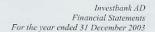


Investbank AD

Financial Statements

For the year ended 31 December 2003 with independent auditor's report thereon





REPORT
OF THE INDEPENDENT AUDITOR
TO THE SHAREHOLDERS OF INVESTBANK AD

Sofia, 11 March 2004

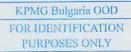
We have audited the accompanying balance sheet of Investbank AD ("the Bank") as of 31 December 2003 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as of 31 December 2003, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

(signed) Krassimir Hadjivinev Partner

KPMG Bulgaria OOD 37 Fridtjof Nansen Str. 1142 Sofia Bulgaria (signed) Margarita Goleva Registered auditor (signed) Krassimir Hadjivinev Registered auditor







Balance sheet as at 31 December 2003

In thousands of BGN	Note	2003	2002
ASSETS			
Cash and balances with Central Bank	10	9.015	5,969
Due from other banks	11	5,951	32,409
Trading securities	12	16,942	16,144
Loans and advances to customers	13	66,667	31,900
Investments	14	569	305
Property and equipment	15	2,075	1,891
Other assets	16	839	659
Total Assets		102,058	89,277
LIABILITIES			
Deposits from banks	17	17.192	3.143
Deposits from customers	18	64,987	36.388
Other liabilities		3,248	1,195
Total Liabilities		85,427	40,726
Shareholders' equity			
Issued share capital	20	16,000	47,982
Reserves	20	631	569
Total shareholders' equity	=	16,631	48,551
Total liabilities and shareholders' equity	_	102,058	89,277
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The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 30.

The financial statements have been approved by the Executive Directors on $11\,\mathrm{March}\ 2003$:

Kiril Savov Grigorov Dimitar Asparuhov Dimitrov
Executive Director Executive Director

KPMG Bulgaria OOD

(signed) (signed)

Krassimir Hadjidinev Margarita Goleva

Registered auditor Registered auditor (signed) Krassimir Hadjidinev Partner

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Income statement for the year ended 31 December 2003

In thousands of BGN	Note	2003	2002
Interest and similar income		4,738	5,741
Interest expense and similar charges		(2.151)	(1,427)
Net interest income	3	2,587	4,314
Fee and commission income		1,245	1,372
Fee and commission expense		(142)	(193)
Net fee and commission income	4	1,103	1,179
Net trading income	5	1,878	913
Other operating income/(expense), net	6	247	442
Total income from banking operations	2-	5,815	6,848
General administrative expenses	7	(6,914)	(7,654)
Impairment losses	8	1,180	1,108
Profit before taxes	**************************************	81	302
Income tax expense	9	(19)	(278)
Profit after tax		62	24

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 30.

Kiril Savov Grigorov Executive Director Dimitar Asparuhov Dimitrov Executive Director

KPMG Bulgaria OOD

(signed) Krassimir Hadjidinev (signed) Krassimir Hadjidinev (signed) Margarita Goleva

Partner

Registered auditor

Registered auditor

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