



Commercial Bank Allianz Bulgaria

Annual Report 2006

Allianz 

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BOARD OF MANAGEMENT

Dimitar Zhelev

Chairman

Svetoslav Gavrilski

Chief Executive Officer

Galia Dimitrova

Executive Director

Georgy Momchilov

Executive Director

Christo Babbev

SUPERVISORY BOARD

Oleg Nedyalkov

Chairman

Maxim Sirakov

Emil Gavrilov

Radka Rassina

Sophia Hristova

Temenuga Nenova

OVERVIEW

Dear Ladies and Gentlemen,

2006 was marked by fierce competition in the banking industry. Bulgarian economy continued to function under conditions of predictable macroeconomic environment and generated sustainable growth. In terms of its development, 2006 was very successful for Commercial Bank Allianz Bulgaria. The bank strengthened its position as a trustworthy financial institution, reported stable growth on all key financial indicators and managed to take maximum advantage of the potential of the brand name 'Allianz', which remains a great challenge and a big responsibility for us. As part of the integration process we continued successfully to synchronize our internal rules and procedures according to the group-wide requirements and tried to make use of synergy effect, collaborating with other Allianz units in the world.

The CB Allianz Bulgaria's initiative launched in late 2006, to obtain official estimation of its activities by an external, independent rating agency, was put into practice in the first half of 2007, when the bank was rated by FitchRatings 'A-' (A minus), Stable outlook, which is above the sovereign rating.

CB Allianz Bulgaria' proved to be one of the most dynamic banks operating in the local market, but we are still facing a lot of work ahead. Guided by our group's high standard internal values and benchmarks, we are determined to become the best in the bancassurance industry by offering high quality banking, insurance and pension products. Further development of our corporate culture is another high priority task.

Development of the retail sector remains the bank's main strategy. We possess all resources necessary to implement it - well-positioned branches and offices, motivated and committed employees, customer oriented distribution organization, and product development capacities combining our expertise in insurance and financial markets.

Our customers

We fully understand what the brand 'Allianz' means to us - prosperity, financial stability and worldwide professional expertise. This engagement stimulates us to strive for a very high level of customer satisfaction. Providing our

clients with a wide range of diverse and highly demanded products, with attractive and competitive parameters and offering banking, insurance and pension products and services all at once is what distinguishes our bank from its competitors.

The development of retail segment led to significantly increased business volume. At the end of 2006 the borrowed funds from individuals and households went up by 73.1% and the total loans granted to clients grew with 104.1% yoy.

The bank has developed a wide range of products - serving the needs of both retail and corporate clients - and continues to modify and improve their parameters. Prioritizing its activities towards the retail segment, the bank focuses on offering loan and deposit products for individuals, such as attractive time deposits, mortgage and car loans.

The year 2006 was marked by significant improvement of the bank's card business. After offering, in the beginning of the year, a revolving credit card MasterCard to its clients, the bank took the lead being the first in the local market to offer a debit/credit card with chip technology with the VISA logo. Then the bank offered a unique card product - 'Smart Portfolio' - providing our customers with two credit cards, VISA and MasterCard, linked with one single account, thus, offering additional benefits. The new credit products that were introduced during 2006 were in client segments with rising potential. The bank offered consumer loans for state employees, for student's 'Work&Travel' program and for executive magistrates. A new specialized package product has been introduced for insurance brokers. A couple of new products in the SME section of the corporate lending were also introduced, amongst the loan 'Investment' and the 'Mortgage business loan' are the most important to mention.

Sustainable and profitable growth

For 2006 CB 'Allianz Bulgaria' reported sustainable growth of assets, very stable net revenues and achievement of all planned objectives. As at December 31, 2006 the bank's total assets reached BGN 945.1 million. This represents growth of 33.3% yoy, which is higher than the average

growth rate of its main competitors. In terms of total assets, the bank slightly increased its market share of the local banking sector.

The loan portfolio amounts to BGN 406.5 million, growing with 83.8% yoy, observing conservative provision rules. Total borrowed funds reached BGN 785.2 million, which is 49.0% growth yoy.

Profitability

CB 'Allianz Bulgaria' increased its ability to face market challenges, always seeking for higher efficiency of its operations. The bank reported profit after tax of BGN 9.233 million, which is 30.1% increase yoy. ROE is 17.75%, ROA is 1.15%.

As at the end of 2006 the net interest income reached BGN 25.3 million, increasing by 56.6% compared to the same period a year ago. The net fee & commission increased by 40.6% yoy and reached BGN 8.6 million. Thus, the total income from banking operations increased by 35.2%, amounting to BGN 35.5 million.

Business centers network

CB 'Allianz Bulgaria' continued to enlarge its branch network. At the end of 2006, the bank's business centers were 36; the bank's financial centers (smaller units) were 71. Two more business centers were launched during the year - a new branch in the town of Lovetch and business center 'Pliska' (fifth one in Sofia). According to the plan, in 2007 the bank's branch network will continue to significantly widen with 11 new financial centers. This way the bank will further optimize the geographical allocation of its network.

For the year 2006 the bank reported Cost/Income ratio of 67.49%, the same as reported a year ago. We expect this level of operating efficiency to be improved in 2007, despite the inevitable growth of the volume of operating expenses, related to the opening of the new points of sale.

In order to improve our clients' attendance, the bank began implementation of a new core banking IT system in 2006, which is expected to replace entirely the current one used in the bank. The project is expected to be brought to the end during the second half of 2007.

In our capacity as members of the Board of Management, we would like to take this opportunity to thank all customers, shareholders and employees of CB 'Allianz Bulgaria' for their personal efforts and commitment.

Board of Management

CB Allianz Bulgaria AD

Financial Statements
For the year ended 31 December 2006
with independent auditor's report thereon

Income statement
For the year ended 31 December 2006

In thousands of BGN	Note	2006	2005
Interest and similar income	4	47,691	32,998
Interest expense and similar charges	4	(22,353)	(16,822)
Net interest income	4	25,338	16,176
Fee and commission income		9,596	6,715
Fee and commission expense		(1,004)	(632)
Net fee and commission income	5	8,552	6,083
Net trading income	6	1,290	3,759
Total income from banking operations		35,180	26,018
General administrative expenses	7	(24,012)	(17,743)
Impairment (losses)	8	(669)	(58)
Other income, net	9	346	258
Profit before tax		10,845	8,475
Income tax expense	10	(1,612)	(1,379)
Profit after tax		9,233	7,096

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 42.

KPMG Bulgaria OOD

Krassimir Hadjidinev
Registered Auditor,
Authorized Representative

Margarita Goleva
Registered Auditor

Balance sheet

As at 31 December 2006

In thousands of BGN

	Note	2006	2005
Assets			
Cash and cash equivalents	11	239,739	245,470
Financial assets held for trading	12	34,032	51,297
Investments	13	135,711	69,973
Loans and advances to banks and other financial institutions	14	110,244	106,589
Loans and advances to customers	15	406,486	221,189
Property and equipment	16	13,160	11,099
Intangible assets	17	2,328	1,708
Other assets	19	3,369	1,847
Deferred tax assets	18	61	-
Total assets		945,130	709,172
Liabilities			
Due to banks	20	6,996	38,804
Due to other customers	21	785,174	526,827
Other borrowings	22	86,810	94,325
Other liabilities	23	3,322	7,337
Deferred tax liability	18	-	58
Total liabilities		882,302	667,351
Shareholders' equity			
Issued share capital	25	47,803	35,303
Reserves	25	15,025	6,518
Total shareholders' equity		62,828	41,821
Total liabilities and shareholders' equity		945,130	709,172

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 42.

The financial statements were approved by the Executive Directors on 14 January 2007.

Svetoslav Gavriiski
Chief Executive Director

Galja Dimitrova
Executive Director

KPMG Bulgaria OOD

Krassimir Hadjidinev
Registered Auditor
Authorized Representative

Margarita Goleva
Registered Auditor

Cash flow statement

For the year ended 31 December 2006

In thousands of BGN

	Note	2006	2005
Net cash flow from operating activities			
Profit after taxation		9,233	7,096
Adjustments for non-cash items			
Increase in impairment allowances	8.15	669	58
Depreciation and amortization	16.17	2,435	2,121
Loss/(Profit) on disposal of fixed assets		37	19
Tax expense	10	1,612	1,367
		13,986	10,661
Change in operating assets and liabilities			
Decrease in financial instruments held for trading		17,265	21,043
(Increase) in loans and advances to banks		(3,655)	(23,193)
(Increase) in loans to customers		(185,966)	(59,009)
(Increase) in other assets		(1,522)	(178)
(Decrease)/increase in deposits from banks		(31,808)	25,296
Increase in amounts owed to other depositors		258,347	219,357
Increase/(decrease) in other borrowing evidenced by paper		1,499	(17,864)
(Decrease)/increase of other liabilities		(4,281)	5,560
Tax paid		(1,355)	(817)
		62,510	180,856
Net cash flow from operating activities			
Cash flow from investing activities			
Acquisition of property, plant and equipment		(3,953)	(3,253)
Acquisition of intangible assets		(1,200)	(631)
Acquisition of investments		(66,574)	(28,562)
		(71,727)	(32,446)
Net cash flow from investing activities			
Proceeds from issue of share capital		12,500	5,000
(Increase)/decrease in loan stock		(13,932)	39,153
Increase in subordinated term debt		4,918	-
		3,486	44,153
Net cash flow from financing activity			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of period	11	245,470	52,907
Cash and cash equivalents at the end of period	11	239,739	245,470

The cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 42.

KPMG Bulgaria OOD

Krassimir Hadjidinev
Registered Auditor
Authorized Representative

Margarita Goleva
Registered Auditor

Statement of changes in equity

	Share capital	Statutory Reserve	Retained earnings and other reserves	Revaluation Reserve	Total
In thousands of BGN					
Balance at 1 January 2005	30,303	4,715	(5,890)	305	29,433
Share capital increase	5,000	-	-	-	5,000
Net profit for the year	-	-	7,096	-	7,096
Transfer of the profit for year 2004	-	1,244	(1,244)	-	-
Revaluation of available-for-sale investment, net of deferred tax	-	-	-	292	292
Balance at 31 December 2005	35,303	5,959	(38)	597	41,821
Share capital increase	12,500	-	-	-	12,500
Net profit for the year	-	-	9,233	-	9,233
Transfer of the profit for year 2005	-	3,693	(3,693)	-	-
Revaluation of available-for-sale investment, net of deferred tax	-	-	-	(726)	(726)
Balance at 31 December 2006	47,803	9,652	5,502	(129)	62,828

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 13 to 42.

KPMG Bulgaria OOD

Krassimir Hadjidinev
Registered Auditor,
Authorized Representative

Margarita Goleva
Registered Auditor

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1 Basis of preparation

(a) Statute

CB Allianz Bulgaria AD is incorporated in the Republic of Bulgaria and has its registered office in Sofia, 79 Maria Louisa Blvd.

The Bank has a general banking license issued by the Bulgarian National Bank (BNB) according to which it is allowed to conduct all banking transactions permitted by the Bulgarian legislation.

(b) Applicable standards

These financial statements have been prepared in accordance with the national accounting legislation, applicable to banks in Bulgaria. According to the Bulgarian Accounting Act, effective 1 January 2006, the International Financial Reporting Standards (IFRS's) endorsed by the European Commission should be considered as accounting framework for statutory purposes. With a decree of the Council of Ministers #207/07.08.2006 and promulgated in the State Gazette, issue 66/2006, the standards approved for application on the territory of Bulgaria are the IFRS's, issued by the International Accounting Standards Board (IASB) and adopted by the European Union Commission in their revision as at 1 January 2005. The list of these standards is disclosed in note 31.

The Management ascertained that there were no significant differences between the values of the net assets and the financial result for the year ended 31 December 2006, as reported in these financial statement, and those that would have been reported under IFRS adopted by the European Union and applicable for 2006, as published in the English version of the Official Journal of the European Union.

The comparative information for 2005 is presented in compliance with the International Accounting Standards (IAS), approved for application in Bulgaria by virtue of a Decree N21/4.02.2003 of the Council of Ministers and published in State Gazette, issue 13/2003. As the Management of the Bank has assumed that there are no significant differences between the actual accounting framework and the one that is used for presenting the comparative information for 2005, no adjustments in the comparative figures for 2005 have been made. Where necessary, the comparative information is reclassified, in a way that it is in compliance with the changes occurred during the reporting period.

In addition, the Banking Act requires banks to assess periodically the credit exposures, other risk assets, including off balance sheet liabilities, and to book impairment losses to cover

risks of losses in accordance with Bulgarian National Bank (BNB) requirements. According to the Banking Act, these impairment losses are recognised as expenses in the income statement and to the carrying value of the assets. The impairment losses decrease the gross carrying amount of loans and advances in the balance sheet. Therefore, these financial statements include allowances for impairment losses of the assets formed in accordance with Regulation 9 of BNB for measurement and classification of risk exposures and allowance for impairment losses. In case of differences between the requirements of IFRS, approved for application in Bulgaria and the requirements of Regulation 9, Regulation 9 overrides the requirements of IFRS.

The financial statements are presented in Bulgarian Leva (BGN) rounded to the nearest thousand.

The financial statements are prepared on a fair value basis for derivative financial instruments, financial assets and liabilities held for trading, available-for-sale assets and except those for which a reliable measure of fair value is not available. The recognized assets and liabilities, which are hedged, are stated at their fair value in terms of the hedging risk. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historical cost.

2 Significant accounting policies

(a) Income and expenses recognition

Interest income and expense are recognized as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Fee and commission income arises on financial services provided by the Bank and is recognized when the corresponding service is rendered. Net trading income includes gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading.

(b) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at that date at initial recognition. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at histor

ical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values were determined.

(c) Financial instruments

(i) Classification

Trading instruments are those that the Bank principally holds for the purpose of short-term profit taking. These include investments and derivative contracts that are not designated and effective hedging instruments, and liabilities from short sales of financial instruments. All trading derivatives in a net payable position (negative fair value), also options, are reported as trading liabilities.

Originated loans and receivables are this instruments created by the Bank providing money to a debtor other than those created with the intention of short-term profit taking.

Originated loans and receivables comprise loans and advances to banks and customers other than purchased loans as well as bonds purchased at original issuance.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity. These include certain purchased loans and advances to banks and customers and certain debt investments.

Available-for-sale assets are financial assets that are not held for trading purposes, originated by the Bank, or held to maturity. Available-for-sale instruments include money market placements and certain debt and equity investments.

(ii) Recognition

The Bank recognizes financial assets held for trading and available-for-sale assets on settlement date. From this date any gains and losses arising from changes in fair value of the assets are recognized.

Held-to-maturity loans and originated loans and receivables are recognized on settlement date.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, originated loans and receiv-

ables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

(v) Gains and losses on subsequent measurement

Gains and losses arising from the change in the fair value of the financial assets held for trading are recognized in the income statement. Gains and losses arising from the change in fair value of available-for-sale assets are recognized directly in equity.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with the central bank and short-term highly liquid investments that are readily convertible to known amounts of cash with less than three months maturity from the date of acquisition.

(e) Investments

Investments that the Bank holds for the purpose of short-term profit taking are classified as trading instruments. Debt investments that the Bank has the intent and ability to hold to maturity are classified as held-to-maturity assets. Other investments are classified as available-for-sale assets.

(f) Loans and advances to banks and customers

Loans and advances originated by the Bank are classified as originated loans and receivables. Purchased loans that the Bank has the intent and ability to hold to maturity are classified as held-to-maturity assets.

Loans and advances are reported net of impairment allowances to reflect the estimated recoverable amounts (refer accounting policy j).

(g) Derecognition

A financial asset is derecognized on the value date after the Bank loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

Available-for-sale assets and assets held for trading that are sold are derecognized and corresponding receivables from the buyer for the payment are recognized as of the date the Bank commits to sell the assets. The Bank uses the specific identification method to determine the gain or loss on derecognition.

Held-to-maturity instruments and originated loans and receivables are derecognized on the day they are transferred by the Bank.

(h) Repurchase transactions

The Bank enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase consideration is recognized on an accrual basis over the period of the transaction and is included in interest.

(i) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

(j) Impairment

The carrying amounts of the Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

(l) Originated loans and advances

The Bank evaluates and classifies its risk exposures, i.e. credits and receivables, when there is objective evidence of impairment. Loans are assessed and classified based on the credit risk, delayed payments, evaluation of the debtor's financial position and sources for repayment in accordance with the requirements of BNB Regulation No 9. When the bank has more than one credit exposure to third parties, who could be regarded as common risk bearers, these exposures are classified in the group of the party bearing the highest risk. The bank forms specific allowance for impairment losses, which are set up for particular exposures as well as on a portfolio-basis.

The bank allocates specific allowance for impairment losses for particular exposures for the difference between the book value of the exposure from the previous accounting period and its recoverable amount for the reporting period. The recoverable amount of the risk exposure is determined by reducing the contracted cash flows with risk loss percentage according to the classification group and the expected cash flows are then discounted by applying the respective effective interest rate. The amount of the specific allowance for impairment losses on a risk exposure, secured with high liquid collateral, equals the difference between the carrying amount and the recoverable amount of the risk exposure for the reporting period, which remains uncovered by the net realizable value of the collateral.

The Bank's credit exposures are classified according to the requirements of BNB Regulation No 9 in four groups, as follows:

Classification group	% of impairment loss
Standard	0%
Watch	Minimum 10%, for individuals minimum 20%
Substandard	Minimum 50%, for individuals minimum 75%
Non-performing	Minimum 100%

According to the requirements of Regulation No 9, reclassification of a credit exposure to a lower risk group is possible, if the credit exposure meets the requirements of that lower risk group for at least six months.

Specific allowance for impairment losses on a portfolio basis are formed for exposures classified as standard for covering considerable impairment losses, which cannot be attributed to individual credit exposures, in accordance with the credit policy of the bank. The Bank's policy for specific allowance for impairment losses on a portfolio basis determines the rules for reducing the carrying amount of a portfolio of identical loans to their recoverable amount at the balance sheet date. The expected cash flows for portfolios of similar assets are

estimated based on previous experience and considering the credit rating of the underlying customers and late payments of interest or penalties.

Loans and advances to customers are presented net of specific and general allowances, so that the carrying amount is reduced by the impairment losses. Increases in the allowance account are recognized in the income statement. The Bank recognizes in the income statement the reversal of impairment losses due to partial or entire repayment of the classified credit exposure, as well as due to reclassification of the credit exposure in a lower risk group.

(k) Property, plant and equipment

Items of property, plant and equipment are stated in the balance sheet at their acquisition cost less accumulated depreciation restated for the effects of hyperinflation.

Depreciation is provided on a straight-line basis at prescribed rates designed to write down the cost or valuation of fixed assets over their expected useful lives. The following are approximations of the annual rates used:

Assets	%
Buildings	4
Equipment	30
Computers	50
Fixtures and fittings	15
Vehicles	25

Assets are not depreciated until they are brought into use and transferred from assets under construction into the relevant asset category.

The assets for sale acquired as collateral in respect of bad debts have been presented in the balance sheet as Other assets. Depreciation has not been accrued on these assets in accordance with Bulgarian legislation for a period of two years as at the date of their acquisition.

(l) Intangible assets

Other intangible assets, which are acquired by the Bank, are stated at cost less accumulated amortization and any impairment losses.

Amortization is calculated on a straight-line basis over the expected useful life of the asset. The annual rates of amortization are as follows:

Asset	%
Computer software	50

(m) Provisions

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a past

event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Taxation

Tax on the profit for the year comprises current tax and deferred tax. In determining current and deferred tax, the Bank has adopted the accounting basis, described in note 1 (b). Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted by the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in tax rates is charged to the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Application of published International Financial

Reporting Standards that are not yet effective and might be relevant to the Bank's activities

"IFRS 7 Financial Instruments: Disclosures (effective from 1 January 2007)

The Standard will require increased disclosure about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. The Bank considers that the significant additional disclosures required will relate to its financial risk management objectives, policies and processes.

"Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)

As a complimentary amendment arising from IFRS 7 (see above), the Standard will require increased disclosure in respect of the Bank's capital.

"IFRIC 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006) The Interpretation requires that a reassessment of whether an embedded derivative should be separated from the underlying host contract should be made only when there are changes in the terms of the contract that significantly modify the cash flows that otherwise would be required under the contract.

IFRS 9 is not relevant to the Bank's operations, as the Bank has not changed the terms of the contracts, which contain embedded derivatives.

3 Risk management disclosures

A. Trading activities

The Bank maintains active trading positions in a limited number of non-derivatives financial instruments, mainly short-term forward contracts and non-derivative financial instruments. Most of the Bank's trading activities are customer driven. In anticipation of customer demand, the Bank carries an inventory of money market instruments and maintains access to market liquidity by trading with other market makers. These activities constitute the proprietary trading business and enable the Bank to provide customers with money market products at competitive prices. As trading strategies depend on both market-making and proprietary positions, given the relationships between instruments and markets, those are managed in concert to maximize net trading income.

The Bank manages its trading activities by type of risk involved and on the basis of the categories of trading instruments held.

(1) Credit risk

The risk that counterparties to trading instruments might default on their obligations is monitored on an ongoing basis. In monitoring credit risk exposure, consideration is given to trading instruments with a positive fair value and to the volatility of the fair value of trading instruments. To manage the level of credit risk, the Bank deals with counterparties of good credit standing, and when appropriate, obtains collateral.

(2) Market risk

All trading instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. The instruments are recognized at fair value, and all changes in market conditions directly affect net trading income.

The Bank manages its use of trading instruments in response

to changing market conditions. Exposure to market risk is formally managed in accordance with risk limits set by senior management by buying or selling instruments.

B. Non-trading activities

Below is a discussion of the various risks the Bank is exposed to as a result of its non-trading activities and the approach taken to manage those risks.

(1) Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Funds are raised using a broad range of instruments including deposits and current accounts, other liabilities evidenced by paper, and share capital. This enhances funding flexibility by financing the activities of the CB "Allianz Bulgaria" AD, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank makes its best efforts to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy. In addition the Bank holds a portfolio of liquid assets as part of its liquidity risk management strategy.

The following table provides an analysis of the financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment.

3 Risk management disclosures, continued**(b) Non-trading activities, continued****(i) Liquidity risk, continued**

Maturity table as at 31 December 2006

	Up to 1 Month	From 1 to 3 Months	From 3 months to 1 year
Cash and cash equivalents	239,739	-	-
Financial assets held for trading	34,032	-	-
Investments	56,190	-	-
Loans and advances to banks and other financial institutions	109,676	-	568
Loans and advances to customers	1,475	9,665	50,244
Property and equipment	-	-	-
Intangible assets	-	-	-
Other assets	3,369	-	-
Deferred tax assets	-	-	-
Total assets	444,481	9,665	50,812
Liabilities			
Due to banks	6,996	-	-
Due to other customers	311,689	75,071	341,355
Other borrowings	-	-	-
Other liabilities	3,322	-	-
Total liabilities	322,007	75,071	341,355
Positive/(negative) maturity mismatch	122,474	(65,406)	(290,543)

	From 1 to 5 Years	More than 5 years	Maturity not defined	Total
	-	-	-	239,739
	-	-	-	34,032
	-	79,206	315	135,711
	-	-	-	110,244
	159,183	185,919	-	406,486
	-	-	13,160	13,160
	-	-	2,328	2,328
	-	-	-	3,369
	-	-	61	61
	159,183	265,125	15,864	945,130
	-	-	-	6,996
	57,059	-	-	785,174
	81,892	4,918	-	86,810
	-	-	-	3,322
	138,951	4,918	-	882,302
	20,232	260,207	15,864	62,828

3 Risk management disclosures, continued

(b) Non-trading activities, continued

(i) Liquidity risk, continued

Maturity table as at 31 December 2005

	Up to 1 Month	From 1 to 3 Months	From 3 to 1 year
Cash and cash equivalents	295,096	-	-
Financial assets held for trading	51,297	-	-
Investments	28,855	-	-
Loans and advances to banks and other financial institutions	47,368	-	9,595
Loans and advances to customers	392	6,099	31,743
Property and equipment	-	-	-
Intangible assets	-	-	-
Other assets	1,847	-	-
Total assets	424,855	6,099	41,338
Liabilities			
Due to banks	33,588	-	5,216
Due to other customers	201,729	69,626	233,216
Other borrowings	1,950	-	-
Other liabilities	3,067	1,947	2,323
Defferend tax liabilities	-	-	-
Total liabilities	240,334	71,573	240,755
Positive/(negative) maturity mismatch	184,521	(65,474)	(199,417)

	From 1 to 5 Years	More than 5 years	Maturity not defined	Total
	-	-	-	295,096
	-	-	-	51,297
	-	41,118	-	69,973
	-	-	-	56,963
	59,523	123,432	-	221,189
	-	-	11,099	11,099
	-	-	1,708	1,708
	-	-	-	1,847
	59,523	164,550	12,807	709,172
	-	-	-	38,804
	22,256	-	-	526,827
	92,375	-	-	94,325
	-	-	-	7,337
	-	-	58	58
	114,631	-	58	667,351
	(55,108)	164,550	12,749	41,821

3 Risk management disclosures, continued**(b) Non-trading activities, continued****(2) Market risk****(i) Interest rate risk**

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Bank is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the savings rate and six months LIBOR and different types of interest. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with the CB Allianz Bulgaria AD's business strategies.

Asset-liability risk management activities are conducted in the context of the Bank's sensitivity to interest rate changes. The actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contracted dates and variations in interest rate sensitivity within repricing periods and among currencies.

(ii) Currency risk

The Bank is exposed to currency risk through making deals with financial instruments, denominated in foreign currency.

As a result of the establishment of currency Board in Bulgaria, the Bulgarian currency is pegged to the Euro. As the currency in which the Bank presents its financial statements is the Bulgarian lev, the Bank's financial statements are effected by movements in the exchange rates between the currencies outside the Euro-zone and the lev.

The Bank's transactional exposures give rise to foreign currency gains and losses that are recognised in the income statement. These exposures comprise the monetary assets and monetary liabilities of the Bank that are not denominated in the measurement currency of the Bank. These exposures were as follows:

3 Risk management disclosures, continued

(b) Non-trading activities, continued

(2) Market risk, continued

(ii) Currency risk, continued

2006

In thousands of BGN	BGN	EUR in BGN equivalent	USD in BGN equivalent	CHF in BGN equivalent	Other in BGN equivalent	Total
Assets						
Cash and cash equivalents	24,884	162,667	48,762	339	3,087	239,739
Financial assets held for trading	19,826	10,651	3,555	-	-	34,032
Investments	79,553	40,839	15,319	-	-	135,711
Loans and advances to banks and other financial institutions	31,537	78,307	400	-	-	110,244
Loans and advances to customers	191,583	206,240	8,663	-	-	406,486
Property and equipment	13,160	-	-	-	-	13,160
Intangible assets	2,328	-	-	-	-	2,328
Other assets	3,369	-	-	-	-	3,369
Deferred tax assets	61	-	-	-	-	61
Total assets	366,301	498,704	76,699	339	3,087	945,130
Liabilities						
Due to banks	5,002	1,966	28	-	-	6,996
Due to other customers	355,307	351,336	75,724	255	2,552	785,174
Other borrowings	5,197	81,613	-	-	-	86,810
Other liabilities	2,994	305	23	-	-	3,322
Total liabilities	368,500	435,220	75,775	255	2,552	62,828
Net position	(2,199)	63,484	924	84	535	41,821

In respect of monetary assets and liabilities in foreign currencies that are not economically hedged, the Bank ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate.

3 Risk management disclosures, continued
(b) Non-trading activities, continued

(2) Market risk, continued
(ii) Currency risk, continued

2005

In thousands of BGN	BGN	EUR in BGN equivalent	USD in BGN equivalent	CHF in BGN equivalent	Other in BGN equivalent	Total
Assets						
Cash and cash equivalents	22,645	166,622	53,531	403	2,269	245,470
Financial assets held for trading	31,240	13,156	6,901	-	-	51,297
Investments	30,512	24,057	15,404	-	-	69,973
Loans and advances to banks and other financial institutions	49,287	56,874	428	-	-	106,589
Loans and advances to customers	118,227	96,951	6,011	-	-	221,189
Property and equipment	11,099	-	-	-	-	11,099
Intangible assets	1,708	-	-	-	-	1,708
Other assets	1,703	137	7	-	-	1,847
Total assets	266,421	357,797	82,282	403	2,269	709,172
Liabilities						
Due to banks	19,234	19,562	8	-	-	38,804
Due to other customers	236,526	206,134	82,329	170	1,668	526,827
Other borrowings	3,700	90,625	-	-	-	94,325
Other liabilities	7,064	250	23	-	-	7,337
Deferred tax liabilities	58	-	-	-	-	58
Total liabilities	266,582	316,571	82,360	170	1,668	667,351
Net position	(161)	41,226	(78)	233	601	41,821

In respect of monetary assets and liabilities in foreign currencies that are not economically hedged, the Bank ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate.

3 Risk management disclosures, continued

(b) Non-trading activities, continued

(3) Credit risk

The CB Allianz Bulgaria AD is subject to credit risk through its trading, lending, and investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees.

Credit risk associated with trading and investing activities is managed through the CB Allianz Bulgaria's market risk management process.

The risk that counterparties to both derivative and other instruments might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, CB "Allianz Bulgaria" AD deals with counterparties of good credit standing.

The Bank's primary exposure to credit risk arises through its loans and advances. The Bank has an extended set of policies and procedures in relation to credit approval and credit exposures management. The Bank manages actively

its credit risk by means of a set of detailed criteria which takes into account the risk management of the clients, financial analysis and the collateral of the loans to customers.

The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the balance sheet. In addition, the Bank is exposed to off balance sheet credit risk through commitments to extend credit and guarantees issued. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for Banks of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The major concentrations of credit risk arise by location and type of customer in relation to the Bank's investments, loans and advances, commitments to extend credit and guarantees issued.

Total on balance sheet economic sector credit risk concentrations are presented in the table below.

In thousands of BGN

	2006	2005
Manufacturing	11,291	9,448
Insurance	626	482
Trade and services	132,266	85,984
Transport and communications	22,133	11,427
Construction	27,346	7,883
Agriculture and forestry	15,486	8,383
Other	202,871	97,582
Less impairment allowances	(5,533)	(4,963)
	406,486	216,226

3 Risk management disclosures, continued

(b) Non-trading activities, continued

(3) Credit risk, continued

The CB Allianz Bulgaria's policy is to require suitable collateral to be provided by certain customers prior to the disbursement of approved loans. All of the balance of outstanding loans is collateralised. Guarantees and letters of credit are also subject to strict credit assessments before being provided. The agreements specify monetary limits to the Bank's obligations. The extent of collateral held for guarantees and letters of credit is 100 percent.

Collateral for loans, guarantees, and letters of credit is usually in the form of cash, real estate, plant and equipment, listed investments, or other property.

The table below shows a breakdown of total credit extended to customers, other than financial institutions, by the Bank by type of collateral:

In thousands of BGN	2006	2005
Secured by mortgages	55,764	74,740
Cash collateral	14,924	5,877
Other collateral	335,798	140,572
	406,486	221,189

Other collateral includes pledge on current assets and promissory notes.

(c) Compliance with the capital adequacy requirements

The Bank prepares monthly statutory reports in accordance with the requirements of Regulation 8 of Bulgarian National Bank (BNB) on Capital Adequacy of the Banks. According to Regulation 8 of BNB, the minimum requirements for the capital adequacy's ratios of Tier I capital and Total capital adequacy are respectively 6% and 12%. As at 31 December 2006 the Bank has fulfilled these statutory requirements, as follows:

In thousands of BGN	2006	2005
Risk weighted assets for covering credit risk	432,102	266,352
Risk weighted assets for covering market risk	14,387	17,764
Total risk weighted assets	446,489	284,116
Total capital base	55,201	33,017
Incl. Tier - one capital	51,394	32,418
Tier - one capital ratio	11.51%	11.41%
Total capital adequacy ratio	12.36%	14.12%

D. Fair value presentation of financial instruments

According to IAS 32 the Bank disclose fair value information on assets or liabilities for which published market information is readily available and where the fair value is materially different from their recorded amounts.

Loans and advances to banks and other financial institutions

The fair value of all the loans and advances to banks and other financial institutions is approximately equal to the book value given as at 31 December 2006, because of their short-term maturity.

Investments

As at 31 December 2006 the approximate fair value of the securities held to maturity amounts to BGN 82,621 thousand, while their amortized cost is BGN 79,521 thousand.

Loans and advances to customers

The market value of the loans and advances to customers does not differ materially from their book value, as in their major part the loans are based on floating interest rates, which reflect the change in the market levels.

Due to other customers

The fair value of the current account balances, which are not interest bearing, is the amount payable on sight. The fair value of the term deposits due to customers is close to their book value, as these deposits are either short term or have floating interest rates. The Bank changes the terms for the interest payable on floating rate deposits in dependence to the market conditions, in a way that the contracted interest rates correspond to the market levels.

4 Net interest income

In thousands of BGN

	2006	2005
Net interest income		
Interest and similar income		
Interest and similar income arise from:		
Loans and advances to banks	5,606	2,826
Loans and advances to customers	31,571	22,843
Financial assets held for trading	4,746	4,330
Investments	5,768	2,999
	47,691	32,998
Interest expense and similar charges		
Interest expense and similar charges arise from:		
Deposits from banks	(235)	(655)
Deposits from other customers and other borrowings	(22,118)	(16,167)
	(22,353)	(16,822)
Net interest income	25,338	16,176

5 Net fee and commission income

In thousands of BGN

	2006	2005
Fee and commission income		
Cash operations and payment orders	4,439	3,149
Guarantees and letters of credit	498	487
Other	4,659	3,079
	9,596	6,715
Fee and commission expense		
Servicing of bank current accounts	(68)	(57)
Other	(976)	(575)
	(1,044)	(632)
Net fee and commission income	8,552	6,083

6 Net trading income

In thousands of BGN

	2006	2005
Net trading income arises from:		
Debt instruments and related derivatives	712	4,612
Foreign exchange rate fluctuations	578	(853)
	1,290	3,759

7 General administrative expenses

In thousands of BGN

	2006	2005
General and administrative expenses		
Personnel cost	10,315	7,639
Materials, rent and services	7,391	5,473
Depreciation and amortization	2,435	2,121
Administration, marketing and other costs	3,871	2,510
	24,012	17,743

Personnel costs include salaries and social benefits paid to employees as well as all related social security. The number of employees of the Bank is 733 for 2006 (2005 : 621).

8 Impairment losses

In thousands of BGN

	2006	2005
Income from reversals of impairment losses on loans and advances to customers	3,142	2,884
Expenses for impairment losses on loans and advances to customers	(3,811)	(2,942)
	(669)	(58)

9 Other non interest income, net

In thousands of BGN

	2006	2005
Rental income	92	55
Other income , net	254	203
	346	258

10 Tax expense

In thousands of BGN

	2006	2005
Current tax	1,621	1,385
	1,621	1,385
Deferred tax		
<i>Due to change in the temporary differences</i>	(14)	(6)
<i>Due to change in the tax rate (from 15% to 10%)</i>	5	-
	(9)	(6)
Income tax recognised in the Income statement	1,612	1,379
Profit before tax	10,845	8,475
Nominal tax rate	15.00%	15.00%
	1,627	1,271
Tax effect from permanent differences	436	441
Tax effect from temporary differences	(442)	(327)
Current tax	1,621	1,385
Deferred tax	(9)	(6)
	1,612	1,379
Effective tax rate	14.86%	16.27%

The deferred tax expense results from the change of carrying amounts of deferred tax assets and deferred tax liabilities.

11 Cash and cash equivalents

In thousands of BGN

	2006	2005
Cash on hand		
In Bulgarian Leva	16,914	11,456
In foreign currencies	11,025	9,127
Balances with the Central Bank (ref. note 14)	138,911	2,376
Current accounts and amounts with local banks with original maturity less than 3 months		
In Bulgarian Leva	8,115	8,813
In foreign currencies	35,279	94,426
Current accounts and amounts with foreign banks with original maturity less than 3 months	29,495	119,272
	239,739	245,470

The current account with the Bulgarian National Bank is used for direct participation in the money and treasury bill markets and for settlement purposes.

12 Financial assets held for trading

In thousands of BGN

	2006	2005
Financial assets held for trading:		
<i>Government securities - Republic of Bulgaria</i>		
Short and long-term denominated in Bulgarian Leva	9,436	22,957
Long-term denominated in foreign currencies	10,728	13,659
<i>Debt instruments issued by other issuers:</i>		
Debt instruments denominated in Bulgarian Leva	4,970	3,211
Debt instruments denominated in foreign currencies	3,478	6,398
Shares issued by local entities	5,144	5,070
Shares in investment funds	273	-
Compensatory Notes	3	2
	34,032	51,297

Government securities comprise coupon and discount securities, denominated in BGN, USD and EUR. The BGN denominated securities earn interest between 3.5% and 7.50%, securities in USD earn between 5.43% and 8.25% and securities in EUR earn between 3.56% and 7.5%.

Debt instruments comprise corporate and mortgage bonds. The corporate bonds are denominated in BGN and EUR. Those denominated in BGN earn interest between 3.771% and 10.00%. The corporate bonds denominated in EUR earn

interest in the range 6.24% and 7.20%.

The mortgage bonds denominated in BGN earn interest 6.25%, the mortgage bonds denominated in EUR earn interest between 7.0% and 7.567%. The corporate and mortgage bonds are stated at fair market prices quoted on the local market.

13 Investments

In thousands of BGN

	2006	2005
Debt and other fixed income instruments available- for- sale		
Government securities -Republic of Bulgaria	42,673	21,283
Equity instruments and other non-fixed income instruments	315	257
Debt instruments	13,202	7,315
Debt and other fixed income instruments held-to-maturity		
Government securities -Republic of Bulgaria	77,443	37,345
Debt instruments issued by other issuers	2,078	3,773
	135,711	69,973

13 Investments, continued

Government debt securities classified as instruments available-for-sale comprise medium and long term Bulgarian government securities, denominated in BGN that earn interest between 2.75% and 7.5%, EUR that earn interest 6.00% and 7.5%, USD that earn interest 8.25%.

Debt securities classified as instruments available-for-sale comprise bonds, denominated in BGN that earn interest in the range between 3.771% and 6.375% and EUR that earn interest in the range between 7.00% and 7.2% and maturity 2009 year.

Equity investments and other non-fixed income instruments available for sale comprise shares in local and foreign companies and organizations related to the Bank's membership in bank transfer and settlement institutions. The investments classified as equity investments and other non-fixed income instruments available for sale are stated at cost, as they do not have quoted market prices in an active market.

Government debt securities held to maturity comprise financial assets denominated in BGN, EUR and USD. The securities in BGN carry interest in the range between 2.75% and 7.5%, while the securities in EUR earn interest between 6.00% and 7.5% and USD earn interest of 8.25%.

The debt securities classified as instruments held-to-maturity comprise corporate bonds denominated in BGN that earn interest in the range 4.875% and 6.625% and mature between 2006 and 2009.

14 Loans and advances to banks and other financial institutions

(a) Analysis by type

In thousands of BGN

	2006	2005
Loans and advances to banks	70,357	59,670
Receivables under repurchase agreements	39,887	46,919
	110,244	106,589

Loans and advances to banks include the obligatory reserve placed with the Central Bank to the amount of BGN 69,390 thousand at 31 December 2006 as at 31 December 2005 theirs amount is BGN 49,626 thousand.

As at 31 December 2006 receivables under repurchase

agreements comprise deals denominated in BGN, EUR concluded with commercial banks and other financial institutions. The loans denominated in BGN earn interest between 3.65% and 4.00%, and those denominated in EUR earn interest in the range between 3.61% - 3.67%.

(b) Geographical analysis

In thousands of BGN

	2006	2005
Local banks and other financial institutions	109,845	106,162
Foreign banks and other financial institutions	399	427
	110,244	106,589

15 Loans and advances to customers**(a) Analysis by type of borrower**

In thousands of BGN

	2006	2005
Individuals		
In Bulgarian Leva	82,783	40,377
In foreign currencies	120,159	59,035
Private companies		
In Bulgarian Leva	112,213	79,796
In foreign currencies	95,981	45,146
State owned companies		
In Bulgarian Leva	883	1,739
In foreign currencies	-	59
Less impairment allowances	(5,533)	(4,963)
	406,486	221,189

Loans to customers earn effective interest rate of 10.42 % (2005 : 10.65%).

(b) Analysis by sector of economy

In thousands of BGN

	2006	2005
Individuals		
Trade loans	882	1,450
Consumer loans	37,448	19,947
Mortgage loans	163,099	76,994
Agriculture loans	297	315
Credit cards	227	401
Other loans	991	333
Legal entities		
Trade loans	82,714	41,330
Mortgage loans	365	-
Agriculture loans	8,849	4,683
Loans to state budget	-	174
Credit cards	265	93
Other loans	116,882	80,432
Less impairment allowances	(5,533)	(4,963)
	406,486	221,189

(c) Impairment allowance of loans and advances to customers

In thousands of BGN

	2006	2005
Balance at 1 January	4,963	5,008
Additional allowances/(recoveries)	669	58
Write-offs	(99)	(103)
Balance at the end of the period	5,533	4,963

16 Property and equipment

In thousands of BGN

	Land and buildings	Machines and equipment	Fixtures and fittings	Motor Vehicles	Assets under Construction	Total
Cost						
At 1 January 2006	4,946	6,566	3,498	1,040	3,556	19,606
Additions	-	419	4	290	4,431	5,144
Transfers	1,709	1,536	956	76	(5,468)	(1,191)
Disposals	-	(508)	(37)	(126)	-	(671)
At 31 December 2006	6,655	8,013	4,421	1,280	2,519	22,888
Depreciation						
At 1 January 2006	(714)	(5,266)	(1,828)	(699)	-	(8,507)
Charge for the year	(190)	(1,065)	(440)	(160)	-	(1,855)
Disposals	-	507	36	91	-	634
At 31 December 2006	(904)	(5,824)	(2,232)	(768)	-	(9,728)
Net book value						
31 December 2006	5,751	2,189	2,189	512	2,519	13,160
Net book value						
At 1 January 2006	4,232	1,300	1,670	341	3,556	11,099

17 Intangible assets

In thousands of BGN

	Total
Cost	
At 1 January 2006	3,613
Additions	9
Disposals	(140)
Transfers from assets under construction	1,191
At 31 December 2006	4,673
Depreciation	
At 1 January 2006	(1,905)
Charge for the year	(580)
Disposals	140
At 31 December 2006	(2,345)
Net book value	
31 December 2006	2,328
Net book value	
At 1 January 2006	1,708

18 Deferred Taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 10% for 2006 (2005 : 15%).

Deferred income tax balances are attributable to the following items:

In thousands of BGN	Assets		Liabilities		Net	
	2006	2005	2006	2005	2006	2005
Financial assets available for sale	(14)	-	-	96	(14)	96
Other liabilities	(47)	(38)	-	-	(47)	(38)
Net tax (assets)/liabilities	(61)	(38)	-	96	(61)	58

Movement in temporary differences during the year arises from:

In thousands of BGN	Balance	Recognised during year in the		Balance
	2005	Income statement	Equity	2006
Financial assets available for sale	96	-	(110)	(14)
Other liabilities	(38)	(9)	-	(47)
Net deferred taxes (assets)/liabilities	58	(9)	(110)	(61)

19 Other assets

In thousands of BGN

	2006	2005
Assets for resale	22	22
Deferred expense	81	557
	813	
Other assets	2,534	1,268
	3,369	1,847

20 Due to banks

In thousands of BGN

	2006	2005
Deposits from banks		
Term deposits	6,958	38,796
Current account	38	8
	6,996	38,804

21 Due to other customers

In thousands of BGN

	2006	2005
Individuals		
in Bulgarian Leva	106,019	60,531
in foreign currencies	248,957	144,501
Private companies		
in Bulgarian Leva	215,072	154,562
in foreign currencies	171,002	137,217
State owned companies		
in Bulgarian Leva	23,752	21,433
in foreign currencies	20,372	8,583
	785,174	526,827

22 Other borrowings

In thousands of BGN

	2006	2005
Bonds issued	68,645	82,577
Liabilities under repurchase agreements	-	1,950
Payable to State Agricultural Fund	5,196	1,750
Payable to banks on credit line's refinancing	8,051	8,048
Subordinated term debt	4,918	-
	86,810	94,325

As at 31 December 2006 the bonds issued represent financing obtained by the Bank through two issues of mortgage bonds. The first issue has nominal value EUR 15,000 thousand and maturity 27 October 2009. The bonds carry interest 5.75% which is paid semi-annually. The second issue is with nominal value EUR 20,000 thousand and maturity 23 December 2010. The interest is 3.75%, which is paid semi-annually. The financing is secured by first pledge upon first rank mortgages of the bank up to 130.75% of the amount of the issues. As at 31 December 2006 the amount of the debt is EUR 35,175 thousand of which EUR 175 thousand is interest payable. When presenting it, the debt is reduced by EUR 77 thousand - expenses for issuing the mortgage bonds.

Payables to the State Agricultural Fund (SAF) represent a refinancing facility under which the Bank extends mid-

term investment loans to agricultural producers. The line is secured by promissory notes issued by the Bank in favour of SAF to the amount of each separate project financed. Payables to a local bank under Kreditanstalt fuer Wiederaufbau, Frankfurt on Mein (KfW) credit line as at 31 December 2006 represent the utilized tranches totalling EUR 4,000 thousand under a loan for small and mid-sized business development and EUR 116 thousand interest .

22 Other borrowings ,continued

In November 2006, the bank has signed five year loan contract with "Allianz Bulgaria Life" Insurance Company under the terms of subordinated debt. The amount of the loan is EUR 2,500 thousand and the interest is 6.5%, payable at maturity. The subordinated term debt can be presented as follows:

In thousands of BGN

Principal	Original term	Remaining term	Amortised value as at 31 December 2006
4,890	60 months	59 months	4,918

The bank has received permission from BNB to include the funds from the subordinated term debt in its tier-two capital and to increase its capital base, under the requirements set out in BNB Regulation N 8. All payments on the subordinated term debt before maturity are subject to prior written approval of the Bulgarian National Bank.

23 Other liabilities

In thousands of BGN

	2005	2004
Liabilities to personnel	899	683
Current tax liability	434	724
Other payables	1,989	930
Subscribed capital	-	5,000
	3,322	7,337

24 Repurchase and resale agreements

The Bank borrows funds by selling financial instruments under agreements to repay the funds by repurchasing the instruments at future dates at the same price plus interest at a predetermined rate. Repurchase agreements are commonly used as a tool for short-term financing of interest-bearing assets, depending on the prevailing interest rates.

At 31 December 2006 the bank did not have assets sold under repurchase agreements.

The Bank also purchases financial instruments under agreements to resell them at future dates ("reverse repurchase agreements"). The seller commits to repurchase the same or similar instruments at an agreed future date. Reverse repurchases are entered into as a facility to provide funds to customers. At 31 December 2006 assets purchased subject to agreements to resell them were as follows:

In thousands of BGN	Carrying amount of receivable	Fair value of assets held as collateral	Repurchase dates
Bulgarian government securities	4,544	4,699	3 January 2007
Bulgarian government securities	34,883	35,332	4 January 2007
Bulgarian government securities	460	473	5 January 2007
Total	39,887	40,504	

25 Capital and reserves

(a) Share capital

As at 31 December 2006, the share capital of the Bank amounts to BGN 47,803 thousand (2005: 35,303 thousand), which comprise the authorized issued capital amounting to BGN 31,500 thousand and hyperinflationary

restatements amounting to BGN 16,303 thousand. The authorized share capital comprises 31,500,000 fully paid shares with a par value BGN 1.

The ownership structure of the registered ordinary share capital of the Bank is as follows:

Shareholder	2006 % of ownership	2005 % of ownership
Allianz Bulgaria Holding	79.76	79.605
Energy Insurance Company	9.999	9.999
ZPAD Allianz Bulgaria	9.999	9.999
Other	0.242	0.397
	100.000	100.000

(b) Retained earnings and reserves

As of 31 December 2006, the retained earnings and other reserves comprise retained earnings amounting to BGN 12,374 thousand (2005 - BGN 8,970 thousand), hyperinflationary adjustments amounting to BGN (16,303) thousand (2005 - BGN (16,303) thousand), reserves from previous years amounting to BGN 198 thousand, as well as BGN 9,233 thousand net profit for the current period.

(c) Statutory reserves

Statutory reserves set aside in accordance with the requirements of the banking legislation as of 31 December 2006 amounted to BGN 9,652 thousand (2005: BGN 5,959 thousand).

(d) Revaluation reserve

The revaluation reserves include the revaluation reserve of available for sale assets.

26 Contingent liabilities

(a) Memorandum items

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to two years.

The contractual amounts of financial guarantees and letters of credit are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

26 Contingent liabilities, continued
(b) Memorandum items, continued

In thousands of BGN

	2006	2005
Bank guarantees and letters of credit		
-in Bulgarian Leva	29,093	15,592
-in foreign currencies	28,339	18,024
	57,432	33,616

These commitments and contingent liabilities have off balance-sheet credit risk because only fees and accruals for probable losses are recognized in the balance sheet until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows. At 31 December 2006 the extent of collateral held for guarantees and letters of credit is 100 percent.

(b) Other contingencies

CB "Allianz Bulgaria" AD is defending a lawsuit from a local commercial bank from November 2000. Claims for the same amount and on the same grounds have been also filed with the court against other commercial banks. The claim against CB Allianz Bulgaria AD is for late transfer of amounts from the current accounts of a company, which had a payable to the commercial bank. The initial claim of the plaintiff amounts to USD 6,000 but the contingent liability might amount to USD 1,250 thousand although the management and legal advisors of the Bank consider the possibility of the lawsuit being successful for the plaintiff as remote. As the ultimate outcome of the matter cannot be reliably determined currently, no provision for any liability that may results has been made in the financial statements.

27 Assets pledged as securities

As at 31 December 2006 the Bank has pledged Government securities with nominal value BGN 17,095 thousand and market value BGN 16,867 thousand as security for borrowed funds from the State Budget, Government securities with nominal value BGN 10,000 thousand and market value - BGN 10,008 thousand as security for the second loan stock, issued by CB Allianz Bulgaria AD.

28 Trust activities

The Bank provides trust services to the companies in the Allianz Bulgaria Group (the Group), whereby it holds and manages Bulgarian government securities at the direction of the Group. The Bank receives fee income for providing these services. Trust assets are not assets of the Bank and are not recognised in the Bank's balance sheet. The Bank is not exposed to any credit risk relating to such placements, as it does not guarantee these investments. At 31 December 2006 the total assets' face value held by the Bank on behalf of the companies in the Allianz Bulgaria Group is BGN 64 million (2005: BGN 56 million).

29 Related party transactions

(a) Transactions and balances

Related party	Nature of the related party relationship	Type of transaction	Amount
In thousands of BGN			
Allianz Bulgaria Holding	Controls directly or indirectly the business of the bank	Demand accounts	137
		Deposits	665
		Interest expenses	655
		Fee and commission income	1
Allianz Bulgaria Insurance & Re-insurance company	Controls directly or indirectly the business of the bank	Demand accounts	2,832
		Deposits	13,301
		Interest expenses	360
		Fee and commission income	145
		Other expenses	488
		Other incomes	11
Energy Insurance company	Controls directly or indirectly the business of the bank	Demand accounts	494
		Deposits	7,387
		Interest expenses	400
		Fee and commission income	47
		Other expenses	45
Allianz Bulgaria Life Insurance company	Both parties are under the control of Allianz Bulgaria Holding	Demand accounts	1,547
		Deposits	28,075
		Interest expenses	928
		Fee and commission income	40
		Other expenses	509
Allianz Bulgaria Pension Fund	Both parties are under the control of Allianz Bulgaria Holding	Demand accounts	667
		Deposits	1,230
		Interest expenses	120
		Fee and commission income	2
		Other expenses	9
Bulgaria Net	Both parties are under the control of Allianz Bulgaria Holding	Demand accounts	196
		Deposits	3
		Interest expenses	5
		Fee and commission income	3
		Other incomes	40
Allianz Bulgaria Financier	Both parties are under the control of Allianz Bulgaria Holding	Demand accounts	2,554
		Deposits	6,000
		Interest expenses	65
		Fee and commission income	25

29 Related party transactions

(b) Other related parties

In thousands of BGN

Related party	Type of transaction	Amount
Employees	Loans extended	5,390
Directors	Remuneration	622

30 Post balance sheet events

There are no events, subsequent to the balance sheet date, of such a nature that they would require additional disclosures or adjustments to the financial statements.

31 List of the applicable accounting standards

IFRS 1 - First-time Adoption of International Financial Reporting Standards	IAS 31 - Interests in Joint Ventures
IFRS 2 - Share-based Payment	IAS 32 - Financial Instruments: Disclosure and Presentation
IFRS 3 - Business Combinations	IAS 33 - Earnings per Share
IFRS 4 - Insurance Contracts	IAS 34 - Interim Financial Reporting
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	IAS 36 - Impairment of Assets
IFRS 6 - Exploration for and Evaluation of Mineral Resources	IAS 37 - Provisions, Contingent Liabilities and Contingent Assets
IAS 1 - Presentation of Financial Statements	IAS 38 - Intangible Assets
IAS 2 - Inventories	IAS 39 - Financial Instruments: Recognition and Measurement
IAS 7 - Cash Flow Statements	IAS 40 - Investment Properties
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	IAS 41 - Agriculture
IAS 10 - Events After the Balance Sheet Date	IFRIC 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities
IAS 11 - Construction Contracts	IFRIC 2 - Members' Shares in Co-operative Entities and Similar Instruments
IAS 12 - Income Taxes	IFRIC 4 - Determining whether an Arrangement contains a Lease
IAS 14 - Segment Reporting	IFRIC 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IAS 16 - Property, Plant and Equipment	SIC 7 - Introduction of the Euro
IAS 17 - Leases	SIC 10 - Government Assistance - No Specific Relation to Operating Activities
IAS 18 - Revenue	SIC 12 - Consolidation - Special Purpose Entities
IAS 19 - Employee Benefits	SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers
IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance	SIC 15 - Operating Leases - Incentives
IAS 21 - The Effects of Changes in Foreign Exchange Rates	SIC 21 - Income Taxes - Recovery of Revalued Non-Depreciable Assets
IAS 23 - Borrowing Costs	SIC 25 - Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
IAS 24 - Related Party Disclosures	SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IAS 26 - Accounting and Reporting by Retirement Benefit Plans	SIC 29 - Disclosure - Service Concession Arrangements
IAS 27 - Consolidated and Separate Financial Statements	SIC 31 - Revenue - Barter Transactions Involving Advertising Services
IAS 28 - Investments in Associates	SIC 32 - Intangible Assets - Web Site Costs
IAS 29 - Financial Reporting in Hyperinflationary Economies	
IAS 30 - Disclosures in the Financial Statements of Banks and Similar Financial Institutions	



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Commercial Bank Allianz Bulgaria AD

Report on the Financial Statements

We have audited the accompanying financial statements of CB Allianz Bulgaria AD (the Bank), which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the national accounting legislation, applicable to banks in Bulgaria. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, financial statements give a true and fair view of the financial position of CB Allianz Bulgaria AD as at December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with the national accounting legislation, applicable to banks in Bulgaria, as described in note 1 of the financial statements of the Bank.

Report on Other Legal and Regulatory Requirements

Annual report of the activities of the Bank according to article 33 of the Accountancy Act
As required under the Accountancy Act, we also report that the historical financial information prepared by Management and presented in the annual report of the activities of the Bank, as required under article 33 of the Accountancy Act, is consistent, in all material aspects with the financial information disclosed in the financial statements of the Bank as at and for the year ended 31 December 2006. Management is responsible for the preparation of the annual report of the activities of the Bank which was approved by the Management Board of the Bank on 14 January 2007.

Krassimir Hadjidinev
Authorised representative



Margarita Goleva
Registered auditor



Sofia, 14 January 2007
KPMG Bulgaria OOD
37 Fridtjof Nansen Str.
1142 Sofia
Bulgaria



AUSTRIA

Bank Austria AG
 BAWAG P.S.K. (formerly Bank fuer Arbeit und Wirtschaft AG)
 Bank Austria Creditanstalt AG
 Raiffeisen Centrobank AG
 Erste Bank der Oesterreichischen Sparkassen AG
 Kaerntner Sparkasse AG
 Raiffeisen Zentralbank Oesterreich AG

BELGIUM

Artesia BC S.A./N.V.
 ING Belguim NV/SA (formerly Bank Brussels Lambert SA), Brussels
 Deutsche Bank SA/NV Brussels, Belguim
 Deutsche Bank AG
 Fortis Banque S.A./N.V (formerly Generale de Banque S.A.), Brussels
 Dexia Bank SA
 KBC Bank NV

BULGARIA

Unicredit Bulbank AD, Sofia
 Bulgarian-American Credit Bank
 Emporiki Bank-Bulgaria EAD
 Bulgarian National Bank
 Bulgarian Post Bank
 Economic and Investment Bank AD
 CB MKB Unionbank LTD.
 Central Cooperative Bank LTD.
 Citibank N.A.
 Tokuda Bank AD
 D Commerce Bank AD
 First Investment Bank LTD.
 International Asset Bank AD
 ING Bank N.V.
 Investbank PLC
 Corporate Commercial Bank LTD.
 Encouragement Bank AD, Sofia
 Piraeus Bank Bulgaria
 Procredit Bank
 DZI Bank
 Raiffeisenbank (Bulgaria) EAD
 Municipal Bank PLC
 OTP DSK Bank (formerly State Savings Bank)
 T.C. Ziraat Bankasi-Sofia Branch
 Teximbank AD
 SG Expressbank
 United Bulgarian Bank
 NLB West East Bank
 Alpha Bank
 BNP Paribas (Bulgaria) EAD, Sofia Branch

CHINA

Rizhao City Commercial Bank
 Wenzhou City Commercial Bank

CROATIA

Raiffeisenbank Austria D.D. Zagreb
 Zagrebacka Banka DD

CYPRUS

Barclays Bank PLC, International Banking Unit
 Bank of Cyprus LTD.

CZECH REPUBLIC

Ceskoslovenska Obchodni Banka, A.S.
 Komerčni Banka A.S.

DENMARK

Danske Bank A/S, Copenhagen

ESTONIA

AS Hansapank

FINLAND

Skandinaviska Enskilda Banken, Helsinki
 Nordea Bank Finland PLC
 Sampo Bank PLC

FRANCE

BNP-Paribas SA (formerly Banque Nationale de Paris
 Bank Polska Kasa Opieki S.A. Succursale De Paris

GERMANY

Anglo-Romanian Bank Limited, Zweigniederlassung, Frankfurt am Main
 KBC Bank Deutschland AG
 Berliner Bank, Niederlassung der Bankgesellschaft Berlin AG
 Joh. Berenberg, Gossler Und Co.
 BHF-Bank Aktiengesellschaft
 J.P. Morgan AG
 Commerzbank AG
 Deutsche Bank AG
 Dresdner Bank AG
 DZ Bank AG Deutsche Zentral Genossenschaftsbank
 HSH Nordbank AG(formerly Hamburgische Landesbank-Girozentral)
 Bayerische Hypo-und Vereinsbank AG- Hypovereinsbank
 ING Bank Deutschland AG
 LHB Internationale Handelsbank AG
 Yapi Ve Kredi Bankasi A.S.

GREECE

Black Sea Trade and Development Bank
 Citibank International PLC-Greece Branch
 Alpha Bank AE
 EFG Eurobank Ergasias S.A.
 National Bank of Greece S.A.

HUNGARY

Citibank N.A.
MKB Bank NYRT (formerly Magyar Kulkereskedelmi Bank RT.)

IRELAND

AIB Bank
Anglo Irish Bank Corporation PLC
Citibank N.A.

ISRAEL

Bank Leumi Le Israel B.M.

ITALY

Banca Delle Marche SPA
Banca Intesa SPA (formerly Intesabci-Banca Commerciale Italiana)
Banca Lombarda E Piemontese S.P.A.
Banca Nazionale Del Lavoro S.P.A.
Banca Popolare Dell'Emilia Romagna
Banca Popolare Friuladria SPA
Banca Di Cividale S.P.A.
Sanpaolo IMI S.P.A.
Banca Popolare Di Novara SPA
Unicredito Italiano SPA

JAPAN

The Bank of Tokyo-Mitsubishi LTD.

KOREA(REPUBLIC OF)

Woori Bank, Seoul

LATVIA

Parex Bank, Latvia

LITHUANIA

AB Sampo Bankas
Ukio Bankas

LUXEMBOURG

ING Luxembourg S.A.

MACEDONIA

Export and Credit Bank Inc.
Stopanska Banka AD Bitola
Stopanska Banka A.D.
Tutunska Banka AD
Universal Investment Bank AD Skopje (Unibank)

MALTA

FIM Bank PLC
HSBC Bank Malta P.L.C.

MEXICO

Banko Del Bajio, S.A.

MOLDOVA(REPUBLIC OF)

JSCB Eximbank

NETHERLANDS

ABN Amro Bank N.V.
Fortis Bank (Nederland) N.V.
Hollandsche Bank-Unie N.V.
ING Bank N.V

NORWAY

DNB NOR Bank ASA (formerly Den Norske Bank ASA)
Fokus Bank A/S, Trondheim

POLAND

BPH S.A.
Citibank N.A.
Bank Polska Kasa Opieki -Bank Pekao S.A.
Fortis Bank Polska S.A.

PORTUGAL

Banco Comercial Portugues
Banco Espirito Santo S.A.

ROMANIA

OTP Bank Romania S.A.
BRD-Groupe Societe Generale S.A.
Citibank N.A.
Romanian Commercial Bank
Raiffeisen Bank S.A.

RUSSIAN FEDERATION

Absolut Bank
Eurotrust CB ZAO
Rosevrobank JSCB
Dresdner Bank ZAO
Euraxis Bank Joint Stock Commercial Bank
The Bank of Moscow
Sberbank

SERBIA AND MONTENEGRO

A Banka A.D.

SLOVENIA

Gorenjska Banka D.D., Kranj
Nova Ljubljanska Banka D.D.
SKB Banka D.D.
Dezelna Banka Slovenje D.D.
43 List of Correspondent

SPAIN

Banco Bilbao Vizcaya Argentaria S.A.
Banco Cooperativo Espanol S.A.
Caixa D'Estalvis I Pensions De Barcelona (La Caixa)

Caixanova (Caixavigo,Ourense e Pontevedra)
Cajamar-Caja Rural Intermediterranea S.C.C.
Banco de Valencia S.A.

SWEDEN

Citibank N.A.
Skandinaviska Enskilda Banken
Svenska Handelsbanken
Danske Bank A/S, Stockholm

SWITZERLAND

Credit Agricole (Suisse) SA
Neue Aargauer Bank
Banca del Gottardo
BNP Paribas (Suisse) SA
Bank Cial (Switzerland) LTD.
Citibank N.A.
Credit Suisse
Finansbank(Suisse) S.A.
UBS AG
UEB (Switzerland)
Zuercher Kantonalbank

TURKEY

Citibank N.A.
Turkiye IS Bankasi A.S.
KOC Bank A.S.
OYAK Bank A.S.
Turk Ekonomi Bankasi A.S.
Turkiye Garanti Bankasi A.S.

UKRAINE

Privatbank

UNITED ARAB EMIRATES

The Bank of Sharjah

UNITED KINGDOM

JPMorgan Chase Bank, N.A.
Citibank N.A.
Clydesdale Bank PLC
Travelex Global and Financial Services LTD.
Deutsche Bank AG
Bayerische Hypo und Vereinsbank
Lloyds TSB Bank PLC.
National Westminster Bank PLC
Royal Bank of Scotland PLC
Travelex PLC
Unicredito Italiano SPA-London Branch

UNITED STATES OF AMERICA

ABN AMRO Bank N.V.
American Express Bank LTD.
Deutsche Bank Trust Company Americas
Bank of America N.A.
Union Bank of California N.A.
JPMorgan Chase Bank N.A.
Citibank N.A.
Calyon
Fleet National Bank
Habib American Bank
Bank of New York
Wachovia Bank N.A.
Standard Chartered Bank
UBS AG

UZBEKISTAN(REPUBLIC OF)

PAKHTA Bank

List of Nostro Correspondent Accounts of Allianz Bulgaria

Currency	Bank	BIC	Account ¹
CHF	UBS AG, Zurich	UBSWCHZH80A	58067.05X
DKK	Danske Bank A/S, Copenhagen	DABADKKK	3996065197
NOK	Fokus Bank, Trondheim	DABANO22	86011803824
SEK	Danske Bank AS, Stockholm	DABASESX	12460103387
JPY	Dresdner Bank AG, Frankfurt/Main	DRESDEFF	499/08021715/00/732
EUR	Dresdner Bank AG, Frankfurt/Main	DRESDEFF	499/08021715/00/888
EUR	Commerzbank AG, Frankfurt/Main	COBADEFF	400 8719072 00
EUR	ING Belgium NV/SA, Brussels	BBRUBEBB010	301-0102528-80
EUR	Deutsche Bank AG, Frankfurt/Main	DEUTDEFF	10092331150000
EUR	Unicredito Italiano SPA, Milano	UNCRITMM	0099500002739
GBP	National Westminster Bank PLC, London	NWBKGB2L	440/00/04598415
USD	Citibank NA, New York	CITIUS33	36144313
USD	Wachovia Bank International Branch, New York	PNBPUS3NNYC	2000193001969
USD	American Express Bank LTD., New York	AEIBUS33	750299

- Business centre of CB Allianz Bulgaria-BC
- Financial centre of CB Allianz Bulgaria-FC
- SFC-Small financial centre

8500 Aytos

FC Aytos
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FC Bankya
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SFC Byala Slatina
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9600 Balchik

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2670 Bobov Dol

SFC Bobov Dol
TEC Bobov dol
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20, Geo Milev Str.
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8000 Burgas

SFC Autocenter
Pobeda district, Southern Industrial Zone
Tel.: +359 56 84 57 34

8000 Burgas

SFC BSU
101, Alexandrovska Str.
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8000 Burgas

SFC Okeanski ribolov
3,Industrialna Str.
Tel.: +359 56 84 25 07

8000 Burgas

FC Stefan Stambolov
52, Stefan Stambolov Blvd.
Tel.: +359 56 83 01 13

8000 Burgas

FC Slaveikov
Slaveikov district, bl. 1A
Tel.: +359 56 58 35 05

8000 Burgas

FC Meden Rudnik
Meden rudnik district
Zone A, BTC Building
Tel.: +359 56 851 680

6400 Dimitrovgrad BC

4-A, Kazintzbarzika Str.
Tel.: +359 391 604 56

9300 Dobrich BC

10, Bulgaria Str.
Tel.: +359 58 65 56 67

2600 Dupnitsa BC

3, Hristo Botev Str.
Tel.: +359 701 59 830

5300 Gabrovo BC

18, Vasil Aprilov Str.
Tel.: +359 66 81 02 35

6280 Galabovo

FC Galabovo
St. Stambolov Str., bl. A
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6151 Gorno Sahrane

SFC Gabrovnitsa
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2900 Gotse Delchev

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5439 Gradnitsa

SFC Vidima 2
Tel.: +359 673 62 03

6300 Haskovo BC

7, San Stefano Str.
Tel.: +359 38 60 32 60

9650 Kavarna

FC Kavarna
31, St. Karadja Str.
Tel.: +359 570 82 589

6100 Kazanlak BC

1, Y. Statelov Str.
Tel.: +359 431 68 760

6600 Kardjali BC

58, Bulgaria Blvd.
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3321 Kozlodui

SFC Kozlodui
APP
Tel.: +359 973. 8 68 64

9649 Kranevo

FC Kranevo
28, Chernomore Str.
Tel.: +359 579. 6 60 17

7300 Kubrat

SFC Kubrat
8, Tzar Osoboditel Str.
Tel.: +359 838. 65 61

2500 Kyustendil BC

24, Bulgaria Blvd.
Tel.: +359 78. 550 882

5500 Lovech BC

55, Targovska Str.
Tel.: +359 68 600 436

3400 Montana BC

8, Stefan Karadja Str.
Tel.: +359 96. 30 08 11

8900 Nova Zagora

FC Nova Zagora
40, V. Levski Str.
Tel.: +359 457. 2 20 95

9900 Novi Pazar

FC Novi Pazar
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Tel.: +359 537. 24 20

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FC Nesebar
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Tel.: +359 554. 44 833

7900 Omurtag

FC Omurtag
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Tel.: +359 605. 40 08

4400 Pazardjik BC

5, Tzar Ivan Shishman Str.
Tel.: +359 34. 40 39 51

4400 Pazardjik

SFC Toyota
4, St. Stambolov Str.
Tel.: +359 34 44 17 08

2850 Petrich

FC Petrich
4, Vazrajidane Sq.
Tel.: +359 745 69 785

7800 Popovo

FC Popovo
49, Bulgaria Blvd.
Tel.: +359 608. 25 990

8200 Pomorie

SFC Pomorie
Balneohotel Pomorie
Tel.: +359 596. 28 017

5800 Pleven BC

16, Tz. Tzerkovski Str.
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5800 Pleven

SFC UMBAL D-r G. Stranski
8 A, Georgi Kochev Str.
Tel.: +359 64. 88 64 10

5800 Pleven

FC Osvoobojdenie
13, Danail Popov Str.
Tel.: +359 64. 88 26 10

4000 Plovdiv

FC Ivan Vazov
11, Ivan Vazov Str.
Tel.: +359 32. 64 68 10

4000 Plovdiv

FC Gladston
10, Gladston Str.
Tel.: +359 32 65 69 10

4000 Plovdiv

Prestij BC
1, Polkovnik Bonev Str.
Tel.: +359 32 90 52 81

4000 Plovdiv

FC Evmolpia
42, Petko D. Petkov Str.
Tel.: +359 32 60 78 50

4000 Plovdiv BC

11, Ivan Vazov Str.
Tel.: +359 32 64 68 05

4000 Plovdiv

FC Dunav
76, Dunav Str.
Tel.: +359 32 96 29 82

7200 Razgrad BC

18, Iskar Str.
Tel.: +359 84 69 04 11

7000 Russe BC

33, Alexandrovska Str.
Tel.: +359 82. 83 58 87

7000 Russe

FC Borisova
54, Borisova Str.
Tel.: +359 82 81 12 60

7000 Russe

FC Evas
14, Olimpi Panov Str.
Tel.: +359 82 83 45 27

7000 Russe

FC Drujba
Drujba 3, Building Romantica
Tel.: +359 82 86 17 39

7000 Russe

FC Yantra
7, Studentska Str.
Tel.: +359 82 84 38 95

8540 Ruen

SFC Ruen
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Tel.: +359 5944 230

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