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Commercial Banks in Bulgaria

June 2004

125



YEARS

BULGARIAN
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BANK

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I. State of the Banking System

(April – June 2004)

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1. Introduction

This report includes analyses of major trends in the banking system in the second quarter of 2004. Monthly and quarterly supervisory reports and on-site inspection and special supervision findings form the basis of the analysis. The risk profile of banking 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 after a complete supervisory inspection), and ratings on four of the components (CAEL) are assigned quarterly. CAEL ratings indicate current fluctuations in the finances and risk profile of individual banks. Early full supervisory inspections are initiated where serious indications of negative trends emerge.

The approach to preparing figures by bank, group of banks, and the banking system includes computing medians¹ for all individual ratios in addition to average values (for the banking system). This helps avoid ‘contaminating’ the average values by the weights set for individual banks and presents a clearer and more complete picture of developments in each bank.

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

Between April and June 2004 the name of *Roseximbank* was changed to *DZI Bank* and the name of the *First East International Bank* was changed to *UNIBANK*.

2. The Banking System

2.1. Structure, Changes and Trends

During the second quarter of 2004 banking system total assets came to BGN 20,096,015,000: up 7.14² percent (BGN 1,339,949,000) against 8.27 percent in the first quarter of 2003. Assets posted an increase in 22 of the 29 banks and in five foreign bank branches. The assets of Group I banks grew most substantially (by 4.51 percent or BGN 611,954,000), followed by foreign bank branches (51.04 percent or BGN 555,484,000). Group II banks posted a slower growth rate (4.19 percent or BGN 172,511,000) reflecting the slower rise in asset operations funds.

Changes in commercial bank balance sheet aggregates were as follows:

Cash went up by BGN 101,708,000 or 7.08 percent sustaining its share of 7.66 percent of total banking assets. The growth was mostly attributable to the increase in this aggregate in Group I banks (by BGN 100,280,000 or 9.69 percent) and foreign bank branches. Four Group II banks reported a decline of BGN 34,240,000 or 10.51 percent. This reduction did not affect seriously primary liquidity of the group and by individual bank.

¹ A sample median is one dividing the variational sequence into two equal parts (where the volume is divisible by two the average of the two central samples is taken).

² The growth reflected to a great extent the one-off transaction conducted by a foreign bank branch. If the effect of BGN 348 million were deducted, asset growth would be BGN 992 million or 5.29 percent. This transaction affected also the increase in claims on financial institutions which would post a decrease if the respective amount were deducted, as well as the increase in foreign bank branches’ market share and borrowed funds growth.

Net claims on financial institutions rose by BGN 279,781,000³ or 9.36 percent, accounting for 16.27 percent of banking assets, a result of the larger increase in foreign bank branches. Group I and Group II banks reported a fall of BGN 133,740,000 or 6.80 percent and BGN 54,398,000 or 7.43 percent respectively. Deposits and claims on foreign banks rose by BGN 357 million in absolute terms to reach BGN 2402 million and a share of 77.11 percent against 71.64 percent in the previous quarter. Placements with local banks went down by BGN 97 million to BGN 713 million and a share of 22.89 percent in total deposits and claims against 28.36 percent by the end of March. The potential of this balance sheet aggregate to finance progressively growing credit is decreasing in most banks and in some institutions it has been exhausted. However, in terms of liquidity the contribution of this aggregate remains significant.

Trading portfolio assets indicated a net decrease of BGN 126,416,000 (7.96 percent) as well as a fall in the share of banking system assets from 8.47 percent to 7.27 percent. The bulk of banks and foreign bank branches (holding a trading portfolio) reported a decline (BGN 93,843,000 or 9.48 percent by Group I banks and BGN 34,767,000 or 6.19 percent by Group II banks). Corporate and other debt securities increased, a result of acquiring by one bank corporate securities extensively traded in the stock exchange and mortgage bonds issued by domestic banks. The increase in the portfolio instruments issued in markets characterized by more volatile quotations continued. The ratio of EUR-denominated investment and that in other currencies changed from 79 percent to 21 percent by end-March to 81 percent to 19 percent by end-June. This suggests a lower degree of risk in case of a change in the US dollar exchange rate in international markets.

The established trend towards steady growth of *investment portfolio* (by 3.33 percent, or BGN 59,089,000 in absolute terms) accompanied by a decline in the share of assets (from 9.47 percent to 9.13 percent) continued, with the faster growth of banking assets being sustained.

During the second quarter of 2004 *credit to nonfinancial institutions* and other customers rose by BGN 1,037,667,000 or 10.13 percent to reach BGN 11,279,822,000. The reported growth in the second quarter is higher than that reported in the previous quarter (9.24 percent), and is one of the highest quarterly growth in the last twelve months. Taking into account impairment loss through allocated provisions, credit growth came up to 10.35 percent against 9.40 percent in the previous quarter. However, the share of credit grew at a faster rate than assets. A gradual decrease in the credit growth rate was identified in May and June. The effect of the measures aimed at limiting credit expansion and ensuing risks is expected to emerge in the third quarter.⁴ Group I banks' credit portfolios again grew most (by BGN 677,276,000), followed by those of Group II banks (by BGN 321,094,000). The share of net credit in total banking system assets came to 54.15 percent against 52.58 percent by end-March. The share of credit at four banks and two bank branches exceeded 70 percent of assets, but there are no signs of worsening asset quality. The structure of credit matched the previous review period: commercial loans took the largest share (69.96 percent), followed by consumer loans (19.88 percent), housing loans and mortgages (5.25 percent), and loans to the budget, farming and other loans (4.91 percent). Between April and June developments were most dynamic in the corporate segment (mostly in the form of loans for commercial property and real estate) and in consumer lending. Household loans grew significantly due to eased loan requirements provided by a number of banks and enhanced household demand. The volume of commercial loans grew by BGN 620,679,000 (59.81 percent of total growth), consumer loans by BGN 316,920,000 (30.54 percent of total growth), housing loans and mortgages by BGN 126,684,000 (12.21 percent of total volume), and farming loans by BGN 19,547,000 (1.88 percent of total volume). Loans to the budget and other credit decreased by BGN 46,163,000 or 4.44 percent.

The Buildings and Other Fixed Assets, and *Other Assets* items continued to comprise a small share of total banking assets: 3.15 percent and less than a percent respectively, matching the previous quarter's levels.

³ While recalculating the aggregate dynamics with reporting the effect of the transaction in the balance sheet of one of the foreign bank branches, the Claims on Financial Institutions item indicated a decrease of approximately BGN 108 million. This reflects the fall of 3.63 percent on March 2004.

⁴ Unfortunately, gross credit growth of BGN 546,363,000 (4.84 percent) reported in July does not confirm this forecast.

2.2. Liabilities and Equity Structure

The *deposit base* continued to gradually increase. The reported amount of total deposits, the basic and the cheapest source for financing banks' asset operations, indicated an increase by BGN 987,705,000 or 6.78 percent against 7.13 percent in the previous quarter. The bulk of Group I and Group II banks are characterized by a slower growth rate between April and June (3.97 percent and 1.96 percent respectively against 5.13 percent and 11.41 percent in the first quarter), while foreign bank branches posted an increase of 51.03 percent (against 18.27 percent in the first quarter). The slower growth of deposit base was also affected by the withdrawal of government deposits (in the amount of approximately BGN 200 million) from five large banks during the second quarter. *Financial institutions' deposits* grew by BGN 166,977,000 or 8.92 percent, reaching BGN 2,039,700,000, with Group I banks reporting a 32.30 percent growth. Group II banks posted a decline of 16.42 percent (BGN 81,724,000) and that of foreign bank branches was 3.38 percent (BGN 18,495,000). *Nonfinancial institutions' and other customers' deposits* went up by BGN 820,728,000 or 6.47 percent. Group I banks saw a growth by 1.60 percent, Group II banks by 5.83 percent and Group III banks by 118.14 percent. As regards the forex structure, EUR-denominated deposits posted again the largest growth (by BGN 721,073,000 or 22.86 percent). Deposits in other currencies (mostly US dollars) grew by BGN 36,123,000 or 1.08 percent. The growth rate of deposits denominated in national currency continued to slow down. These deposits increased by BGN 63,532,000 or 1.03 percent compared with end-June 2004. By type of instrument the structure of deposits changed from the previous quarter: demand deposits grew most (by BGN 589,981,000 or 12.27 percent)⁵, followed by time deposits (by BGN 130,689,000 or 2.13 percent) and savings deposits (by BGN 100,058,000 or 5.69 percent). All foreign bank branches reported an increase in deposits of nonfinancial institutions and other customers.

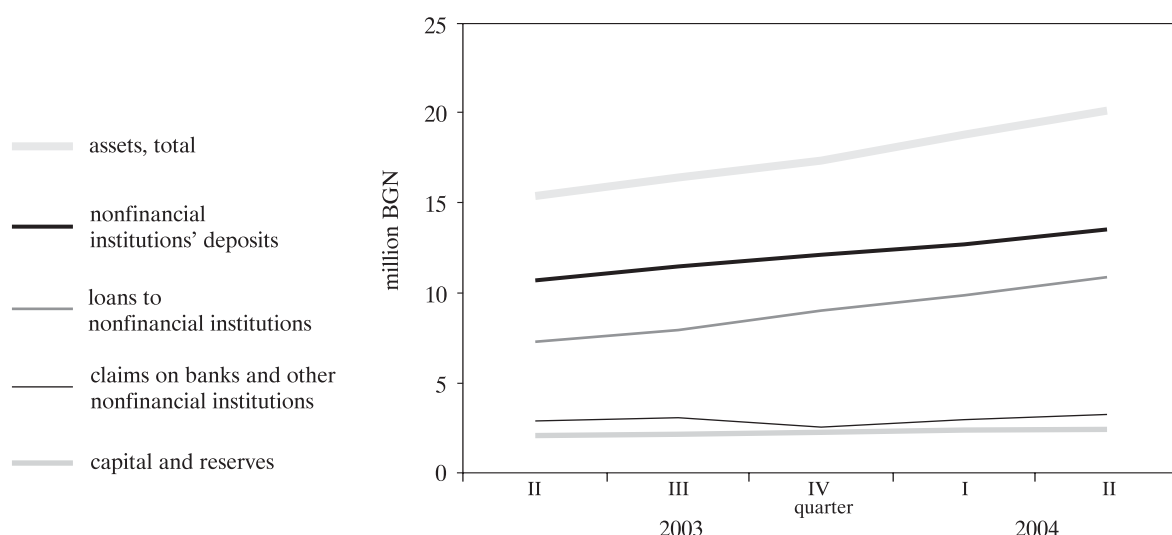
Short-term borrowed funds posted a slight fall of BGN 1,841,000 or 0.73 percent, and their share in total borrowed funds declined from 1.62 percent to 1.49 percent. *Long-term borrowed funds* grew by BGN 235,896,000 or 32.09 percent. The share of these funds in total borrowed funds also increased compared with the previous review period: from 4.73 percent to 5.79 percent. The share of long-term borrowed funds was significantly larger for Group II banks (13.99 percent) as financing under various programs (primarily credit lines for financing small- and medium-sized businesses) was mostly extended to Group II banks. Group I banks' share in long-term borrowed funds accounted for 3.91 percent. The bulk of long-term borrowed funds was denominated in levs and euro and most of funds were invested in the same currency. Consequently, they do not pose a significant currency risk for the system. However, the banking system share of long-term funds in financing sources remained small, and they are still expected to affect the maturity structure of liabilities.

During the second quarter the total volume of funds for financing (excluding equity) increased by BGN 1,221,760,000, or 7.86 percent, with 85 percent of them converted into credit. This confirms the trend of faster credit growth compared with funds for financing.

The *Equity* balance sheet aggregate indicated a slower growth of BGN 19,932,000 or just 0.83 percent, reflecting primarily the 2003 profit distribution after the shareholder meetings of most banks. An increase of paid-in shareholder capital was reported by Corporate Commercial Bank (by BGN 2,580,000) and WestEast Bank (by BGN 2,109,000). Given continuing sizable lending which exceeds equity growth, it should be noted that some banks yet have a potential to extend lending without exposing to a risk of undercapitalization. However, some banks' lending ability has been exhausted and the potential sharpness of risk for equity is very high.

⁵ The growth in this type of deposits was not attributable to fundamental factors but to the transaction mentioned above.

Chart 1



2.3. The Dynamics of Major Balance Sheet Aggregates by Bank Group

By the end of June 2004 the assets of the *ten largest Group I banks* accounted for 70.49 percent of total banking assets. The share of these banks' assets tended to progressively decline (down 1.78 percentage points on March). Net claims on financial institutions came to 56.11 percent (9.72 percent down), net credit came to 71.67 percent (0.54 percent down), assets in trading portfolio came to 61.27 percent (1.03 percent down) and investment portfolio came to 90.37 percent (up 0.22 percent). Deposits attracted from financial institutions comprised 53.65 percent of the banking total (up 9.48 percentage points), deposits attracted from nonfinancial institutions and other customers 74.32 percent (3.56 percentage points down). Group I banks' short-term borrowed funds made up 72.56 percent of the banking total (up 7.66 percentage points) and long-term borrowed funds 47.42 percent (up 5.76 percentage points). The equity of Group I banks accounted for 74.25 percent (a decline of 1.97 percentage points) of banking capital. Based on the available data market concentration in the ten largest banks is relatively high and their performance is still critical for the stability and the state of the entire banking system.

Between April and June 2004 the *19 Group II banks* retained their market share relatively stable. Assets accounted for 21.33 percent of the banking total against 21.93 percent in the previous quarter. Net claims on financial institutions came to 20.74 percent (3.76 percentage points down), net loans 22.05 percent (up 0.97 percentage points), assets in trading and investment portfolio 36.05 percent and 7.84 percent respectively (up 0.68 percentage points for the former, and down 0.65 percentage points for the latter). Group II banks attracted 20.39 percent of total financial institutions' deposits (down 6.18 percentage points) and 18.50 percent of total nonfinancial institutions' and other customers' deposits (down 0.12 percentage points). Short-term and long-term borrowed funds made up 27.44 percent and 50 percent of the banking total, with short-term borrowed funds decreasing by 7.65 percentage points and long-term ones by 4.94 percentage points.

The six *foreign bank branches* increased their market share from 5.80 percent in late March 2004 to 8.18 percent in late June 2004, reflecting the reported one-off-effect transactions affecting significantly not only the balance sheet aggregates of the branches but the entire banking system. This effect may be treated as temporary. Net loans went down from 6.71 percent to 6.28 percent (or by 0.43 percentage points). Total deposits increased

from 6.81 percent to 9.64 percent (or by 2.83 percentage points, as a result of above mentioned reasons). Funds borrowed from parent companies grew by BGN 65,122,000 to reach BGN 380,998,000. Claims on entities from within the group increased from BGN 235,749,000 to BGN 667,795,000, an increase of BGN 432,046,000.

Market Concentration Index (HHI)

Between April and June 2004 no changes occurred in the processes affecting the level of concentration of major balance sheet aggregates. Banking loans, deposits and assets are dispersed which is typical of low concentration. The picture by individual structural component is more dynamic: DSK retained its dominant position in consumer, housing mortgage and savings loans at high concentration (the Bank is a leader in the market of these services). Despite the low concentration level SG Expressbank and BNP Paribas tended to strengthen their position in other types of commercial loans. The First Investment Bank's high concentration in short-term borrowed funds was sustained. Raiffaissenbank's long-term borrowed funds posted a high growth rate despite the low-to-moderate concentration level.

Proprietorship Changes

Between January and March 2004 no changes occurred in the proprietorship of individual banks.

Chart 2

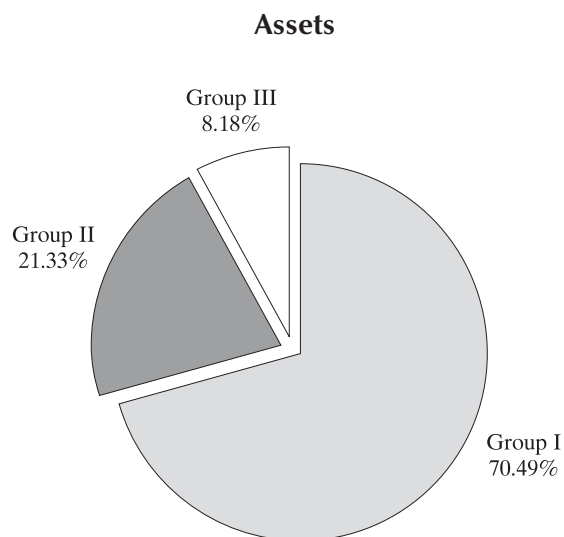


Chart 3

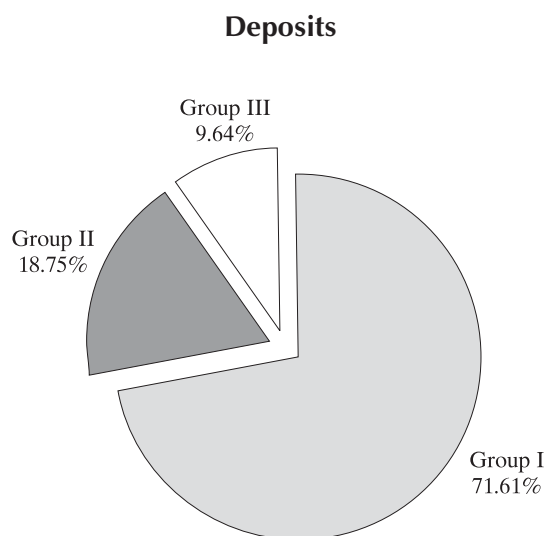
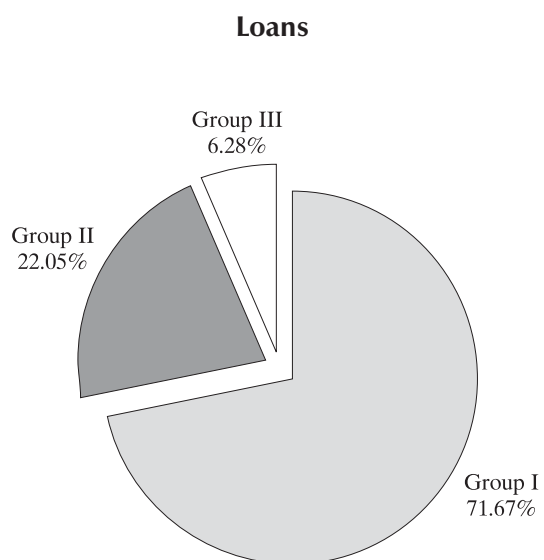


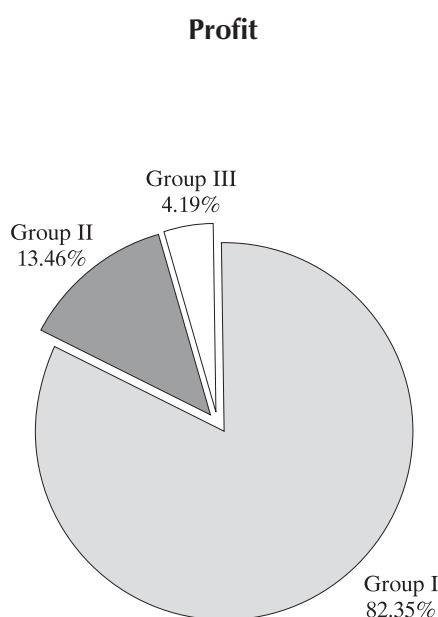
Chart 4



3. State and Trends of Operational Results

By the end of June 2004 the banking system's financial result was BGN 224,081,000, a significant growth of 96.29 percent (BGN 109,924,000) from the first quarter of 2004. Group I banks posted the largest profit growth (110.43 percent), followed by Group II banks (55.43 percent) and foreign bank branches (33.09 percent). In volume this was higher than that reported in the corresponding quarter of 2003 (BGN 218,487,000), a result of increased quality determinants of profitability due to expanded bank operations. In absolute terms, the ten largest banks comprised the largest share of the total banking financial result, 82.35 percent. It is of note that Bulbank, DSK Bank and UBB, the three largest banks, generated more than a half of the total banking profit. Net interest income, increasing by 114.66 percent (BGN 254,911,000) as a result of extensive lending and overall increase of interest-earning assets in banks' balance sheets, contributed most significantly to the profit growth.⁶ This also affected income from fees and commissions which posted an increase of BGN 108,515,000 or 115.69 percent. Amendments to Regulation No. 9 led to an increase in net credit provisions which rose from BGN 15,800,000 by March to BGN 44,080,000 by June and reflected on the final financial result. The second quarter saw a loss from trading portfolio operations resulting in a fall of the accumulated profit in the first quarter from BGN 27,753,000 to BGN 22,382,000. A similar process occurred in almost half of the banks. The reported profit from investments for sale indicated a significant increase (from BGN 247,000 to BGN 10,454,000), while profit from investments to maturity rose to a lesser degree (by 28.45 percent but just BGN 717,000). Noninterest expenditure also posted a dramatic growth of 109.58 percent (BGN 207,396,000). The trend regarding the financial result is expected to sustain given the fact that large banks will continue to earn from increasing lending, from the access to cheaper resources and the experience of their foreign shareholders. Major challenges to be faced by smaller banks are associated with progressively extending range of products intended to compensate for declining margins and higher price of financing.

Chart 5



⁶ At the end of the review period net interest income totaled BGN 477,236,000 (an annual increase of 27.60 percent) against BGN 345,516,000 by the end of June 2003.

4. Banking System Risk Profile: Major Bank Risks

The banking system profile with a view to major risk processes and forms leads to the following conclusions:

- Credit risk continued to increase, despite supervisory and financial measures taken to cool credit growth. Most banks disregarded the signals that credit growth should slow, pointing out enhanced innovation especially in the field of consumer loans
- Several banks with close to admissible capital adequacy values reported significant growth in previous quarters. This is a proof of fundamental weaknesses in capital planning and capital support management
- Attempts to retain market positions and provide resources for business financing reflect strengthened competition in the deposit services market. An aggressive campaign was started to attract new depositors at announced interest rate levels provoking questions about liquidity and quality of banks' revenue
- Despite the registered growth of banks' full-time employees, there are grounds to assume that the banking system has reached the limit of its administrative capacity for adequate credit risk management
- There is a pressing need to take stricter measures to repress credit expansion mainly by tightening capital requirements and liquidity.

Despite the above risk aspects of the banking system risk profile, most banks showed a potential for adequate risk coverage reflecting the assigned general rating under CAEL. Twenty four banks and foreign bank branches were assigned the complex ratings of 1 and 2.

At the end of June 2004 credit risk dominant role was characterized by the following indicators: a three-month increase of 10.13 percent (BGN 1,037,667,000), posting a 47.89 percent growth on June 2003. In the review period growth was reported by 26 of the 29 banks. The considerable volumes of some banks gave rise to concerns rather than sizable percentage.

Lending reflected the following three-month growth indicators by type of credit: commercial real estate and construction loans increased by 16.50 percent; other commercial loans by 5.73 percent; agricultural loans by 8.33 percent; consumer loans by 16.46 percent; mortgage loans by 27.20 percent. Credit substitutes and other off-balance sheet commitments grew by 9.84 percent (BGN 279 million) and trade letters of credit, the position with the highest credit risk degree, by 6.57 percent (BGN 14 million).

The loan segment of over BGN 1 million remained dynamic. The growth posted in the second quarter amounted to 15.72 percent and was twice that in the period between December 2003 and March 2004. Gross loans in the cited sample reached BGN 6,552,859,000, with nonperforming loans comprising BGN 183,175,000 (2.80 percent) and standard BGN 5,976,040 (91.20 percent). Interest in this segment resulted also from the fact that worsening of any exposure and the ensuing depreciation require considerable resources in the form of provisions and pose a direct threat to capital. This refers to banks with lower capital adequacy and/or to those with ambitions to work in corporate banking. The review of the portfolio in this section indicates similar approaches to evaluating exposure quality and an attempt to disperse credit risk between more than one bank in cases of considerable credit exposures of individual customers to the banking system.

Distribution of these loans by sector (based on the Credit Register data) was as follows:

	March 2004	June 2004
• Trade, repair and technical services (%)	28.9	26.8
• Reprocessing (%)	18.5	20.7
• Other services (%)	17.6	12.1
• Electricity, heating, gas, and water (%)	3.4	2.8
• Financial intermediacy (%)	4.1	0.9
• Hospitality (%)	4.0	5.0
• Construction (%)	3.3	2.5
• Transport, storage, and communications (%)	2.6	2.6
• Extracting industry (%)	1.9	1.2

Analysis of individual banks does not indicate an overexposure to a particular sector.

The study on commercial bank lending conducted by Economic Research and Projections Directorate indicates explicit signals of increased lending under unchanged or eased conditions by most of the commercial banks subject to research. This serves as another argument in support of tightening the control over lending.

Conclusions about credit risk sharpness and related capital threat were confirmed by the applied *stress test*. Even at hypothesis of least worsening of loan quality, capital adequacy again decreased under the regulatory level of 12 percent at 19 banks (17 in March 2004), four of them reporting negative capital adequacy levels. There is an obvious need for more radical measures to repress lending growth, backed up by tightened capital requirements to some banks.

Within the period, no factors which might change *market risk* fundamental indicators occurred. *Currency risk* was characterized by prevalence of liabilities in foreign currencies excluding the euro (mainly in US dollars) over corresponding assets. The banking system's foreign exchange position stayed short (-3.93 percent), tending to become steadier. The position was conditionally lengthened by BGN 63,579,000 compared with March 2004, resulting in lower values of the indicator (-6.44 percent in March 2004). By end-June 2004 assets in US dollars amounted to USD 2,233 million and liabilities to USD 2,434 million. The position in euro was long; assets rose to EUR 3,649 million and liabilities to EUR 3,147 million. The stress-test hypothesis confirms the conclusions of the previous period: capital adequacy of only three banks would fall under 12 percent, none of them reporting negative values.

Price risk indicators did not undergo any considerable changes. Securities of the Bulgarian government and of low risk governments and central banks prevailed. Investment in corporate securities were aimed at diversifying portfolios and did not pose a significant threat under changing market conditions. Some changes occurred in *interest rate risk* indicators. The cumulative GAP position fell to 3.37 percent, its narrowing being a result of the continued balancing between interest rate sensitive assets and liabilities. In the review period the share of loans sensitive to interest rate changes increased by 0.59 percentage points to 92.84 percent of banking system total loans. The share of deposits sensitive to interest rate changes also increased: from 82.86 percent by end-March they grew to 88.48 percent of the banking system total deposits. Faster growth of interest rate-sensitive liabilities and resultant narrowing of GAP positions limited the opportunities for interest rate margin decrease. Given this structure of interest rate assets and liabilities, the interest rate margin remained the major cushion against possible adverse changes in interest rates. Nevertheless, the stress-test hypotheses indicated low sensitivity of banks to interest rate changes: capital adequacy of just four of them (three in March 2004) would fell below 12 percent.

Liquidity risk in the banking system was low, although actively crediting banks showed higher sensitivity. Nevertheless, primary and secondary liquidity indicators were acceptable, but only as regards the existing levels of confidence in institutions.

5. Asset Quality 'A'

- Despite growing loans, the quality of assets stayed good
- The growth of classified loans (9.26 percent) remained close to that of loans (10.13 percent)
- The scope and content of higher risk zones did not change.

In the period under review (between April and June 2004) the characteristics of commercial banks' asset management behavior was sustained: lending was active and loan growth in absolute terms (prior to impairment loss) amounted to BGN 1,037,667,000 (10.13 percent). Investment in various financial instruments did not change: sales of securities of the Bulgarian government and of the governments and central banks listed in Appendices 1 and 2 of BNB Regulation No. 8 prevailed. Albeit not very explicitly, several banks tended to diversify portfolios of investment in another type of instruments.

5.1. Increased Credit Risk Zone

Analyses on a specific level led to several factors underlying the classification of banks subject to growing interest: asset risk acuteness above the banking system's average; serious weaknesses in lending process management coming to light during supervision inspections and major risks in operations with assets; opacity of operations and (especially of) relationships with economically related persons. Here are included some of the banks with rating of 3 and all banks with rating of 4. It should be noted that supervisory measures enforced on these banks are taking effect, thus minimizing potential threat of this banking system's segment to the remaining commercial banks, mostly by disallowing any transfer of bad practices.

The analysis of asset quality trends at individual banks may be presented through the following base indicators' values:

The indicator of *problem assets* as a share of gross assets changed insignificantly from 1.32 percent in March to 1.33 percent in June. In absolute terms, the change comprised BGN 18,471,000, or a 7.29 percent growth. Distribution of growth among a great number of banks coupled with the small growth volume and the higher growth of gross assets in relative and absolute terms, decreases the threat of reducing earnings and erosion of capital stemming from problem assets.

Analysis of the indicator measuring the state of *classified assets* revealed similar trends. By the close of June 2004 their share in gross assets rose by 9.17 percent (BGN 66,382,000) to 3.86 percent (BGN 790,556,000 in absolute terms). Growth was reported by five Group I banks and six Group II banks. In most banks classified assets growth resulted from comprehensive on-site supervisory inspections, a fact which in certain cases should be interpreted as low standards applied on loans impairment.⁷ *Given the increase both in assets and in credits, the highest risk-bearing segment, the growth rate of classified assets in previous quarters (by 23.84 percent in 12 months or by BGN 152,203,000) should be viewed as a factor increasing the threat of worsening asset quality.*

Loan quality dynamics confirms these concerns. Although the values of the *classified loans* indicator compared with those of gross loans fell from 7.01 percent by end-March to 6.95 percent by end-June 2004, *a sustainable trend toward an increase in total classified loans in absolute terms occurred.* Classified loans rose from BGN 633,310,000 as of June 2003 to BGN 784,390,000 by the close of the review period (a 23.86 percent growth, or half that of loan growth in the period under review). In percentage terms, the share of classified loans in the banking system gross loans decreased by 0.06 percent on March 2004, owing to the faster growth of loans

⁷ Banking Supervision Department inspectors as a rule apply more conservative methods of exposure impairment.

compared with the rate of their impairment. This process was not unexpected, since any lending decision may cause problems. However, it should be noted that classified loan growth ‘eats up’ the effective interest income: a circumstance that serves as an argument supporting the maintenance of high interest rate spread. Values of the indicator reported by 15 of the 35 banks and branches (three less compared with the previous period), exceeded system’s average, with three of them reporting very high growth. In the above banks, the growth resulted from findings and requirements for additional loan impairment after comprehensive supervisory inspections. *The classification reliability indicator* measuring distribution of credit risk sharpness indicated retention of standard loans’ share: from 92.99 percent in March they reached 93.05 percent of total credit by end-June. The share of nonperforming loans fell from 2.94 percent by end-March to 2.47 percent by the close of the review period. Classified loans of the highest risk group (nonperforming) also decreased from BGN 302,495,000 to BGN 279,782,000. Major factors behind the decrease were partial or full repayments on impaired exposures, as well as writing-off procedures. Loans classified as watch amounted to BGN 434,929,000 (against BGN 334,808,000 by end-March, or a 29.90 percent growth) and substandard comprised BGN 75,845,000 (respectively BGN 86,871,000 at the close of the previous period). *In essence, in the second quarter classified loans posted an increase of BGN 66,453,000 (or 9.26 percent) which is close to the total loan increase (10.13 percent). This gives grounds to conclude that the limit of credit risk management have been reached and banks will often face the need to allocate greater financial resources and engage more employees in managing sizable lending.*

Credit risk sharpness distribution by commercial bank group is as follows:

	March 2004	June 2004
First Group		
Total	BGN 7,390,610,000	BGN 8,094,587,000
Standard (%)	93.98	93.48
Nonperforming (%)	2.47	2.59
Second Group		
Total	BGN 2,181,243,000	BGN 2,491,223,000
Standard (%)	89.09	91.30
Nonperforming (%)	3.19	2.70
Third Group		
Total	BGN 670,302,000	BGN 694,012,000
Standard (%)	94.79	94.30
Nonperforming (%)	0.19	0.18

5.2. Provision Analysis

Monitoring the trends in provisions allocated to cover impairment loss and the type of asset that has been impaired is important as regards early supervision findings of the change in credit risk indicators. The trend of *reducing the gross asset provisioning degree* continued in the quarter under review. Although the amount of provisions reported in commercial banks' balance of payments grew by some BGN 17 million to BGN 399,251,000, in percentage terms there was a decrease from 2 percent to 1.95 percent. As in problem assets, gross assets grew at a faster rate than impairment, and accordingly, the rate of allocating provisions. However, some more dramatic changes occurred in the indicator’s values. In general, additional impairment coincided with the comprehensive supervisory inspections carried out in banks, confirming the conclusions drawn in previous periods on stricter criteria to claim impairment applied by Banking Supervision Department inspectors. The *degree of provisioning* of claims on financial institutions stayed insignificant: the value of the system's indicator amounted to 0.06 percent.

Credit risk management measured by the *degree of provisioning of claims on nonfinancial institutions and other customers* showed a decrease from 3.85 percent in March to 3.71 percent in June. The factor behind this fall was an increase in provisions by BGN 17,356,000 in the second quarter set off by the credit growth.⁸

Classified exposure provisioning followed analogous patterns. This indicator's values decreased from 43.75 percent to 42.01 percent with individual banks indicating movements in both directions: four Group I banks and nine Group II banks reported an increase in the indicator, while the remaining banks showed a decrease or values close to those in the previous quarter. This, however, does not prove that impairment policy has been changed or credit risk sharpness has been reduced. In essence, the indicator is a function of two additional variables: classification sharpness and the amount of high liquid collateral.⁹

Portfolio-based provisioning did not change. Three Group II banks allocated a considerable amount of additional provisions of this type. It can be concluded that given the enhanced consumer lending, a higher degree of provisioning of these credits should be expected at most banks.¹⁰

The *coverage indicator*¹¹ at end-June amounted to 142 percent, posting a growth of 24 percentage points on March 2004.

6. Earnings 'E'

- Earnings level was high ensuring an adequate return on equity and assets
- Trends in the main revenue and expenditure centers reflected sound internal sources of capital support at most banks
- Interest assets were of good quality and they were sold at a price providing a high margin.

In the review period (from June 2003 to June 2004) no changes occurred in the major banking system earnings indicators: the key role of net interest income resulted from the growing share of interest-bearing assets in total assets with improved return; enhanced lending coupled with diversified financial intermediacy made fees and commissions a major source of forming banks' financial result; forex transactions affected banking insignificantly; extra profit was noted in the income of only a few banks. Since asset quality stayed good, the earnings were adequate and there were no threats to the banking system in the short run.

Within the review period the zone of banks with *high-problem income and substantial earnings fluctuations* was sustained. It included banks with a component rating of 4. Banks of the problem group had volatile and/or insufficient revenue from bank operations, they often reported negative or low and dramatically switching net income from core business within one or several periods; their financial result was sensitive to extraordinary operations, currency revaluation or tinkering with provisions; their operating expenditure was high (compared with banks with similar profile, and as regards their operating income); internal sources for adequate capital support were insignificant or lacking. In the review period these banks did not experience any dramatic change in their behavior prompting a change in the quality of income and expenditure sources; however, they realize the need for a change. Regarding the influence on the banking system as a whole, the previous periods' conclusion that these banks' actions did not form the trends and the profile of the system's indicators were confirmed.¹²

⁸ Between the impairment and the balance sheet entry of the credit there is always a time lag that reduces the indicator's values.

⁹ Obviously, expositions classified in the lower risk zone (watch) covered by high liquid assets require minimum provisions and, *vice versa*, the higher the impairment and the smaller the high liquid collateral, the larger the provisions are.

¹⁰ At present 11 banks do not allocate provisions on a portfolio basis at the median of 0.49 percent for the system.

¹¹ It establishes the ratio of all accumulated provisions in all classification groups to the credit amount in the doubtful and loss groups.

¹² At the same time, however, they take a great part of the Banking Supervision Department time (disproportionate to their total assets).

Leading banking indicators were:

Ratio as a percentage of average assets	June 2003	June 2004
Net result (post-tax ROA since year start) (%)	2.95	2.38
Core ROA (net income from core operations since year start) (%)	3.44	3.02
Net interest income (%)	4.56	4.98
Noninterest expenditure (%)	4.47	4.22
Extra operating profit/loss (%)	0.04	0.07
Efficiency ratio (%)	63.46	60.58

By end-June 2004 the return on assets (ROA) universal indicator accounted for 2.38 percent. Its good values confirm the forecast that by year-end the banking system profitability will be comparable to the prior year's values. Nevertheless, it should be noted that in seven of all 29 banks these values were below one percent, ROA in four banks was between 0.00 percent and 0.41 percent,¹³ and a negative ROA was reported by three banks. The conclusion of previous reports was confirmed: low values of this indicator for a long period of time (a few quarters) are indicative of problems in operation of banks and require special attention by the banking supervision.

Over the review period no change occurred in the factors which had determined the trends and importance of the net interest income in the previous quarters: a stable and permanent increase of the system's interest-bearing potential reflecting the share of interest-bearing assets in total assets; a continuing growth of credit and its share in assets at sustained good quality; a favorably reversed trend in interest rates on international financial markets reflecting the retained placements in foreign banks; maintained high interest rate spread at a low and stable price of interest asset financing. For instance, *the price of interest-bearing liabilities* stayed at its June 2003 level: 2.03 percent. Despite the increased share of interest-bearing assets, *interest-bearing liabilities* still prevailed: 94.07 percent (against 92.22 percent for the first half of 2003). *The price of interest-bearing asset financing* slightly rose: from 1.85 percent to 1.91 percent¹⁴ resulting in a *net interest margin* increase from 5.3 percent to 5.66 percent.¹⁵

As a result of the combined effect of the aforementioned factors, the highest net interest income was registered over the second quarter of 2004: 4.98 percent (against 4.56 percent by the close of June 2003). The increasing margin prompted also an increase in return on interest-bearing assets: from 7.15 percent as of end-June 2003 to 7.57 percent as of end-June 2004. Dynamics of major balance-sheet positions and enhanced innovation in financial intermediacy led to a further increase in *noninterest revenue's share*. As a result, by end-June return on assets reached 2.15 percent (1.93 percent by end-June 2003). No change occurred in price levels of bank services, since the growth reflected mostly increased volumes and turnover, subject of financial operations. In view of the fact that revenue from fees and commissions is of key importance for a good return on assets, no decrease in price levels of offered bank products and services is to be expected.

Despite lower *noninterest expenditure* compared to the reference period (4.22 percent against 4.47 percent in June 2003), its share was significant in terms of operational revenue from core transactions. This is one of the factors determining the high interest rate margin and price levels at which banks sell their products. This conclusion may be confirmed by the *efficiency indicator*. As of June it was 60.58 percent with decreasing but still high values in line with the similar growth rates of noninterest expenditure and revenue from core operations.¹⁶

¹³ The ROA indicator in most banks and banking systems ranged between 0.5 percent and 1.5 percent.

¹⁴ Unchanged price of interest-bearing asset financing from the prior quarter (1.91 percent) had a favorable effect on profitability in the short run.

¹⁵ It should be noted that as of June 2004 the highest quarterly rate of increase in the net interest margin for the last four quarters was reported: by 0.19 percentage points (from 5.47 percent to 5.66 percent).

¹⁶ For twelve months noninterest expenditure rose by 20 percent, and revenue from core operations by 26 percent. In addition, values of the latter grew by 2.06 percentage points *per* a quarter.

Based on attained post-tax financial result, the average *return on equity (ROE)* reached 22.06 percent, significantly lower values on the reference period (26.23 percent). Having in mind the more gradual decrease during the last two quarters, values of this indicator are expected to range between 20 and 22 percent at the close of 2004.

By end-June 2004 the number of full-time employed in the banking system was 22,264 (an increase of 436 on March); bank assets *per* employee grew by approximately BGN 44,000 to BGN 903,000.

7. Capital 'C'

- The level of banking system capital risk picked up significantly. Banks reporting total capital adequacy close to the critical 12 percent increased.
- Major factors affecting negatively banking system capital position over the second quarter include faster asset growth (30.84 percent against a capital base rate of 8.49 percent), significant falls in the capital surplus, increased level of classified assets.

First half-year data show that the level of capital risk in the banking system rose essentially from the prior quarter reflecting mostly amendments to BNB Regulation No. 8 which limit banks' possibilities to include their current profit in the primary capital if this profit is not audited. On the other hand, lower levels of capital indicators reflected continuing credit expansion. The number of institutions with a capital unable to absorb the continuing risk component growth and those reporting critically low values of capital indicators increased. Major factors affecting negatively banking system capital position over the second quarter include faster asset growth (30.84 percent against a capital base rate of 8.49 percent), significant falls in the 'capital surplus', increased level of classified assets. While in the previous periods only a few banks reported capital base falls, in the second quarter almost half the banks registered a negative capital base growth for the last 12 months. *These trends coupled with changes in the component rating and risk profile trends of many banks within a quarter show decreasing capitalization and inability of the capital to ensure adequate risk coverage of banks' operation.* Supervisory concerns arose from inspections held in most banks in which capital adequacy level fell to between 0.5 percent and one percent as a result of reclassification of loans in higher risk groups and allocation of additional provisions. In practice, given the current capital levels in some banks, subject of supervisory inspections, the total capital adequacy may fall under the statutory minimum.

7.1. Capital Adequacy Level and Trends

First half-year data show that assets grew by 30.84 percent and borrowed funds by 35.27 percent, while the capital base rose by mere 8.49 percent.¹⁷ Banks reporting the highest capital increase are those institutions which have recently reported one of the lowest capital indicator values. The fact that so many banks (mainly Group II banks) reported negative capital base growth gave rise to supervisory concerns.

The second quarter saw further development of previous periods' trends: total capital indicator falls, an increased degree of asset risks, a decreased capital surplus, credit growth. Credit share in assets rose steadily to 54.15 percent against 52.58 percent as of March and 47.54 percent a year earlier. System's *total capital adequacy ratio* dropped significantly by 2.93 percentage points to 18.35 percent reflecting the concurrent effect of two factors: the risk component increase and lower capital base.¹⁸ Risk assets weighted 100 percent rose by 11 percent or BGN 998 million on the base period. Risk assets weighted 50 percent increased similarly but the absolute sum was significantly lower (BGN 119 million). With the exception of two banks, all other reported declines in capital adequacy ratio on the prior quarter. Five Group I banks reported values above the system median (the insti-

¹⁷ It should be taken into account the aforementioned one-off effect in one of the foreign bank branches affecting growth in assets and borrowed funds. On the other hand, not the whole profit of the banking system as of 30 June 2004 (but only the audited profit of seven banks) was included in the capital base in contrast to prior reporting periods.

¹⁸ For a period of a year the capital adequacy indicator decreased by 5.52 percent.

tutions with assigned rating of 1 of the capital). Half of Group II banks reported analogues values above the median. However, these values in some Group II banks did not reflect adequately the level of capital support. Higher *degree of asset risk* (from 60.3 percent as of March to 62.53 percent as of June) proved the increased risk profile of the system. Values of Group I banks' median were sustained, while Group II banks' median rose considerably by 5.6 percentage points for a quarter to 68.45 percent.

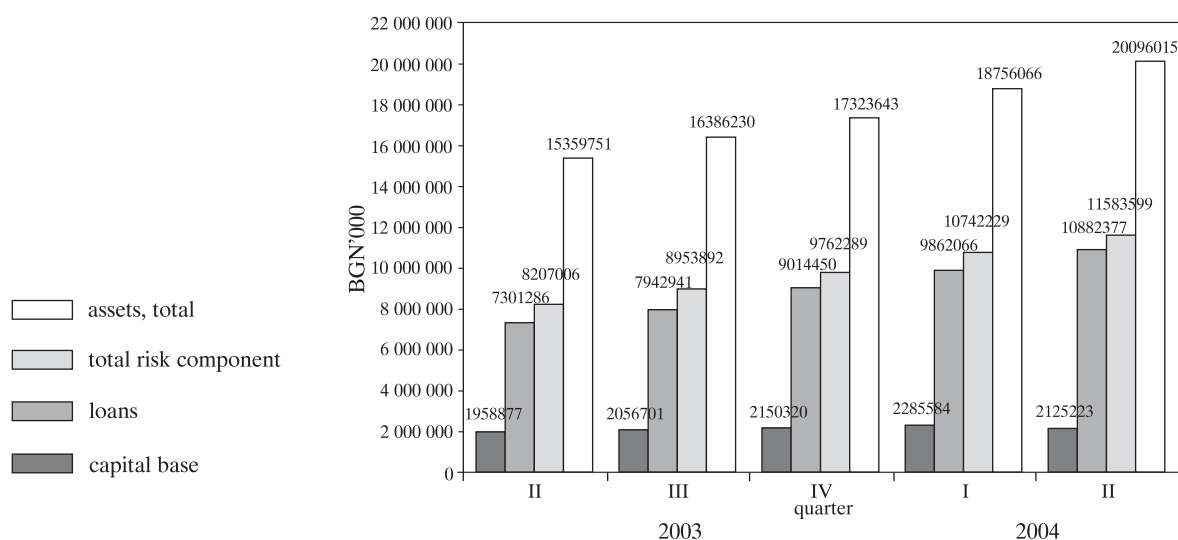
As a result of the amendments to Regulation No. 8 (effective as of 1 June 2004) which allow banks to include the audited retained profit from past periods and the current year in the primary capital, values of primary capital adequacy significantly improved, rising from 13.96 percent to 16.43 percent. The primary capital grew by BGN 404 million or 27 percent compared to the base period. Of this, only Corporate Commercial Bank and WestEast Bank reported a real capital increase by shareholder contributions (by BGN 2,580,000 and BGN 2,109,000 respectively). Twelve banks showed lower values compared to March due to reported losses (from the current and/or past years) in some of them or to inability of other banks to include current and/or retained profits in the primary capital. The *degree of asset coverage* fell in line with capital adequacy declines: 25 of all 29 banks reported lower values compared with March. They were critically low in some of the banks which formed an increased capital risk zone.

Over the third quarter some banks are expected to improve their primary capital adequacy if the profits as of June will be included in the primary capital. Although banks were allowed to increase the capital base by their unaudited current profits (18 banks have not increased their primary capital by the current profit as of 30 June 2004), the capital adequacy indicator will be strongly affected by the asset growth rates (and particularly the rises in loans) and will continue falling in most banks. The threat of a capital erosion was extremely high in some institutions since they had already consumed the effect of inclusion of the current profit in the primary capital.

Completed asset restructuring and transition to more risky banking over the last years increased significantly the sharpness of capital threat. This conclusion was confirmed also by the degree of the potential threat shown in *net classified assets as a percentage of the capital base*. Their average value for the system was 21.57 percent (17.82 percent as of March). Eleven banks registered values above the banking system average with six banks reporting values exceeding 50 percent.

Chart 6

Dynamics of the Major Factors Determining the Level of Capital Indicators



7.2. Capital in Excess of Capital Base Regulations

Banking system potential to absorb an additional risk measured by the *surplus of risk-weighted capital*¹⁹ contracted significantly over the second quarter. By end-June it came to BGN 693 million (a decrease of BGN 251 million on March), including BGN 502 million for Group I banks and BGN 191 million for Group II banks. In some banks the capital has dropped to a level which does not ensure adequate risk asset coverage and bank's normal operation is threatened. Banks characterized by effective asset management, a low risk profile and stable revenues have ensured themselves a capital buffer. In practice, these are institutions with a capital ratings of 1 or 2 or with capital indicator values acceptable for their risk profile.

It is difficult to say to what extent the surplus may cover the significant growth in the total risk component of assets taking into account that half the surplus of Group I banks and more than one third of the system's surplus was occupied by Bulbank.

7.3. Capital Base and Capital Leverage

Over the second quarter the capital base fell by 7.02 percent (BGN 160 million) due to the aforementioned legislative changes. Banking system own funds (the capital base) as of 30 June 2004 totaled BGN 2125 million. It should be mentioned that the capital base of Group II banks increased by 3.35 percent (BGN 18 million) against the background of decreased own funds in Group I banks. Higher current profits which Group I banks have not succeeded to add to their primary capital 'reduced' the capital base of the ten biggest banks by BGN 179 million or 10.28 percent despite own funds growth in some of them. The system median of *primary capital leverage* was 11.91 percent (8.69 percent and 14.69 percent for Group I and Group II banks respectively) indicating an acceptable degree of bank indebtedness. The high values of this indicator, respectively low levels of bank indebtedness, were due to the significant primary capital growth during the second quarter. Almost half of Group II banks continued reporting capital leverage values higher than the group median, reflecting primarily difficulties in attracting resources, rather than the adequate capitalization of these banks. Over a short-term horizon we may expect to see primary capital leverage returning to its prior quarters' levels. The large banks characterized by a capital adequate to their risk profile have a potential for asset growth supported by rising own funds. The small- and medium-sized banks will remain dependant on own funds for asset financing due to unstable revenues and difficulties in attracting resources.

Investment in fixed assets is another indicator of capital position strength. Except for seven institutions, all other banks registered an increase in this indicator, a result of smaller amount of own funds (capital base). Although the regulator of 50 percent share of fixed assets to the capital base was violated on rare occasions, the amount of this type of investment was high in several banks.

8. Liquidity 'L'

- In the second quarter liquidity risk remained low.
- Despite the credit growth, banks maintained significant tradable assets guaranteeing an adequate degree of borrowed fund coverage.

Between March and June 2004 commercial banks experienced no liquidity pressure and the slight downward trend in banking system indicators was sustained. Despite enhanced lending both in absolute terms and as a share of assets, most banks sought to maintain a considerable volume of tradable assets. The trends in major liquidity indicators demonstrated good levels, confirming that liquidity risk management was adequate. *Tradable assets as a share of gross assets* stayed at a sufficient level of 27.06 percent, and the 0.5 percentage point decrease

¹⁹ Calculated on the basis of 12 percent total capital adequacy and taking into account the restrictive requirements of a minimum of BGN 10 million capital base and 6 percent degree of asset coverage.

on the prior quarter did not require enhanced attention by the supervision. The slight decline was due to faster growing borrowed funds (by 8 percent for a quarter) compared to tradable asset growth (5 percent). In June 22 government securities primary dealers were approved. Since most banks applying for primary dealers did not meet primary and/or secondary liquidity requirements, it was decided that banks which had violated the required minimum values of liquidity ratios or only secondary liquidity requirements should set their indicators in line with the criteria before 30 September 2004.²⁰ In case the set conditions are not met, the powers of the respective banks – government securities primary dealers – will be revoked, even though they were approved for the period until the year's end. Thus, the Banking Supervision Department used primary dealers' selection as an instrument of 'cooling' the credit 'enthusiasm' of most banks.²¹

8.1. The Increased Liquidity Risk Zone

Banks with a component rating of 3 and complex CAEL ratings of 4 and 3 remained in the increased liquidity risk zone over the review quarter. They relied mostly on own sources of financing in case of need due to their limited access to financial resources. Nevertheless, these banks improved their tradable assets to gross assets ratios, as well as borrowed funds coverage. The loans to deposits ratios, being among the highest in the banking system, were the major factors impacting unfavorably these institutions' liquidity position. It should be noted, however, that none of these banks suffered liquidity problems both in the second quarter and in previous periods.

8.2. Major Liquidity Indicators: Level and Trends

As a leading indicator, tradable assets show good opportunities to transform financial instruments promptly into cash. Tradable assets rose by 5 percent for a quarter which was insufficient to reverse the slight downward trend in the system's *tradable assets to gross assets* ratio (by 0.5 percent) and in borrowed funds (by approximately 1 percent). The banking system trend in the *tradable assets to gross assets* indicator was driven by Group I and Group II banks' behavior, since foreign bank branches retained the prior quarter's median values of 22.75 percent. Group I banks reported a decrease in this indicator from 27.66 percent as of March to 24.78 percent as of June, while in Group II banks the trend was just the opposite: an increase from 27.58 percent to 30.31 percent. Analogous trends evolved in the *tradable assets to overall borrowed funds* ratio: Group I banks' median dropped by 2.14 percentage points to 31.32 percent and Group II banks' median significantly rose by 5.42 percentage points reaching 42.22 percent (the highest median values for the last four quarters). Despite the continuing declines, tradable assets still ensured a good coverage of borrowed funds confirmed by the system average values (32.51 percent).

Credit investment growth by nearly 10 percent for a quarter supported the upward trend in the *loans to deposits* ratio: the average value for the system was 72.54 percent against 70.33 percent as of March.²² This trend reflected the behaviour of 18 banks, most of which had good-quality assets, easy access to financial resources and no signs of supervisory concerns. Twenty-seven banks reported ratios of over 50 percent, with nine registering values of over 100 percent. For most of these banks no grounds of supervisory concerns existed since they had stable financing provided by their major shareholders or long-term borrowed funds by international financial institutions. *Pledged securities'* share fell to 35.21 percent of overall trading and investment portfolios due to significant declines in Group II banks (the group median dropped by 12.42 percentage points for a quarter). Half of the banks registered lower values of this indicator compared to March 2004.

²⁰ Primary liquidity indicators were reduced from 12 percent to 8 percent, while secondary liquidity indicators remained unchanged at 25 percent.

²¹ With regard to a proposal by the Association of Commercial Banks, the methods of calculating the secondary liquidity indicator changed: budget funds fully secured by frozen government securities on foreign and domestic debts of the Republic of Bulgaria are not to be included in the denominator of the secondary liquidity ratio.

²² This ratio rose by almost 8 percent for a year, a result of higher credit growth (47.89 percent) compared with deposit growth (31.66 percent).

At the close of the second quarter nine banks reported *deposit concentrations* ranging between 10 and 60 percent. Foreign bank branches reported higher values which did not cause concerns in view of the absolute liquid support of their head offices in case of need.

Noncore borrowed funds rose by 7.77 percent between March and June 2004 but their share in gross assets remained almost unchanged: 11.18 percent against 11.1 percent in March. Group I banks mostly offered resources rather than attracted and their median was 6.97 percent. Over the review period Group II banks were more prudent in raising unstable financial resources, with just eight banks reporting higher values of this indicator than in March.

Despite the 32 percent growth (BGN 236 million) for a quarter, it is still early to speak about a considerable *long-term financial resource inflow* in the banking system which will affect positively its maturity imbalance. It should be taken into account also that Raiffesenbank occupied approximately three fourths of long-term financing growth for the second quarter.

Weighted off-balance-sheet commitments stayed at comparatively constant 11.06 percent of tradable assets as of June against 11.2 percent as of March. Group I banks reported low probability of cash flows flight: the group median was 8.16 percent, while foreign bank branches' median came to 47.23 percent showing higher probability of cash flow flight.

Primary and secondary liquidity analyses also confirmed the conclusions about the system adequate liquidity position. Most banks reported improved coverage of borrowed funds by liquid assets compared to the reference period. Secondary liquidity rose more significantly: from 24.64 percent in March to 27.11 percent in June, while primary liquidity sustained its level at 9.9 percent (9.87 percent in March). Reported values exceeded those in the same period of 2003,²³ and are indicative of banks' attempts to maintain a reasonable level of tradable assets, albeit their business objectives (a profitability improvement and credit portfolio expansion). It may be expected further retention of these levels and improvements in some banks over the third quarter in line with the requirements to the banks acting as government securities primary dealers.

The *maturity structure* of cash flows caused no concerns. The reports under Regulation No. 11 did not show any change both in the system in general and by individual bank group: in all-time horizons inflows exceeded outflows.

²³ The June 2003 primary liquidity of the system was 9.77 percent and the secondary liquidity 25.98 percent.

Appendix 1

Chart 7

Total Amount of Loans by Quarter

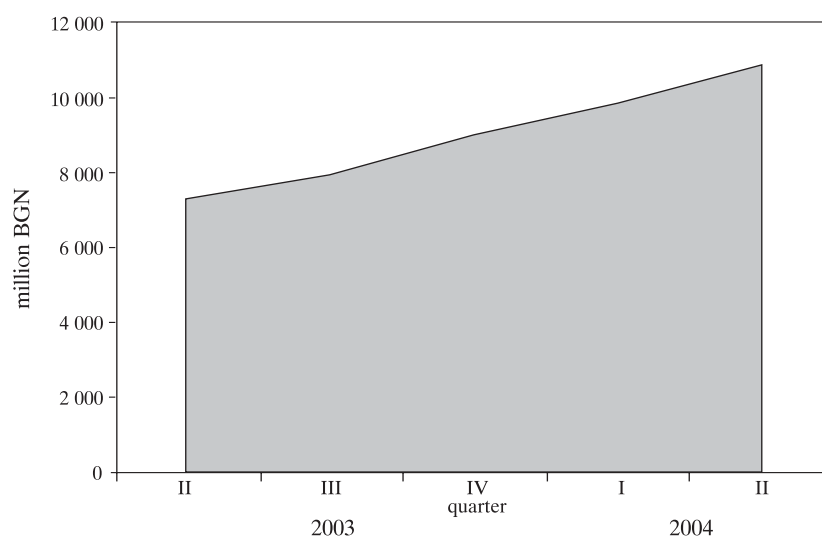


Chart 8

Loan Structure as of June 2004

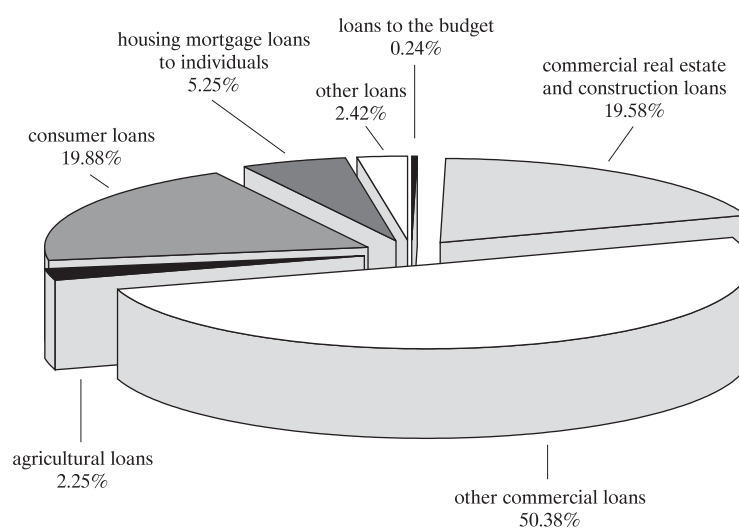


Chart 9

Structure of Claims on Financial and Nonfinancial Institutions by Quarter

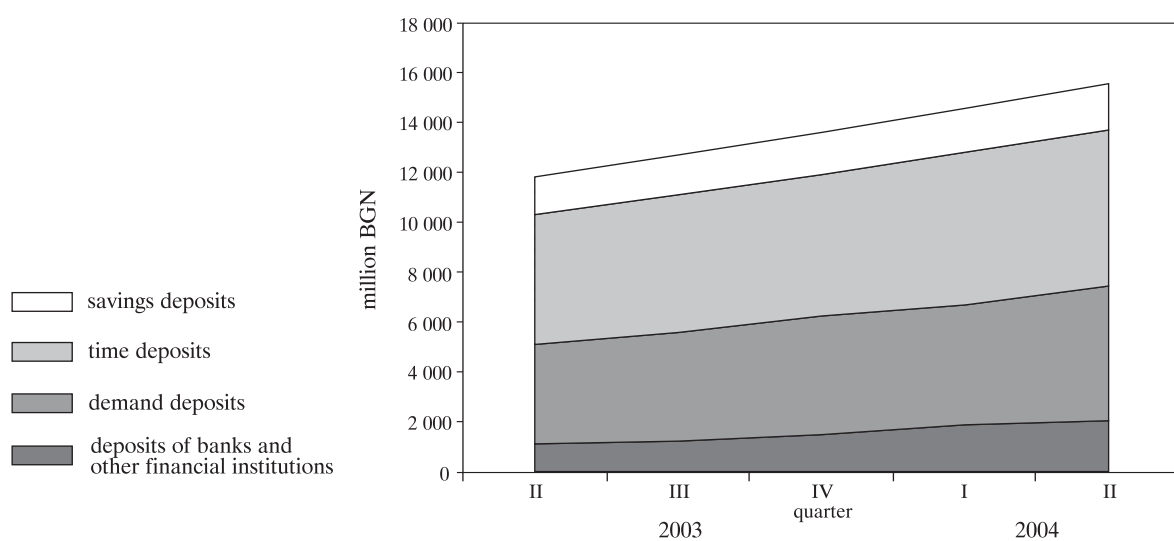


Chart 10

The Loans to Deposits Ratios

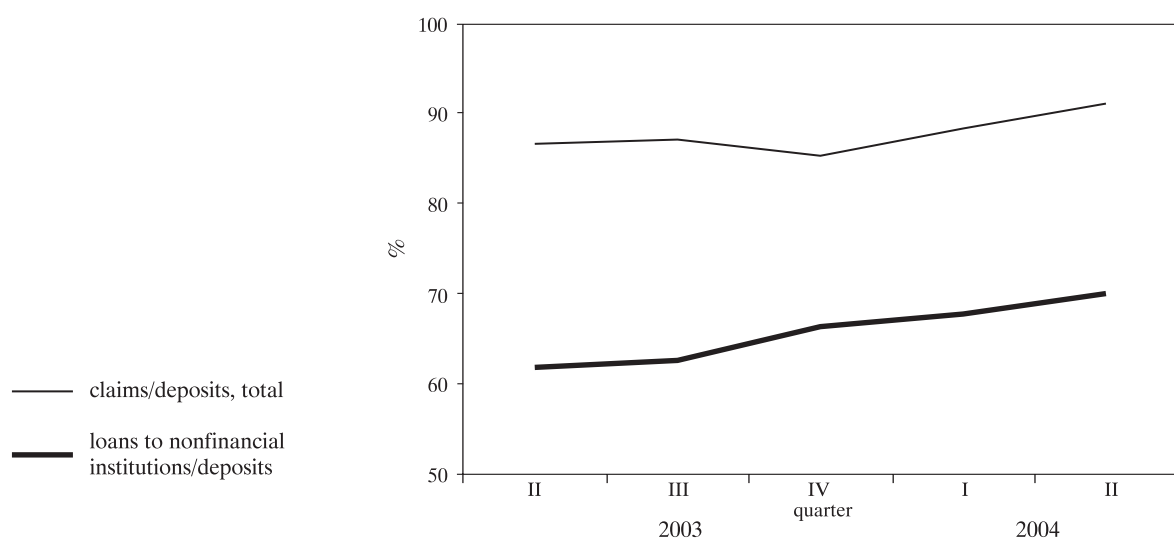


Chart 11

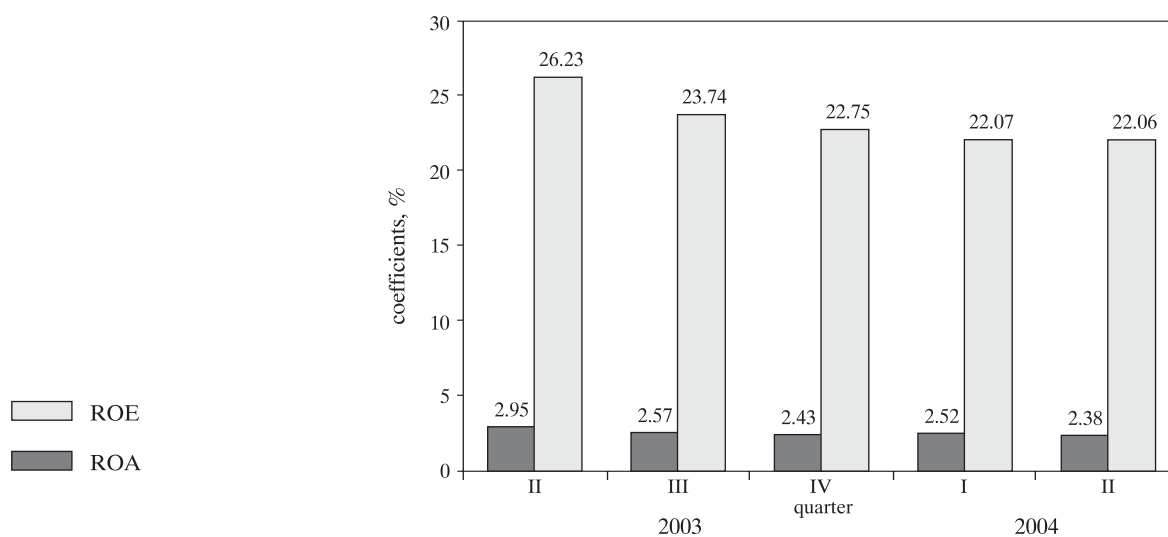
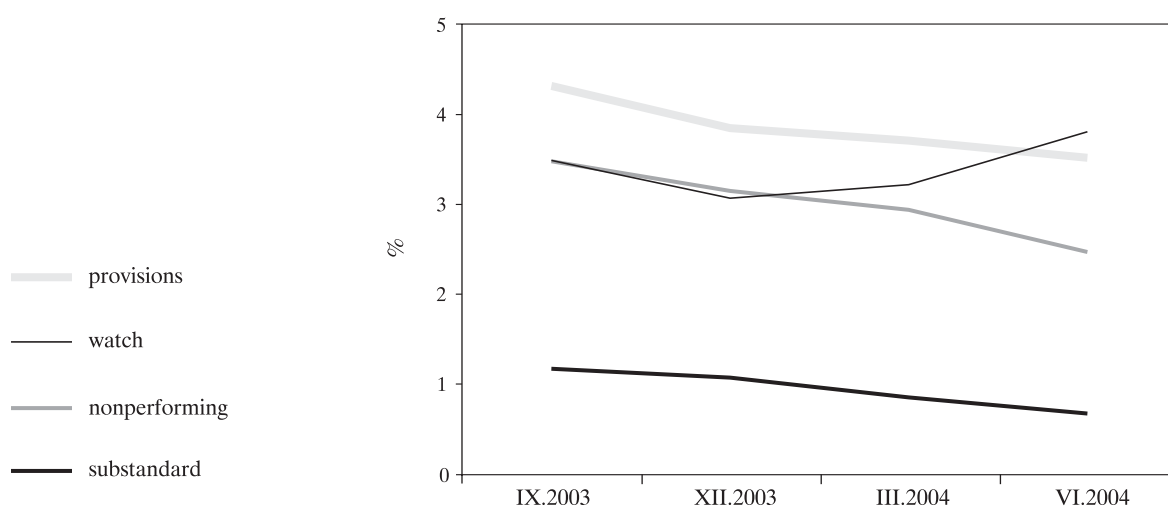
Return on Assets (ROA) and Return on Equity (ROE)

Chart 12

Loans to Nonfinancial 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, nonperforming/gross assets
3.	Classified loans as a percentage of gross loans of nonfinancial institutions and other customers	Gross loans classified as watch, substandard, nonperforming/gross loans
4.	Degree of asset provisioning	Provisions in the balance sheet of claims on financial institutions, nonfinancial institutions and other customers and on other assets/gross assets

Ratios Used to Analyze 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 nonfinancial institutions	Provisions in the balance sheet of claims on nonfinancial institutions and other customers/gross claims on nonfinancial institutions and other customers
7.	Degree of classified exposures provisioning	Total specific provisions on impairment loss under Regulation No. 9/gross classified risk exposures
8.	Degree of portfolio basis provisioning	Provisions allocated on claims on nonfinancial institutions and other customers on a portfolio basis (Regulation No. 9)/gross standard exposures on nonfinancial institutions and other customers to be provisioned on a portfolio basis

Income Ratios

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

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

Capital Ratios

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

Base Indicators' Dynamics

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

Liquidity Ratios

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

II. Methodological Notes



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

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

3. A bank *passport* includes basic information on the structure of shareholder capital and management, which reflect the *actual state at the time of preparing the information* (end-July 2004). Data on basic items of the balance sheet and income statement are based on relevant total lines.

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

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

Group II: *the other Bulgarian banks. It includes Hebros Commercial Bank, Municipal Bank, Central Cooperative Bank, Corporate Commercial Bank, Allianz Bulgaria Commercial Bank (former Bulgaria-Invest Commercial Bank), Evrobank, Unionbank, Bulgarian-American Credit Bank, ProCredit Bank, BNP Paribas, Bulgaria (former BNP – Dresdnerbank, Bulgaria), UNIBANK (former First East International Bank), Investbank (former Neftinvestbank), Emporiki Bank – Bulgaria (former Commercial Bank of Greece – Bulgaria), Encouragement Bank, International Bank for Trade and Development, Demirbank, Tokuda Bank, WestEast Bank, Texim Private Entrepreneurial Bank.*

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

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

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

III. Banking Supervision Regulations

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High Liquidity Asset Ratios (share of deposits, %)	40

OPEN FOREIGN CURRENCY POSITIONS OF COMMERCIAL BANKS AS OF 30 JUNE 2004

(under Regulation No. 4 of the BNB)

Banks	Open positions to capital base (%)
Group I	-5.09
Group II	-0.76
Banking system, total	-3.93

Source: BNB.

CAPITAL ADEQUACY OF COMMERCIAL BANKS AS OF 30 JUNE 2004

(under Regulation No. 8 of the BNB)

Banks	Capital base (BGN'000)	Primary capital (BGN'000)	Total risk component (BGN'000)	Total capital adequacy (%)	Primary capital adequacy (%)	Degree of asset coverage (%)
Group I	1 558 999	1 375 423	8 789 633	17.74	15.65	11.12
Group II	566 224	528 287	2 793 966	20.27	18.91	13.29
Banking system, total*	2 125 223	1 903 710	11 583 599	18.35	16.43	11.62

* Excluding Group III banks.

Source: BNB.

LIQUIDITY OF COMMERCIAL BANKS AS OF 30 JUNE 2004 (under Regulation No. 11 of the BNB)

(BGN'000)

Position	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	3 927 428	869 813						
ASSETS, TOTAL – inflow	13 454 600	983 321	3 910 437	945 932	750 980	884 233	1 708 998	5 254 020
ATTRACTED FUNDS, TOTAL (DEPOSITS)	12 317 092		121 940	59 897	5 697	64 269	65 350	20 411
Coefficient of liquid assets	24.82							
Adjusted coefficient of liquid assets to deposits			118.89	59.64	72.59	113.84	133.83	154.91
Group II								
Liquid assets, total	1 344 833	291 620						
ASSETS, TOTAL – inflow	4 071 794	403 076	1 383 214	221 933	243 437	479 041	521 089	1 223 080
ATTRACTED FUNDS, TOTAL (DEPOSITS)	3 673 138		43 370	29 148	4 524	9 686	14 696	13 201
Coefficient of liquid assets	28.67							
Adjusted coefficient of liquid assets to deposits			158.29	106.79	61.45	84.87	109.36	152.81
Group III								
Liquid assets, total	661 337	2 500						
ASSETS, TOTAL – inflow	1 625 490	5 580	873 418	61 597	100 505	116 499	214 025	259 446
ATTRACTED FUNDS, TOTAL (DEPOSITS)	1 601 481		39 457	25 041	2 002	1 447	1 994	4 433
Coefficient of liquid assets	41.14							
Adjusted coefficient of liquid assets to deposits			134.53	88.21	132.88	131.68	349.57	63.93
BANKING SYSTEM, TOTAL								
Liquid assets, total	5 933 598	1 163 933						
ASSETS, TOTAL – inflow	19 151 884	1 391 977	6 167 069	1 229 462	1 094 922	1 479 773	2 444 112	6 736 546
ATTRACTED FUNDS, TOTAL (DEPOSITS)	17 591 711		204 767	114 086	12 223	75 402	82 040	38 045
Coefficient of liquid assets	27.11							
Adjusted coefficient of liquid assets to deposits			128.15	69.89	72.69	103.50	134.69	145.66

Source: BNB.

CREDIT PORTFOLIO OF COMMERCIAL BANKS AS OF 30 JUNE 2004

(under Regulation No. 9 of the BNB)

Bank groups	Loans	June 2004
Group I	Total (BGN'000)	9 929 549
	Standard (%)	94.65
	Watch (%)	2.61
	Substandard (%)	0.62
	Nonserved (%)	2.12
	Provisions (%)	2.99
Group II	Total (BGN'000)	3 170 255
	Standard (%)	93.06
	Watch (%)	4.42
	Substandard (%)	0.38
	Nonserved (%)	2.14
	Provisions (%)	2.90
Group III	Total (BGN'000)	1 450 923
	Standard (%)	97.27
	Watch (%)	2.47
	Substandard (%)	0.17
	Nonserved (%)	0.09
	Provisions (%)	0.73
Banking system, total	Total (BGN'000)	14 550 727
	Standard (%)	94.57
	Watch (%)	2.99
	Substandard (%)	0.52
	Nonserved (%)	1.92
	Provisions (%)	2.74

Source: BNB.

HIGH LIQUIDITY ASSET RATIOS (share of deposits, %)

Commercial bank groups		June 2004
Group I	Primary liquidity	10.19
	Secondary liquidity	24.82
Group II	Primary liquidity	9.99
	Secondary liquidity	28.67
Group III	Primary liquidity	7.51
	Secondary liquidity	41.14
Banking system, total	Primary liquidity	9.90
	Secondary liquidity	27.11

Source: BNB.

IV. Balance Sheets and Income Statements

(as of June 2004)

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BALANCE SHEET OF THE BANKING SYSTEM AS OF 30 JUNE 2004

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
ASSETS					
Vault cash and current accounts with the BNB	1 538 720		620 285	141 538	776 897
Claims on financial institutions					
Demand deposits with banks	364 948	3 410	8 236	137 350	215 952
Time deposits with banks	2 699 186	527 683	182 032	816 670	1 172 801
Loans to banks	17 428	0	267	5 878	11 283
Other claims on banks	33 464	0	1 529	24 627	7 308
Loans to other financial institutions	155 879	135 952	2 903	12 308	4 716
Claims on financial institutions, total	3 270 905	667 045	194 967	996 833	1 412 060
Less: specific provisions	1 806		1 072	283	451
Claims on financial institutions, net	3 269 099	667 045	193 895	996 550	1 411 609
Claims under repurchase agreements	164 802	0	95 371	53 310	16 121
Trading portfolio	1 461 704	204	726 551	460 723	274 226
Investment portfolio					
Investments held to maturity	1 263 163	0	406 141	506 007	351 015
Investments available for sale	572 321	0	238 727	167 248	166 346
Loans to nonfinancial institutions and other customers					
Loans to budget	26 815		26 294	521	0
Commercial loans					
Commercial real estate and construction loans	2 208 731		557 330	1 439 384	212 017
Other commercial loans	5 682 945		2 507 783	2 525 604	649 558
Agricultural loans	254 121		211 475	35 142	7 504
Consumer loans	2 242 034		2 211 437	26 680	3 917
Housing mortgage loans to individuals	592 450		480 292	95 959	16 199
Other loans	272 726	0	165 031	92 681	15 014
Loans to nonfinancial institutions and other customers, total	11 279 822	0	6 159 642	4 215 971	904 209
Less: specific provisions	397 445		242 563	87 163	67 719
Loans to nonfinancial institutions and other customers, net	10 882 377	0	5 917 079	4 128 808	836 490
Memo: purchased loans	26 105				
Assets for resale	12 586		12 586	0	0
Investments in subsidiaries, associated and joint-venture companies	26 205		26 205	0	0
Other assets					
Hedging derivatives	5	0	0	5	0
Other assets	139 194	546	102 433	18 593	17 622
Other assets, total	139 199	546	102 433	18 598	17 622
Intangible assets	132 705		132 439	0	266
Premises and other fixed assets	633 134		632 672	0	462
Assets, total	20 096 015	667 795	9 104 384	6 472 782	3 851 054

(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	88 110	700	48 841	19 261	19 308
Time deposits of banks	1 367 103	351 607	190 891	473 166	351 439
Deposits of other financial institutions	584 487	3 651	233 967	277 250	69 619
Deposits of nonfinancial institutions and other customers					
Demand deposits	5 397 744	0	3 242 941	1 483 573	671 230
Time deposits	6 253 184	0	2 083 893	1 929 530	2 239 761
Savings deposits	1 859 216	0	921 476	462 362	475 378
Deposits, total	15 549 844	355 958	6 722 009	4 645 142	3 826 735
Borrowings under repurchase agreements	217 993	0	125 010	68 244	24 739
Short-term borrowings					
From the BNB	0		0	0	0
From banks	217 667	0	8 641	36 613	172 413
Other	33 077	0	10 357	20 609	2 111
Long-term borrowings	971 031	25 040	141 751	721 628	82 612
Memo: borrowings from banks	706 209	25 040	27 879	601 632	51 658
Subordinated term debt and debt/equity (hybrid) instruments					
Subordinated term debt	23 652		1 000	22 077	575
Debt/equity (hybrid) instruments	51 884		4 500	31 293	16 091
Other liabilities					
Trading portfolio liabilities	6 329	712	232	3 628	1 757
Hedging derivatives	2 420	0	2 420	0	0
Specific provisions on off-balance sheet commitments	55 865	0	5 308	3 750	46 807
Other liabilities	530 815	62 678	305 095	105 022	58 020
Liabilities, total	17 660 577	444 388	7 326 323	5 658 006	4 231 860
Minority interest in consolidated subsidiaries	0		0	0	0
Equity					
Common stock	973 386		973 386		
Share premium on common stock	1 452		1 452		
Preferred stock and related premium	0		0		
Reserves					
Retained profit/loss, previous years	138 559	23 715	114 844		
Statutory reserves	383 096		383 096		
Other reserves	535 253	62	535 191		
Cumulative forex translation adjustment	0		0		
Other equity components					
Revaluation – fixed assets	174 970	656	174 314		
Revaluation – investments available for sale	6 280	-88	6 368		
Revaluation – cash flow hedges	0	0	0		
Profit/loss, current year	224 081		224 081		
One-off effect of the change in accounting regime	-1 639	0	-1 639		
Equity, total	2 435 438	24 345	2 411 093		
Liabilities, minority interest, and capital, total	20 096 015	468 733	9 737 416	5 658 006	4 231 860
Memo: credit substitutes and other off-balance sheet commitments	3 113 870	38 639	1 243 684	1 228 652	602 895

INCOME STATEMENT OF THE BANKING SYSTEM (June 2004)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME					
Interest income from demand deposits with banks	1 053	6	561	185	301
Interest income from time deposits with banks	20 823	829	2 925	8 560	8 509
Interest income from loans to banks	247	0	4	103	140
Interest income from other claims on banks	358	31	241	6	80
Interest income from loans to other financial institutions	2 994	2 371	193	270	160
Interest income from claims under repurchase agreements	2 884	0	975	1 847	62
Interest income from trading portfolio	39 752	0	22 943	11 351	5 458
Interest income from investment portfolio	43 735	0	17 415	17 940	8 380
Bulgarian government securities	26 584		15 938	8 723	1 923
Other domestic debt securities	2 792	0	1 477	867	448
Debt securities issued by foreign governments and international financial institutions	5 989		0	4 420	1 569
Other foreign debt securities	8 370	0	0	3 930	4 440
Interest income from loans	526 098	0	334 665	153 425	38 008
Loans to budget	1 174		1 172	2	0
Commercial real estate and construction loans	88 575		24 701	52 649	11 225
Other commercial loans	244 674		131 041	89 656	23 977
Agricultural loans	10 079		8 276	1 675	128
Consumer loans	141 516		139 372	1 729	415
Housing mortgage loans to individuals	28 855		24 024	3 824	1 007
Other loans	11 225	0	6 079	3 890	1 256
Dividend income	594	0	590	4	0
Interest and dividend income, total	638 538	3 237	380 512	193 691	61 098
INTEREST EXPENDITURE					
Interest expenditure on deposits of banks	13 041	2 783	4 262	4 472	1 524
Interest expenditure on deposits of other financial institutions	12 521	24	5 036	6 038	1 423
Interest expenditure on demand deposits of nonfinancial institutions and other customers	13 673	0	9 298	3 031	1 344
Interest expenditure on time deposits of nonfinancial institutions and other customers	84 018	0	36 346	23 306	24 366
Interest expenditure on savings deposits of nonfinancial institutions and other customers	9 939	0	7 080	1 715	1 144
Interest expenditure on borrowings under repurchase agreements	2 640	0	2 122	488	30
Interest expenditure on short-term borrowings	5 363	0	719	1 962	2 682
Interest expenditure on long-term borrowings	15 480	0	1 866	11 196	2 418
Interest expenditure on subordinated term debt	1 228	0	25	1 189	14
Interest expenditure on debt/equity (hybrid) instruments	1 664		0	943	721
Interest expenditure on other liabilities	1 735		68	1 188	477
Interest expenditure, total	161 302	2 809	66 822	55 528	36 143
INTEREST AND DIVIDEND INCOME, NET	477 236	428	313 690	138 163	24 955
CREDIT PROVISIONS					
Accrued provisions	189 558	0			
Reintegrated provisions	145 478	0			
Credit provisions, net	44 080	0			

(continued)

(continued)

(BGN'000)

	Total	Including			
		Related parties	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS					
Gain/loss on securities trading portfolio	21 435	0			
Gain/loss on derivatives held for trading	987	-430			
Gain/loss on other instruments in trading portfolio	-40	0			
Trading portfolio gain/loss, total	22 382	-430			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE					
Gain/loss on investments available for sale	9 878	0			
Gain/loss on instruments effectively hedging investments available for sale	576	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	3 237	0			
OTHER NONINTEREST INCOME					
Loan servicing income	35 523	51			
Fee income on off-balance sheet accounts	11 815	2			
Service charges on deposits	56 986	1			
Other fees and commissions	50 865	30			
Gain/loss on assets held for resale	-138	0			
Gain/loss on sale of other assets	2 472	0			
Gain/loss on foreign currency transactions	24 388	178			
Other noninterest income	20 406	0			
NONINTEREST EXPENDITURE					
Salary, social security, and pension expenditure	148 781				
Occupancy expenditure, net	77 780				
External service expenditure paid to shareholders, subsidiaries and associated companies	5 783				
Other external service expenditure	94 498	1 474			
Other noninterest expenditure	69 815	0			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	274 889	-1 214			
FOREX REVALUATION GAIN/LOSS	-4 514	15			
EXTRAORDINARY GAIN/LOSS	6 620	0			
TAX	52 914				
MINORITY INTEREST	0				
PROFIT/LOSS, NET	224 081	-1 199			

BALANCE SHEET OF GROUP I BANKS AS OF 30 JUNE 2004

(BGN'000)				
	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	1 134 746	425 440	97 081	612 225
Claims on financial institutions				
Demand deposits with banks	266 300	6 109	96 558	163 633
Time deposits with banks	1 512 199	92 116	503 339	916 744
Loans to banks	17 428	267	5 878	11 283
Other claims on banks	32 633	1 240	24 417	6 976
Loans to other financial institutions	6 402	153	3 946	2 303
Claims on financial institutions, total	1 834 962	99 885	634 138	1 100 939
Less: specific provisions	796	383	14	399
Claims on financial institutions, net	1 834 166	99 502	634 124	1 100 540
Claims under repurchase agreements	133 115	75 034	42 150	15 931
Trading portfolio	895 576	389 788	315 123	190 665
Investment portfolio	1 658 676	584 983	614 589	459 104
Investments held to maturity	1 228 193	396 055	492 216	339 922
Investments available for sale	430 483	188 928	122 373	119 182
Loans to nonfinancial institutions and other customers				
Loans to budget	21 109	20 588	521	0
Commercial loans	5 147 180	1 978 949	2 595 026	573 205
Commercial real estate and construction loans	1 298 060	353 714	816 708	127 638
Other commercial loans	3 849 120	1 625 235	1 778 318	445 567
Agricultural loans	129 379	102 794	20 262	6 323
Consumer loans	2 068 197	2 048 109	17 017	3 071
Housing mortgage loans to individuals	536 970	462 625	64 962	9 383
Other loans	191 752	114 830	66 367	10 555
Loans to nonfinancial institutions and other customers, total	8 094 587	4 727 895	2 764 155	602 537
Less: specific provisions	295 633	194 821	48 942	51 870
Loans to nonfinancial institutions and other customers, net	7 798 954	4 533 074	2 715 213	550 667
Memo: purchased loans	22 030			
Assets for resale	7 877	7 877	0	0
Investments in subsidiaries, associated and joint-venture companies	22 986	22 986	0	0
Other assets				
Hedging derivatives	0	0	0	0
Other assets	87 867	65 475	12 399	9 993
Other assets, total	87 867	65 475	12 399	9 993
Intangible assets	105 834	105 568	0	266
Premises and other fixed assets	486 862	486 400	0	462
Assets, total	14 166 659	6 796 127	4 430 679	2 939 853

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	1 094 310	241 460	548 622	304 228
Demand deposits of banks	74 274	46 214	13 000	15 060
Time deposits of banks	618 753	91 696	293 880	233 177
Deposits of other financial institutions	401 283	103 550	241 742	55 991
Deposits of nonfinancial institutions and other customers	10 041 058	4 793 790	2 604 404	2 642 864
Demand deposits	3 598 169	2 319 494	774 691	503 984
Time deposits	4 783 058	1 616 448	1 441 184	1 725 426
Savings deposits	1 659 831	857 848	388 529	413 454
Deposits, total	11 135 368	5 035 250	3 153 026	2 947 092
Borrowings under repurchase agreements	149 091	71 880	56 495	20 716
Short-term borrowings	181 933	2 024	10 425	169 484
From the BNB	0	0	0	0
From banks	179 909	0	10 425	169 484
Other	2 024	2 024	0	0
Long-term borrowings	460 452	25 924	382 870	51 658
Memo: borrowings from banks	446 921	19 877	375 386	51 658
Subordinated term debt and debt/equity (hybrid) instruments	52 683	0	52 683	0
Subordinated term debt	21 390	0	21 390	0
Debt/equity (hybrid) instruments	31 293	0	31 293	0
Other liabilities	378 827	236 993	68 030	73 804
Trading portfolio liabilities	5 509	232	3 552	1 725
Hedging derivatives	2 420	2 420	0	0
Specific provisions on off-balance sheet commitments	50 204	1 323	3 750	45 131
Other liabilities	320 694	233 018	60 728	26 948
Liabilities, total	12 358 354	5 372 071	3 723 529	3 262 754
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	583 977	583 977		
Share premium on common stock	0	0		
Preferred stock and related premium	0	0		
Reserves	874 556	874 556		
Retained profit/loss, previous years	118 628	118 628		
Statutory reserves	290 804	290 804		
Other reserves	465 124	465 124		
Cumulative forex translation adjustment	0	0		
Other equity components	168 244	168 244		
Revaluation – fixed assets	165 628	165 628		
Revaluation – investments available for sale	2 616	2 616		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	184 520	184 520		
One-off effect of the change in accounting regime	-2 992	-2 992		
Equity, total	1 808 305	1 808 305		
Liabilities, minority interest, and capital, total	14 166 659	7 180 376	3 723 529	3 262 754
Memo: credit substitutes and other off-balance sheet commitments	1 888 669	719 329	729 231	440 109

INCOME STATEMENT OF GROUP I BANKS

(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	668	253	143	272
Interest income from time deposits with banks	14 486	1 703	5 675	7 108
Interest income from loans to banks	231	3	96	132
Interest income from other claims on banks	90	5	6	79
Interest income from loans to other financial institutions	187	149	5	33
Interest income from claims under repurchase agreements	2 476	658	1 760	58
Interest income from trading portfolio	24 173	12 877	7 683	3 613
Interest income from investment portfolio	40 326	16 551	16 211	7 564
Bulgarian government securities	24 136	15 130	7 731	1 275
Other domestic debt securities	2 646	1 421	804	421
Debt securities issued by foreign governments and international financial institutions	5 204	0	3 773	1 431
Other foreign debt securities	8 340	0	3 903	4 437
Interest income from loans	380 481	264 056	94 878	21 547
Loans to budget	896	894	2	0
Commercial real estate and construction loans	47 475	14 482	26 884	6 109
Other commercial loans	162 559	87 704	60 611	14 244
Agricultural loans	5 214	4 284	883	47
Consumer loans	132 256	130 656	1 244	356
Housing mortgage loans to individuals	26 169	23 299	2 404	466
Other loans	5912	2737	2850	325
Dividend income	5	5	0	0
Interest and dividend income, total	463 123	296 260	126 457	40 406
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	6 038	2 299	2 901	838
Interest expenditure on deposits of other financial institutions	8 192	1 460	5 484	1 248
Interest expenditure on demand deposits of nonfinancial institutions and other customers	9 722	6 554	2 147	1 021
Interest expenditure on time deposits of nonfinancial institutions and other customers	60 175	28 193	15 777	16 205
Interest expenditure on savings deposits of nonfinancial institutions and other customers	8 542	6 488	1 299	755
Interest expenditure on borrowings under repurchase agreements	1 409	912	467	30
Interest expenditure on short-term borrowings	4 243	430	1 256	2 557
Interest expenditure on long-term borrowings	5 703	496	3 999	1 208
Interest expenditure on subordinated term debt	1 170	0	1 170	0
Interest expenditure on debt/equity (hybrid) instruments	943	0	943	0
Interest expenditure on other liabilities	1 229	44	1 117	68
Interest expenditure, total	107 366	46 876	36 560	23 930
INTEREST AND DIVIDEND INCOME, NET	355 757	249 384	89 897	16 476
CREDIT PROVISIONS				
Accrued provisions	112 243			
Reintegrated provisions	85 885			
Credit provisions, net	26 358			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	13 079			
Gain/loss on derivatives held for trading	1 065			
Gain/loss on other instruments in trading portfolio	8			
Trading portfolio gain/loss, total	14 152			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	9 452			
Gain/loss on investments available for sale	8 876			
Gain/loss on instruments effectively hedging investments available for sale	576			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	3 321			
OTHER NONINTEREST INCOME	141 996			
Loan servicing income	23 627			
Fee income on off-balance sheet accounts	7 337			
Service charges on deposits	44 131			
Other fees and commissions	36 276			
Gain/loss on assets held for resale	-111			
Gain/loss on sale of other assets	2 234			
Gain/loss on foreign currency transactions	17 856			
Other noninterest income	10 646			
NONINTEREST EXPENDITURE	272 918			
Salary, social security, and pension expenditure	101 124			
Occupancy expenditure, net	53 455			
External service expenditure paid to shareholders, subsidiaries and associated companies	2 922			
Other external service expenditure	69 631			
Other noninterest expenditure	45 786			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	225 402			
FOREX REVALUATION GAIN/LOSS	-2 966			
EXTRAORDINARY GAIN/LOSS	6 210			
TAX	44 126			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	184 520			

BALANCE SHEET OF GROUP II BANKS AS OF 30 JUNE 2004

(BGN'000)				
	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	291 404	169 142	39 371	82 891
Claims on financial institutions				
Demand deposits with banks	87 823	2 123	35 466	50 234
Time deposits with banks	576 853	62 229	265 003	249 621
Loans to banks	0	0	0	0
Other claims on banks	831	289	210	332
Loans to other financial institutions	13 525	2 750	8 362	2 413
Claims on financial institutions, total	679 032	67 391	309 041	302 600
Less: specific provisions	1 010	689	269	52
Claims on financial institutions, net	678 022	66 702	308 772	302 548
Claims under repurchase agreements	30 187	18 837	11 160	190
Trading portfolio	527 004	317 548	133 197	76 259
Investment portfolio	143 951	52 539	37 229	54 183
Investments held to maturity	34 970	10 086	13 791	11 093
Investments available for sale	108 981	42 453	23 438	43 090
Loans to nonfinancial institutions and other customers				
Loans to budget	5 706	5 706	0	0
Commercial loans	2 087 062	873 889	958 400	254 773
Commercial real estate and construction loans	679 835	173 769	430 216	75 850
Other commercial loans	1 407 227	700 120	528 184	178 923
Agricultural loans	114 074	99 576	13 317	1 181
Consumer loans	169 967	160 022	9 172	773
Housing mortgage loans to individuals	42 656	8 761	27 422	6 473
Other loans	71 758	49 996	17 315	4 447
Loans to nonfinancial institutions and other customers, total	2 491 223	1 197 950	1 025 626	267 647
Less: specific provisions	91 233	43 910	31 653	15 670
Loans to nonfinancial institutions and other customers, net	2 399 990	1 154 040	993 973	251 977
Memo: purchased loans	4 075			
Assets for resale	4 709	4 709	0	0
Investments in subsidiaries, associated and joint-venture companies	3 219	3 219	0	0
Other assets				
Hedging derivatives	5	0	5	0
Other assets	44 736	34 103	3 888	6 745
Other assets, total	44 741	34 103	3 893	6 745
Intangible assets	22 751	22 751	0	0
Premises and other fixed assets	139 668	139 668	0	0
Assets, total	4 285 646	1 983 258	1 527 595	774 793

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	415 886	196 564	145 249	74 073
Demand deposits of banks	11 777	1 314	6 260	4 203
Time deposits of banks	246 351	74 888	112 348	59 115
Deposits of other financial institutions	157 758	120 362	26 641	10 755
Deposits of nonfinancial institutions and other customers	2 499 923	1 250 141	610 332	639 450
Demand deposits	1 068 343	798 674	157 481	112 188
Time deposits	1 263 696	391 045	395 950	476 701
Savings deposits	167 884	60 422	56 901	50 561
Deposits, total	2 915 809	1 446 705	755 581	713 523
Borrowings under repurchase agreements	65 502	49 730	11 749	4 023
Short-term borrowings	68 811	16 974	46 797	5 040
From the BNB	0	0	0	0
From banks	37 758	8 641	26 188	2 929
Other	31 053	8 333	20 609	2 111
Long-term borrowings	485 539	115 827	338 758	30 954
Memo: borrowings from banks	234 248	8 002	226 246	0
Subordinated term debt and debt/equity (hybrid) instruments	22 853	5 500	687	16 666
Subordinated term debt	2 262	1 000	687	575
Debt/equity (hybrid) instruments	20 591	4 500	0	16 091
Other liabilities	133 744	68 702	38 308	26 734
Trading portfolio liabilities	108	0	76	32
Hedging derivatives	0	0	0	0
Specific provisions on off-balance sheet commitments	5 661	3 985	0	1 676
Other liabilities	127 975	64 717	38 232	25 026
Liabilities, total	3 692 258	1 703 438	1 191 880	796 940
Minority interest in consolidated subsidiaries	0	0	0	0
Equity				
Common stock	389 409	389 409		
Share premium on common stock	1 452	1 452		
Preferred stock and related premium	0	0		
Reserves	158 575	158 575		
Retained profit/loss, previous years	-3 784	-3 784		
Statutory reserves	92 292	92 292		
Other reserves	70 067	70 067		
Cumulative forex translation adjustment	0	0		
Other equity components	12 438	12 438		
Revaluation – fixed assets	8 686	8 686		
Revaluation – investments available for sale	3 752	3 752		
Revaluation – cash flow hedges	0	0		
Profit/loss, current year	30 161	30 161		
One-off effect of the change in accounting regime	1 353	1 353		
Equity, total	593 388	593 388		
Liabilities, minority interest, and capital, total	4 285 646	2 296 826	1 191 880	796 940
Memo: credit substitutes and other off-balance sheet commitments	833 072	410 082	313 760	109 230

INCOME STATEMENT OF GROUP II BANKS

(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME				
Interest income from demand deposits with banks	71	1	41	29
Interest income from time deposits with banks	5 030	982	2 662	1 386
Interest income from loans to banks	16	1	7	8
Interest income from other claims on banks	236	235	0	1
Interest income from loans to other financial institutions	436	44	265	127
Interest income from claims under repurchase agreements	408	317	87	4
Interest income from trading portfolio	14 061	8 629	3 587	1 845
Interest income from investment portfolio	2 492	773	1 041	678
Bulgarian government securities	2 244	717	879	648
Other domestic debt securities	146	56	63	27
Debt securities issued by foreign governments and international financial institutions	72	0	72	0
Other foreign debt securities	30	0	27	3
Interest income from loans	127 494	63 993	48 480	15 021
Loans to budget	278	278	0	0
Commercial real estate and construction loans	36 494	9 643	22 044	4 807
Other commercial loans	69 920	38 139	23 120	8 661
Agricultural loans	4 525	3 699	749	77
Consumer loans	9 010	8 518	446	46
Housing mortgage loans to individuals	2 203	379	1 325	499
Other loans	5064	3337	796	931
Dividend income	589	585	4	0
Interest and dividend income, total	150 833	75 560	56 174	19 099
INTEREST EXPENDITURE				
Interest expenditure on deposits of banks	2 340	1 136	894	310
Interest expenditure on deposits of other financial institutions	4 204	3 547	492	165
Interest expenditure on demand deposits of nonfinancial institutions and other customers	3 022	2 403	377	242
Interest expenditure on time deposits of nonfinancial institutions and other customers	22 516	7 587	7 015	7 914
Interest expenditure on savings deposits of nonfinancial institutions and other customers	1 283	580	350	353
Interest expenditure on borrowings under repurchase agreements	1 198	1 177	21	0
Interest expenditure on short-term borrowings	1 120	289	706	125
Interest expenditure on long-term borrowings	9 777	1 370	7 197	1 210
Interest expenditure on subordinated term debt	58	25	19	14
Interest expenditure on debt/equity (hybrid) instruments	721	0	0	721
Interest expenditure on other liabilities	503	23	71	409
Interest expenditure, total	46 742	18 137	17 142	11 463
INTEREST AND DIVIDEND INCOME, NET	104 091	57 423	39 032	7 636
CREDIT PROVISIONS				
Accrued provisions	71 532			
Reintegrated provisions	52 202			
Credit provisions, net	19 330			

(continued)

(continued)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS				
Gain/loss on securities trading portfolio	8 480			
Gain/loss on derivatives held for trading	226			
Gain/loss on other instruments in trading portfolio	-48			
Trading portfolio gain/loss, total	8 658			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	983			
Gain/loss on investments available for sale	983			
Gain/loss on instruments effectively hedging investments available for sale	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-84			
OTHER NONINTEREST INCOME	51 442			
Loan servicing income	10 999			
Fee income on off-balance sheet accounts	3 843			
Service charges on deposits	11 624			
Other fees and commissions	11 709			
Gain/loss on assets held for resale	-27			
Gain/loss on sale of other assets	238			
Gain/loss on foreign currency transactions	5258			
Other noninterest income	7 798			
NONINTEREST EXPENDITURE	107 661			
Salary, social security, and pension expenditure	43 031			
Occupancy expenditure, net	22 018			
External service expenditure paid to shareholders, subsidiaries and associated companies	2 861			
Other external service expenditure	18 294			
Other noninterest expenditure	21 457			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	38 099			
FOREX REVALUATION GAIN/LOSS	-839			
EXTRAORDINARY GAIN/LOSS	463			
TAX	7 562			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	30 161			

BALANCE SHEET OF GROUP III BANKS AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	112 570		112 570	25 703	5 086	81 781
Claims on financial institutions						
Demand deposits with banks	10 825	3 410	7 415	4	5 326	2 085
Time deposits with banks	610 134	527 683	82 451	27 687	48 328	6 436
Loans to banks	0	0	0	0	0	0
Other claims on banks	0	0	0	0	0	0
Loans to other financial institutions	135 952	135 952	0	0	0	0
Claims on financial institutions, total	756 911	667 045	89 866	27 691	53 654	8 521
Less: specific provisions	0	0	0	0	0	0
Claims on financial institutions, net	756 911	667 045	89 866	27 691	53 654	8 521
Claims under repurchase agreements	1 500	0	1 500	1 500	0	0
Trading portfolio	39 124	204	38 920	19 215	12 403	7 302
Investment portfolio	32 857	0	32 857	7 346	21 437	4 074
Investments held to maturity	0	0	0	0	0	0
Investments available for sale	32 857	0	32 857	7 346	21 437	4 074
Loans to nonfinancial institutions and other customers	694 012	0	694 012	233 797	426 190	34 025
Loans to budget	0		0	0	0	0
Commercial loans	657 434	0	657 434	212 275	411 562	33 597
Commercial real estate and construction loans	230 836		230 836	29 847	192 460	8 529
Other commercial loans	426 598		426 598	182 428	219 102	25 068
Agricultural loans	10 668		10 668	9 105	1 563	0
Consumer loans	3 870		3 870	3 306	491	73
Housing mortgage loans to individuals	12 824		12 824	8 906	3 575	343
Other loans	9 216	0	9 216	205	8 999	12
Loans to nonfinancial institutions and other customers, total	694 012	0	694 012	233 797	426 190	34 025
Less: specific provisions	10 579	0	10 579	3 832	6 568	179
Loans to nonfinancial institutions and other customers, net	683 433	0	683 433	229 965	419 622	33 846
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	6 591	546	6 045	2 855	2 306	884
Other assets, total	6 591	546	6 045	2 855	2 306	884
Intangible assets	4 120		4 120	4 120	0	0
Premises and other fixed assets	6 604		6 604	6 604	0	0
Assets, total	1 643 710	667 795	975 915	324 999	514 508	136 408

(continued)

(continued)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
LIABILITIES, RESERVES, AND FINANCIAL RESULT						
Deposits of financial institutions	529 504	355 958	173 546	35 675	75 806	62 065
Demand deposits of banks	2 059	700	1 359	1 313	1	45
Time deposits of banks	501 999	351 607	150 392	24 307	66 938	59 147
Deposits of other financial institutions	25 446	3 651	21 795	10 055	8 867	2 873
Deposits of nonfinancial institutions and other customers	969 163	0	969 163	204 379	660 729	104 055
Demand deposits	731 232	0	731 232	124 773	551 401	55 058
Time deposits	206 430	0	206 430	76 400	92 396	37 634
Savings deposits	31 501	0	31 501	3 206	16 932	11 363
Deposits, total	1 498 667	355 958	1 142 709	240 054	736 535	166 120
Borrowings under repurchase agreements	3 400	0	3 400	3 400	0	0
Short-term borrowings	0	0	0	0	0	0
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	25 040	25 040	0	0	0	0
Memo: borrowings from banks	25 040	25 040	0	0	0	0
Other liabilities	82 858	63 390	19 468	7 360	6 062	6 046
Trading portfolio liabilities	712	712	0	0	0	0
Hedging derivatives	0	0	0	0	0	0
Specific provisions on off-balance sheet commitments	0	0	0	0	0	0
Other liabilities	82 146	62 678	19 468	7 360	6 062	6 046
Liabilities, total	1 609 965	444 388	1 165 577	250 814	742 597	172 166
Reserves and financial result						
Reserves	23 777	23 777				
Retained profit/loss, previous years	23 715	23 715				
Other reserves	62	62				
Revaluation reserves	568	568				
Revaluation – fixed assets	656	656				
Revaluation – investments available for sale	-88	-88				
Revaluation – cash flow hedges	0	0				
Profit/loss, current year	9 400		9 400	9400		
One-off effect of the change in accounting regime	0	0				
Reserves and financial result, total	33 745	24 345	9 400	9400		
Liabilities, reserves, and financial result, total	1 643 710	468 733	1 174 977	260 214	742 597	172 166
Memo: credit substitutes and other off-balance sheet commitments	392 129	38 639	353 490	114 273	185 661	53 556

INCOME STATEMENT OF GROUP III BANKS

(June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME						
Interest income from demand deposits with banks	314	6	308	307	1	0
Interest income from time deposits with banks	1 307	829	478	240	223	15
Interest income from loans to banks	0	0	0	0	0	0
Interest income from other claims on banks	32	31	1	1	0	0
Interest income from loans to other financial institutions	2 371	2 371	0	0	0	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	1 518	0	1 518	1 437	81	0
Interest income from investment portfolio	917	0	917	91	688	138
Bulgarian government securities	204		204	91	113	0
Other domestic debt securities	0	0	0	0	0	0
Foreign debt securities issued by foreign governments and international financial institutions	713		713	0	575	138
Other foreign debt securities	0	0	0	0	0	0
Interest income from loans	18 123	0	18 123	6 616	10 067	1 440
Loans to budget	0		0	0	0	0
Commercial real estate and construction loans	4 606		4 606	576	3 721	309
Other commercial loans	12 195		12 195	5 198	5 925	1 072
Agricultural loans	340		340	293	43	4
Consumer loans	250		250	198	39	13
Housing mortgage loans to individuals	483		483	346	95	42
Other loans	249	0	249	5	244	0
Dividend income	0	0	0	0	0	0
Interest and dividend income, total	24 582	3 237	21 345	8 692	11 060	1 593
INTEREST EXPENDITURE						
Interest expenditure on deposits of banks	4 663	2 783	1 880	827	677	376
Interest expenditure on deposits of other financial institutions	125	24	101	29	62	10
Interest expenditure on demand deposits of nonfinancial institutions and other customers	929	0	929	341	507	81
Interest expenditure on time deposits of nonfinancial institutions and other customers	1 327	0	1 327	566	514	247
Interest expenditure on savings deposits of nonfinancial institutions and other customers	114	0	114	12	66	36
Interest expenditure on borrowings under repurchase agreements	33	0	33	33	0	0
Interest expenditure on short-term borrowings	0	0	0	0	0	0
Interest expenditure on long-term borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	3	2	1	1	0	0
Interest expenditure, total	7 194	2 809	4 385	1 809	1 826	750
INTEREST AND DIVIDEND INCOME, NET	17 388	428	16 960	6 883	9 234	843
CREDIT PROVISIONS						
Accrued provisions	5 783	0	5 783			
Reintegrated provisions	7 391	0	7 391			
Credit provisions, net	-1 608	0	-1 608			

(continued)

(continued)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
TRADING PORTFOLIO GAIN/LOSS						
Gain/loss on trading portfolio securities	-124	0	-124			
Gain/loss on derivatives held for trading	-304	-430	126			
Gain/loss on other instruments in trading portfolio	0	0	0			
Total trading portfolio gain/loss	-428	-430	2			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	19	0	19			
Gain/loss on investments available for sale	19	0	19			
Gain/loss on instruments effectively hedging investments available for sale	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NONINTEREST INCOME	8 879	262	8 617			
Loan servicing income	897	51	846			
Fee income on off-balance sheet accounts	635	2	633			
Service charges on deposits	1 231	1	1 230			
Other fees and commissions	2 880	30	2 850			
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	1 274	178	1 096			
Other noninterest income	1 962	0	1 962			
NONINTEREST EXPENDITURE	16 078	1 474	14 604			
Salary, social security, and pension expenditure	4 626		4 626			
Occupancy expenditure, net	2 307		2 307			
External service expenditure	6 573	1 474	5 099			
Other noninterest expenditure	2 572	0	2 572			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE, AND TAX ITEMS	11 388	-1 214	12 602			
FOREX REVALUATION GAIN/LOSS	-709	15	-724			
EXTRAORDINARY GAIN/LOSS	-53	0	-53			
TAX	1 226		1 226			
PROFIT/LOSS, NET	9 400	-1 199	10 599			

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

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Unionbank	157
United Bulgarian Bank	160
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BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	29 747	19 399	2 146	8 202
Claims on financial institutions, net	48 244	9 821	18 147	20 276
Claims under repurchase agreements	5 210	0	5 210	0
Trading portfolio	60 810	43 460	11 125	6 225
Investment portfolio	39 112	12 230	15 789	11 093
Loans to nonfinancial institutions and other customers, net	152 131	98 644	38 227	15 260
Loans to budget	0	0	0	0
Commercial loans	128 555	83 336	30 097	15 122
Commercial real estate and construction loans	45 352	23 708	12 949	8 695
Other commercial loans	83 203	59 628	17 148	6 427
Agricultural loans	8 716	8 590	126	0
Consumer loans	12 193	9 880	2 114	199
Housing mortgage loans to individuals	7 185	126	7 059	0
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	156 649	101 932	39 396	15 321
Less: specific provisions	4 518	3 288	1 169	61
Assets for resale	112	112	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	2 097	2 026	62	9
Intangible assets	1 178	1 178	0	0
Premises and other fixed assets	7 900	7 900	0	0
Assets, total	346 541	194 770	90 706	61 065
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	113 672	85 430	13 383	14 859
Demand deposits of banks	2	0	2	0
Time deposits of banks	23 575	16 975	0	6 600
Deposits of other financial institutions	90 095	68 455	13 381	8 259
Deposits of nonfinancial institutions and other customers	160 707	80 917	35 162	44 628
Demand deposits	64 041	45 608	9 982	8 451
Time deposits	81 191	31 102	18 243	31 846
Savings deposits	15 475	4 207	6 937	4 331
Deposits, total	274 379	166 347	48 545	59 487
Borrowings under repurchase agreements	5 756	5 756	0	0
Short-term borrowings	12 085	1 075	10 686	324
Long-term borrowings	18 915	2 241	16 674	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	8 053	4 450	3 259	344
Liabilities, total	319 188	179 869	79 164	60 155
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	27 353	27 353		
Shareholder capital	14 000	14 000		
Reserves	10 021	10 021		
Profit/loss, current year	3 332	3 332		
Liabilities, minority interest, and capital, total	346 541	207 222	79 164	60 155
Memo: credit substitutes and other off-balance sheet commitments	45 872	24 983	12 581	8 308

* Former Bulgaria-Invest Commercial Bank.

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	11 043	6 790	3 082	1 171
Interest income from claims on financial institutions	680	251	296	133
Interest income from claims under repurchase agreements	58	8	50	0
Interest income from trading portfolio	1 581	1 128	348	105
Interest income from investment portfolio	1 123	270	487	366
Interest income from loans	7 601	5 133	1 901	567
Dividend income	0	0	0	0
INTEREST EXPENDITURE	5 203	3 393	1 154	656
Interest expenditure on deposits of financial institutions	2 921	2 518	273	130
Interest expenditure on deposits of nonfinancial institutions and other customers	1 462	657	284	521
Interest expenditure on borrowings under repurchase agreements	223	218	5	0
Interest expenditure on borrowings	597	0	592	5
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	5 840	3 397	1 928	515
CREDIT PROVISIONS				
Accrued provisions	2 244			
Reintegrated provisions	1 389			
Credit provisions, net	855			
TRADING PORTFOLIO GAIN/LOSS	3 156			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	34			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	-84			
OTHER NONINTEREST INCOME	2 270			
NONINTEREST EXPENDITURE	6 399			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 962			
FOREX REVALUATION GAIN/LOSS	46			
EXTRAORDINARY GAIN/LOSS	0			
TAX	676			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 332			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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Legal registration	Company file No. 12684 of 1997, vol. 487, p. 202, lot No. 44383
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Address of the head office	79 Knyaginya Maria-Luiza Blvd., Sofia 1000 tel. 02/921 54 04 Website: www.allianz.bg
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Management

Supervisory Board	Oleg Nikolov Nedialkov – Chairman
	Sofia Kamenova Hristova – Deputy Chairman
	Emil Dimitrov Gavrilov – Deputy Chairman
	Maxim Stanev Sirakov
	Temenouga Nenova Matrakchieva
	Radka Stefanova Rasina
Management Board	Dimitar Georgiev Zhelev – Chairman
	Dimitar Ivanov Kostov – Deputy Chairman
	Strahil Nikolov Vidinov – Deputy Chairman
	Svetlozar Georgiev Karaneshev
	Hristo Borisov Babev

Shareholders (shares over 10%)	Allianz Bulgaria Holding Ltd. – 79.39%
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ALPHA BANK, SOFIA BRANCH

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	10 565	0	10 565	5 088	926	4 551
Claims on financial institutions, net	11 888	7 303	4 585	4 002	439	144
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	0	0	0	0	0	0
Loans to nonfinancial institutions and other customers, net	100 236	0	100 236	19 714	79 296	1 226
Loans to budget	0	0	0	0	0	0
Commercial loans	90 905	0	90 905	19 546	70 166	1 193
Commercial real estate and construction loans	28 646	0	28 646	898	27 607	141
Other commercial loans	62 259	0	62 259	18 648	42 559	1 052
Agricultural loans	0	0	0	0	0	0
Consumer loans	37	0	37	15	22	0
Housing mortgage loans to individuals	306	0	306	154	119	33
Other loans	8 999	0	8 999	0	8 999	0
Loans to nonfinancial institutions and other customers, total	100 247	0	100 247	19 715	79 306	1 226
Less: specific provisions	11	0	11	1	10	0
Assets for resale	0	0	0	0	0	0
Other assets, net	1 230	546	684	531	42	111
Intangible assets	17	0	17	17	0	0
Premises and other fixed assets	1 667	0	1 667	1 667	0	0
Assets, total	125 603	7 849	117 754	31 019	80 703	6 032
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	78 364	35 439	42 925	7 696	35 066	163
Demand deposits of banks	0	0	0	0	0	0
Time deposits of banks	66 240	35 439	30 801	91	30 710	0
Deposits of other financial institutions	12 124	0	12 124	7 605	4 356	163
Deposits of nonfinancial institutions and other customers	42 415	0	42 415	15 233	19 143	8 039
Demand deposits	23 092	0	23 092	9 534	12 807	751
Time deposits	12 775	0	12 775	5 151	3 329	4 295
Savings deposits	6 548	0	6 548	548	3 007	2 993
Deposits, total	120 779	35 439	85 340	22 929	54 209	8 202
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	658	459	199	156	0	43
Liabilities, total	121 437	35 898	85 539	23 085	54 209	8 245
Reserves and financial result, total	4 166	3 454	712	712		
Reserves	3 454	3 454	0	0		
Profit/loss, current year	712	0	712	712		
Liabilities, reserves, and financial result, total	125 603	39 352	86 251	23 797	54 209	8 245
Memo: credit substitutes and other off-balance sheet commitments	46 144	0	46 144	4 174	41 038	932



ALPHA BANK, SOFIA BRANCH

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Balance Sheets and Income Statements of Individual Commercial Banks

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	2 386	50	2 336	367	1 941	28
Interest income from claims on financial institutions	105	50	55	50	0	5
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	2 281	0	2,281	317	1 941	23
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	904	393	511	161	332	18
Interest expenditure on deposits of financial institutions	703	393	310	4	306	0
Interest expenditure on deposits of nonfinancial institutions and other customers	201	0	201	157	26	18
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	1 482	-343	1 825	206	1 609	10
CREDIT PROVISIONS						
Accrued provisions	2	0	2			
Reintegrated provisions	4	0	4			
Credit provisions, net	-2	0	-2			
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 NONINTEREST INCOME	457	0	457			
NONINTEREST EXPENDITURE	1 074	0	1 074			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	867	-343	1 210			
FOREX REVALUATION GAIN/LOSS	70	0	70			
EXTRAORDINARY GAIN/LOSS	-53	0	-53			
TAX	172	0	172			
PROFIT/LOSS, NET	712	-343	1,055			



ALPHA BANK, SOFIA BRANCH

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	7 703	1 071	484	6 148
Claims on financial institutions, net	72 013	17 560	45 341	9 112
Claims under repurchase agreements	5 109	3 075	2 034	0
Trading portfolio	24 926	2 919	18 787	3 220
Investment portfolio	80	80	0	0
Loans to nonfinancial institutions and other customers, net	129 322	25 160	87 700	16 462
Loans to budget	0	0	0	0
Commercial loans	129 471	25 117	88 282	16 072
Commercial real estate and construction loans	35 024	0	35 024	0
Other commercial loans	94 447	25 117	53 258	16 072
Agricultural loans	0	0	0	0
Consumer loans	230	216	1	13
Housing mortgage loans to individuals	370	370	0	0
Other loans	515	0	0	515
Loans to nonfinancial institutions and other customers, total	130 586	25 703	88 283	16 600
Less: specific provisions	1 264	543	583	138
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	897	588	296	13
Intangible assets	185	185	0	0
Premises and other fixed assets	15 728	15 728	0	0
Assets, total	255 963	66 366	154 642	34 955
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	68 289	5 955	28 357	33 977
Demand deposits of banks	6 199	497	2 068	3 634
Time deposits of banks	56 685	1 504	25 902	29 279
Deposits of other financial institutions	5 405	3 954	387	1 064
Deposits of nonfinancial institutions and other customers	118 550	51 268	42 996	24 286
Demand deposits	101 393	49 339	34 830	17 224
Time deposits	17 157	1 929	8 166	7 062
Savings deposits	0	0	0	0
Deposits, total	186 839	57 223	71 353	58 263
Borrowings under repurchase agreements	9 615	3 607	3 916	2 092
Short-term borrowings	0	0	0	0
Long-term borrowings	4 910	0	4 910	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 224	4 892	297	35
Liabilities, total	206 588	65 722	80 476	60 390
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	49 375	49 375		
Shareholder capital	36 000	36 000		
Reserves	11 724	11 724		
Profit/loss, current year	1 651	1 651		
Liabilities, minority interest, and capital, total	255 963	115 097	80 476	60 390
Memo: credit substitutes and other off-balance sheet commitments	250 372	49 280	150 433	50 659

INCOME STATEMENT
 (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	4 865	1 159	2 889	817
Interest income from claims on financial institutions	410	92	258	60
Interest income from claims under repurchase agreements	1	0	1	0
Interest income from trading portfolio	76	0	62	14
Interest income from investment portfolio	0	0	0	0
Interest income from loans	4 378	1 067	2 568	743
Dividend income	0	0	0	0
INTEREST EXPENDITURE	854	407	289	158
Interest expenditure on deposits of financial institutions	349	143	90	116
Interest expenditure on deposits of nonfinancial institutions and other customers	370	241	101	28
Interest expenditure on borrowings under repurchase agreements	3	1	2	0
Interest expenditure on borrowings	96	0	96	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	36	22	0	14
INTEREST AND DIVIDEND INCOME, NET	4 011	752	2 600	659
CREDIT PROVISIONS				
Accrued provisions	980			
Reintegrated provisions	1 211			
Credit provisions, net	-231			
TRADING PORTFOLIO GAIN/LOSS	66			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	12			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	2 763			
NONINTEREST EXPENDITURE	5 094			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 989			
FOREX REVALUATION GAIN/LOSS	62			
EXTRAORDINARY GAIN/LOSS	0			
TAX	400			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 651			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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Legal registration	Company file No. 22740 of 1994, lot No. 21406, vol. 259, p. 142
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Address of the head office	2 Tsar Osvoboditel Blvd., Sofia 1000 tel. 02/921 86 40; 921 86 50 Website: www.bnparibas-bg.com
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Management

Supervisory Board	Matthieu Lacaze
	Gilles Franck
	Jean-Pierre Bernard
	Arnaud Denis Jean-Sebastien Tellier
Management Board	Ullrich-Günther Schubert – Chief Executive Director
	Ivailo Lyubomirov Lyubomirov – Executive Director
	Loic Prime – Executive Director

Shareholders

(shares over 10%)

Bank Nationale de Paris, France – 100%

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	194 493	43 711	9 008	141 774
Claims on financial institutions, net	482 551	1	222 786	259 764
Claims under repurchase agreements	0	0	0	0
Trading portfolio	174 235	42 205	131 217	813
Investment portfolio	953 949	288 826	341 010	324 113
Loans to nonfinancial institutions and other customers, net	935 413	422 945	459 117	53 351
Loans to budget	234	234	0	0
Commercial loans	840 890	322 771	460 133	57 986
Commercial real estate and construction loans	246 629	40 492	192 910	13 227
Other commercial loans	594 261	282 279	267 223	44 759
Agricultural loans	24 375	22 816	120	1 439
Consumer loans	47 558	43 842	2 284	1 432
Housing mortgage loans to individuals	56 935	51 384	5 551	0
Other loans	1 586	159	46	1 381
Loans to nonfinancial institutions and other customers, total	971 578	441 206	468 134	62 238
Less: specific provisions	36 165	18 261	9 017	8 887
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	6407	6407	0	0
Other assets, net	9 601	9 078	406	117
Intangible assets	63 474	63 474	0	0
Premises and other fixed assets	110 063	110 063	0	0
Assets, total	2 930 186	986 710	1 163 544	779 932
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	136 892	19 151	98 157	19 584
Demand deposits of banks	12 986	793	3 445	8 748
Time deposits of banks	8 438	0	1 076	7 362
Deposits of other financial institutions	115 468	18 358	93 636	3 474
Deposits of nonfinancial institutions and other customers	2 073 874	550 282	770 011	753 581
Demand deposits	909 699	394 573	264 161	250 965
Time deposits	1 158 437	155 115	503 622	499 700
Savings deposits	5 738	594	2 228	2 916
Deposits, total	2 210 766	569 433	868 168	773 165
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	177 794	100 558	19 159	58 077
Liabilities, total	2 388 560	669 991	887 327	831 242
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	541 626	541 626		
Shareholder capital	166 370	166 370		
Reserves	327 425	327 425		
Profit/loss, current year	47 831	47 831		
Liabilities, minority interest, and capital, total	2 930 186	1 211 617	887 327	831 242
Memo: credit substitutes and other off-balance sheet commitments	541 887	143 980	138 732	259 175

INCOME STATEMENT
 (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	73 548	32 531	32 306	8 711
Interest income from claims on financial institutions	4 850	11	2 295	2 544
Interest income from claims under repurchase agreements	31	31	0	0
Interest income from trading portfolio	5 431	1 230	4 000	201
Interest income from investment portfolio	20 652	8 343	8 153	4 156
Interest income from loans	42 584	22 916	17 858	1 810
Dividend income	0	0	0	0
INTEREST EXPENDITURE	11 279	2 558	6 433	2 288
Interest expenditure on deposits of financial institutions	831	153	651	27
Interest expenditure on deposits of nonfinancial institutions and other customers	9 242	2 383	4 665	2 194
Interest expenditure on borrowings under repurchase agreements	22	22	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	1 184	0	1 117	67
INTEREST AND DIVIDEND INCOME, NET	62 269	29 973	25 873	6 423
CREDIT PROVISIONS				
Accrued provisions	11 248			
Reintegrated provisions	6 547			
Credit provisions, net	4 701			
TRADING PORTFOLIO GAIN/LOSS	406			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	255			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	3 135			
OTHER NONINTEREST INCOME	30 303			
NONINTEREST EXPENDITURE	33 054			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	58 613			
FOREX REVALUATION GAIN/LOSS	830			
EXTRAORDINARY GAIN/LOSS	0			
TAX	11 612			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	47 831			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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	Paolo Fiorentino – Chairman
	Fausto Alberto Galmarini – Deputy Chairman
	Massimiliano Moi
	Dimitar Georgiev Zhelev
	Ivan Stancioff
	Jan Bielecki
Management Board	Marcello Arloto
	Levon Hampartsumyan – Chairman and Chief Executive Director
	Alessandro Decio – Deputy Chairman and Chief Operating Director, Executive Director
	Kiril Stefanov
	Stanislav Georgiev
Shareholders (shares over 10%)	Kalinka Kirova
	UniCredito Italiano S. A. – 85.19%



BULGARIAN-AMERICAN CREDIT BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	5 345	950	931	3 464
Claims on financial institutions, net	16 522	530	3 792	12 200
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	10 209	4	6 545	3 660
Loans to nonfinancial institutions and other customers, net	226 682	1 324	186 581	38 777
Loans to budget	0	0	0	0
Commercial loans	221 618	1 324	183 475	36 819
Commercial real estate and construction loans	138 715	0	109 179	29 536
Other commercial loans	82 903	1 324	74 296	7 283
Agricultural loans	5 287	0	4 131	1 156
Consumer loans	179	0	179	0
Housing mortgage loans to individuals	10 731	0	5 533	5 198
Other loans	2 079	0	0	2 079
Loans to nonfinancial institutions and other customers, total	239 894	1 324	193 318	45 252
Less: specific provisions	13 212	0	6 737	6 475
Assets for resale	459	459	0	0
Investments in unconsolidated subsidiaries and associated companies	150	150	0	0
Other assets, net	952	423	465	64
Intangible assets	226	226	0	0
Premises and other fixed assets	4 676	4 676	0	0
Assets, total	265 221	8 742	198 314	58 165
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	7 304	1 049	6 000	255
Demand deposits of banks	0	0	0	0
Time deposits of banks	1 178	0	1 178	0
Deposits of other financial institutions	6 126	1 049	4 822	255
Deposits of nonfinancial institutions and other customers	36 763	3 615	14 729	18 419
Demand deposits	12 946	2 593	7 423	2 930
Time deposits	23 817	1 022	7 306	15 489
Savings deposits	0	0	0	0
Deposits, total	44 067	4 664	20 729	18 674
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	23 470	0	23 470	0
Long-term borrowings	126 314	0	103 837	22 477
Subordinated term debt and debt/equity (hybrid) instruments	16 091	0	0	16 091
Other liabilities	9 645	2 116	6 312	1 217
Liabilities, total	219 587	6 780	154 348	58 459
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	45 634	45 634		
Shareholder capital	12 500	12 500		
Reserves	26 713	26 713		
Profit/loss, current year	6 421	6 421		
Liabilities, minority interest, and capital, total	265 221	52 414	154 348	58 459
Memo: credit substitutes and other off-balance sheet commitments	23 625	680	21 204	1 741



BULGARIAN-AMERICAN CREDIT BANK

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	17 037	73	13 228	3 736
Interest income from claims on financial institutions	85	4	20	61
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	242	0	211	31
Interest income from loans	16 710	69	12 997	3 644
Dividend income	0	0	0	0
INTEREST EXPENDITURE	5 521	51	3 266	2 204
Interest expenditure on deposits of financial institutions	193	28	29	136
Interest expenditure on deposits of nonfinancial institutions and other customers	467	23	131	313
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	4 140	0	3 106	1 034
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	721	0	0	721
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	11 516	22	9 962	1 532
CREDIT PROVISIONS				
Accrued provisions	4 484			
Reintegrated provisions	875			
Credit provisions, net	3 609			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	14			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	2 845			
NONINTEREST EXPENDITURE	3 601			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	7 165			
FOREX REVALUATION GAIN/LOSS	263			
EXTRAORDINARY GAIN/LOSS	0			
TAX	1 007			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 421			



BULGARIAN-AMERICAN CREDIT BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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 1000 tel. 02/965 83 58 e-mail: bacb@baefinvest.com
Management	The Bank is managed and represented jointly by each two of the executive directors: Franc Luis Bauer, Stoyan Nikolov Dinchiyski and Dimitar Stoyanov Vuchev, or by any of the executive directors and the procurator Thomas Michael Higgins.
Board of Directors	Franc Luis Bauer Stephen William Fillo Thomas Michael Higgins Dimitar Stoyanov Vuchev Michael Hunsberger Dennis Earl Fiehler Marshal Lee Miller Stoyan Nikolov Dinchiyski
Shareholders (shares over 10%)	Bulgarian-American Investment Fund – 99.9%

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	69 764	23 624	11 219	34 921
Claims on financial institutions, net	71 196	23 539	18 750	28 907
Claims under repurchase agreements	35 978	29 221	4 648	2 109
Trading portfolio	46 800	16 778	12 600	17 422
Investment portfolio	75 399	13 375	50 258	11 766
Loans to nonfinancial institutions and other customers, net	628 056	312 044	280 692	35 320
Loans to budget	0	0	0	0
Commercial loans	474 742	219 006	222 526	33 210
Commercial real estate and construction loans	48 078	12 924	19 786	15 368
Other commercial loans	426 664	206 082	202 740	17 842
Agricultural loans	2 654	2 654	0	0
Consumer loans	73 330	72 672	514	144
Housing mortgage loans to individuals	39 371	26 618	11 913	840
Other loans	55 759	7 126	47 476	1 157
Loans to nonfinancial institutions and other customers, total	645 856	328 076	282 429	35 351
Less: specific provisions	17 800	16 032	1 737	31
Assets for resale	1 086	1 086	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	13 071	7 243	1 270	4 558
Intangible assets	3 875	3 875	0	0
Premises and other fixed assets	17 770	17 770	0	0
Assets, total	962 995	448 555	379 437	135 003
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	95 913	23 082	45 068	27 763
Demand deposits of banks	4 847	1 687	664	2 496
Time deposits of banks	72 792	6 502	43 257	23 033
Deposits of other financial institutions	18 274	14 893	1 147	2 234
Deposits of nonfinancial institutions and other customers	645 135	320 305	154 174	170 656
Demand deposits	193 360	145 058	29 899	18 403
Time deposits	277 020	110 286	74 077	92 657
Savings deposits	174 755	64 961	50 198	59 596
Deposits, total	741 048	343 387	199 242	198 419
Borrowings under repurchase agreements	38 901	11 435	16 240	11 226
Short-term borrowings	0	0	0	0
Long-term borrowings	67 713	12 081	55 632	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	24 353	17 941	3 328	3 084
Liabilities, total	872 015	384 844	274 442	212 729
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	90 980	90 980		
Shareholder capital	51 250	51 250		
Reserves	30 291	30 291		
Profit/loss, current year	9 439	9 439		
Liabilities, minority interest, and capital, total	962 995	475 824	274 442	212 729
Memo: credit substitutes and other off-balance sheet commitments	136 379	66 460	46 696	23 223

INCOME STATEMENT
 (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	29 589	16 855	10 502	2 232
Interest income from claims on financial institutions	1 110	528	258	324
Interest income from claims under repurchase agreements	468	366	71	31
Interest income from trading portfolio	1 535	804	529	202
Interest income from investment portfolio	2 258	309	1 601	348
Interest income from loans	24 218	14 848	8 043	1 327
Dividend income	0	0	0	0
INTEREST EXPENDITURE	8 253	4 099	3 026	1 128
Interest expenditure on deposits of financial institutions	1 755	484	791	480
Interest expenditure on deposits of nonfinancial institutions and other customers	4 601	3 006	951	644
Interest expenditure on borrowings under repurchase agreements	209	157	49	3
Interest expenditure on borrowings	1 687	452	1 235	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	1	0	0	1
INTEREST AND DIVIDEND INCOME, NET	21 336	12 756	7 476	1 104
CREDIT PROVISIONS				
Accrued provisions	5 124			
Reintegrated provisions	6 724			
Credit provisions, net	-1 600			
TRADING PORTFOLIO GAIN/LOSS	3 071			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	533			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	9 630			
NONINTEREST EXPENDITURE	23 510			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	12 660			
FOREX REVALUATION GAIN/LOSS	-926			
EXTRAORDINARY GAIN/LOSS	-4			
TAX	2 291			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	9 439			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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 1000 tel. 02/816 60 00 Website: www.postbank.bg
Management	
Supervisory Board	Andreas Vasiliu – Chairman
	George Gondicas – Deputy Chairman
	Bruce Dozier
	David Watson
	Andrew Stone
Management Board	Panagiotis Varelas – Chief Executive Director
	Theodore Karakassis – Deputy Chairman and Executive Director
	Athanassios Dionissios Petropoulos – Executive Director
	Daniela Filipova Hubeva-Chesnovska
	Anastassios Omiridis
	Asen Vasilev Yagodin
Shareholders (shares over 10%)	Borislav Ivanov Moyanov
	ALIKO/CEN Balkan Holdings Limited – 91.71%



CENTRAL COOPERATIVE BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	46 095	17 498	10 841	17 756
Claims on financial institutions, net	114 169	5 725	70 405	38 039
Claims under repurchase agreements	5 004	1 088	3 916	0
Trading portfolio	22 153	19 264	2 889	0
Investment portfolio	24 099	24 099	0	0
Loans to nonfinancial institutions and other customers, net	203 267	146 734	39 019	17 514
Loans to budget	0	0	0	0
Commercial loans	163 542	110 726	34 712	18 104
Commercial real estate and construction loans	20 956	11 119	8 659	1 178
Other commercial loans	142 586	99 607	26 053	16 926
Agricultural loans	19 287	15 484	3 803	0
Consumer loans	19 791	19 791	0	0
Housing mortgage loans to individuals	718	370	262	86
Other loans	3 662	2 698	548	416
Loans to nonfinancial institutions and other customers, total	207 000	149 069	39 325	18 606
Less: specific provisions	3 733	2 335	306	1 092
Assets for resale	757	757	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	14 159	8 563	339	5 257
Intangible assets	2 006	2 006	0	0
Premises and other fixed assets	16 680	16 680	0	0
Assets, total	448 389	242 414	127 409	78 566
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	35 369	9 396	23 394	2 579
Demand deposits of banks	3 527	78	3 305	144
Time deposits of banks	27 502	5 003	20 084	2 415
Deposits of other financial institutions	4 340	4 315	5	20
Deposits of nonfinancial institutions and other customers	311 918	164 778	92 804	54 336
Demand deposits	92 005	78 048	7 148	6 809
Time deposits	197 972	75 715	80 176	42 081
Savings deposits	21 941	11 015	5 480	5 446
Deposits, total	347 287	174 174	116 198	56 915
Borrowings under repurchase agreements	15 998	15 998	0	0
Short-term borrowings	5 016	5 016	0	0
Long-term borrowings	11 558	11 558	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	30 269	13 049	5 168	12 052
Liabilities, total	410 128	219 795	121 366	68 967
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	38 261	38 261		
Shareholder capital	16 170	16 170		
Reserves	20 768	20 768		
Profit/loss, current year	1 323	1 323		
Liabilities, minority interest, and capital, total	448 389	258 056	121 366	68 967
Memo: credit substitutes and other off-balance sheet commitments	77 220	59 081	9 849	8 290



CENTRAL COOPERATIVE BANK

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	13 903	9 454	2 895	1 554
Interest income from claims on financial institutions	898	135	557	206
Interest income from claims under repurchase agreements	57	42	15	0
Interest income from trading portfolio	1 049	867	177	5
Interest income from investment portfolio	0	0	0	0
Interest income from loans	11 314	7 825	2 146	1 343
Dividend income	585	585	0	0
INTEREST EXPENDITURE	5 174	2 212	1 846	1 116
Interest expenditure on deposits of financial institutions	337	141	193	3
Interest expenditure on deposits of nonfinancial institutions and other customers	3 725	1 425	1 582	718
Interest expenditure on borrowings under repurchase agreements	342	342	0	0
Interest expenditure on borrowings	304	304	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	466	0	71	395
INTEREST AND DIVIDEND INCOME, NET	8 729	7 242	1 049	438
CREDIT PROVISIONS				
Accrued provisions	3 349			
Reintegrated provisions	2 527			
Credit provisions, net	822			
TRADING PORTFOLIO GAIN/LOSS	665			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	37			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	6 398			
NONINTEREST EXPENDITURE	13 407			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 600			
FOREX REVALUATION GAIN/LOSS	316			
EXTRAORDINARY GAIN/LOSS	0			
TAX	593			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 323			



CENTRAL COOPERATIVE BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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

Supervisory Board	Nikola Alexandrov Damyanov – Chairman*
	Bozhidar Ivanov Grigorov
	Central Cooperative Union represented by Petar Ivanov Stefanov*
Management Board	Alexander Asenov Vodenicharov – Chairman
	Georgi Dimitrov Konstantinov – Executive Director
	Borislav Yavorov Chilikov – Executive Director
	Lazar Petrov Iliev – Executive Director*
	Victor Ivanov Mechkarov – Executive Director*
	Alexander Dimitrov Kerezov
	Tsvetan Tsankov Botev
Procurator	Biser Yordanov Slavkov
	Tihomir Angelov Atanasov

Shareholders

(shares over 10%)

Chimimport – 39.70%
Central Cooperative Union – 23.44%

* A resolution of the Sofia City Court is expected.

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	46 043	0	46 043	3 405	160	42 478
Claims on financial institutions, net	507 142	463 049	44 093	6 513	32 664	4 916
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	204	204	0	0	0	0
Investment portfolio	9 465	0	9 465	7 285	2 180	0
Loans to nonfinancial institutions and other customers, net	79 786	0	79 786	36 467	38 389	4 930
Loans to budget	0	0	0	0	0	0
Commercial loans	83 988	0	83 988	37 659	41 379	4 950
Commercial real estate and construction loans	15 647	0	15 647	0	15 647	0
Other commercial loans	68 341	0	68 341	37 659	25 732	4 950
Agricultural loans	0	0	0	0	0	0
Consumer loans	102	0	102	102	0	0
Housing mortgage loans to individuals	764	0	764	764	0	0
Other loans	13	0	13	1	0	12
Loans to nonfinancial institutions and other customers, total	84 867	0	84 867	38 526	41 379	4 962
Less: specific provisions	5 081	0	5 081	2 059	2 990	32
Assets for resale	0	0	0	0	0	0
Other assets, net	1 492	0	1 492	834	118	540
Intangible assets	326	0	326	326	0	0
Premises and other fixed assets	669	0	669	669	0	0
Assets, total	645 127	463 253	181 874	55 499	73 511	52 864
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	9 877	47	9 830	6 960	1 616	1 254
Demand deposits of banks	47	47	0	0	0	0
Time deposits of banks	6 100	0	6 100	6 100	0	0
Deposits of other financial institutions	3 730	0	3 730	860	1 616	1 254
Deposits of nonfinancial institutions and other customers	596 778	0	596 778	39 575	536 106	21 097
Demand deposits	539 908	0	539 908	32 581	490 670	16 657
Time deposits	56 870	0	56 870	6 994	45 436	4 440
Savings deposits	0	0	0	0	0	0
Deposits, total	606 655	47	606 608	46 535	537 722	22 351
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	40	40	0	0	0	0
Other liabilities	39 453	36 793	2 660	1 848	128	684
Liabilities, total	646 148	36 880	609 268	48 383	537 850	23 035
Reserves and financial result, total	-1 021	-2 184	1 163	1 163		
Reserves	-2 184	-2 184	0	0		
Profit/loss, current year	1 163	0	1 163	1 163		
Liabilities, reserves, and financial result, total	645 127	34 696	610 431	49 546	537 850	23 035
Memo: credit substitutes and other off-balance sheet commitments	110 425	2 989	107 436	55 660	19 060	32 716

INCOME STATEMENT (June 2004)

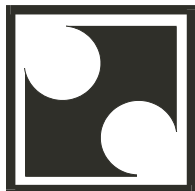
(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	2 670	545	2 125	1 145	825	155
Interest income from claims on financial institutions	687	545	142	86	52	4
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	50	0	50	0	50	0
Interest income from investment portfolio	204	0	204	91	113	0
Interest income from loans	1 729	0	1 729	968	610	151
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	983	47	936	293	569	74
Interest expenditure on deposits of financial institutions	171	45	126	99	18	9
Interest expenditure on deposits of nonfinancial institutions and other customers	806	0	806	190	551	65
Interest expenditure on borrowings under repurchase agreements	3	0	3	3	0	0
Interest expenditure on borrowings	0	0	0	0	0	0
Interest expenditure on other liabilities	3	2	1	1	0	0
INTEREST AND DIVIDEND INCOME, NET	1 687	498	1 189	852	256	81
CREDIT PROVISIONS						
Accrued provisions	3 148	0	3 148			
Reintegrated provisions	4 061	0	4 061			
Credit provisions, net	-913	0	-913			
TRADING PORTFOLIO GAIN/LOSS	138	-35	173			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	18	0	18			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NONINTEREST INCOME	1 862	1	1 861			
NONINTEREST EXPENDITURE	3 031	160	2 871			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 587	304	1 283			
FOREX REVALUATION GAIN/LOSS	-125	0	-125			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	299	0	299			
PROFIT/LOSS, NET	1 163	304	859			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Order No. RD 22-319 of 22 June 2000 and Order No. RD 22-319 of 11 December 2000
Legal registration	Entered under No. 57 183, vol. 627, reg. I, p. 132 on company file No. 8611 of the Sofia City Court of 2000
Address of the branch	2 Knyaginya Maria-Luiza Blvd., floor 5, Sofia 1000 tel. 02/917 51 00; 917 51 01; 917 51 02
Management	
Management Board	Plamen Spasov Ilchev – Country Corporate Officer Janet Hekman – Corporate Bank Head
Shareholders (shares over 10%)	
Branch of Citibank N. A., New York, the USA	



CORPORATE COMMERCIAL BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

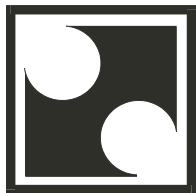
	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	26 662	16 198	816	9 648
Claims on financial institutions, net	71 485	12 029	28 733	30 723
Claims under repurchase agreements	0	0	0	0
Trading portfolio	59 231	45 589	13 589	53
Investment portfolio	800	797	3	0
Loans to nonfinancial institutions and other customers, net	170 106	79 020	42 090	48 996
Loans to budget	0	0	0	0
Commercial loans	157 856	70 809	38 930	48 117
Commercial real estate and construction loans	41 538	26 968	12 273	2 297
Other commercial loans	116 318	43 841	26 657	45 820
Agricultural loans	4 201	4 201	0	0
Consumer loans	1 938	1 868	41	29
Housing mortgage loans to individuals	4 252	222	3 180	850
Other loans	2 710	2 491	219	0
Loans to nonfinancial institutions and other customers, total	170 957	79 591	42 370	48 996
Less: specific provisions	851	571	280	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	5	5	0	0
Other assets, net	1 389	1 386	0	3
Intangible assets	375	375	0	0
Premises and other fixed assets	7 785	7 785	0	0
Assets, total	337 838	163 184	85 231	89 423
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
	14 508	11 000	3 044	464
Deposits of financial institutions	3	3	0	0
Demand deposits of banks	1 002	1 002	0	0
Time deposits of banks	13 503	9 995	3 044	464
Deposits of other financial institutions	292 124	135 399	67 675	89 050
Deposits of nonfinancial institutions and other customers	143 078	93 507	24 314	25 257
Demand deposits	114 818	27 872	33 427	53 519
Time deposits	34 228	14 020	9 934	10 274
Savings deposits	306 632	146 399	70 719	89 514
Deposits, total	3 920	0	3 920	0
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	259	259	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	864	857	6	1
Other liabilities	311 675	147 515	74 645	89 515
Liabilities, total	0	0	0	0
Minority interest in consolidated subsidiaries	26 163	26 163		
Equity, total	19 400	19 400		
Shareholder capital	4 293	4 293		
Reserves	2 470	2 470		
Profit/loss, current year	337 838	173 678	74 645	89 515
Liabilities, minority interest, and capital, total	47 718	24 831	22 321	566



CORPORATE COMMERCIAL BANK

INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	10 584	5 514	2 362	2 708
Interest income from claims on financial institutions	899	409	322	168
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	1 149	796	352	1
Interest income from investment portfolio	40	40	0	0
Interest income from loans	8 495	4 268	1 688	2 539
Dividend income	0	0	0	0
INTEREST EXPENDITURE	3 829	1 957	970	902
Interest expenditure on deposits of financial institutions	506	404	101	1
Interest expenditure on deposits of nonfinancial institutions and other customers	3 302	1 535	866	901
Interest expenditure on borrowings under repurchase agreements	5	2	3	0
Interest expenditure on borrowings	15	15	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	1	1	0	0
INTEREST AND DIVIDEND INCOME, NET	6 755	3 557	1 392	1 806
CREDIT PROVISIONS				
Accrued provisions	60			
Reintegrated provisions	637			
Credit provisions, net	-577			
TRADING PORTFOLIO GAIN/LOSS	104			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	4			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	1 677			
NONINTEREST EXPENDITURE	6 466			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	2 651			
FOREX REVALUATION GAIN/LOSS	421			
EXTRAORDINARY GAIN/LOSS	0			
TAX	602			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 470			



CORPORATE COMMERCIAL BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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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.
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Address of the head office	10 Graf Ignatiev Str., Sofia 1000 tel. 02/980 93 62 Website: www.corpbank.bg
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Management

Supervisory Board	Tsvetan Radoev Vasilev – Chairman
	Nikolai Ivanov Velkov – Deputy Chairman
	Zlatozar Krustev Surlekov
	Alipi Petrov Alipiev
	Biser Andonov Lazov

Management Board	Yanko Dimitrov Ivanov – Chairman and Executive Director
	Ilian Atanasov Zafirov – Executive Director
	Orlin Nikolov Rousev – Executive Director

Shareholders (shares over 10%)

James Vincent Hoey – 18.57%
Bromak – 36.43% directly and jointly with Victoria Insurance Company (indirectly) – 46.43%
Yanko Dimitrov Ivanov – 19.99% directly and jointly with Victoria Insurance Company



DEMIRBANK, BULGARIA

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	3 565	2 099	785	681
Claims on financial institutions, net	14 067	0	3 446	10 621
Claims under repurchase agreements	0	0	0	0
Trading portfolio	16 803	7 882	8 886	35
Investment portfolio	2 179	4	2 175	0
Loans to nonfinancial institutions and other customers, net	21 477	3 478	10 656	7 343
Loans to budget	0	0	0	0
Commercial loans	20 840	2 839	10 445	7 556
Commercial real estate and construction loans	3 650	349	3 301	0
Other commercial loans	17 190	2 490	7 144	7 556
Agricultural loans	0	0	0	0
Consumer loans	1 228	712	317	199
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	22 068	3 551	10 762	7 755
Less: specific provisions	591	73	106	412
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	205	168	13	24
Intangible assets	111	111	0	0
Premises and other fixed assets	1 581	1 581	0	0
Assets, total	59 988	15 323	25 961	18 704
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	16 709	1 519	3 411	11 779
Demand deposits of banks	26	0	1	25
Time deposits of banks	16 071	1 000	3 325	11 746
Deposits of other financial institutions	612	519	85	8
Deposits of nonfinancial institutions and other customers	16 882	7 096	5 262	4 524
Demand deposits	7 920	4 974	1 090	1 856
Time deposits	8 216	1 819	3 992	2 405
Savings deposits	746	303	180	263
Deposits, total	33 591	8 615	8 673	16 303
Borrowings under repurchase agreements	7 341	1 497	3 913	1 931
Short-term borrowings	0	0	0	0
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	1 260	300	611	349
Liabilities, total	42 192	10 412	13 197	18 583
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	17 796	17 796		
Shareholder capital	20 000	20 000		
Reserves	-2 225	-2 225		
Profit/loss, current year	21	21		
Liabilities, minority interest, and capital, total	59 988	28 208	13 197	18 583
Memo: credit substitutes and other off-balance sheet commitments	7 260	2 939	3 095	1 226



DEMIRBANK, BULGARIA

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Balance Sheets and Income Statements of Individual Commercial Banks

INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	1 575	407	881	287
Interest income from claims on financial institutions	287	2	170	115
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	486	185	301	0
Interest income from investment portfolio	72	0	72	0
Interest income from loans	730	220	338	172
Dividend income	0	0	0	0
INTEREST EXPENDITURE	295	86	150	59
Interest expenditure on deposits of financial institutions	135	55	61	19
Interest expenditure on deposits of nonfinancial institutions and other customers	160	31	89	40
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	1 280	321	731	228
CREDIT PROVISIONS				
Accrued provisions	439			
Reintegrated provisions	619			
Credit provisions, net	-180			
TRADING PORTFOLIO GAIN/LOSS	164			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	2			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	646			
NONINTEREST EXPENDITURE	2 209			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	63			
FOREX REVALUATION GAIN/LOSS	-17			
EXTRAORDINARY GAIN/LOSS	-25			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	21			



DEMIRBANK, BULGARIA

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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. 02/989 44 44 Website: www.demirbank.bg
Management	
Supervisory Board	Tayfun Bayazit – Chairman
	Huseyin Faik Acikalin
	Ismail Hasan Akchakayaluoglu
	Imre Barmanbek
	Mevlyut Tyufan Darbaz
Management Board	Haluk Zia Kurcher – Chief Executive Director
	Rafi Karagiol – Executive Director
	Sinan Kircali – Executive Director
	Ognyan Yordanov – Executive Director
Shareholders (shares over 10%)	
Isil Dogan, Permit No. 22-700 of 18 December 2001 – 50%	
Halit Djangalluoglu, Permit No. 22-701 of 18 December 2001 – 50%	



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	179 278	117 956	13 064	48 258
Claims on financial institutions, net	171 149	14 107	55 046	101 996
Claims under repurchase agreements	5 885	5 885	0	0
Trading portfolio	112 955	48 975	42 082	21 898
Investment portfolio	410 336	187 070	156 447	66 819
Loans to nonfinancial institutions and other customers, net	1 618 706	1 495 089	114 525	9 092
Loans to budget	1 093	1 093	0	0
Commercial loans	346 877	226 742	111 662	8 473
Commercial real estate and construction loans	24 222	18 147	5 955	120
Other commercial loans	322 655	208 595	105 707	8 353
Agricultural loans	3 235	2 980	255	0
Consumer loans	1 074 773	1 073 414	1 242	117
Housing mortgage loans to individuals	228 342	224 062	3 765	515
Other loans	6 254	6 138	37	79
Loans to nonfinancial institutions and other customers, total	1 660 574	1 534 429	116 961	9 184
Less: specific provisions	41 868	39 340	2 436	92
Assets for resale	178	178	0	0
Investments in unconsolidated subsidiaries and associated companies	14864	14864	0	0
Other assets, net	8 849	8 588	0	261
Intangible assets	3 022	3 022	0	0
Premises and other fixed assets	126 158	126 158	0	0
Assets, total	2 651 380	2 021 892	381 164	248 324
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	36 472	17 199	15 082	4 191
Demand deposits of banks	128	128	0	0
Time deposits of banks	12 304	554	11 750	0
Deposits of other financial institutions	24 040	16 517	3 332	4 191
Deposits of nonfinancial institutions and other customers	2 228 694	1 739 377	265 535	223 782
Demand deposits	321 732	310 003	7 890	3 839
Time deposits	1 165 821	813 552	182 418	169 851
Savings deposits	741 141	615 822	75 227	50 092
Deposits, total	2 265 166	1 756 576	280 617	227 973
Borrowings under repurchase agreements	4 015	4 015	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	39 720	37 650	1 676	394
Liabilities, total	2 308 901	1 798 241	282 293	228 367
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	342 479	342 479		
Shareholder capital	93 984	93 984		
Reserves	213 335	213 335		
Profit/loss, current year	35 160	35 160		
Liabilities, minority interest, and capital, total	2 651 380	2 140 720	282 293	228 367
Memo: credit substitutes and other off-balance sheet commitments	80 102	51 092	28 139	871



INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	111 991	99 169	10 393	2 429
Interest income from claims on financial institutions	2 161	191	1 318	652
Interest income from claims under repurchase agreements	48	48	0	0
Interest income from trading portfolio	2 743	1 527	985	231
Interest income from investment portfolio	11 587	5 514	4 730	1 343
Interest income from loans	95 452	91 889	3 360	203
Dividend income	0	0	0	0
INTEREST EXPENDITURE	22 407	19 527	1 879	1 001
Interest expenditure on deposits of financial institutions	250	211	34	5
Interest expenditure on deposits of nonfinancial institutions and other customers	22 111	19 270	1 845	996
Interest expenditure on borrowings under repurchase agreements	46	46	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	89 584	79 642	8 514	1 428
CREDIT PROVISIONS				
Accrued provisions	26 878			
Reintegrated provisions	20 734			
Credit provisions, net	6 144			
TRADING PORTFOLIO GAIN/LOSS	2 436			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	1 465			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	186			
OTHER NONINTEREST INCOME	17 958			
NONINTEREST EXPENDITURE	59 833			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	45 652			
FOREX REVALUATION GAIN/LOSS	-316			
EXTRAORDINARY GAIN/LOSS	0			
TAX	10 176			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	35 160			



DSK BANK PLC
OTP GROUP

DSK BANK



Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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 (State Gazette, 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 Plc.
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 1000 tel. 02/939 12 20 Website: www.dskbank.bg
Management	
Supervisory Board	Sándor Csányi – Chairman Zoltán Spéder – Deputy Chairman László Wolf – Deputy Chairman Gyula Pap
Management Board	Krasimir Totev Angarski – Chairman, Chief Executive Director Diana Decheva Miteva – Executive Director Georgi Dinev Zhelev – Executive Director Stoyan Ivanov Penkov Miroslav Stanimirov Vichev – Procurator Kalin Nikolov Klisarski – Procurator*
Procurators	Nikolai Ivanov Marev
Shareholders (shares over 10%)	OTP PT Bank, Budapest – 100%

* Based on DSK Bank information, Kalin Klisarski was recorded as a Member of DSK Bank management by Resolution No. 18 of the Sofia City Court dated 1 July 2004 which will be presented at the BNB.



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	123 253	30 820	3 649	88 784
Claims on financial institutions, net	59 531	1 464	19 662	38 405
Claims under repurchase agreements	0	0	0	0
Trading portfolio	87 354	71 887	6 109	9 358
Investment portfolio	21 565	15 249	6 316	0
Loans to nonfinancial institutions and other customers, net	267 638	161 882	52 455	53 301
Loans to budget	7 117	7 117	0	0
Commercial loans	233 995	130 992	51 068	51 935
Commercial real estate and construction loans	69 651	39 956	12 940	16 755
Other commercial loans	164 344	91 036	38 128	35 180
Agricultural loans	3 337	3 113	224	0
Consumer loans	15 125	14 950	128	47
Housing mortgage loans to individuals	6 465	4 519	1 179	767
Other loans	4 774	2 526	1 313	935
Loans to nonfinancial institutions and other customers, total	270 813	163 217	53 912	53 684
Less: specific provisions	3 175	1 335	1 457	383
Assets for resale	820	820	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	18 887	11 777	5 771	1 339
Intangible assets	1 415	1 415	0	0
Premises and other fixed assets	17 842	17 842	0	0
Assets, total	598 305	313 156	93 962	191 187
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	23 348	6 412	2 431	14 505
Demand deposits of banks	2 189	2 189	0	0
Time deposits of banks	15 830	0	2 347	13 483
Deposits of other financial institutions	5 329	4 223	84	1 022
Deposits of nonfinancial institutions and other customers	511 984	189 441	150 195	172 348
Demand deposits	216 033	125 033	78 990	12 010
Time deposits	272 873	52 333	65 607	154 933
Savings deposits	23 078	12 075	5 598	5 405
Deposits, total	535 332	195 853	152 626	186 853
Borrowings under repurchase agreements	6 325	3 000	3 325	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	13 884	3 579	9 431	874
Liabilities, total	555 541	202 432	165 382	187 727
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	42 764	42 764		
Shareholder capital	40 000	40 000		
Reserves	1 549	1 549		
Profit/loss, current year	1 215	1 215		
Liabilities, minority interest, and capital, total	598 305	245 196	165 382	187 727
Memo: credit substitutes and other off-balance sheet commitments	51 695	33 711	7 955	10 029

* Former Roseximbank.

INCOME STATEMENT
(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	14 155	8 419	2 517	3 219
Interest income from claims on financial institutions	848	118	194	536
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	2 242	1 961	115	166
Interest income from investment portfolio	5	5	0	0
Interest income from loans	11 060	6 335	2 208	2 517
Dividend income	0	0	0	0
INTEREST EXPENDITURE	7 876	2 084	2 049	3 743
Interest expenditure on deposits of financial institutions	553	177	366	10
Interest expenditure on deposits of nonfinancial institutions and other customers	7 284	1 893	1 658	3 733
Interest expenditure on borrowings under repurchase agreements	25	0	25	0
Interest expenditure on borrowings	14	14	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	6 279	6 335	468	-524
CREDIT PROVISIONS				
Accrued provisions	820			
Reintegrated provisions	1 863			
Credit provisions, net	-1 043			
TRADING PORTFOLIO GAIN/LOSS	118			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-122			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	6 457			
NONINTEREST EXPENDITURE	13 045			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	730			
FOREX REVALUATION GAIN/LOSS	511			
EXTRAORDINARY GAIN/LOSS	268			
TAX	294			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 215			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
Legal registration	Resolution No. 1 of 10 March 1998 of the Sofia City Court, company file No. 3006 of 1998; entered under No. 45652, v. 500, reg. I, p. 128.
Address of the head office	4-6 Dondukov Blvd., Sofia 1000 tel. 02/9307 136 Website: www.roseximbank.bg

Management

Supervisory Board	DZI AD, represented by Vesela Ognyanova Kyuleva – Chairman Asen Raikov Oshanov – Deputy Chairman DZI General Insurance, represented by Milena Kamenova Plocheva Contract Holding Company, represented by Yuriy Alexandrov Kyulev Maxim Moncho Behar**
Management Board	Diana Zhivkova Mladenova – Chairman and Executive Director Vladimir Ivanov Vladimirov – Chief Executive Director Reni Hristova Petkova – Executive Director Mincho Hristov Mihov – Executive Director Kina Atanasova Koinarska – Procurator Plamen Borisov Itsov – Procurator
Chief Procurator	Emil Alexandrov Kyulev
Procurators	Plamen Yordanov Milkov Lyubomir Antonov Karimanski

Shareholders (shares over 10%)

DZI AD – 50.09%; jointly with related parties – 69.78%

* By Letter No. 1729-498 of 20 July 2004 Roseximbank informs that the General Shareholders' Meeting decided Roseximbank to change name to DZI Bank AD. The change will be entered in the Legal Register.

** Approved by the General Shareholders' Meeting held on 25 June 2004. The entry in the Legal Register is pending.

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	43 106	22 888	5 041	15 177
Claims on financial institutions, net	184 781	3	75 573	109 205
Claims under repurchase agreements	1 245	0	0	1 245
Trading portfolio	81 595	43 297	14 213	24 085
Investment portfolio	41 136	36 225	3	4 908
Loans to nonfinancial institutions and other customers, net	283 327	163 480	78 721	41 126
Loans to budget	100	100	0	0
Commercial loans	282 528	158 134	76 193	48 201
Commercial real estate and construction loans	84 563	38 895	31 375	14 293
Other commercial loans	197 965	119 239	44 818	33 908
Agricultural loans	34	34	0	0
Consumer loans	16 434	16 042	332	60
Housing mortgage loans to individuals	2 872	288	2 290	294
Other loans	15 121	15 096	10	15
Loans to nonfinancial institutions and other customers, total	317 089	189 694	78 825	48 570
Less: specific provisions	33 762	26 214	104	7 444
Assets for resale	3 073	3 073	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	8 895	5 354	1 851	1 690
Intangible assets	236	236	0	0
Premises and other fixed assets	23 445	23 445	0	0
Assets, total	670 839	298 001	175 402	197 436
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	144 502	55 059	85 078	4 365
Demand deposits of banks	40 567	36 000	4 209	358
Time deposits of banks	81 395	14 025	67 370	0
Deposits of other financial institutions	22 540	5 034	13 499	4 007
Deposits of nonfinancial institutions and other customers	435 109	126 209	120 213	188 687
Demand deposits	121 103	104 842	6 761	9 500
Time deposits	292 694	13 597	105 681	173 416
Savings deposits	21 312	7 770	7 771	5 771
Deposits, total	579 611	181 268	205 291	193 052
Borrowings under repurchase agreements	19 164	11 000	8 164	0
Short-term borrowings	11 058	0	0	11 058
Long-term borrowings	0	0	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	5 340	4 605	636	99
Liabilities, total	615 173	196 873	214 091	204 209
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	55 666	55 666		
Shareholder capital	35 000	35 000		
Reserves	13 532	13 532		
Profit/loss, current year	7 134	7 134		
Liabilities, minority interest, and capital, total	670 839	252 539	214 091	204 209
Memo: credit substitutes and other off-balance sheet commitments	20 590	15 417	4 726	447

INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	17 828	9 168	3 992	4 668
Interest income from claims on financial institutions	1 296	225	697	374
Interest income from claims under repurchase agreements	43	33	0	10
Interest income from trading portfolio	3 180	1 343	435	1 402
Interest income from investment portfolio	1 379	217	0	1 162
Interest income from loans	11 930	7 350	2 860	1 720
Dividend income	0	0	0	0
INTEREST EXPENDITURE	10 487	1 168	4 036	5 283
Interest expenditure on deposits of financial institutions	1 292	467	731	94
Interest expenditure on deposits of nonfinancial institutions and other customers	8 818	635	3 233	4 950
Interest expenditure on borrowings under repurchase agreements	92	60	32	0
Interest expenditure on borrowings	285	6	40	239
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	7 341	8 000	-44	-615
CREDIT PROVISIONS				
Accrued provisions	4 931			
Reintegrated provisions	4 124			
Credit provisions, net	807			
TRADING PORTFOLIO GAIN/LOSS	-135			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	6 149			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	5 568			
NONINTEREST EXPENDITURE	11 151			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	6 965			
FOREX REVALUATION GAIN/LOSS	350			
EXTRAORDINARY GAIN/LOSS	28			
TAX	209			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	7 134			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Resolution No. 26 of 27 January 1995; the bank was renamed by Order No. RD22-482 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.
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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
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Address of the head office	2 Slavyanska Str., Sofia 1000 tel. 02/9399 240; 9399 400 Website: www.eibank.bg
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Management

Supervisory Board	Tsvetelina Borislavova Karagiozova – Chairman
	Valentina Radkova Ivanova – Deputy Chairman
	Asen Lyubenov Naidenov
Management Board	Vasil Stefanov Simov – Chairman and Executive Director
	Danail Mihailov Kamenov – Executive Director
	Anton Nikolaev Andonov
	Alexander Alexandrov Denev
	Vladimir Trifonov Penchev

Shareholders (shares over 10%)

Katex AD – 21.14% directly, and together with related parties Runo-Kazanlak AD and Tsvetelina B. Karagiozova – 26.22% with paid-in capital of BGN 35 million.

Tsvetelina Borislavova Karagiozova – 26.22% directly, and indirectly – through Katex AD and related Runo-Kazanlak AD – with paid-in capital of BGN 35 million.

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	4 545	1 295	831	2 419
Claims on financial institutions, net	3 771	513	452	2 806
Claims under repurchase agreements	0	0	0	0
Trading portfolio	317	0	317	0
Investment portfolio	845	61	655	129
Loans to nonfinancial institutions and other customers, net	69 215	2 445	65 723	1 047
Loans to budget	0	0	0	0
Commercial loans	76 630	2 438	73 145	1 047
Commercial real estate and construction loans	15 792	0	15 792	0
Other commercial loans	60 838	2 438	57 353	1 047
Agricultural loans	106	106	0	0
Consumer loans	57	57	0	0
Housing mortgage loans to individuals	1 271	0	1 271	0
Other loans	40	0	40	0
Loans to nonfinancial institutions and other customers, total	78 104	2 601	74 456	1 047
Less: specific provisions	8 889	156	8 733	0
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	197	137	54	6
Intangible assets	67	67	0	0
Premises and other fixed assets	5 118	5 118	0	0
Assets, total	84 075	9 636	68 032	6 407
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	29 400	1 514	24 572	3 314
Demand deposits of banks	0	0	0	0
Time deposits of banks	23 398	0	20 206	3 192
Deposits of other financial institutions	6 002	1 514	4 366	122
Deposits of nonfinancial institutions and other customers	14 280	6 470	5 494	2 316
Demand deposits	9 980	5 786	3 570	624
Time deposits	4 300	684	1 924	1 692
Savings deposits	0	0	0	0
Deposits, total	43 680	7 984	30 066	5 630
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	19 608	0	19 608	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	2 331	534	1 157	640
Liabilities, total	65 619	8 518	50 831	6 270
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	18 456	18 456		
Shareholder capital	17 852	17 852		
Reserves	4 450	4 450		
Profit/loss, current year	-3 846	-3 846		
Liabilities, minority interest, and capital, total	84 075	26 974	50 831	6 270
Memo: credit substitutes and other off-balance sheet commitments	16 228	1 700	13 550	978

* Former Commercial Bank of Greece (Bulgaria).

INCOME STATEMENT

(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	2 477	170	2 234	73
Interest income from claims on financial institutions	27	1	10	16
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	10	0	10	0
Interest income from investment portfolio	21	0	21	0
Interest income from loans	2 419	169	2 193	57
Dividend income	0	0	0	0
INTEREST EXPENDITURE	762	111	619	32
Interest expenditure on deposits of financial institutions	415	64	340	11
Interest expenditure on deposits of nonfinancial institutions and other customers	102	47	34	21
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	245	0	245	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	1 715	59	1 615	41
CREDIT PROVISIONS				
Accrued provisions	5 657			
Reintegrated provisions	1 252			
Credit provisions, net	4 405			
TRADING PORTFOLIO GAIN/LOSS	-1			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-1			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	779			
NONINTEREST EXPENDITURE	1 770			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-3 683			
FOREX REVALUATION GAIN/LOSS	18			
EXTRAORDINARY GAIN/LOSS	0			
TAX	181			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	-3 846			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
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Legal registration	Resolution No. 1 of the Sofia City Court of 28 November 1994, company file No. 21376 of 1994, lot No. 20768, vol. 253, p. 168.
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Address of the head office	4 Laiosh Koshut Str., Sofia 1606 tel. 02/917 17 17
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Management

Board of Directors	Ioannis Emanuil Sopasakis – Chairman
	Spiridon Constantinos Coskinas – Deputy Chairman
	Elefterios Patroclos Baharopulos – Chief Executive Director
	Georgios Vassilios Tzamos – Executive Director
	Dimitrios Moschos

Shareholders
(shares over 10%)

Commercial Bank of Greece, Athens – 100%



ENCOURAGEMENT BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	780	680	96	4
Claims on financial institutions, net	10 042	6 309	3 566	167
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	18 755	9 727	9 028	0
Loans to nonfinancial institutions and other customers, net	51 428	20 365	31 063	0
Loans to budget	0	0	0	0
Commercial loans	48 385	14 393	33 992	0
Commercial real estate and construction loans	43 546	9 943	33 603	0
Other commercial loans	4 839	4 450	389	0
Agricultural loans	7 299	7 299	0	0
Consumer loans	105	105	0	0
Housing mortgage loans to individuals	0	0	0	0
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	55 789	21 797	33 992	0
Less: specific provisions	4 361	1 432	2 929	0
Assets for resale	164	164	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	322	312	10	0
Intangible assets	212	212	0	0
Premises and other fixed assets	2 278	2 278	0	0
Assets, total	83 981	40 047	43 763	171
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	426	409	17	0
Demand deposits of banks	306	306	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	120	103	17	0
Deposits of nonfinancial institutions and other customers	1 790	971	645	174
Demand deposits	1 543	771	616	156
Time deposits	108	61	29	18
Savings deposits	139	139	0	0
Deposits, total	2 216	1 380	662	174
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	48 742	8 558	40 184	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	261	241	20	0
Liabilities, total	51 219	10 179	40 866	174
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	32 762	32 762		
Shareholder capital	29 574	29 574		
Reserves	2 866	2 866		
Profit/loss, current year	322	322		
Liabilities, minority interest, and capital, total	83 981	42 941	40 866	174
Memo: credit substitutes and other off-balance sheet commitments	14 633	5 975	8 658	0



INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	3 687	1 545	2 141	1
Interest income from claims on financial institutions	88	38	49	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	533	445	88	0
Interest income from loans	3 062	1 062	2 000	0
Dividend income	4	0	4	0
INTEREST EXPENDITURE	488	47	441	0
Interest expenditure on deposits of financial institutions	1	1	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	4	3	1	0
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	483	43	440	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	3 199	1 498	1 700	1
CREDIT PROVISIONS				
Accrued provisions	2 167			
Reintegrated provisions	738			
Credit provisions, net	1 429			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	-40			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	295			
NONINTEREST EXPENDITURE	1 628			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	397			
FOREX REVALUATION GAIN/LOSS	3			
EXTRAORDINARY GAIN/LOSS	0			
TAX	78			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	322			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Order No. 100-000078 of 25 February 1999 of the BNB Governor
Legal registration	Resolution 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 each two of the three executive directors: Dimitar Kirilov Dimitrov, Sasho Petrov Chakalski and Georgi Yanchev Momchilov.
Supervisory Board	Iliya Nikolov Lingorski – Chairman Atanas Slavchev Katsarchev – Deputy Chairman Dimitar Hristov Hadzhinikolov
Management Board	Dimitar Kirilov Dimitrov – Chairman and Executive Director Sasho Petrov Chakalski – Executive Director Georgi Yanchev Momchilov – Executive Director Dimitar Nikolov Tadarakov
Shareholders (shares over 10%)	Ministry of Finance – 99.995%



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	23 979	13 032	3 014	7 933
Claims on financial institutions, net	53 564	2 318	7 020	44 226
Claims under repurchase agreements	305	305	0	0
Trading portfolio	59 498	21 641	8 019	29 838
Investment portfolio	633	630	3	0
Loans to nonfinancial institutions and other customers, net	192 295	115 477	54 870	21 948
Loans to budget	0	0	0	0
Commercial loans	159 340	84 276	52 884	22 180
Commercial real estate and construction loans	45 895	17 911	23 779	4 205
Other commercial loans	113 445	66 365	29 105	17 975
Agricultural loans	8 896	7 657	1 239	0
Consumer loans	25 697	25 470	219	8
Housing mortgage loans to individuals	2 885	1 385	1 448	52
Other loans	316	183	55	78
Loans to nonfinancial institutions and other customers, total	197 134	118 971	55 845	22 318
Less: specific provisions	4 839	3 494	975	370
Assets for resale	430	430	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	5 637	5 318	283	36
Intangible assets	120	120	0	0
Premises and other fixed assets	10 886	10 886	0	0
Assets, total	347 347	170 157	73 209	103 981
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	22 091	4 713	17 134	244
Demand deposits of banks	0	0	0	0
Time deposits of banks	19 145	2 069	17 076	0
Deposits of other financial institutions	2 946	2 644	58	244
Deposits of nonfinancial institutions and other customers	262 066	100 612	59 369	102 085
Demand deposits	63 074	39 061	12 425	11 588
Time deposits	198 992	61 551	46 944	90 497
Savings deposits	0	0	0	0
Deposits, total	284 157	105 325	76 503	102 329
Borrowings under repurchase agreements	6 610	6 610	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	16 721	12 758	3 963	0
Subordinated term debt and debt/equity (hybrid) instruments	4 500	4 500	0	0
Other liabilities	12 351	5 423	3 570	3 358
Liabilities, total	324 339	134 616	84 036	105 687
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	23 008	23 008		
Shareholder capital	15 000	15 000		
Reserves	5 061	5 061		
Profit/loss, current year	2 947	2 947		
Liabilities, minority interest, and capital, total	347 347	157 624	84 036	105 687
Memo: credit substitutes and other off-balance sheet commitments	60 393	54 719	2 697	2 977



INCOME STATEMENT
(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	12 102	7 102	3 286	1 714
Interest income from claims on financial institutions	250	15	41	194
Interest income from claims under repurchase agreements	12	12	0	0
Interest income from trading portfolio	1 238	643	199	396
Interest income from investment portfolio	0	0	0	0
Interest income from loans	10 602	6 432	3 046	1 124
Dividend income	0	0	0	0
INTEREST EXPENDITURE	5 352	2 185	1 185	1 982
Interest expenditure on deposits of financial institutions	273	106	166	1
Interest expenditure on deposits of nonfinancial institutions and other customers	4 654	1 758	915	1 981
Interest expenditure on borrowings under repurchase agreements	242	242	0	0
Interest expenditure on borrowings	183	79	104	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	6 750	4 917	2 101	-268
CREDIT PROVISIONS				
Accrued provisions	3 814			
Reintegrated provisions	3 308			
Credit provisions, net	506			
TRADING PORTFOLIO GAIN/LOSS	1 791			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	87			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	3 713			
NONINTEREST EXPENDITURE	7 448			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 387			
FOREX REVALUATION GAIN/LOSS	-726			
EXTRAORDINARY GAIN/LOSS	0			
TAX	714			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 947			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Protocol of Meeting of the BNB Governing Council No. 101-00013 of 2 March 1994, Order No. 100-000484 of 3 October 1997 of the BNB Governor; license updated by Order No. 100-00503 of the BNB Governor dated 18 November 1999
Legal registration	Company file No. 24013 of 1993 of the Sofia City Court, lot No. 15059, vol. 194, p. 174
Address of the head office	43 Cherni Vrah Blvd., Sofia 1407 tel. 02/969 07 60 Website: www.eurobank.bg

Management

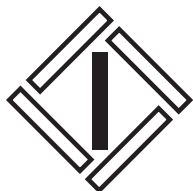
Supervisory Board	Mitko Vasilev Sabev -- Chairman Yurex Consult Ltd, represented by Mariana Alexandrova Danova Ventseslav Asenov Dimitrov*
Management Board	Emil Angelov Angelov – Chairman Bisser Parashkevov Mitrikov – Deputy Chairman Anton Hristov Todorov Ivelina Yordanova Decheva Konstantin Angelov Yordanov Yuriy Asenov Stanchev
Executive Members of the Management Board	Emil Angelov Angelov Bisser Parashkevov Mitrikov

Shareholders

(shares over 10%)

Petrol Holding Ltd – 95.10%

* The entry in the Sofia Regional Court is expected.



FIRST INVESTMENT BANK

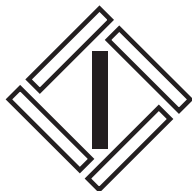
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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

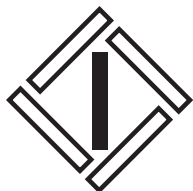
(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	83 497	38 044	7 518	37 935
Claims on financial institutions, net	208 951	3 084	69 252	136 615
Claims under repurchase agreements	35 760	4 820	30 940	0
Trading portfolio	82 905	33 920	34 534	14 451
Investment portfolio	18 723	486	7 278	10 959
Loans to nonfinancial institutions and other customers, net	757 581	316 563	280 874	160 144
Loans to budget	0	0	0	0
Commercial loans	634 889	200 506	268 649	165 734
Commercial real estate and construction loans	329 432	91 273	188 962	49 197
Other commercial loans	305 457	109 233	79 687	116 537
Agricultural loans	15 689	14 688	420	581
Consumer loans	82 151	77 485	4 101	565
Housing mortgage loans to individuals	26 024	13 861	10 616	1 547
Other loans	22 961	19 815	2 091	1 055
Loans to nonfinancial institutions and other customers, total	781 714	326 355	285 877	169 482
Less: specific provisions	24 133	9 792	5 003	9 338
Assets for resale	177	177	0	0
Investments in unconsolidated subsidiaries and associated companies	1536	1536	0	0
Other assets, net	6 102	5 003	208	891
Intangible assets	702	436	0	266
Premises and other fixed assets	36 571	36 109	0	462
Assets, total	1 232 505	440 178	430 604	361 723
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	197 619	8 063	130 432	59 124
Demand deposits of banks	474	75	227	172
Time deposits of banks	34 263	4 500	7 629	22 134
Deposits of other financial institutions	162 882	3 488	122 576	36 818
Deposits of nonfinancial institutions and other customers	695 458	288 525	180 268	226 665
Demand deposits	353 883	213 950	90 504	49 429
Time deposits	341 575	74 575	89 764	177 236
Savings deposits	0	0	0	0
Deposits, total	893 077	296 588	310 700	285 789
Borrowings under repurchase agreements	15 440	13 484	1 956	0
Short-term borrowings	170 875	2 024	10 425	158 426
Long-term borrowings	23 941	0	23 941	0
Subordinated term debt and debt/equity (hybrid) instruments	21 390	0	21 390	0
Other liabilities	6 322	6 016	26	280
Liabilities, total	1 131 045	318 112	368 438	444 495
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	101 460	101 460		
Shareholder capital	10 000	10 000		
Reserves	80 874	80 874		
Profit/loss, current year	10 586	10 586		
Liabilities, minority interest, and capital, total	1 232 505	419 572	368 438	444 495
Memo: credit substitutes and other off-balance sheet commitments	165 115	42 496	92 398	30 221



INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	47 549	21 130	17 629	8 790
Interest income from claims on financial institutions	961	10	399	552
Interest income from claims under repurchase agreements	1 603	64	1 539	0
Interest income from trading portfolio	1 549	843	500	206
Interest income from investment portfolio	209	0	147	62
Interest income from loans	43 227	20 213	15 044	7 970
Dividend income	0	0	0	0
INTEREST EXPENDITURE	19 908	3 501	9 760	6 647
Interest expenditure on deposits of financial institutions	5 689	140	4 355	1 194
Interest expenditure on deposits of nonfinancial institutions and other customers	8 580	3 078	2 367	3 135
Interest expenditure on borrowings under repurchase agreements	255	238	17	0
Interest expenditure on borrowings	4 177	8	1 851	2 318
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	1 170	0	1 170	0
Interest expenditure on other liabilities	37	37	0	0
INTEREST AND DIVIDEND INCOME, NET	27 641	17 629	7 869	2 143
CREDIT PROVISIONS				
Accrued provisions	9 577			
Reintegrated provisions	7 874			
Credit provisions, net	1 703			
TRADING PORTFOLIO GAIN/LOSS	1 266			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	107			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	9 592			
NONINTEREST EXPENDITURE	21 684			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	15 219			
FOREX REVALUATION GAIN/LOSS	-2 188			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2 445			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	10 586			



FIRST INVESTMENT BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
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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.
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Address of the head office	10 Stefan Karadzha Str., Sofia 1000 tel. 02/910 01 Website: www.fibank.bg
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Management

Supervisory Board	Georgi Dimitrov Moutafchiev – Chairman
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Radka Veselinova Mineva

Management Board	Jonathan Henry Martyn Harfield – Chief Executive Director
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Matio Alexandrov Mateev – Deputy Chief Executive Director

Maya Lyubenova Georgieva – Executive Director

Yordan Velichkov Skorchev – Executive Director

Evgeniya Dimitrova Stoyanova

Ivan Stefanov Ivanov

Lyubomir Ivanov Vesov

Evgeni Krustev Lukanov

Shareholders

(shares over 10%)

European Privatization and Investment Company, Vienna – 39%

European Bank for Reconstruction and Development – 20%

First Financial Brokerage House – 13.89%

Ivailo Dimitrov Moutafchiev – 12.33%

Tseko Todorov Minev – 12.33%



HEBROS COMMERCIAL BANK

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Commercial Banks in Bulgaria

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	40 049	28 789	3 273	7 987
Claims on financial institutions, net	56 613	1 570	14 626	40 417
Claims under repurchase agreements	0	0	0	0
Trading portfolio	32 244	13 124	5 216	13 904
Investment portfolio	40 894	918	1 023	38 953
Loans to nonfinancial institutions and other customers, net	343 833	226 007	110 834	6 992
Loans to budget	167	167	0	0
Commercial loans	240 390	137 815	95 441	7 134
Commercial real estate and construction loans	72 839	30 939	39 161	2 739
Other commercial loans	167 551	106 876	56 280	4 395
Agricultural loans	23 330	19 546	3 784	0
Consumer loans	73 598	71 673	1 925	0
Housing mortgage loans to individuals	2 266	2 133	133	0
Other loans	19 148	8 817	10 073	258
Loans to nonfinancial institutions and other customers, total	358 899	240 151	111 356	7 392
Less: specific provisions	15 066	14 144	522	400
Assets for resale	1 463	1 463	0	0
Investments in unconsolidated subsidiaries and associated companies	2014	2014	0	0
Other assets, net	5 409	4 352	313	744
Intangible assets	11 400	11 400	0	0
Premises and other fixed assets	22 958	22 958	0	0
Assets, total	556 877	312 595	135 285	108 997
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	25 818	15 054	10 764	0
Demand deposits of banks	77	77	0	0
Time deposits of banks	24 799	14 037	10 762	0
Deposits of other financial institutions	942	940	2	0
Deposits of nonfinancial institutions and other customers	389 695	198 110	86 978	104 607
Demand deposits	140 564	119 228	11 207	10 129
Time deposits	186 859	59 113	54 716	73 030
Savings deposits	62 272	19 769	21 055	21 448
Deposits, total	415 513	213 164	97 742	104 607
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	17 130	4 876	11 834	420
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	19 357	14 440	847	4 070
Liabilities, total	452 000	232 480	110 423	109 097
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	104 877	104 877		
Shareholder capital	41 103	41 103		
Reserves	56 812	56 812		
Profit/loss, current year	6 962	6 962		
Liabilities, minority interest, and capital, total	556 877	337 357	110 423	109 097
Memo: credit substitutes and other off-balance sheet commitments	71 869	45 273	21 923	4 673



HEBROS COMMERCIAL BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	19 213	13 112	4 711	1 390
Interest income from claims on financial institutions	659	37	416	206
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 112	450	143	519
Interest income from investment portfolio	307	0	37	270
Interest income from loans	17 135	12 625	4 115	395
Dividend income	0	0	0	0
INTEREST EXPENDITURE	3 055	1 711	812	532
Interest expenditure on deposits of financial institutions	102	94	8	0
Interest expenditure on deposits of nonfinancial institutions and other customers	2 643	1 556	580	507
Interest expenditure on borrowings under repurchase agreements	4	4	0	0
Interest expenditure on borrowings	306	57	224	25
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	16 158	11 401	3 899	858
CREDIT PROVISIONS				
Accrued provisions	33 298			
Reintegrated provisions	31 771			
Credit provisions, net	1 527			
TRADING PORTFOLIO GAIN/LOSS	581			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	343			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	12 869			
NONINTEREST EXPENDITURE	19 446			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	8 978			
FOREX REVALUATION GAIN/LOSS	-598			
EXTRAORDINARY GAIN/LOSS	1			
TAX	1 419			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	6 962			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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	Jayne Alison Sutcliffe – Chairman
	Robert-Hans van Griethuysen
	Alexander Anderson Whamond
Management Board	Gautam Vir – Chairman and Chief Executive Director
	David Donald Curl – Executive Director
	Alexander Iliev Tsachev – Executive Director
	Veselin Vasilev Denchev – Executive Director
Shareholders (shares over 10%)	
SWC B. V. – 90.77%	

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	173 481	31 369	14 785	127 327
Claims on financial institutions, net	104 984	16 779	3 690	84 515
Claims under repurchase agreements	7 083	5 152	0	1 931
Trading portfolio	36 078	28 212	7 283	583
Investment portfolio	97 446	34 913	33 136	29 397
Loans to nonfinancial institutions and other customers, net	879 565	488 833	358 790	31 942
Loans to budget	9 481	8 960	521	0
Commercial loans	642 524	261 863	342 556	38 105
Commercial real estate and construction loans	290 488	72 717	210 685	7 086
Other commercial loans	352 036	189 146	131 871	31 019
Agricultural loans	4 217	4 217	0	0
Consumer loans	225 695	218 018	7 133	544
Housing mortgage loans to individuals	33 455	14 452	17 327	1 676
Other loans	13 604	11 265	632	1 707
Loans to nonfinancial institutions and other customers, total	928 976	518 775	368 169	42 032
Less: specific provisions	49 411	29 942	9 379	10 090
Assets for resale	1 189	1 189	0	0
Investments in unconsolidated subsidiaries and associated companies	110	110	0	0
Other assets, net	5 164	4 668	415	81
Intangible assets	2 443	2 443	0	0
Premises and other fixed assets	45 176	45 176	0	0
Assets, total	1 352 719	658 844	418 099	275 776
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	255 851	32 196	85 800	137 855
Demand deposits of banks	912	531	210	171
Time deposits of banks	241 503	21 009	82 818	137 676
Deposits of other financial institutions	13 436	10 656	2 772	8
Deposits of nonfinancial institutions and other customers	821 286	418 680	205 391	197 215
Demand deposits	420 286	310 622	83 307	26 357
Time deposits	272 417	68 731	83 378	120 308
Savings deposits	128 583	39 327	38 706	50 550
Deposits, total	1 077 137	450 876	291 191	335 070
Borrowings under repurchase agreements	24 693	11 599	12 932	162
Short-term borrowings	0	0	0	0
Long-term borrowings	65 769	662	65 107	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	32 875	16 478	11 763	4 634
Liabilities, total	1 200 474	479 615	380 993	339 866
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	152 245	152 245		
Shareholder capital	36 842	36 842		
Reserves	99 754	99 754		
Profit/loss, current year	15 649	15 649		
Liabilities, minority interest, and capital, total	1 352 719	631 860	380 993	339 866
Memo: credit substitutes and other off-balance sheet commitments	327 057	154 886	136 879	35 292

* Former Biochim Commercial Bank.

INCOME STATEMENT

(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	40 603	27 367	10 691	2 545
Interest income from claims on financial institutions	1 912	623	371	918
Interest income from claims under repurchase agreements	31	26	0	5
Interest income from trading portfolio	1 419	1 110	228	81
Interest income from investment portfolio	2 017	900	727	390
Interest income from loans	35 224	24 708	9 365	1 151
Dividend income	0	0	0	0
INTEREST EXPENDITURE	6 733	3 199	2 849	685
Interest expenditure on deposits of financial institutions	2 211	1 227	846	138
Interest expenditure on deposits of nonfinancial institutions and other customers	3 063	1 708	808	547
Interest expenditure on borrowings under repurchase agreements	330	249	81	0
Interest expenditure on borrowings	1 122	8	1 114	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	7	7	0	0
INTEREST AND DIVIDEND INCOME, NET	33 870	24 168	7 842	1 860
CREDIT PROVISIONS				
Accrued provisions	9 197			
Reintegrated provisions	5 080			
Credit provisions, net	4 117			
TRADING PORTFOLIO GAIN/LOSS	634			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	479			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	19 449			
NONINTEREST EXPENDITURE	29 841			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	20 474			
FOREX REVALUATION GAIN/LOSS	-970			
EXTRAORDINARY GAIN/LOSS	0			
TAX	3 855			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	15 649			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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 1000 tel. 02/926 92 10 Website: www.biochim.com
Management	
Supervisory Board	Anton Knett – Chairman
	Regina Prehofer
	Wolfgang Edelmüller
	Heinz Meidlinger
	Harald Nogrsek
	Ralf Cymanek
	Wolfgang Helpa
Management Board	Peter Harold – Chairman and Chief Executive Director
	Lyudmil Vladimirov Gatchev – Executive Director
	Emiliya Stefanova Palibachiyska – Executive Director
	Maria Dimova Ilieva – Executive Director
	Ludwig Wagner – Executive Director
Shareholders (shares over 10%)	Bank Austria Creditanstalt – 99.59%

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	(BGN 000)			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	16 849	0	16 849	8 321	544	7 984
Claims on financial institutions, net	65 451	50 074	15 377	9 954	5 305	118
Claims under repurchase agreements	1 500	0	1 500	1 500	0	0
Trading portfolio	35 712	0	35 712	19 206	11 397	5 109
Investment portfolio	46	0	46	46	0	0
Loans to nonfinancial institutions and other customers, net	171 776	0	171 776	128 866	32 429	10 481
Loans to budget	0	0	0	0	0	0
Commercial loans	153 756	0	153 756	112 409	30 866	10 481
Commercial real estate and construction loans	8 839	0	8 839	8 839	0	0
Other commercial loans	144 917	0	144 917	103 570	30 866	10 481
Agricultural loans	10 668	0	10 668	9 105	1 563	0
Consumer loans	1 464	0	1 464	1 464	0	0
Housing mortgage loans to individuals	6 672	0	6 672	6 672	0	0
Other loans	200	0	200	200	0	0
Loans to nonfinancial institutions and other customers, total	172 760	0	172 760	129 850	32 429	10 481
Less: specific provisions	984	0	984	984	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	1 777	0	1 777	908	737	132
Intangible assets	285	0	285	285	0	0
Premises and other fixed assets	1 594	0	1 594	1 594	0	0
Assets, total	294 990	50 074	244 916	170 680	50 412	23 824
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	56 910	6 918	49 992	6 909	28 990	14 093
Demand deposits of banks	1 412	53	1 359	1 313	1	45
Time deposits of banks	54 318	6 865	47 453	4 503	28 950	14 000
Deposits of other financial institutions	1 180	0	1 180	1 093	39	48
Deposits of nonfinancial institutions and other customers	192 886	0	192 886	112 100	48 558	32 228
Demand deposits	114 575	0	114 575	59 951	30 547	24 077
Time deposits	78 307	0	78 307	52 147	18 009	8 151
Savings deposits	4	0	4	2	2	0
Deposits, total	249 796	6 918	242 878	119 009	77 548	46 321
Borrowings under repurchase agreements	3 400	0	3 400	3 400	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	20 227	13 377	6 850	1 953	563	4 334
Liabilities, total	273 423	20 295	253 128	124 362	78 111	50 655
Reserves and financial result, total	21 567	17 986	3 581	3 581		
Reserves	17 986	17 986	0	0		
Profit/loss, current year	3 581	0	3 581	3 581		
Liabilities, reserves, and financial result, total	294 990	38 281	256 709	127 943	78 111	50 655
Memo: credit substitutes and other off-balance sheet commitments	73 803	0	73 803	21 806	39 690	12 307

INCOME STATEMENT

(June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	7 007	104	6 903	5 439	1079	385
Interest income from claims on financial institutions	533	104	429	385	44	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	1 423	0	1 423	1 423	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	5 051	0	5 051	3 631	1035	385
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	1 036	0	1 036	721	207	108
Interest expenditure on deposits of financial institutions	512	0	512	356	82	74
Interest expenditure on deposits of nonfinancial institutions and other customers	494	0	494	335	125	34
Interest expenditure on borrowings under repurchase agreements	30	0	30	30	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	5 971	104	5 867	4 718	872	277
CREDIT PROVISIONS						
Accrued provisions	984	0	984			
Reintegrated provisions	3 038	0	3 038			
Credit provisions, net	-2 054	0	-2 054			
TRADING PORTFOLIO GAIN/LOSS	-281	0	-281			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0	0	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NONINTEREST INCOME	3 732	0	3 732			
NONINTEREST EXPENDITURE	7 211	1 314	5 897			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 265	-1 210	5 475			
FOREX REVALUATION GAIN/LOSS	-684	0	-684			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	0	0	0			
PROFIT/LOSS, NET	3 581	-1 210	4 791			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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Legal registration	Company file No. 11357 of 26 July 1994
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Address of the branch	12 Emil Bersinski Str., Ivan Vazov District, Sofia 1408 tel. 02/917 64 00 Website: www.ing.bg
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Management	Jan Willem Overwater – Regional Director Kornelis de Jong – Executive Director Vladimir Boyanov Chimov – Head of Legal Department
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Shareholders (shares over 10%)	 Sole shareholder: ING Group N. V./4972
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INTERNATIONAL BANK FOR TRADE AND DEVELOPMENT

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	5 349	1 491	3 130	728
Claims on financial institutions, net	17 532	5	8 894	8 633
Claims under repurchase agreements	0	0	0	0
Trading portfolio	1 438	0	1 438	0
Investment portfolio	64	61	0	3
Loans to nonfinancial institutions and other customers, net	49 287	35 239	6 179	7 869
Loans to budget	0	0	0	0
Commercial loans	43 042	30 005	5 183	7 854
Commercial real estate and construction loans	10 105	7 465	1 247	1 393
Other commercial loans	32 937	22 540	3 936	6 461
Agricultural loans	916	916	0	0
Consumer loans	891	656	96	139
Housing mortgage loans to individuals	1 067	15	1 031	21
Other loans	4 993	4 967	0	26
Loans to nonfinancial institutions and other customers, total	50 909	36 559	6 310	8 040
Less: specific provisions	1 622	1 320	131	171
Assets for resale	309	309	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	1 390	1 132	113	145
Intangible assets	11	11	0	0
Premises and other fixed assets	435	435	0	0
Assets, total	75 815	38 683	19 754	17 378
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	4 918	4 871	1	46
Demand deposits of banks	0	0	0	0
Time deposits of banks	4 851	4 851	0	0
Deposits of other financial institutions	67	20	1	46
Deposits of nonfinancial institutions and other customers	52 661	18 748	17 957	15 956
Demand deposits	13 561	8 848	2 492	2 221
Time deposits	38 365	9 481	15 176	13 708
Savings deposits	735	419	289	27
Deposits, total	57 579	23 619	17 958	16 002
Borrowings under repurchase agreements	690	690	0	0
Short-term borrowings	23	8	15	0
Long-term borrowings	915	915	0	0
Subordinated term debt and debt/equity (hybrid) instruments	1 000	1 000	0	0
Other liabilities	1 934	1 133	507	294
Liabilities, total	62 141	27 365	18 480	16 296
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	13 674	13 674		
Shareholder capital	13 000	13 000		
Reserves	675	675		
Profit/loss, current year	-1	-1		
Liabilities, minority interest, and capital, total	75 815	41 039	18 480	16 296
Memo: credit substitutes and other off-balance sheet commitments	11 247	7 623	1 534	2 090



INTERNATIONAL BANK FOR TRADE AND DEVELOPMENT

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Commercial Banks in Bulgaria

INCOME STATEMENT (June 2004)

	Total	(BGN'000) Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	2 310	1 401	394	515
Interest income from claims on financial institutions	65	0	32	33
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	32	0	32	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	2 213	1 401	330	482
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 128	459	280	389
Interest expenditure on deposits of financial institutions	52	52	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	1 014	357	275	382
Interest expenditure on borrowings under repurchase agreements	14	14	0	0
Interest expenditure on borrowings	23	11	5	7
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	25	25	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	1 182	942	114	126
CREDIT PROVISIONS				
Accrued provisions	1 370			
Reintegrated provisions	809			
Credit provisions, net	561			
TRADING PORTFOLIO GAIN/LOSS	21			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	1 296			
NONINTEREST EXPENDITURE	1 921			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	17			
FOREX REVALUATION GAIN/LOSS	35			
EXTRAORDINARY GAIN/LOSS	5			
TAX	58			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	-1			



INTERNATIONAL BANK FOR TRADE AND DEVELOPMENT

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Protocol No. 7 of 5 February 1991 of the BNB Governing Council. License updated under § 47 of the Transitional and Final Provisions of the Law on Amendments to the Law on Banks. Order No. 100-00572 of 23 December 1999.
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Legal registration	Resolution No. 4864 of 22 February 1991 of the Sofia City Court, Company Department
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Address of the head office	2 Ivan Vazov Str., Sofia 1000 tel. 02/980 60 85; 986 41 47; 987 15 16
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Management

Supervisory Board	Delcho Radev Poryazov – Chairman
	Marta Nedyalkova Pousheva–Borislavova – Deputy Chairman
	Carolyne Guichoud
	Vyara Mihailova Tserovska
	Ivan Dimitrov Kapitanov
Management Board	Alexander Vasilev Alexandrov – Chairman and Executive Director
	Mladen Georgiev Ivanov – Executive Director
	Boyan Nedelchev Penkov – Executive Director
	Asen Ignatov Simeonov
	Lyubomir Hristoforov Pelev

Shareholders (shares over 10%)
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BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	7 911	5 348	1 327	1 236
Claims on financial institutions, net	6 706	219	1 620	4 867
Claims under repurchase agreements	976	976	0	0
Trading portfolio	12 815	9 662	2 042	1 111
Investment portfolio	317	317	0	0
Loans to nonfinancial institutions and other customers, net	98 675	64 092	23 378	11 205
Loans to budget	0	0	0	0
Commercial loans	74 562	41 222	22 758	10 582
Commercial real estate and construction loans	18 583	6 448	6 615	5 520
Other commercial loans	55 979	34 774	16 143	5 062
Agricultural loans	8 722	8 722	0	0
Consumer loans	5 268	4 881	387	0
Housing mortgage loans to individuals	718	591	127	0
Other loans	10 674	9 896	106	672
Loans to nonfinancial institutions and other customers, total	99 944	65 312	23 378	11 254
Less: specific provisions	1 269	1 220	0	49
Assets for resale	146	146	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	868	846	22	0
Intangible assets	601	601	0	0
Premises and other fixed assets	2 653	2 653	0	0
Assets, total	131 668	84 860	28 389	18 419
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	13 628	13 482	124	22
Demand deposits of banks	43	24	0	19
Time deposits of banks	3 174	3 174	0	0
Deposits of other financial institutions	10 411	10 284	124	3
Deposits of nonfinancial institutions and other customers	77 982	30 468	30 193	17 321
Demand deposits	19 722	15 347	2 166	2 209
Time deposits	53 647	13 538	26 234	13 875
Savings deposits	4 613	1 583	1 793	1 237
Deposits, total	91 610	43 950	30 317	17 343
Borrowings under repurchase agreements	3 934	3 934	0	0
Short-term borrowings	35	0	0	35
Long-term borrowings	15 678	11 781	3 897	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	3 770	2 343	1 224	203
Liabilities, total	115 027	62 008	35 438	17 581
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	16 641	16 641		
Shareholder capital	16 000	16 000		
Reserves	631	631		
Profit/loss, current year	10	10		
Liabilities, minority interest, and capital, total	131 668	78 649	35 438	17 581
Memo: credit substitutes and other off-balance sheet commitments	21 568	15 298	5 639	631

* Former Neftinvestbank.

INCOME STATEMENT

(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	4 975	3 275	1 147	553
Interest income from claims on financial institutions	28	2	20	6
Interest income from claims under repurchase agreements	43	18	21	4
Interest income from trading portfolio	325	237	56	32
Interest income from investment portfolio	0	0	0	0
Interest income from loans	4 579	3 018	1 050	511
Dividend income	0	0	0	0
INTEREST EXPENDITURE	2 188	917	844	427
Interest expenditure on deposits of financial institutions	285	271	2	12
Interest expenditure on deposits of nonfinancial institutions and other customers	1 625	398	812	415
Interest expenditure on borrowings under repurchase agreements	154	143	11	0
Interest expenditure on borrowings	124	105	19	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	2 787	2 358	303	126
CREDIT PROVISIONS				
Accrued provisions	860			
Reintegrated provisions	129			
Credit provisions, net	731			
TRADING PORTFOLIO GAIN/LOSS	311			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	69			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	1 406			
NONINTEREST EXPENDITURE	3 607			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	235			
FOREX REVALUATION GAIN/LOSS	-234			
EXTRAORDINARY GAIN/LOSS	9			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	10			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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Legal registration	Resolution No.1 of the Sofia City Court dated 16 December 1994
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Address of the head office	155 Rakovski Str., Sofia 1000 tel. 02/981 77 34; 981 69 38; 981 73 76 Website: www.ibank.bg
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Management

Supervisory Board	Petya Ivanova Barakova-Slavova – Chairman Vincom AD, represented by Krastinka Radkova Stoyanova – Deputy Chairman Festa Holding AD, represented by Petya Slavova
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Management Board	Damyan Nikolov Damyanov – Chairman and Executive Director Kiril Savov Grigorov – Executive Director
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Procurator	Dimitar Marinov Dimitrov
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Shareholders
(shares over 10%)

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



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	43 615	39 715	2 344	1 556
Claims on financial institutions, net	59 287	1 526	41 322	16 439
Claims under repurchase agreements	13 583	13 393	0	190
Trading portfolio	153 652	117 694	29 525	6 433
Investment portfolio	1 582	1 237	0	345
Loans to nonfinancial institutions and other customers, net	134 305	86 754	38 405	9 146
Loans to budget	3 939	3 939	0	0
Commercial loans	121 050	75 220	36 642	9 188
Commercial real estate and construction loans	39 648	18 674	20 757	217
Other commercial loans	81 402	56 546	15 885	8 971
Agricultural loans	1 266	1 266	0	0
Consumer loans	8 867	8 663	204	0
Housing mortgage loans to individuals	3 396	2 872	503	21
Other loans	9 488	4 441	5 047	0
Loans to nonfinancial institutions and other customers, total	148 006	96 401	42 396	9 209
Less: specific provisions	13 701	9 647	3 991	63
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	3 204	2 682	187	335
Intangible assets	2 461	2 461	0	0
Premises and other fixed assets	9 148	9 148	0	0
Assets, total	420 837	274 610	111 783	34 444
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	30 095	17 989	11 067	1 039
Demand deposits of banks	715	284	210	221
Time deposits of banks	23 761	12 101	10 855	805
Deposits of other financial institutions	5 619	5 604	2	13
Deposits of nonfinancial institutions and other customers	306 989	245 837	31 074	30 078
Demand deposits	220 526	210 281	6 853	3 392
Time deposits	75 379	30 838	20 714	23 827
Savings deposits	11 084	4 718	3 507	2 859
Deposits, total	337 084	263 826	42 141	31 117
Borrowings under repurchase agreements	1 038	1 038	0	0
Short-term borrowings	4 735	794	3 941	0
Long-term borrowings	34 357	378	33 979	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	6 652	4 827	1 013	812
Liabilities, total	383 866	270 863	81 074	31 929
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	36 971	36 971		
Shareholder capital	25 000	25 000		
Reserves	11 046	11 046		
Profit/loss, current year	925	925		
Liabilities, minority interest, and capital, total	420 837	307 834	81 074	31 929
Memo: credit substitutes and other off-balance sheet commitments	42 109	33 702	6 844	1 563



INCOME STATEMENT

(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	11 827	8 887	2 361	579
Interest income from claims on financial institutions	541	177	266	98
Interest income from claims under repurchase agreements	236	236	0	0
Interest income from trading portfolio	4 347	3 382	811	154
Interest income from investment portfolio	24	16	0	8
Interest income from loans	6 679	5 076	1 284	319
Dividend income	0	0	0	0
INTEREST EXPENDITURE	2 452	928	1 206	318
Interest expenditure on deposits of financial institutions	161	141	15	5
Interest expenditure on deposits of nonfinancial institutions and other customers	1 393	756	324	313
Interest expenditure on borrowings under repurchase agreements	24	24	0	0
Interest expenditure on borrowings	874	7	867	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	9 375	7 959	1 155	261
CREDIT PROVISIONS				
Accrued provisions	2 673			
Reintegrated provisions	992			
Credit provisions, net	1 681			
TRADING PORTFOLIO GAIN/LOSS	1 036			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	103			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	3 302			
NONINTEREST EXPENDITURE	10 675			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	1 460			
FOREX REVALUATION GAIN/LOSS	-301			
EXTRAORDINARY GAIN/LOSS	0			
TAX	234			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	925			



MUNICIPAL BANK

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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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	Lyubomir Vladimirov Pavlov – Chairman
	Ventsislav Stoyanov Nikolov
	Petar Dimitrov Dzhorinski
Management Board	Vladimir Todorov Hristov
	Vanya Georgieva Vasileva – Executive Director
	Vasil Petrov Vasilev – Executive Director
	Vasil Svilenov Piralkov – Executive Director
	Angel Kirilov Gekov – Executive Director
Procurator	Raiko Ivanov Karagiozov
Shareholders (shares over 10%)	
Sofia Municipality – 67%	



NATIONAL BANK OF GREECE, SOFIA BRANCH

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Commercial Banks in Bulgaria

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	10 586	0	10 586	1 383	216	8 987
Claims on financial institutions, net	142 213	136 537	5 676	5 420	215	41
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	3 199	0	3 199	0	1 006	2 193
Investment portfolio	15	0	15	15	0	0
Loans to nonfinancial institutions and other customers, net	75 420	0	75 420	1 770	71 830	1 820
Loans to budget	0	0	0	0	0	0
Commercial loans	76 401	0	76 401	1 691	72 901	1 809
Commercial real estate and construction loans	38 915	0	38 915	8	38 907	0
Other commercial loans	37 486	0	37 486	1 683	33 994	1 809
Agricultural loans	0	0	0	0	0	0
Consumer loans	297	0	297	106	180	11
Housing mortgage loans to individuals	6	0	6	0	6	0
Other loans	3	0	3	3	0	0
Loans to nonfinancial institutions and other customers, total	76 707	0	76 707	1 800	73 087	1 820
Less: specific provisions	1 287	0	1 287	30	1 257	0
Assets for resale	0	0	0	0	0	0
Other assets, net	272	0	272	241	30	1
Intangible assets	288	0	288	288	0	0
Premises and other fixed assets	110	0	110	110	0	0
Assets, total	232 103	136 537	95 566	9 227	73 297	13 042
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	182 014	125 232	56 782	6 819	10 096	39 867
Demand deposits of banks	199	199	0	0	0	0
Time deposits of banks	173 626	121 382	52 244	6 501	7 278	38 465
Deposits of other financial institutions	8 189	3 651	4 538	318	2 818	1 402
Deposits of nonfinancial institutions and other customers	39 233	0	39 233	6 671	18 054	14 508
Demand deposits	8 106	0	8 106	3 688	3 821	597
Time deposits	18 775	0	18 775	2 161	7 871	8 743
Savings deposits	12 352	0	12 352	822	6 362	5 168
Deposits, total	221 247	125 232	96 015	13 490	28 150	54 375
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	0	0	0	0	0	0
Other liabilities	9 649	8 477	1 172	574	567	31
Liabilities, total	230 896	133 709	97 187	14 064	28 717	54 406
Reserves and financial result, total	1 207	381	826	826		
Reserves	381	381	0	0		
Profit/loss, current year	826	0	826	826		
Liabilities, reserves, and financial result, total	232 103	134 090	98 013	14 890	28 717	54 406
Memo: credit substitutes and other off-balance sheet commitments	51 103	7 427	43 676	498	41 074	2 104



NATIONAL BANK OF GREECE, SOFIA BRANCH

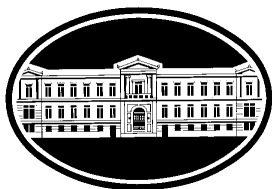
131

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	3 984	2 378	1 606	114	1457	35
Interest income from claims on financial institutions	2 404	2 378	26	25	1	0
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	45	0	45	14	31	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	1 535	0	1 535	75	1425	35
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	1 588	848	740	103	352	285
Interest expenditure on deposits of financial institutions	1 287	848	439	50	195	194
Interest expenditure on deposits of nonfinancial institutions and other customers	301	0	301	53	157	91
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	2 396	1 530	866	11	1105	-250
CREDIT PROVISIONS						
Accrued provisions	921	0	921			
Reintegrated provisions	219	0	219			
Credit provisions, net	702	0	702			
TRADING PORTFOLIO GAIN/LOSS	-285	-395	110			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	1	0	1			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0	0	0			
OTHER NONINTEREST INCOME	517	139	378			
NONINTEREST EXPENDITURE	962	0	962			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	965	1 274	-309			
FOREX REVALUATION GAIN/LOSS	-139	0	-139			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	0	0	0			
PROFIT/LOSS, NET	826	1 274	-448			

Balance Sheets and Income Statements of Individual Commercial Banks



NATIONAL BANK OF GREECE, SOFIA BRANCH

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Commercial Banks in Bulgaria

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Resolution No. 78 of 13 March 1995 of the BNB Governing Council. License updated under § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks. Order No. 100-00565 of 22 December 1999.
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Legal registration	Resolution of 6 March 1996 of the Sofia City Court, entered in the Commercial Register, company file No. 100924 of 1995, lot No. 30385, vol. 348, p. 176.
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Address of the branch	96 Rakovski Str., Sofia 1000 tel. 02/981 50 10; 980 29 96 Website: www.nbg.gr
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Management

Moissis Romanidis-Kyriakidis – Governor

Donka Yordanova Popovska – Deputy Governor

Shareholders (shares over 10%)

A branch of the National Bank of Greece, Athens

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Related parties	(BGN 000)			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	27 103	0	27 103	6 765	2 797	17 541
Claims on financial institutions, net	17 095	6 553	10 542	1 000	6 403	3 139
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	9	0	9	9	0	0
Investment portfolio	0	0	0	0	0	0
Loans to nonfinancial institutions and other customers, net	255 792	0	255 792	43 075	197 530	15 187
Loans to budget	0	0	0	0	0	0
Commercial loans	251 894	0	251 894	40 742	196 173	14 979
Commercial real estate and construction loans	138 789	0	138 789	20 102	110 299	8 388
Other commercial loans	113 105	0	113 105	20 640	85 874	6 591
Agricultural loans	0	0	0	0	0	0
Consumer loans	1 839	0	1 839	1 576	218	45
Housing mortgage loans to individuals	5 076	0	5 076	1 316	3 450	310
Other loans	1	0	1	1	0	0
Loans to nonfinancial institutions and other customers, total	258 810	0	258 810	43 635	199 841	15 334
Less: specific provisions	3 018	0	3 018	560	2 311	147
Assets for resale	0	0	0	0	0	0
Other assets, net	1 757	0	1 757	280	1 377	100
Intangible assets	2 727	0	2 727	2 727	0	0
Premises and other fixed assets	2 465	0	2 465	2 465	0	0
Assets, total	306 948	6 553	300 395	56 321	208 107	35 967
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	201 938	187 921	14 017	7 291	38	6 688
Demand deposits of banks	0	0	0	0	0	0
Time deposits of banks	201 715	187 921	13 794	7 112	0	6 682
Deposits of other financial institutions	223	0	223	179	38	6
Deposits of nonfinancial institutions and other customers	86 208	0	86 208	28 835	34 500	22 873
Demand deposits	38 940	0	38 940	17 120	10 410	11 410
Time deposits	34 671	0	34 671	9 881	16 529	8 261
Savings deposits	12 597	0	12 597	1 834	7 561	3 202
Deposits, total	288 146	187 921	100 225	36 126	34 538	29 561
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	12 697	4 284	8 413	2 779	4 739	895
Liabilities, total	300 843	192 205	108 638	38 905	39 277	30 456
Reserves and financial result, total	6 105	3 338	2 767	2 767		
Reserves	3 338	3 338	0	0		
Profit/loss, current year	2 767	0	2 767	2 767		
Liabilities, reserves, and financial result, total	306 948	195 543	111 405	41 672	39 277	30 456
Memo: credit substitutes and other off-balance sheet commitments	110 498	28 223	82 275	32 108	44 684	5 483

INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	7 632	152	7 480	1 572	5062	846
Interest income from claims on financial institutions	170	152	18	1	12	5
Interest income from claims under repurchase agreements	0	0	0	0	0	0
Interest income from trading portfolio	0	0	0	0	0	0
Interest income from investment portfolio	0	0	0	0	0	0
Interest income from loans	7 462	0	7 462	1 571	5050	841
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	2 608	1 521	1 087	517	343	227
Interest expenditure on deposits of financial institutions	2 115	1 521	594	347	138	109
Interest expenditure on deposits of nonfinancial institutions and other customers	493	0	493	170	205	118
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	5 024	-1 369	6 393	1 055	4719	619
CREDIT PROVISIONS						
Accrued provisions	728	0	728			
Reintegrated provisions	49	0	49			
Credit provisions, net	679	0	679			
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 NONINTEREST INCOME	2 236	122	2 114			
NONINTEREST EXPENDITURE	3 298	0	3 298			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 283	-1 247	4 530			
FOREX REVALUATION GAIN/LOSS	152	15	137			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	668	0	668			
PROFIT/LOSS, NET	2 767	-1 232	3 999			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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



ProCredit Bank

PROCREDIT BANK

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Commercial Banks in Bulgaria

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	9 984	5 469	1 349	3 166
Claims on financial institutions, net	36 700	1 323	27 193	8 184
Claims under repurchase agreements	0	0	0	0
Trading portfolio	8 102	0	7 341	761
Investment portfolio	37	37	0	0
Loans to nonfinancial institutions and other customers, net	209 384	103 683	99 976	5 725
Loans to budget	0	0	0	0
Commercial loans	192 353	92 432	94 315	5 606
Commercial real estate and construction loans	31 864	3 341	26 920	1 603
Other commercial loans	160 489	89 091	67 395	4 003
Agricultural loans	629	629	0	0
Consumer loans	12 352	12 020	319	13
Housing mortgage loans to individuals	6 427	418	5 891	118
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	211 761	105 499	100 525	5 737
Less: specific provisions	2 377	1 816	549	12
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	50	50	0	0
Other assets, net	1 049	837	158	54
Intangible assets	1 271	1 271	0	0
Premises and other fixed assets	3 978	3 978	0	0
Assets, total	270 555	116 648	136 017	17 890
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	26 222	17 464	3 635	5 123
Demand deposits of banks	687	13	674	0
Time deposits of banks	16 790	8 752	2 960	5 078
Deposits of other financial institutions	8 745	8 699	1	45
Deposits of nonfinancial institutions and other customers	102 726	64 615	25 559	12 552
Demand deposits	32 524	23 328	8 485	711
Time deposits	69 524	41 054	16 792	11 678
Savings deposits	678	233	282	163
Deposits, total	128 948	82 079	29 194	17 675
Borrowings under repurchase agreements	5 340	5 340	0	0
Short-term borrowings	1 000	0	1 000	0
Long-term borrowings	98 864	28 269	70 595	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	6 564	3 023	3 234	307
Liabilities, total	240 716	118 711	104 023	17 982
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	29 839	29 839		
Shareholder capital	24 000	24 000		
Reserves	1 961	1 961		
Profit/loss, current year	3 878	3 878		
Liabilities, minority interest, and capital, total	270 555	148 550	104 023	17 982
Memo: credit substitutes and other off-balance sheet commitments	17 006	5 582	8 271	3 153



INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	15 369	8 739	6 148	482
Interest income from claims on financial institutions	328	70	167	91
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	242	0	216	26
Interest income from investment portfolio	0	0	0	0
Interest income from loans	14 799	8 669	5 765	365
Dividend income	0	0	0	0
INTEREST EXPENDITURE	4 108	2 142	1 782	184
Interest expenditure on deposits of financial institutions	669	523	106	40
Interest expenditure on deposits of nonfinancial institutions and other customers	997	661	192	144
Interest expenditure on borrowings under repurchase agreements	88	88	0	0
Interest expenditure on borrowings	2 354	870	1 484	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	11 261	6 597	4 366	298
CREDIT PROVISIONS				
Accrued provisions	2 636			
Reintegrated provisions	1 721			
Credit provisions, net	915			
TRADING PORTFOLIO GAIN/LOSS	60			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	1 947			
NONINTEREST EXPENDITURE	7 538			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	4 815			
FOREX REVALUATION GAIN/LOSS	-28			
EXTRAORDINARY GAIN/LOSS	20			
TAX	929			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	3 878			



ProCredit Bank

PROCREDIT BANK

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Commercial Banks in Bulgaria

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Order No. RD 22-442 of 25 September 2001
Legal registration	No. 64 228 , vol. 733, reg. I, p. 116 on company file No. 9478 of the Sofia City Court of 2001
Address of the head office	131 Hristo Botev Blvd., Sofia 1233 tel. 02/921 71 00; 921 71 41 Website: www.procreditbank.bg

Management

Supervisory Board	Klaus-Peter Zeitingner – Chairman
	Judith Brandsma – Deputy Chairman
	Christoph Freytag
	Helmut Töllner
	Hanns Martin Hagen
Management Board	Susanne Decker – Chairman
	Kai Ilm*
	Petar Slavchev Slavov
	Emilia Hristova Tsareva*

Shareholders
(shares over 10%)

IMI – Internationale Micro Investitionen AG – 20.8%
European Bank for Reconstruction and Development – 20%
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH – 20%
Commerzbank AG – 20%
International Financial Corporation – 19.2%

* The new members of the Management Board have been granted certificates by the Banking Supervision Department, but have not been registered by the court.



RAIFFEISENBANK, BULGARIA

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Balance Sheets and Income Statements of Individual Commercial Banks

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	63 677	41 081	8 847	13 749
Claims on financial institutions, net	192 521	23 782	115 151	53 588
Claims under repurchase agreements	2 627	2 193	434	0
Trading portfolio	106 136	33 857	50 081	22 198
Investment portfolio	27 048	4 678	11 228	11 142
Loans to nonfinancial institutions and other customers, net	779 528	161 946	536 969	80 613
Loans to budget	0	0	0	0
Commercial loans	735 814	124 406	527 328	84 080
Commercial real estate and construction loans	140 089	16 763	116 147	7 179
Other commercial loans	595 725	107 643	411 181	76 901
Agricultural loans	11 685	3 497	7 184	1 004
Consumer loans	41 598	40 533	949	116
Housing mortgage loans to individuals	12 958	573	9 992	2 393
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	802 055	169 009	545 453	87 593
Less: specific provisions	22 527	7 063	8 484	6 980
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	69	69	0	0
Other assets, net	4 213	1 682	1 805	726
Intangible assets	3 955	3 955	0	0
Premises and other fixed assets	10 645	10 645	0	0
Assets, total	1 190 419	283 888	724 515	182 016
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	113 036	21 504	67 183	24 349
Demand deposits of banks	1 893	516	1 346	31
Time deposits of banks	97 167	10 990	64 408	21 769
Deposits of other financial institutions	13 976	9 998	1 429	2 549
Deposits of nonfinancial institutions and other customers	620 075	269 518	207 701	142 856
Demand deposits	391 166	214 975	109 902	66 289
Time deposits	228 909	54 543	97 799	76 567
Savings deposits	0	0	0	0
Deposits, total	733 111	291 022	274 884	167 205
Borrowings under repurchase agreements	20 248	2 008	8 912	9 328
Short-term borrowings	0	0	0	0
Long-term borrowings	278 564	1 429	225 477	51 658
Subordinated term debt and debt/equity (hybrid) instruments	31 293	0	31 293	0
Other liabilities	37 421	15 175	18 398	3 848
Liabilities, total	1 100 637	309 634	558 964	232 039
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	89 782	89 782		
Shareholder capital	46 037	46 037		
Reserves	30 116	30 116		
Profit/loss, current year	13 629	13 629		
Liabilities, minority interest, and capital, total	1 190 419	399 416	558 964	232 039
Memo: credit substitutes and other off-balance sheet commitments	325 388	87 343	187 728	50 317



INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	31 047	10 244	17 877	2 926
Interest income from claims on financial institutions	364	219	45	100
Interest income from claims under repurchase agreements	23	17	5	1
Interest income from trading portfolio	1 994	1 994	0	0
Interest income from investment portfolio	1 124	1 121	3	0
Interest income from loans	27 542	6 893	17 824	2 825
Dividend income	0	0	0	0
INTEREST EXPENDITURE	7 440	1 951	3 650	1 839
Interest expenditure on deposits of financial institutions	936	269	544	123
Interest expenditure on deposits of nonfinancial institutions and other customers	3 098	1 565	1 051	482
Interest expenditure on borrowings under repurchase agreements	210	87	97	26
Interest expenditure on borrowings	2 253	30	1 015	1 208
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	943	0	943	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	23 607	8 293	14 227	1 087
CREDIT PROVISIONS				
Accrued provisions	8 484			
Reintegrated provisions	5 760			
Credit provisions, net	2 724			
TRADING PORTFOLIO GAIN/LOSS	1 613			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	11 300			
NONINTEREST EXPENDITURE	17 040			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	16 756			
FOREX REVALUATION GAIN/LOSS	186			
EXTRAORDINARY GAIN/LOSS	-11			
TAX	3 302			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	13 629			



RAIFFEISENBANK, BULGARIA

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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
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Legal registration	Resolution of the Sofia City Court of 1 August 1994 on company file No. 14195, lot No. 18414, vol. 230, p. 38
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Address of the head office	18-20 Gogol Str., Sofia 1000 tel. 02/919 85 101 Website: www.rbb.bg
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Management

Supervisory Board	Herbert Stepic – Chairman
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Heinz Heudel

Heinz Wiedner

Management Board	Momchil Ivanov Andreev – Chairman and Executive Director
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Tsenka Kalcheva Petkova – Executive Director

Evelina Miltenova Georgieva – Executive Director*

Shareholders (shares over 10%)

Raiffeisen International Bank-Holding AG – 100%

* A resolution of the Sofia City Court is expected.

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	45 446	14 925	3 687	26 834
Claims on financial institutions, net	135 363	12	16 478	118 873
Claims under repurchase agreements	0	0	0	0
Trading portfolio	21 884	14 238	869	6 777
Investment portfolio	237	233	4	0
Loans to nonfinancial institutions and other customers, net	466 021	293 817	144 775	27 429
Loans to budget	55	55	0	0
Commercial loans	217 924	53 012	134 507	30 405
Commercial real estate and construction loans	0	0	0	0
Other commercial loans	217 924	53 012	134 507	30 405
Agricultural loans	854	854	0	0
Consumer loans	191 116	191 116	0	0
Housing mortgage loans to individuals	10 043	8 680	575	788
Other loans	66 639	48 049	14 665	3 925
Loans to nonfinancial institutions and other customers, total	486 631	301 766	149 747	35 118
Less: specific provisions	20 610	7 949	4 972	7 689
Assets for resale	787	787	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	4 254	3 310	614	330
Intangible assets	716	716	0	0
Premises and other fixed assets	29 661	29 661	0	0
Assets, total	704 369	357 699	166 427	180 243
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	19 929	19 592	331	6
Demand deposits of banks	13	10	0	3
Time deposits of banks	17 841	17 841	0	0
Deposits of other financial institutions	2 075	1 741	331	3
Deposits of nonfinancial institutions and other customers	558 110	236 373	125 296	196 441
Demand deposits	170 590	131 694	21 191	17 705
Time deposits	227 217	82 889	61 088	83 240
Savings deposits	160 303	21 790	43 017	95 496
Deposits, total	578 039	255 965	125 627	196 447
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	33	33	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	28 981	22 885	3 598	2 498
Liabilities, total	607 053	278 883	129 225	198 945
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	97 316	97 316		
Shareholder capital	28 530	28 530		
Reserves	57 541	57 541		
Profit/loss, current year	11 245	11 245		
Liabilities, minority interest, and capital, total	704 369	376 199	129 225	198 945
Memo: credit substitutes and other off-balance sheet commitments	93 096	44 146	36 076	12 874

INCOME STATEMENT

(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	25 189	19 677	4 246	1 266
Interest income from claims on financial institutions	853	6	112	735
Interest income from claims under repurchase agreements	1	1	0	0
Interest income from trading portfolio	387	387	0	0
Interest income from investment portfolio	0	0	0	0
Interest income from loans	23 943	19 278	4 134	531
Dividend income	5	5	0	0
INTEREST EXPENDITURE	4 429	3 306	648	475
Interest expenditure on deposits of financial institutions	404	404	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	4 023	2 900	648	475
Interest expenditure on borrowings under repurchase agreements	2	2	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	20 760	16 371	3 598	791
CREDIT PROVISIONS				
Accrued provisions	6 234			
Reintegrated provisions	4 754			
Credit provisions, net	1 480			
TRADING PORTFOLIO GAIN/LOSS	467			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	9 441			
NONINTEREST EXPENDITURE	15 542			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	13 646			
FOREX REVALUATION GAIN/LOSS	323			
EXTRAORDINARY GAIN/LOSS	0			
TAX	2 724			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	11 245			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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 26 June 1993 of the Varna Regional Court. A permit was given to Expressbank to be renamed SG Expressbank by Order No. 100-00504 of the BNB Governor dated 18 November 1999.
Address of the head office	92 Vladislav Varnenchik Blvd., Varna 9000 tel. 052/66 00; 02/937 04 76 Website: www.sgexpressbank.bg
Management	
Supervisory Board	Jacques Tournebize – Chairman
	Roger Bernard Servonet – Deputy Chairman
	Jean-Louis Mattei
	Andre-Marc Prudent
Management Board	Sandy Gillio – Chairman and Chief Executive Officer
	Philippe Guidez – Executive Vice President
	Gabriel Schoenholtzer – Executive Director
	Maria Stoyanova Dobрева
	Krassimir Georgiev Zhilov
Shareholders (shares over 10%)	
Societe Generale, 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 30 JUNE 2004

(BGN'000)

	Total	Related parties	(BGN 000)			
			Total	BGN	EUR	Other currencies
ASSETS						
Vault cash and current accounts with the BNB	1 424	0	1 424	741	443	240
Claims on financial institutions, net	13 122	3 529	9 593	802	8 628	163
Claims under repurchase agreements	0	0	0	0	0	0
Trading portfolio	0	0	0	0	0	0
Investment portfolio	23 331	0	23 331	0	19 257	4 074
Loans to nonfinancial institutions and other customers, net	423	0	423	73	148	202
Loans to budget	0	0	0	0	0	0
Commercial loans	490	0	490	228	77	185
Commercial real estate and construction loans	0	0	0	0	0	0
Other commercial loans	490	0	490	228	77	185
Agricultural loans	0	0	0	0	0	0
Consumer loans	131	0	131	43	71	17
Housing mortgage loans to individuals	0	0	0	0	0	0
Other loans	0	0	0	0	0	0
Loans to nonfinancial institutions and other customers, total	621	0	621	271	148	202
Less: specific provisions	198	0	198	198	0	0
Assets for resale	0	0	0	0	0	0
Other assets, net	63	0	63	61	2	0
Intangible assets	477	0	477	477	0	0
Premises and other fixed assets	99	0	99	99	0	0
Assets, total	38 939	3 529	35 410	2 253	28 478	4 679
LIABILITIES, MINORITY INTEREST, AND CAPITAL						
Deposits of financial institutions	401	401	0	0	0	0
Demand deposits of banks	401	401	0	0	0	0
Time deposits of banks	0	0	0	0	0	0
Deposits of other financial institutions	0	0	0	0	0	0
Deposits of nonfinancial institutions and other customers	11 643	0	11 643	1 965	4 368	5 310
Demand deposits	6 611	0	6 611	1 899	3 146	1 566
Time deposits	5 032	0	5 032	66	1 222	3 744
Savings deposits	0	0	0	0	0	0
Deposits, total	12 044	401	11 643	1 965	4 368	5 310
Borrowings under repurchase agreements	0	0	0	0	0	0
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	25 000	25 000	0	0	0	0
Other liabilities	174	0	174	50	65	59
Liabilities, total	37 218	25 401	11 817	2 015	4 433	5 369
Reserves and financial result, total	1 721	1 370	351	351		
Reserves	1 370	1 370	0	0		
Profit/loss, current year	351	0	351	351		
Liabilities, reserves, and financial result, total	38 939	26 771	12 168	2 366	4 433	5 369
Memo: credit substitutes and other off-balance sheet commitments	156	0	156	27	115	14



T. C. ZIRAAT BANK, SOFIA BRANCH

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Commercial Banks in Bulgaria

INCOME STATEMENT (June 2004)

(BGN'000)

	Total	Related parties	Unrelated parties			
			Total	BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	903	8	895	55	696	144
Interest income from claims on financial institutions	125	8	117	1	115	1
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	713	0	713	0	575	138
Interest income from loans	65	0	65	54	6	5
Dividend income	0	0	0	0	0	0
INTEREST EXPENDITURE	75	0	75	14	23	38
Interest expenditure on deposits of financial institutions	0	0	0	0	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	75	0	75	14	23	38
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	828	8	820	41	673	106
CREDIT PROVISIONS						
Accrued provisions	0	0	0			
Reintegrated provisions	20	0	20			
Credit provisions, net	-20	0	-20			
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 NONINTEREST INCOME	75	0	75			
NONINTEREST EXPENDITURE	502	0	502			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	421	8	413			
FOREX REVALUATION GAIN/LOSS	17	0	17			
EXTRAORDINARY GAIN/LOSS	0	0	0			
TAX	87	0	87			
PROFIT/LOSS, NET	351	8	343			



T. C. ZIRAAT BANK, SOFIA BRANCH

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STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
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Legal registration	Company file No. 8801 of 1998 of the Sofia City Court, lot No. 863, vol. 15, p. 173
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Address of the branch	19 Sveta Nedelya Sq., Sofia 1000 tel. 02/980 00 87 e-mail: ziraat@medicom.bg
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Management

Management Board	Sezgin Bayar – President Gurgan Sener – Vice President
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Shareholders (shares over 10%)

T. C. Ziraat Bank, Ankara – 100%



TEXIM PRIVATE ENTREPRENEURIAL BANK

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Commercial Banks in Bulgaria

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	1 067	497	101	469
Claims on financial institutions, net	8 468	846	4 511	3 111
Claims under repurchase agreements	0	0	0	0
Trading portfolio	622	622	0	0
Investment portfolio	44	44	0	0
Loans to nonfinancial institutions and other customers, net	13 626	3 732	6 629	3 265
Loans to budget	0	0	0	0
Commercial loans	10 670	2 924	4 403	3 343
Commercial real estate and construction loans	4 708	1 078	2 797	833
Other commercial loans	5 962	1 846	1 606	2 510
Agricultural loans	552	484	68	0
Consumer loans	2 120	456	1 626	38
Housing mortgage loans to individuals	537	1	409	127
Other loans	129	1	125	3
Loans to nonfinancial institutions and other customers, total	14 008	3 866	6 631	3 511
Less: specific provisions	382	134	2	246
Assets for resale	611	611	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	1 572	515	1 034	23
Intangible assets	171	171	0	0
Premises and other fixed assets	6 950	6 950	0	0
Assets, total	33 131	13 988	12 275	6 868
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	19	3	16	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	19	3	16	0
Deposits of nonfinancial institutions and other customers	13 898	7 416	3 041	3 441
Demand deposits	6 750	5 612	475	663
Time deposits	6 337	1 476	2 161	2 700
Savings deposits	811	328	405	78
Deposits, total	13 917	7 419	3 057	3 441
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	1 591	1 591	0	0
Subordinated term debt and debt/equity (hybrid) instruments	1 262	0	687	575
Other liabilities	2 102	1 351	717	34
Liabilities, total	18 872	10 361	4 461	4 050
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	14 259	14 259		
Shareholder capital	10 000	10 000		
Reserves	4 408	4 408		
Profit/loss, current year	-149	-149		
Liabilities, minority interest, and capital, total	33 131	24 620	4 461	4 050
Memo: credit substitutes and other off-balance sheet commitments	3 313	537	128	2 648



TEXIM PRIVATE ENTREPRENEURIAL BANK

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INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	1 142	249	500	393
Interest income from claims on financial institutions	45	9	26	10
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	7	7	0	0
Interest income from investment portfolio	2	2	0	0
Interest income from loans	1 088	231	474	383
Dividend income	0	0	0	0
INTEREST EXPENDITURE	160	48	56	56
Interest expenditure on deposits of financial institutions	19	19	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	103	24	37	42
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	5	5	0	0
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	33	0	19	14
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	982	201	444	337
CREDIT PROVISIONS				
Accrued provisions	359			
Reintegrated provisions	130			
Credit provisions, net	229			
TRADING PORTFOLIO GAIN/LOSS	-9			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	393			
NONINTEREST EXPENDITURE	1 368			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-231			
FOREX REVALUATION GAIN/LOSS	82			
EXTRAORDINARY GAIN/LOSS	0			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	-149			

Balance Sheets and Income Statements of Individual Commercial Banks



TEXIM PRIVATE ENTREPRENEURIAL BANK

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Commercial Banks in Bulgaria

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
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Legal registration	Company file No. 24103 of the Sofia City Court of 1992, lot No. 4542, vol. 89, p. 180
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Address of the head office	107 Knyaginya Maria-Luiza Blvd., Sofia 1000 tel. 02/833 32 40; 931 40 38; 931 80 38 Website: www.teximbank.bg
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Management

Supervisory Board	Marieta Georgieva Naidenova
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Rosen Ivanov Chobanov

Madlena Dimova Dimova

Management Board	Maria Petrova Vidolova – Chairman and Chief Executive Director
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Elena Borisova Delcheva – Executive Director

Румен Емилов Василев – Executive Director*

Boyan Petrov Kamenov

Shareholders (shares over 10%)

Paton Anstalt – 27.33%

Marieta Georgieva Naidenova – 15.24%

Pavlina Georgieva Naidenova – 15.09%

* The entry in the Sofia Regional Court is expected.



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	2 149	1 332	207	610
Claims on financial institutions, net	3 179	1	2 014	1 164
Claims under repurchase agreements	0	0	0	0
Trading portfolio	19 549	8 554	5 666	5 329
Investment portfolio	11	10	1	0
Loans to nonfinancial institutions and other customers, net	21 010	8 320	10 526	2 164
Loans to budget	0	0	0	0
Commercial loans	17 594	5 281	10 164	2 149
Commercial real estate and construction loans	2 250	891	1 109	250
Other commercial loans	15 344	4 390	9 055	1 899
Agricultural loans	3 569	3 378	166	25
Consumer loans	658	303	304	51
Housing mortgage loans to individuals	0	0	0	0
Other loans	662	579	0	83
Loans to nonfinancial institutions and other customers, total	22 483	9 541	10 634	2 308
Less: specific provisions	1 473	1 221	108	144
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	117	117	0	0
Intangible assets	162	162	0	0
Premises and other fixed assets	2 487	2 487	0	0
Assets, total	48 664	20 983	18 414	9 267
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	620	133	326	161
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	620	133	326	161
Deposits of nonfinancial institutions and other customers	27 186	6 140	2 447	18 599
Demand deposits	6 914	3 913	1 431	1 570
Time deposits	20 272	2 227	1 016	17 029
Savings deposits	0	0	0	0
Deposits, total	27 806	6 273	2 773	18 760
Borrowings under repurchase agreements	3 317	3 317	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	3 887	3 887	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	956	618	174	164
Liabilities, total	35 966	14 095	2 947	18 924
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	12 698	12 698		
Shareholder capital	30 000	30 000		
Reserves	-17 723	-17 723		
Profit/loss, current year	421	421		
Liabilities, minority interest, and capital, total	48 664	26 793	2 947	18 924
Memo: credit substitutes and other off-balance sheet commitments	9 343	8 338	920	85



TOKUDA BANK

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Commercial Banks in Bulgaria

INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	1 962	898	639	425
Interest income from claims on financial institutions	60	4	50	6
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	537	288	149	100
Interest income from investment portfolio	0	0	0	0
Interest income from loans	1 365	606	440	319
Dividend income	0	0	0	0
INTEREST EXPENDITURE	530	112	23	395
Interest expenditure on deposits of financial institutions	4	2	1	1
Interest expenditure on deposits of nonfinancial institutions and other customers	484	68	22	394
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	42	42	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	1 432	786	616	30
CREDIT PROVISIONS				
Accrued provisions	921			
Reintegrated provisions	1 199			
Credit provisions, net	-278			
TRADING PORTFOLIO GAIN/LOSS	132			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	243			
NONINTEREST EXPENDITURE	1 660			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	425			
FOREX REVALUATION GAIN/LOSS	-4			
EXTRAORDINARY GAIN/LOSS	0			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	421			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	No. 14004410 of 5 October 1994 by Resolution No. 365 of 1 December 1994 of the BNB Governing Council. License updated in accordance with the requirements of § 47 of the Transitional and Final Provisions of the Amendments to the Law on Banks by Order No. 100-00571 of the BNB Governor dated 23 December 1999. License by Order No. RD22-147 of 30 January 2003 to conduct bank operations in Bulgaria and abroad under Article No. 1, paras. 1 and 2 of the Law on Banks.
Legal registration	Resolution No. 4196 of 15 July 2002 of the Plovdiv Regional Court on company file No. 4463 of 2001 of the Plovdiv Regional Court, entered in the Commercial Register, lot No. 31, vol. 23, p. 122.
Address of the head office	1, Sixth of September Str., Sofia 1000 tel. 032/63 14 14; 02/981 01 67; 02/937 00 30
Management	
Supervisory Board	Takahito Ohashi – Chairman International Hospital Services Co., represented by Rumen Slaveikov Serbezov Tokushukai, Sofia, represented by Lyubomir Petrov Dachev, Lachezar Kostadinov Dinchev and Momchil Tsenov Krustev
Management Board	Stoyan Iliev Alexandrov – Chairman and Executive Director Yuli Todorov Popov – Executive Director Lozana Lyubenova Slavchova
Shareholders (shares over 10%)	International Hospital Services Co. – 93.84%

BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	16 202	8 433	4 287	3 482
Claims on financial institutions, net	15 586	139	4 321	11 126
Claims under repurchase agreements	0	0	0	0
Trading portfolio	17 520	13 235	2 439	1 846
Investment portfolio	1 531	1 529	2	0
Loans to nonfinancial institutions and other customers, net	116 962	86 879	21 995	8 088
Loans to budget	1 600	1 600	0	0
Commercial loans	89 359	56 257	21 142	11 960
Commercial real estate and construction loans	22 162	9 594	12 476	92
Other commercial loans	67 197	46 663	8 666	11 868
Agricultural loans	12 421	12 421	0	0
Consumer loans	1 574	1 423	138	13
Housing mortgage loans to individuals	381	258	123	0
Other loans	16 838	15 923	598	317
Loans to nonfinancial institutions and other customers, total	122 173	87 882	22 001	12 290
Less: specific provisions	5 211	1 003	6	4 202
Assets for resale	233	233	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	3 645	3 288	333	24
Intangible assets	196	196	0	0
Premises and other fixed assets	13 562	13 562	0	0
Assets, total	185 437	127 494	33 377	24 566
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	491	428	3	60
Demand deposits of banks	73	29	0	44
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	418	399	3	16
Deposits of nonfinancial institutions and other customers	113 884	61 967	28 971	22 946
Demand deposits	64 232	52 696	9 632	1 904
Time deposits	39 763	5 842	15 550	18 371
Savings deposits	9 889	3 429	3 789	2 671
Deposits, total	114 375	62 395	28 974	23 006
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	15 148	10 081	2 991	2 076
Long-term borrowings	17 417	17 417	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	11 856	2 955	7 958	943
Liabilities, total	158 796	92 848	39 923	26 025
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	26 641	26 641		
Shareholder capital	20 050	20 050		
Reserves	5 337	5 337		
Profit/loss, current year	1 254	1 254		
Liabilities, minority interest, and capital, total	185 437	119 489	39 923	26 025
Memo: credit substitutes and other off-balance sheet commitments	55 721	43 233	5 931	6 557

* Former First East International Bank.

INCOME STATEMENT
 (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	5 537	4 248	873	416
Interest income from claims on financial institutions	58	2	39	17
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	380	300	68	12
Interest income from investment portfolio	0	0	0	0
Interest income from loans	5 099	3 946	766	387
Dividend income	0	0	0	0
INTEREST EXPENDITURE	1 381	506	469	406
Interest expenditure on deposits of financial institutions	1	1	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	1 380	505	469	406
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	4 156	3 742	404	10
CREDIT PROVISIONS				
Accrued provisions	2 255			
Reintegrated provisions	388			
Credit provisions, net	1 867			
TRADING PORTFOLIO GAIN/LOSS	251			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	0			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	3 632			
NONINTEREST EXPENDITURE	5 285			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	887			
FOREX REVALUATION GAIN/LOSS	-86			
EXTRAORDINARY GAIN/LOSS	453			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	1 254			

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

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.
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Legal registration	Resolution of the Sofia City Court of 6 May 1991, company file No. 2367
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Address of the head office	81-83 Todor Alexandrov Blvd., Sofia 1303 tel. 02/812 01 11; 920 43 03 Website: www.feibbank.com
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Management

Supervisory Board	Ivan Minkov Dragnevski – Chairman
	Georgi Stoinev Harizanov – Deputy Chairman
	Georgi Borislavov Georgiev
	Trayan Georgiev Lyalev
	Mladen Ivanov Moutafchiyski
Management Board	Anna Dimitrova Sabeva – Chairman and Governor
	Rositsa Asenova Tosheva – Executive member of the Management Board and Deputy Governor
	Ivan Yovev Kolev
	Yuri Jaque Aroio

Shareholders
(shares over 10%)

Dynatrade International – 25.51%



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	15 033	5 176	3 162	6 695
Claims on financial institutions, net	55 734	2 968	13 885	38 881
Claims under repurchase agreements	0	0	0	0
Trading portfolio	37 324	13 902	15 918	7 504
Investment portfolio	757	754	3	0
Loans to nonfinancial institutions and other customers, net	177 210	42 025	107 264	27 921
Loans to budget	0	0	0	0
Commercial loans	176 505	36 512	110 342	29 651
Commercial real estate and construction loans	81 069	5 341	58 436	17 292
Other commercial loans	95 436	31 171	51 906	12 359
Agricultural loans	5 146	5 146	0	0
Consumer loans	2 956	1 836	1 049	71
Housing mortgage loans to individuals	204	0	204	0
Other loans	0	0	0	0
Loans to nonfinancial institutions and other customers, total	184 811	43 494	111 595	29 722
Less: specific provisions	7 601	1 469	4 331	1 801
Assets for resale	25	25	0	0
Investments in unconsolidated subsidiaries and associated companies	1000	1000	0	0
Other assets, net	1 461	1 272	182	7
Intangible assets	1 312	1 312	0	0
Premises and other fixed assets	4 202	4 202	0	0
Assets, total	294 058	72 636	140 414	81 008
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	6 307	6 155	1	151
Demand deposits of banks	119	3	0	116
Time deposits of banks	4 420	4 420	0	0
Deposits of other financial institutions	1 768	1 732	1	35
Deposits of nonfinancial institutions and other customers	188 188	58 746	56 992	72 450
Demand deposits	60 288	35 562	11 332	13 394
Time deposits	122 627	22 925	42 410	57 292
Savings deposits	5 273	259	3 250	1 764
Deposits, total	194 495	64 901	56 993	72 601
Borrowings under repurchase agreements	1 943	1 943	0	0
Short-term borrowings	0	0	0	0
Long-term borrowings	42 505	5 171	29 277	8 057
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	9 886	6 048	2 187	1 651
Liabilities, total	248 829	78 063	88 457	82 309
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	45 229	45 229		
Shareholder capital	15 412	15 412		
Reserves	27 054	27 054		
Profit/loss, current year	2 763	2 763		
Liabilities, minority interest, and capital, total	294 058	123 292	88 457	82 309
Memo: credit substitutes and other off-balance sheet commitments	36 200	23 671	9 975	2 554



INCOME STATEMENT
(June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	10 520	2 486	5 844	2 190
Interest income from claims on financial institutions	202	14	68	120
Interest income from claims under repurchase agreements	0	0	0	0
Interest income from trading portfolio	1 490	346	663	481
Interest income from investment portfolio	72	0	72	0
Interest income from loans	8 756	2 126	5 041	1 589
Dividend income	0	0	0	0
INTEREST EXPENDITURE	4 121	765	1 718	1 638
Interest expenditure on deposits of financial institutions	120	120	0	0
Interest expenditure on deposits of nonfinancial institutions and other customers	2 918	522	1 014	1 382
Interest expenditure on borrowings under repurchase agreements	99	99	0	0
Interest expenditure on borrowings	984	24	704	256
Interest expenditure on subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Interest expenditure on other liabilities	0	0	0	0
INTEREST AND DIVIDEND INCOME, NET	6 399	1 721	4 126	552
CREDIT PROVISIONS				
Accrued provisions	3 722			
Reintegrated provisions	2 503			
Credit provisions, net	1 219			
TRADING PORTFOLIO GAIN/LOSS	330			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	264			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	4 789			
NONINTEREST EXPENDITURE	6 969			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	3 594			
FOREX REVALUATION GAIN/LOSS	-160			
EXTRAORDINARY GAIN/LOSS	0			
TAX	671			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	2 763			

**STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004**

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.
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Legal registration	Company file No. 31533 of 1992, lot No. 648, vol. 12, p. 75
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Address of the head office	10-12 Damyan Gruev Str., Sofia 1000 tel. 02/9153 333; 9153 315 Website: www.unionbank.bg
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Management

Supervisory Board	Ivan Totev Radev – Chairman
	Emanuil Yankov Manolov – Deputy Chairman
	Emil Ivanov Ivanov
	Andrew Seton
	Boras, represented by Georgi Nikolov Atanasov

Management Board	Anna Ivanova Asparouhova – Chairman
	Todor Kostadinov Nikolov – Deputy Chairman
	Dorcho Dimitrov Ilchev
	Evgeni Petkov Gospodinov
	Tatyana Kotseva–Radilova
	Todor Trifonov Alexandrov

Shareholders
(shares over 10%)

Union Group – 21.83%
EBRD – 15%
Boras – 14.14%



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	158 751	61 022	20 263	77 466
Claims on financial institutions, net	223 139	16 731	37 736	168 672
Claims under repurchase agreements	44 537	27 763	6 128	10 646
Trading portfolio	145 634	56 419	16 135	73 080
Investment portfolio	12 837	3 928	8 909	0
Loans to nonfinancial institutions and other customers, net	1 183 119	716 475	408 295	58 349
Loans to budget	3 029	3 029	0	0
Commercial loans	736 997	281 517	400 404	55 076
Commercial real estate and construction loans	64 908	22 547	37 948	4 413
Other commercial loans	672 089	258 970	362 456	50 663
Agricultural loans	63 299	47 941	12 059	3 299
Consumer loans	300 417	300 037	334	46
Housing mortgage loans to individuals	120 505	118 188	1 754	563
Other loans	5 054	4 656	97	301
Loans to nonfinancial institutions and other customers, total	1 229 301	755 368	414 648	59 285
Less: specific provisions	46 182	38 893	6 353	936
Assets for resale	567	567	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	8 831	8 772	59	0
Intangible assets	25 996	25 996	0	0
Premises and other fixed assets	69 531	69 531	0	0
Assets, total	1 872 942	987 204	497 525	388 213
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	70 748	39 202	19 060	12 486
Demand deposits of banks	10 265	4 285	2 899	3 081
Time deposits of banks	37 220	16 275	13 225	7 720
Deposits of other financial institutions	23 263	18 642	2 936	1 685
Deposits of nonfinancial institutions and other customers	1 451 333	655 080	425 620	370 633
Demand deposits	500 317	368 744	82 086	49 487
Time deposits	546 095	190 827	177 750	177 518
Savings deposits	404 921	95 509	165 784	143 628
Deposits, total	1 522 081	694 282	444 680	383 119
Borrowings under repurchase agreements	20 305	15 339	4 966	0
Short-term borrowings	0	0	0	0
Long-term borrowings	24 432	11 719	12 713	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	12 137	12 106	15	16
Liabilities, total	1 578 955	733 446	462 374	383 135
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	293 987	293 987		
Shareholder capital	75 964	75 964		
Reserves	185 391	185 391		
Profit/loss, current year	32 632	32 632		
Liabilities, minority interest, and capital, total	1 872 942	1 027 433	462 374	383 135
Memo: credit substitutes and other off-balance sheet commitments	147 360	79 798	49 902	17 660



INCOME STATEMENT (June 2004)

	Total	(BGN'000)		
		Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	71 624	51 700	16 304	3 620
Interest income from claims on financial institutions	1 307	182	236	889
Interest income from claims under repurchase agreements	228	72	145	11
Interest income from trading portfolio	3 693	1 678	891	1 124
Interest income from investment portfolio	1 095	142	850	103
Interest income from loans	65 301	49 626	14 182	1 493
Dividend income	0	0	0	0
INTEREST EXPENDITURE	8 554	5 483	2 230	841
Interest expenditure on deposits of financial institutions	309	227	67	15
Interest expenditure on deposits of nonfinancial institutions and other customers	7 619	4 797	1 997	825
Interest expenditure on borrowings under repurchase agreements	218	51	166	1
Interest expenditure on borrowings	408	408	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	63 070	46 217	14 074	2 779
CREDIT PROVISIONS				
Accrued provisions	29 750			
Reintegrated provisions	22 425			
Credit provisions, net	7 325			
TRADING PORTFOLIO GAIN/LOSS	4 276			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	586			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	22 298			
NONINTEREST EXPENDITURE	48 218			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	34 687			
FOREX REVALUATION GAIN/LOSS	-766			
EXTRAORDINARY GAIN/LOSS	5 929			
TAX	7 218			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	32 632			



STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Resolution of the BNB Governing Council of 25 February 1991. Updated by Order No. 100-00487 of 17 November 1999.
Legal registration	Entered on company file No. 31848 of the Sofia City Court of 1992, lot No. 376, vol. 8, p. 105
Address of the head office	5 Sv. Sofia Str., Sofia 1000 tel. 02/811 28 00 Website: www.ubb.bg

Management

Board of Directors	Stilian Petkov Vatev – Chief Executive Director
	Christos Katsanis – Executive Director
	Radka Ivanova Toncheva – Executive Director
	Sally Ann Warren
	Agis Leopoulos
	Alexandros Tourkolias
	Efstratios-Georgios Arapoglou
	Anthimos Thomopoulos
	Ioannis Pechlivanidis

Shareholders (shares over 10%)

National Bank of Greece – 89.9%
European Bank for Reconstruction and Development – 10%



BALANCE SHEET AS OF 30 JUNE 2004

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
ASSETS				
Vault cash and current accounts with the BNB	1 624	670	247	707
Claims on financial institutions, net	14 340	3 300	9 484	1 556
Claims under repurchase agreements	0	0	0	0
Trading portfolio	0	0	0	0
Investment portfolio	2 002	0	2 002	0
Loans to nonfinancial institutions and other customers, net	19 775	4 662	12 858	2 255
Loans to budget	0	0	0	0
Commercial loans	15 300	963	12 048	2 289
Commercial real estate and construction loans	6 139	0	6 139	0
Other commercial loans	9 161	963	5 909	2 289
Agricultural loans	3 731	3 731	0	0
Consumer loans	265	12	253	0
Housing mortgage loans to individuals	248	0	248	0
Other loans	504	0	504	0
Loans to nonfinancial institutions and other customers, total	20 048	4 706	13 053	2 289
Less: specific provisions	273	44	195	34
Assets for resale	0	0	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0	0	0
Other assets, net	171	141	29	1
Intangible assets	686	686	0	0
Premises and other fixed assets	663	663	0	0
Assets, total	39 261	10 122	24 620	4 519
LIABILITIES, MINORITY INTEREST, AND CAPITAL				
Deposits of financial institutions	0	0	0	0
Demand deposits of banks	0	0	0	0
Time deposits of banks	0	0	0	0
Deposits of other financial institutions	0	0	0	0
Deposits of nonfinancial institutions and other customers	11 634	6 968	2 984	1 682
Demand deposits	7 282	4 172	2 010	1 100
Time deposits	4 352	2 796	974	582
Savings deposits	0	0	0	0
Deposits, total	11 634	6 968	2 984	1 682
Borrowings under repurchase agreements	0	0	0	0
Short-term borrowings	7 299	0	4 694	2 605
Long-term borrowings	6 168	6 168	0	0
Subordinated term debt and debt/equity (hybrid) instruments	0	0	0	0
Other liabilities	409	102	47	260
Liabilities, total	25 510	13 238	7 725	4 547
Minority interest in consolidated subsidiaries	0	0	0	0
Equity, total	13 751	13 751		
Shareholder capital	15 800	15 800		
Reserves	-1 506	-1 506		
Profit/loss, current year	-543	-543		
Liabilities, minority interest, and capital, total	39 261	26 989	7 725	4 547
Memo: credit substitutes and other off-balance sheet commitments	21 375	2 637	8 207	10 531



INCOME STATEMENT
(June 2004)

(BGN'000)

	Total	Including		
		BGN	EUR	Other currencies
INTEREST AND DIVIDEND INCOME	705	51	559	95
Interest income from claims on financial institutions	179	1	168	10
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	56	0	53	3
Interest income from loans	470	50	338	82
Dividend income	0	0	0	0
INTEREST EXPENDITURE	141	100	32	9
Interest expenditure on deposits of financial institutions	1	0	1	0
Interest expenditure on deposits of nonfinancial institutions and other customers	18	3	14	1
Interest expenditure on borrowings under repurchase agreements	0	0	0	0
Interest expenditure on borrowings	122	97	17	8
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	564	-49	527	86
CREDIT PROVISIONS				
Accrued provisions	244			
Reintegrated provisions	4			
Credit provisions, net	240			
TRADING PORTFOLIO GAIN/LOSS	0			
GAIN/LOSS ON INVESTMENTS AVAILABLE FOR SALE	55			
GAIN/LOSS ON INVESTMENTS HELD TO MATURITY	0			
OTHER NONINTEREST INCOME	179			
NONINTEREST EXPENDITURE	1 170			
GAIN/LOSS BEFORE FOREX REVALUATION, EXTRA INCOME/EXPENDITURE AND TAX ITEMS	-612			
FOREX REVALUATION GAIN/LOSS	69			
EXTRAORDINARY GAIN/LOSS	0			
TAX	0			
MINORITY INTEREST	0			
PROFIT/LOSS, NET	-543			



WestEast Bank

WESTEAST BANK

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Balance Sheets and Income Statements of Individual Commercial Banks

STATUS, MANAGEMENT AND MAJOR SHAREHOLDERS AS OF 30 JUNE 2004

License granted by the BNB	Order No. RD 22-1067 of 13 August 2003 of the BNB Governor entitling the WestEast Bank to conduct bank operations in Bulgaria and abroad.
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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
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Address of the head office	36 Dragan Tsankov Blvd., Sofia 1000 Interpred World Trade Center, Bl. B, No. 105 tel. 02/970 24 10 Website: www.westeastbank.bg
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Management

Supervisory Board	Boris Pesjak – Chairman
	Darko Horvat – Deputy Chairman
	Janez Sencar
	Mattias Eckert
	Andrej Hazabent
Management Board	Dusan Valencic – Chairman
	Rositsa Lisichkova – Executive Director
	Bogdan Podlesnik

Shareholders

(shares over 10%)

Activa Holdings BV, Amsterdam – 72.51%
LB Maxima, Ljubljana – 24.50%

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