credit substitutes and other off-balance sheet commitments	106 360	71 391	30 657	4 312

INCOME STATEMENT
 (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	24 304	14 460	8 073	1 771
Interest income from claims on financial institutions	951	8	227	716
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	21	0	14	7
Interest income from investment portfolio	1 391	1 061	250	80
Interest income from loans	21 936	13 386	7 582	968
Dividend income	5	5	0	0
INTEREST EXPENDITURE	8 760	2 579	5 375	806
Interest expenditure on deposits of financial institutions	565	107	458	0
Interest expenditure on deposits of non-financial institutions and other customers	5 312	1 972	2 534	806
Interest expenditure on borrowings under repurchase agreements	354	354	0	0
Interest expenditure on borrowings	2 365	119	2 246	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	164	27	137	0
INTEREST AND DIVIDEND INCOME, NET	15 544	11 881	2 698	965
CREDIT PROVISIONS				
Accrued provisions	2 100			
Reintegrated provisions	1 057			
Credit provisions, net	1 043			
TRADING PORTFOLIO GAIN/LOSS	579			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-479			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	9 691			
NON-INTEREST EXPENDITURE	14 037			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	10 255			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-245			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 466			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	8 544			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	Georgi Stoinev Harizanov Georgi Borislavov Georgiev Ivan Minkov Dragnevski Mladen Ivanov Moutafchiyski
Management Board	Youri Jaque Aroyo Kostadin Vasilev Karanlakov Elen Georgiev Georgiev Aleksi Asenov Tsvetanov – Executive Member
Shareholders (shares over 10%)	Dynatrade International – 25.51%


BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	61 488	54 236	5 462	1 790
Claims on financial institutions, net	120 927	10 916	90 003	20 008
Claims under repurchase agreements	2 384	2 384	0	0
Trading portfolio	35 813	14 367	19 472	1 974
Investment portfolio	103 591	84 857	16 070	2 664
Loans to non-financial institutions and other customers, net	184 109	112 744	62 831	8 534
Loans to budget	1 762	26	1 736	0
Commercial loans	134 776	79 542	47 347	7 887
Commercial real estate and construction loans	42 973	19 412	21 790	1 771
Other commercial loans	91 803	60 130	25 557	6 116
Agricultural loans	9 271	9 271	0	0
Consumer loans	15 315	12 438	2 230	647
Housing mortgage loans to individuals	23 784	12 012	11 772	0
Other loans	2 924	2 924	0	0
Loans to non-financial institutions and other customers, total	187 832	116 213	63 085	8 534
Less: specific provisions	3 723	3 469	254	0
Assets for resale	1 775	1 775	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	3 305	1 568	1 518	219
Intangible assets	666	666	0	0
Premises and other fixed assets	16 628	16 628	0	0
Assets, total	530 686	300 141	195 356	35 189
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	56 045	47 708	8 210	127
Demand deposits of banks	1 354	120	1 114	120
Time deposits of banks	15 872	10 003	5 869	0
Deposits of other financial institutions	38 819	37 585	1 227	7
Deposits of non-financial institutions and other customers	362 378	183 016	145 165	34 197
Demand deposits	106 918	93 710	11 150	2 058
Time deposits	231 377	82 374	118 779	30 224
Savings deposits	24 083	6 932	15 236	1 915
Deposits, total	418 423	230 724	153 375	34 324
Borrowings under repurchase agreements	12 800	12 800	0	0
Short-term borrowings	422	422	0	0
Long-term borrowings	53 184	10 697	42 487	0
Subordinated term debt and debt/equity (hybrid) instruments	4 115	0	4 115	0
Other liabilities	6 034	5 123	810	101
Liabilities, total	494 978	259 766	200 787	34 425
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	35 708	35 708		
Shareholder capital	32 323	32 323		
Reserves	1 677	1 677		
Profit/loss, current year	1 708	1 708		
Liabilities, minority interest, and capital, total	530 686	295 474	200 787	34 425
Memo: credit substitutes and other off-balance sheet commitments	51 298	35 051	13 626	2 621

INCOME STATEMENT
(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	22 219	12 956	7 038	2 225
Interest income from claims on financial institutions	2 358	469	1 029	860
Interest income from claims under repurchase agreements	126	126	0	0
Interest income from trading portfolio	872	476	298	98
Interest income from investment portfolio	3 613	2 671	750	192
Interest income from loans	15 016	8 980	4 961	1 075
Dividend income	234	234	0	0
INTEREST EXPENDITURE	13 939	5 912	6 550	1 477
Interest expenditure on deposits of financial institutions	1 083	1 029	52	2
Interest expenditure on deposits of non-financial institutions and other customers	11 205	4 396	5 334	1 475
Interest expenditure on borrowings under repurchase agreements	294	294	0	0
Interest expenditure on borrowings	1 242	193	1 049	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	115	0	115	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	8 280	7 044	488	748
CREDIT PROVISIONS				
Accrued provisions	598			
Reintegrated provisions	187			
Credit provisions, net	411			
TRADING PORTFOLIO GAIN/LOSS	171			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	1 583			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-530			
OTHER NON-INTEREST INCOME	6 593			
NON-INTEREST EXPENDITURE	13 610			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 076			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-129			
EXTRAORDINARY GAIN/LOSS	61			
TAX	300			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 708			



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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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
Shareholders (shares over 10%)	
	Festa Holding – 78.73% Vincom – 15.49%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	44 090	23 965	17 681	2 444
Claims on financial institutions, net	147 689	13	107 703	39 973
Claims under repurchase agreements	0	0	0	0
Trading portfolio	32 460	7 938	13 306	11 216
Investment portfolio	15 537	13 561	1 976	0
Loans to non-financial institutions and other customers, net	353 547	63 925	278 828	10 794
Loans to budget	99	99	0	0
Commercial loans	284 938	39 967	234 326	10 645
Commercial real estate and construction loans	143 685	5 242	132 705	5 738
Other commercial loans	141 253	34 725	101 621	4 907
Agricultural loans	18 826	16 521	2 305	0
Consumer loans	21 030	7 522	13 495	13
Housing mortgage loans to individuals	32 916	564	32 029	323
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	357 809	64 673	282 155	10 981
Less: specific provisions	4 262	748	3 327	187
Assets for resale	37	37	0	0
Investments in unconsolidated subsidiaries and associated companies	2000	2000	0	0
Other assets	1 882	1 647	235	0
Intangible assets	1 469	1 469	0	0
Premises and other fixed assets	5 723	5 723	0	0
Assets, total	604 434	120 278	419 729	64 427
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	26 449	7 235	19 121	93
Demand deposits of banks	70	25	0	45
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	26 379	7 210	19 121	48
Deposits of non-financial institutions and other customers	466 323	156 658	246 706	62 959
Demand deposits	159 666	107 578	35 948	16 140
Time deposits	296 424	48 182	204 429	43 813
Savings deposits	10 233	898	6 329	3 006
Deposits, total	492 772	163 893	265 827	63 052
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	42 006	6 676	35 330	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 002	2 235	1 552	1 215
Liabilities, total	539 780	172 804	302 709	64 267
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	64 654	64 654		
Shareholder capital	15 412	15 412		
Reserves	45 804	45 804		
Profit/loss, current year	3 438	3 438		
Liabilities, minority interest, and capital, total	604 434	237 458	302 709	64 267
Memo: credit substitutes and other off-balance sheet commitments	61 987	32 134	26 282	3 571



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	41 272	7 719	28 907	4 646
Interest income from claims on financial institutions	4 685	88	2 575	2 022
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	2 135	412	1 003	720
Interest income from investment portfolio	650	526	104	20
Interest income from loans	33 783	6 674	25 225	1 884
Dividend income	19	19	0	0
INTEREST EXPENDITURE	19 887	3 836	13 259	2 792
Interest expenditure on deposits of financial institutions	1 728	684	1 042	2
Interest expenditure on deposits of non-financial institutions and other customers	14 242	3 034	8 966	2 242
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	3 917	118	3 251	548
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	21 385	3 883	15 648	1 854
CREDIT PROVISIONS				
Accrued provisions	6 398			
Reintegrated provisions	5 110			
Credit provisions, net	1 288			
TRADING PORTFOLIO GAIN/LOSS	-3 006			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	79			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	8 503			
NON-INTEREST EXPENDITURE	22 667			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 006			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 039			
EXTRAORDINARY GAIN/LOSS	0			
TAX	607			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 438			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Tottleben 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 Maria Dimova Ilieva – Chief Executive Director Anna Ivanova Asparouhova – Deputy Chairman and Executive Director Dorcho Dimitrov Ilchev – Executive Director Peter Cherfalvi – Executive Director
Procurator	Radoslav Simeonov Velkov
Shareholders (shares over 10%)	
	MKB Bank, Hungary – 60% Union Group – 19.86% Boras – 14.14%

* By Resolution No. 45 of 23 January 2007 the Sofia City Court entered a deletion of Ivan Totev Radev as a member of the Supervisory Board of Union Group and as a chairman and member of the Management Board and Radoslav Simeonov Velkov as a procurator. Under the same resolution Ivan Totev Radev was entered as a member of the Supervisory Board, Maria Dimova Ilieva as a chairman of the Management Board and Radoslav Simeonov Velkov as a member of the Management Board and executive director.



MUNICIPAL BANK PLC

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	79 270	74 622	2 827	1 821
Claims on financial institutions, net	115 155	48 024	42 842	24 289
Claims under repurchase agreements	95 731	95 731	0	0
Trading portfolio	90 069	71 119	16 906	2 044
Investment portfolio	48 470	32 691	15 771	8
Loans to non-financial institutions and other customers, net	202 921	163 782	35 459	3 680
Loans to budget	10 037	10 037	0	0
Commercial loans	163 763	120 438	39 645	3 680
Commercial real estate and construction loans	52 396	34 351	17 958	87
Other commercial loans	111 367	86 087	21 687	3 593
Agricultural loans	3 761	3 457	304	0
Consumer loans	23 268	22 567	701	0
Housing mortgage loans to individuals	7 622	5 093	2 529	0
Other loans	10 668	10 496	172	0
Loans to non-financial institutions and other customers, total	219 119	172 088	43 351	3 680
Less: specific provisions	16 198	8 306	7 892	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 834	1 800	33	1
Intangible assets	2 256	2 256	0	0
Premises and other fixed assets	8 369	8 369	0	0
Assets, total	644 075	498 394	113 838	31 843
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	43 539	36 528	991	6 020
Demand deposits of banks	6 015	21	0	5 994
Time deposits of banks	30 009	30 009	0	0
Deposits of other financial institutions	7 515	6 498	991	26
Deposits of non-financial institutions and other customers	502 145	413 897	62 287	25 961
Demand deposits	320 998	302 573	12 914	5 511
Time deposits	169 464	105 803	44 881	18 780
Savings deposits	11 683	5 521	4 492	1 670
Deposits, total	545 684	450 425	63 278	31 981
Borrowings under repurchase agreements	560	560	0	0
Short-term borrowings	29 771	30	29 741	0
Long-term borrowings	24 061	937	23 124	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 255	1 293	943	19
Liabilities, total	602 331	453 245	117 086	32 000
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	41 744	41 744		
Shareholder capital	25 000	25 000		
Reserves	13 266	13 266		
Profit/loss, current year	3 478	3 478		
Liabilities, minority interest, and capital, total	644 075	494 989	117 086	32 000
Memo: credit substitutes and other off-balance sheet commitments	84 968	63 472	16 980	4 516



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	30 126	21 502	6 819	1 805
Interest income from claims on financial institutions	3 039	521	1 648	870
Interest income from claims under repurchase agreements	1 850	1 850	0	0
Interest income from trading portfolio	5 562	4 707	756	99
Interest income from investment portfolio	832	598	234	0
Interest income from loans	18 817	13 800	4 181	836
Dividend income	26	26	0	0
INTEREST EXPENDITURE	9 668	4 054	4 883	731
Interest expenditure on deposits of financial institutions	442	349	78	15
Interest expenditure on deposits of non-financial institutions and other customers	6 068	3 678	1 674	716
Interest expenditure on borrowings under repurchase agreements	11	11	0	0
Interest expenditure on borrowings	3 147	16	3 131	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	20 458	17 448	1 936	1 074
CREDIT PROVISIONS				
Accrued provisions	9 706			
Reintegrated provisions	12 215			
Credit provisions, net	-2 509			
TRADING PORTFOLIO GAIN/LOSS	-894			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	189			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	8 979			
NON-INTEREST EXPENDITURE	27 200			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 041			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	147			
EXTRAORDINARY GAIN/LOSS	0			
TAX	710			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 478			



MUNICIPAL BANK PLC

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	11 080	9 244	1 363	473
Claims on financial institutions, net	25 201	1 000	23 091	1 110
Claims under repurchase agreements	0	0	0	0
Trading portfolio	4 297	1 621	1 016	1 660
Investment portfolio	6 224	3 890	2 334	0
Loans to non-financial institutions and other customers, net	97 891	29 387	64 575	3 929
Loans to budget	0	0	0	0
Commercial loans	79 774	10 035	65 411	4 328
Commercial real estate and construction loans	47 597	4 801	41 942	854
Other commercial loans	32 177	5 234	23 469	3 474
Agricultural loans	21 165	21 165	0	0
Consumer loans	1 456	91	1 365	0
Housing mortgage loans to individuals	308	115	193	0
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	102 703	31 406	66 969	4 328
Less: specific provisions	4 812	2 019	2 394	399
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	430	430	0	0
Other assets	694	130	556	8
Intangible assets	532	532	0	0
Premises and other fixed assets	463	463	0	0
Assets, total	146 812	46 697	92 935	7 180
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	40 141	528	33 643	5 970
Demand deposits of banks	137	118	17	2
Time deposits of banks	39 266	0	33 298	5 968
Deposits of other financial institutions	738	410	328	0
Deposits of non-financial institutions and other customers	46 900	23 339	22 343	1 218
Demand deposits	29 186	8 170	19 934	1 082
Time deposits	17 714	15 169	2 409	136
Savings deposits	0	0	0	0
Deposits, total	87 041	23 867	55 986	7 188
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	32 544	12 904	19 640	0
Subordinated term debt and debt/equity (hybrid) instruments	6 119	0	6 119	0
Other liabilities	1 734	447	903	384
Liabilities, total	127 438	37 218	82 648	7 572
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	19 374	19 374		
Shareholder capital	15 800	15 800		
Reserves	404	404		
Profit/loss, current year	3 170	3 170		
Liabilities, minority interest, and capital, total	146 812	56 592	82 648	7 572
Memo: credit substitutes and other off-balance sheet commitments	35 024	7 895	23 605	3 524

INCOME STATEMENT
 (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	10 825	3 222	7 184	419
Interest income from claims on financial institutions	770	37	692	41
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	300	154	146	0
Interest income from loans	9 755	3 031	6 346	378
Dividend income	0	0	0	0
INTEREST EXPENDITURE	2 802	974	1 607	221
Interest expenditure on deposits of financial institutions	949	2	737	210
Interest expenditure on deposits of non-financial institutions and other customers	895	655	229	11
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	958	317	641	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	8 023	2 248	5 577	198
CREDIT PROVISIONS				
Accrued provisions	2 153			
Reintegrated provisions	0			
Credit provisions, net	2 153			
TRADING PORTFOLIO GAIN/LOSS	305			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	823			
NON-INTEREST EXPENDITURE	3 941			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 057			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	247			
EXTRAORDINARY GAIN/LOSS	0			
TAX	134			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 170			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 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 – 97.01%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	117 008	99 373	14 003	3 632
Claims on financial institutions, net	295 011	20 055	221 718	53 238
Claims under repurchase agreements	0	0	0	0
Trading portfolio	69 267	36 453	15 021	17 793
Investment portfolio	574	285	289	0
Loans to non-financial institutions and other customers, net	1 044 555	373 127	665 459	5 969
Loans to budget	0	0	0	0
Commercial loans	791 694	269 080	516 761	5 853
Commercial real estate and construction loans	340 878	107 350	231 502	2 026
Other commercial loans	450 816	161 730	285 259	3 827
Agricultural loans	19 757	13 282	6 475	0
Consumer loans	60 943	57 832	3 088	23
Housing mortgage loans to individuals	200 971	53 309	147 504	158
Other loans	469	405	55	9
Loans to non-financial institutions and other customers, total	1 073 834	393 908	673 883	6 043
Less: specific provisions	29 279	20 781	8 424	74
Assets for resale	1 429	1 429	0	0
Investments in unconsolidated subsidiaries and associated companies	40	40	0	0
Other assets	19 994	19 198	587	209
Intangible assets	1 944	1 944	0	0
Premises and other fixed assets	22 696	22 696	0	0
Assets, total	1 572 518	574 600	917 077	80 841
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	628 007	154 424	471 227	2 356
Demand deposits of banks	70	0	70	0
Time deposits of banks	547 901	75 496	470 324	2 081
Deposits of other financial institutions	80 036	78 928	833	275
Deposits of non-financial institutions and other customers	700 236	318 761	306 526	74 949
Demand deposits	251 160	159 756	80 857	10 547
Time deposits	376 685	146 924	170 163	59 598
Savings deposits	72 391	12 081	55 506	4 804
Deposits, total	1 328 243	473 185	777 753	77 305
Borrowings under repurchase agreements	9 333	9 333	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	22 428	12 692	9 736	0
Subordinated term debt and debt/equity (hybrid) instruments	39 325	0	39 325	0
Other liabilities	70 049	4 127	61 186	4 736
Liabilities, total	1 469 378	499 337	888 000	82 041
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	103 140	103 140		
Shareholder capital	70 362	70 362		
Reserves	13 626	13 626		
Profit/loss, current year	19 152	19 152		
Liabilities, minority interest, and capital, total	1 572 518	602 477	888 000	82 041
Memo: credit substitutes and other off-balance sheet commitments	250 076	130 219	94 628	25 229

INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	90 504	36 584	45 905	8 015
Interest income from claims on financial institutions	6 838	1 944	463	4 431
Interest income from claims under repurchase agreements	25	25	0	0
Interest income from trading portfolio	3 439	1 957	451	1 031
Interest income from investment portfolio	963	594	200	169
Interest income from loans	79 239	32 064	44 791	2 384
Dividend income	0	0	0	0
INTEREST EXPENDITURE	39 896	13 826	20 676	5 394
Interest expenditure on deposits of financial institutions	21 933	5 864	13 697	2 372
Interest expenditure on deposits of non-financial institutions and other customers	14 609	7 064	4 523	3 022
Interest expenditure on borrowings under repurchase agreements	183	183	0	0
Interest expenditure on borrowings	1 801	715	1 086	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 370	0	1 370	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	50 608	22 758	25 229	2 621
CREDIT PROVISIONS				
Accrued provisions	15 156			
Reintegrated provisions	6 497			
Credit provisions, net	8 659			
TRADING PORTFOLIO GAIN/LOSS	-3 871			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-1 250			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	21 399			
NON-INTEREST EXPENDITURE	37 593			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	20 634			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	1 900			
EXTRAORDINARY GAIN/LOSS	-88			
TAX	3 294			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	19 152			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 – 99.92%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	211 938	75 896	127 930	8 112
Claims on financial institutions, net	700 443	13 138	501 128	186 177
Claims under repurchase agreements	15 775	8 128	6 586	1 061
Trading portfolio	122 492	52 127	39 150	31 215
Investment portfolio	162 428	18 384	138 591	5 453
Loans to non-financial institutions and other customers, net	1 578 046	817 038	733 084	27 924
Loans to budget	0	0	0	0
Commercial loans	949 199	360 697	561 415	27 087
Commercial real estate and construction loans	237 448	46 072	185 915	5 461
Other commercial loans	711 751	314 625	375 500	21 626
Agricultural loans	2 444	2 150	294	0
Consumer loans	340 823	339 004	1 700	119
Housing mortgage loans to individuals	296 289	141 804	153 813	672
Other loans	38 913	7 438	31 391	84
Loans to non-financial institutions and other customers, total	1 627 668	851 093	748 613	27 962
Less: specific provisions	49 622	34 055	15 529	38
Assets for resale	381	381	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	8 659	3 111	4 268	1 280
Intangible assets	11 411	11 411	0	0
Premises and other fixed assets	58 612	58 612	0	0
Assets, total	2 870 185	1 058 226	1 550 737	261 222
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	146 167	102 251	18 125	25 791
Demand deposits of banks	8 436	4 021	4 000	415
Time deposits of banks	90 792	67 021	0	23 771
Deposits of other financial institutions	46 939	31 209	14 125	1 605
Deposits of non-financial institutions and other customers	2 214 228	742 616	1 128 153	343 459
Demand deposits	584 623	361 764	196 759	26 100
Time deposits	1 463 009	301 624	880 304	281 081
Savings deposits	166 596	79 228	51 090	36 278
Deposits, total	2 360 395	844 867	1 146 278	369 250
Borrowings under repurchase agreements	59 053	59 053	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	108 227	95 426	12 801	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	31 352	23 079	6 613	1 660
Liabilities, total	2 559 027	1 022 425	1 165 692	370 910
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	311 158	311 158		
Shareholder capital	207 716	207 716		
Reserves	60 249	60 249		
Profit/loss, current year	43 193	43 193		
Liabilities, minority interest, and capital, total	2 870 185	1 333 583	1 165 692	370 910
Memo: credit substitutes and other off-balance sheet commitments	943 435	353 238	459 674	130 523



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	150 236	82 894	58 276	9 066
Interest income from claims on financial institutions	17 309	168	12 141	5 000
Interest income from claims under repurchase agreements	737	516	159	62
Interest income from trading portfolio	5 186	1 737	2 150	1 299
Interest income from investment portfolio	2 420	418	1 768	234
Interest income from loans	124 459	79 930	42 058	2 471
Dividend income	125	125	0	0
INTEREST EXPENDITURE	57 212	20 944	31 218	5 050
Interest expenditure on deposits of financial institutions	3 131	1 672	1 341	118
Interest expenditure on deposits of non-financial institutions and other customers	42 159	15 112	22 547	4 500
Interest expenditure on borrowings under repurchase agreements	510	510	0	0
Interest expenditure on borrowings	6 330	3 264	3 066	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	5 082	386	4 264	432
INTEREST AND DIVIDEND INCOME, NET	93 024	61 950	27 058	4 016
CREDIT PROVISIONS				
Accrued provisions	32 500			
Reintegrated provisions	22 649			
Credit provisions, net	9 851			
TRADING PORTFOLIO GAIN/LOSS	210			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	3 068			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	51 054			
NON-INTEREST EXPENDITURE	88 952			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	48 553			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	2 361			
EXTRAORDINARY GAIN/LOSS	-163			
TAX	7 558			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	43 193			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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	<p>Antonios Konstantinos Hassiotis – Chief Executive Director</p> <p>Theodore Karakassis – Executive Director</p> <p>Asen Vasilev Yagodin – Executive Director</p> <p>Evangelos Yoanis Kavalos</p> <p>Haralambos Margaritis Kyrkos</p> <p>Hristos Prodromos Komiopoulos</p> <p>Piergiorgio Pradelli</p> <p>Georgios Spiridon Katsaros</p>
Procurator	Petya Nikolova Dimitrova
Shareholders (shares over 10%)	
	EFG Eurobank Ergasias S. A. – 75.33%
	CEN Balkan Holdings Limited – 24.33%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	57 600	30 591	24 169	2 840
Claims on financial institutions, net	115 808	14 455	90 296	11 057
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	5 240	95	4 428	717
Loans to non-financial institutions and other customers, net	441 759	318 364	122 002	1 393
Loans to budget	0	0	0	0
Commercial loans	362 363	262 758	98 233	1 372
Commercial real estate and construction loans	2 047	236	1 591	220
Other commercial loans	360 316	262 522	96 642	1 152
Agricultural loans	37 968	37 622	346	0
Consumer loans	20 590	20 213	371	6
Housing mortgage loans to individuals	34 138	8 673	25 441	24
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	455 059	329 266	124 391	1 402
Less: specific provisions	13 300	10 902	2 389	9
Assets for resale	63	63	0	0
Investments in unconsolidated subsidiaries and associated companies	500	500	0	0
Other assets	19 728	4 037	15 652	39
Intangible assets	2 608	2 608	0	0
Premises and other fixed assets	9 561	9 561	0	0
Assets, total	652 867	380 274	256 547	16 046
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	70 999	50 957	10 916	9 126
Demand deposits of banks	1 072	27	823	222
Time deposits of banks	11 302	2 398	0	8 904
Deposits of other financial institutions	58 625	48 532	10 093	0
Deposits of non-financial institutions and other customers	390 034	234 642	130 390	25 002
Demand deposits	131 892	100 144	29 453	2 295
Time deposits	244 890	129 567	92 994	22 329
Savings deposits	13 252	4 931	7 943	378
Deposits, total	461 033	285 599	141 306	34 128
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	31 048	10 217	20 831	0
Long-term borrowings	78 423	0	78 423	0
Subordinated term debt and debt/equity (hybrid) instruments	26 599	0	26 599	0
Other liabilities	6 873	2 279	3 848	746
Liabilities, total	603 976	298 095	271 007	34 874
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	48 891	48 891		
Shareholder capital	34 500	34 500		
Reserves	9 783	9 783		
Profit/loss, current year	4 608	4 608		
Liabilities, minority interest, and capital, total	652 867	346 986	271 007	34 874
Memo: credit substitutes and other off-balance sheet commitments	66 482	48 242	16 909	1 331



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	57 971	35 589	21 755	627
Interest income from claims on financial institutions	3 364	227	2 704	433
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	341	0	290	51
Interest income from loans	54 266	35 362	18 761	143
Dividend income	0	0	0	0
INTEREST EXPENDITURE	23 484	10 277	11 982	1 225
Interest expenditure on deposits of financial institutions	3 094	2 569	65	460
Interest expenditure on deposits of non-financial institutions and other customers	9 534	6 473	2 432	629
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	9 280	1 235	7 909	136
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 576	0	1 576	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	34 487	25 312	9 773	-598
CREDIT PROVISIONS				
Accrued provisions	23 449			
Reintegrated provisions	17 225			
Credit provisions, net	6 224			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-227			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	12 258			
NON-INTEREST EXPENDITURE	35 040			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	5 254			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	148			
EXTRAORDINARY GAIN/LOSS	274			
TAX	1 068			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	4 608			


ProCredit Bank
STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Zeitingner – 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 Roumyana Velichkova Todorova – Executive Director Kai Ilm – Procurator
Procurator	Gian Marco Felice
Shareholders (shares over 10%)	ProCredit Holding AG – 59.13% European Bank for Reconstruction and Development – 19.71% Commerzbank AG – 19.71%



BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	454 422	188 039	260 582	5 801
Claims on financial institutions, net	857 805	68 976	581 282	207 547
Claims under repurchase agreements	219	219	0	0
Trading portfolio	624 111	217 042	310 009	97 060
Investment portfolio	366 069	210 625	146 972	8 472
Loans to non-financial institutions and other customers, net	1 554 047	605 851	932 084	16 112
Loans to budget	27 601	4 528	23 073	0
Commercial loans	1 192 028	329 645	844 102	18 281
Commercial real estate and construction loans	210 872	14 345	196 177	350
Other commercial loans	981 156	315 300	647 925	17 931
Agricultural loans	28 690	19 827	8 863	0
Consumer loans	257 921	240 882	17 024	15
Housing mortgage loans to individuals	102 211	32 310	69 383	518
Other loans	0	0	0	0
Loans to non-financial institutions and other customers, total	1 608 451	627 192	962 445	18 814
Less: specific provisions	54 404	21 341	30 361	2 702
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	4700	4700	0	0
Other assets	10 839	7 079	3 162	598
Intangible assets	10 798	10 798	0	0
Premises and other fixed assets	23 225	23 225	0	0
Assets, total	3 906 235	1 336 554	2 234 091	335 590
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	586 613	329 229	211 600	45 784
Demand deposits of banks	33 159	2 524	30 467	168
Time deposits of banks	444 989	247 350	153 860	43 779
Deposits of other financial institutions	108 465	79 355	27 273	1 837
Deposits of non-financial institutions and other customers	2 256 184	950 766	1 032 464	272 954
Demand deposits	1 185 514	609 596	458 960	116 958
Time deposits	1 070 128	341 061	573 094	155 973
Savings deposits	542	109	410	23
Deposits, total	2 842 797	1 279 995	1 244 064	318 738
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	570 506	114 030	456 476	0
Subordinated term debt and debt/equity (hybrid) instruments	179 304	0	179 304	0
Other liabilities	64 938	19 572	38 419	6 947
Liabilities, total	3 657 545	1 413 597	1 918 263	325 685
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	248 690	248 690		
Shareholder capital	94 932	94 932		
Reserves	86 122	86 122		
Profit/loss, current year	67 636	67 636		
Liabilities, minority interest, and capital, total	3 906 235	1 662 287	1 918 263	325 685
Memo: credit substitutes and other off-balance sheet commitments	905 886	287 489	534 342	84 055



INCOME STATEMENT (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	208 685	117 813	80 113	10 759
Interest income from claims on financial institutions	18 025	2 288	8 490	7 247
Interest income from claims under repurchase agreements	374	8	366	0
Interest income from trading portfolio	22 440	22 440	0	0
Interest income from investment portfolio	13 948	14 439	-491	0
Interest income from loans	153 898	78 638	71 748	3 512
Dividend income	0	0	0	0
INTEREST EXPENDITURE	67 623	17 449	41 648	8 526
Interest expenditure on deposits of financial institutions	5 815	3 241	1 469	1 105
Interest expenditure on deposits of non-financial institutions and other customers	38 639	13 210	19 851	5 578
Interest expenditure on borrowings under repurchase agreements	40	40	0	0
Interest expenditure on borrowings	17 566	942	14 781	1 843
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	5 547	0	5 547	0
Interest expenditure on other liabilities	16	16	0	0
INTEREST AND DIVIDEND INCOME, NET	141 062	100 364	38 465	2 233
CREDIT PROVISIONS				
Accrued provisions	33 158			
Reintegrated provisions	22 611			
Credit provisions, net	10 547			
TRADING PORTFOLIO GAIN/LOSS	-7 340			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-763			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	39 717			
NON-INTEREST EXPENDITURE	83 249			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	78 880			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	282			
EXTRAORDINARY GAIN/LOSS	-142			
TAX	11 384			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	67 636			



Raiffeisen BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	92 782	45 224	41 459	6 099
Claims on financial institutions, net	169 899	5 431	17 025	147 443
Claims under repurchase agreements	0	0	0	0
Trading portfolio	29 916	23 362	852	5 702
Investment portfolio	3 347	3 343	4	0
Loans to non-financial institutions and other customers, net	872 875	581 732	277 382	13 761
Loans to budget	1 806	1 806	0	0
Commercial loans	487 170	216 261	259 647	11 262
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	487 170	216 261	259 647	11 262
Agricultural loans	3 375	337	3 038	0
Consumer loans	357 297	352 293	4 131	873
Housing mortgage loans to individuals	34 108	20 082	12 324	1 702
Other loans	3 106	3 106	0	0
Loans to non-financial institutions and other customers, total	886 862	593 885	279 140	13 837
Less: specific provisions	13 987	12 153	1 758	76
Assets for resale	464	464	0	0
Investments in unconsolidated subsidiaries and associated companies	4328	4328	0	0
Other assets	4 800	2 400	2 212	188
Intangible assets	7 861	7 861	0	0
Premises and other fixed assets	63 170	63 170	0	0
Assets, total	1 249 442	737 315	338 934	173 193
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	94 573	49 234	45 338	1
Demand deposits of banks	97	97	0	0
Time deposits of banks	49 874	20 527	29 347	0
Deposits of other financial institutions	44 602	28 610	15 991	1
Deposits of non-financial institutions and other customers	899 180	473 923	256 169	169 088
Demand deposits	311 478	240 771	50 263	20 444
Time deposits	408 390	197 228	135 747	75 415
Savings deposits	179 312	35 924	70 159	73 229
Deposits, total	993 753	523 157	301 507	169 089
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	66	0	66	0
Long-term borrowings	35 789	4 496	31 293	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	23 007	16 228	3 207	3 572
Liabilities, total	1 052 615	543 881	336 073	172 661
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	196 827	196 827		
Shareholder capital	28 530	28 530		
Reserves	127 803	127 803		
Profit/loss, current year	40 494	40 494		
Liabilities, minority interest, and capital, total	1 249 442	740 708	336 073	172 661
Memo: credit substitutes and other off-balance sheet commitments	385 452	129 284	195 498	60 670



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	77 437	55 025	15 988	6 424
Interest income from claims on financial institutions	6 720	68	1 823	4 829
Interest income from claims under repurchase agreements	10	10	0	0
Interest income from trading portfolio	1 496	1 496	0	0
Interest income from investment portfolio	81	65	16	0
Interest income from loans	69 130	53 386	14 149	1 595
Dividend income	0	0	0	0
INTEREST EXPENDITURE	19 914	13 827	4 160	1 927
Interest expenditure on deposits of financial institutions	2 577	2 177	393	7
Interest expenditure on deposits of non-financial institutions and other customers	17 290	11 603	3 767	1 920
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	47	47	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	57 523	41 198	11 828	4 497
CREDIT PROVISIONS				
Accrued provisions	18 406			
Reintegrated provisions	27 528			
Credit provisions, net	-9 122			
TRADING PORTFOLIO GAIN/LOSS	-559			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	115			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	21 623			
NON-INTEREST EXPENDITURE	46 115			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	41 709			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	6 193			
EXTRAORDINARY GAIN/LOSS	0			
TAX	7 408			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	40 494			



SOCIETE GENERALE ЕКСПРЕСБАНК

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Dobрева Zhivka Stoyanova Sarachinova Elenka Petrova Bakalova
Shareholders (shares over 10%)	Société Générale, Paris – 97.95%



T. C. ZIRAAT BANK, SOFIA BRANCH

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	1 717	0	1 717	910	673	134
Claims on financial institutions, net	9 237	1 174	8 063	1 504	6 554	5
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	27 931	0	27 931	0	24 126	3 805
Loans to non-financial institutions and other customers, net	764	0	764	571	114	79
Loans to budget	0	0	0	0	0	0
Commercial loans	542	0	542	454	88	0
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	542	0	542	454	88	0
Agricultural loans	0	0	0	0	0	0
Consumer loans	222	0	222	117	26	79
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	764	0	764	571	114	79
Less: specific provisions	0	0	0	0	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	46	0	46	46	0	0
Intangible assets	182	0	182	182	0	0
Premises and other fixed assets	24	0	24	24	0	0
Assets, total	39 901	1 174	38 727	3 237	31 467	4 023
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	468	170	298	0	0	298
Demand deposits of banks	170	170	0	0	0	0
Time deposits of banks	298	0	298	0	0	298
Deposits of other financial institutions	0	0	0	0	0	0
Deposits of non-financial institutions and other customers	12 014	0	12 014	3 586	4 603	3 825
Demand deposits	5 491	0	5 491	3 116	1 345	1 030
Time deposits	6 523	0	6 523	470	3 258	2 795
Savings deposits	0	0	0	0	0	0
Deposits, total	12 482	170	12 312	3 586	4 603	4 123
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	463	0	463	65	382	16
Liabilities, total	12 945	170	12 775	3 651	4 985	4 139
Reserves and financial result, total	26 956	26 374	582	582		
Reserves	26 374	26 374	0	0		
Profit/loss, current year	582	0	582	582		
Liabilities, reserves, and financial result, total	39 901	26 544	13 357	4 233	4 985	4 139
Memo: credit substitutes and other off-balance sheet commitments	578	0	578	369	196	13



T. C. ZIRAAT BANK, SOFIA BRANCH

INCOME STATEMENT (December 2006)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	1 823	98	1 725	64	1369	292
Interest income from claims on financial institutions	356	98	258	17	226	15
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	1408	0	1408	0	1138	270
Interest income from loans	59	0	59	47	5	7
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	204	0	204	10	123	71
Interest expenditure on deposits of financial institutions	4	0	4	0	0	4
Interest expenditure on deposits of non-financial institutions and other customers	200	0	200	10	123	67
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	1 619	98	1 521	54	1246	221
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	204	0	204			
NON-INTEREST EXPENDITURE	1 157	0	1 157			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA						
INCOME/EXPENDITURE AND TAX ITEMS	666	98	568			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	21	0	21			
EXTRAORDINARY GAIN/LOSS	1	0	1			
TAX	106	0	106			
PROFIT/LOSS, NET	582	98	484			



T. C. ZIRAAT BANK, SOFIA BRANCH

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	3 151	1 568	1 457	126
Claims on financial institutions, net	12 525	35	5 524	6 966
Claims under repurchase agreements	0	0	0	0
Trading portfolio	201	201	0	0
Investment portfolio	45	45	0	0
Loans to non-financial institutions and other customers, net	20 832	12 316	8 251	265
Loans to budget	0	0	0	0
Commercial loans	14 692	8 284	5 812	596
Commercial real estate and construction loans	7 817	3 715	3 951	151
Other commercial loans	6 875	4 569	1 861	445
Agricultural loans	3 759	3 759	0	0
Consumer loans	1 131	340	790	1
Housing mortgage loans to individuals	647	0	618	29
Other loans	1 438	333	1 105	0
Loans to non-financial institutions and other customers, total	21 667	12 716	8 325	626
Less: specific provisions	835	400	74	361
Assets for resale	701	701	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	1 622	1 619	0	3
Intangible assets	107	107	0	0
Premises and other fixed assets	6 147	6 147	0	0
Assets, total	45 331	22 739	15 232	7 360
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	1 982	16	1 965	1
Demand deposits of banks	0	0	0	0
Time deposits of banks	1 960	0	1 960	0
Deposits of other financial institutions	22	16	5	1
Deposits of non-financial institutions and other customers	18 445	8 162	5 648	4 635
Demand deposits	5 834	3 235	1 350	1 249
Time deposits	10 611	4 102	3 403	3 106
Savings deposits	2 000	825	895	280
Deposits, total	20 427	8 178	7 613	4 636
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	8 016	4 031	3 985	0
Subordinated term debt and debt/equity (hybrid) instruments	1 421	0	792	629
Other liabilities	532	529	2	1
Liabilities, total	30 396	12 738	12 392	5 266
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	14 935	14 935		
Shareholder capital	10 000	10 000		
Reserves	4 238	4 238		
Profit/loss, current year	697	697		
Liabilities, minority interest, and capital, total	45 331	27 673	12 392	5 266
Memo: credit substitutes and other off-balance sheet commitments	2 996	2 236	389	371



TEXIM PRIVATE ENTREPRENEURIAL BANK

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INCOME STATEMENT (December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	3 340	1 576	1 084	680
Interest income from claims on financial institutions	462	102	60	300
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	13	13	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	2 865	1 461	1 024	380
Dividend income	0	0	0	0
INTEREST EXPENDITURE	979	364	434	181
Interest expenditure on deposits of financial institutions	42	42	0	0
Interest expenditure on deposits of non-financial institutions and other customers	518	272	122	124
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	320	48	272	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	97	0	40	57
Interest expenditure on other liabilities	2	2	0	0
INTEREST AND DIVIDEND INCOME, NET	2 361	1 212	650	499
CREDIT PROVISIONS				
Accrued provisions	1 375			
Reintegrated provisions	1 280			
Credit provisions, net	95			
TRADING PORTFOLIO GAIN/LOSS	-4			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	2 708			
NON-INTEREST EXPENDITURE	3 562			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 408			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	-512			
EXTRAORDINARY GAIN/LOSS	-199			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	697			



TEXIM PRIVATE ENTREPRENEURIAL BANK

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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%

BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	13 494	10 211	2 414	869
Claims on financial institutions, net	28 981	11	17 931	11 039
Claims under repurchase agreements	4 146	2 017	2 129	0
Trading portfolio	12 072	2 900	9 172	0
Investment portfolio	9 845	1 109	7 283	1 453
Loans to non-financial institutions and other customers, net	73 576	55 054	16 596	1 926
Loans to budget	0	0	0	0
Commercial loans	47 742	30 912	14 967	1 863
Commercial real estate and construction loans	16 992	11 058	5 443	491
Other commercial loans	30 750	19 854	9 524	1 372
Agricultural loans	7 674	7 674	0	0
Consumer loans	12 705	10 917	1 716	72
Housing mortgage loans to individuals	1 204	1 026	178	0
Other loans	6 075	6 075	0	0
Loans to non-financial institutions and other customers, total	75 400	56 604	16 861	1 935
Less: specific provisions	1 824	1 550	265	9
Assets for resale	261	261	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets	160	157	3	0
Intangible assets	274	274	0	0
Premises and other fixed assets	3 624	3 624	0	0
Assets, total	146 433	75 618	55 528	15 287
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	480	219	56	205
Demand deposits of banks	110	0	56	54
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	370	219	0	151
Deposits of non-financial institutions and other customers	105 672	43 839	45 553	16 280
Demand deposits	33 541	15 097	11 129	7 315
Time deposits	72 131	28 742	34 424	8 965
Savings deposits	0	0	0	0
Deposits, total	106 152	44 058	45 609	16 485
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	7 052	7 052	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	1 216	498	623	95
Liabilities, total	114 420	51 608	46 232	16 580
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	32 013	32 013		
Shareholder capital	45 000	45 000		
Reserves	-14 291	-14 291		
Profit/loss, current year	1 304	1 304		
Liabilities, minority interest, and capital, total	146 433	83 621	46 232	16 580
Memo: credit substitutes and other off-balance sheet commitments	13 073	8 978	4 071	24



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	7 971	4 564	2 818	589
Interest income from claims on financial institutions	253	20	185	48
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 179	115	814	250
Interest income from investment portfolio	0	0	0	0
Interest income from loans	6 085	3 975	1 819	291
Dividend income	454	454	0	0
INTEREST EXPENDITURE	2 712	1 286	1 016	410
Interest expenditure on deposits of financial institutions	21	20	0	1
Interest expenditure on deposits of non-financial institutions and other customers	2 565	1 140	1 016	409
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	126	126	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	5 259	3 278	1 802	179
CREDIT PROVISIONS				
Accrued provisions	1 329			
Reintegrated provisions	900			
Credit provisions, net	429			
TRADING PORTFOLIO GAIN/LOSS	-315			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-117			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	2 450			
NON-INTEREST EXPENDITURE	5 668			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 180			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	126			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 304			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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%



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BALANCE SHEET AS OF 31 DECEMBER 2006

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	750 749	146 709	584 641	19 399
Claims on financial institutions, net	195 898	80 522	42 933	72 443
Claims under repurchase agreements	1 324	707	617	0
Trading portfolio	206 547	72 896	72 280	61 371
Investment portfolio	1 980	1 165	129	686
Loans to non-financial institutions and other customers, net	2 707 016	1 629 396	1 055 860	21 760
Loans to budget	1 439	1 439	0	0
Commercial loans	1 222 489	251 318	950 581	20 590
Commercial real estate and construction loans	213 528	22 837	188 279	2 412
Other commercial loans	1 008 961	228 481	762 302	18 178
Agricultural loans	142 071	96 794	44 297	980
Consumer loans	791 411	789 700	1 684	27
Housing mortgage loans to individuals	582 477	524 669	57 668	140
Other loans	8 793	1 419	7 325	49
Loans to non-financial institutions and other customers, total	2 748 680	1 665 339	1 061 555	21 786
Less: specific provisions	41 664	35 943	5 695	26
Assets for resale	1 588	1 588	0	0
Investments in unconsolidated subsidiaries and associated companies	4062	4062	0	0
Other assets	6 660	6 620	26	14
Intangible assets	16 816	16 816	0	0
Premises and other fixed assets	68 065	68 065	0	0
Assets, total	3 960 705	2 028 546	1 756 486	175 673
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	368 221	266 695	89 835	11 691
Demand deposits of banks	64 373	5 492	51 815	7 066
Time deposits of banks	130 948	121 339	9 609	0
Deposits of other financial institutions	172 900	139 864	28 411	4 625
Deposits of non-financial institutions and other customers	2 625 009	1 338 078	953 564	333 367
Demand deposits	1 102 210	776 154	272 686	53 370
Time deposits	980 647	397 773	408 748	174 126
Savings deposits	542 152	164 151	272 130	105 871
Deposits, total	2 993 230	1 604 773	1 043 399	345 058
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	383 599	143 555	240 044	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	20 094	19 733	267	94
Liabilities, total	3 396 923	1 768 061	1 283 710	345 152
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	563 782	563 782		
Shareholder capital	75 964	75 964		
Reserves	345 210	345 210		
Profit/loss, current year	142 608	142 608		
Liabilities, minority interest, and capital, total	3 960 705	2 331 843	1 283 710	345 152
Memo: credit substitutes and other off-balance sheet commitments	687 098	138 499	369 959	178 640



INCOME STATEMENT

(December 2006)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	262 236	172 647	73 939	15 650
Interest income from claims on financial institutions	11 293	346	1 514	9 433
Interest income from claims under repurchase agreements	344	91	199	54
Interest income from trading portfolio	9 775	3 194	3 195	3 386
Interest income from investment portfolio	0	0	0	0
Interest income from loans	240 683	168 875	69 031	2 777
Dividend income	141	141	0	0
INTEREST EXPENDITURE	58 364	34 537	18 051	5 776
Interest expenditure on deposits of financial institutions	5 261	4 010	885	366
Interest expenditure on deposits of non-financial institutions and other customers	38 946	23 604	10 193	5 149
Interest expenditure on borrowings under repurchase agreements	237	179	0	58
Interest expenditure on borrowings	13 920	6 744	6 973	203
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	203 872	138 110	55 888	9 874
CREDIT PROVISIONS				
Accrued provisions	44 157			
Reintegrated provisions	33 747			
Credit provisions, net	10 410			
TRADING PORTFOLIO GAIN/LOSS	-2 527			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	171			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NON-INTEREST INCOME	77 806			
NON-INTEREST EXPENDITURE	118 392			
GAIN/LOSS BEFORE FOREIGN EXCHANGE REVALUATION,				
EXTRA INCOME/EXPENDITURE AND TAX ITEMS	150 520			
FOREIGN EXCHANGE REVALUATION GAIN/LOSS	8 223			
EXTRAORDINARY GAIN/LOSS	8 720			
TAX	24 855			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	142 608			



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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 31 DECEMBER 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 Konstantinos Adamantios Othoneos Agis Ioannis Leopoulos Alexandros Georgios Tourkolias Anthimos Thomopoulos
Shareholders (shares over 10%)	National Bank of Greece – 99.9%