

**MUNICIPAL BANK PLC**

**FINANCIAL STATEMENTS**

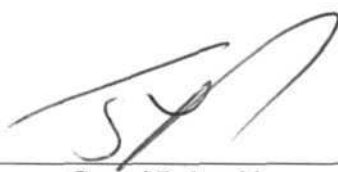
As of 30 June 2006

## INCOME STATEMENT

AS OF 30 JUNE 2006 AND 2005

All amounts are in BGN '000, unless otherwise stated.

	Note	30 June 2006 BGN '000	30 June 2005 BGN '000
Interest and similar income	13	10,277	9,155
Interest expense and similar charges	13	(4,503)	(3,908)
<b>Net interest margin</b>		<u>5,774</u>	<u>5,247</u>
Fee and commission income, net	14	3,427	3,448
Gains from dealing with securities, net	15	3,341	8,091
Gains from dealing in foreign currency, net	16	213	491
Other income, net	17	285	86
General and administrative expenses	18	(11,816)	(10,447)
Allowances for impairment and uncollectability	19	(31)	(3,301)
<b>Profit before taxation</b>		<u>1,193</u>	<u>3,615</u>
Taxation		(186)	(648)
<b>Net profit</b>		<u><u>1,007</u></u>	<u><u>2,967</u></u>


Vassil Trenev  
Executive Director

Georgi Belovski  
Executive Director

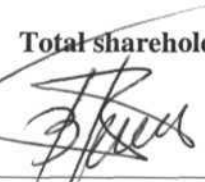


Ivanka Boneva  
Chief Accountant

14 July 2006

## BALANCE SHEET

AS OF 30 JUNE 2006 AND 2005

All amounts are in BGN '000, unless otherwise stated.

	Note	30 June 2006 BGN '000	30 June 2005 BGN '000
<b>ASSETS</b>			
Cash, balances with the Central Bank, and nostro accounts with other banks	1	65,759	52,536
Placements and deposits with banks	2	134,620	95,994
Receivables under repurchase agreements	3	59,057	56,269
Trading securities	4	80,456	152,353
Securities, held to maturity	5	46,336	-
Securities available for sale	5	2,171	1,777
Loans and advances to customers	6	165,722	147,406
Other assets	7	3,088	1,795
Fixed assets	8	11,066	11,251
<b>Total assets</b>		<b>568,275</b>	<b>519,381</b>
<b>LIABILITIES</b>			
Deposits from banks	9	44,240	13,800
Amounts owed to other depositors	10	417,554	398,154
Liabilities under repurchase agreements	3	-	-
Long-term loans	11	52,126	52,016
Short-term loans	11	5,888	4,927
Other liabilities	12	6,194	8,532
<b>Total liabilities</b>		<b>526,002</b>	<b>477,429</b>
<b>Net assets</b>		<b>42,273</b>	<b>41,952</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		25,000	25,000
Current year profit		1,007	2,967
Retained earnings from past years		3,623	3,009
Reserves		12,643	10,976
<b>Total shareholders' equity</b>		<b>42,273</b>	<b>41,952</b>
			
Vassil Trenev Executive Director	Georgi Belovski Executive Director	Ivanka Boneva Chief Accountant	

14 July 2006