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ANNUAL REPORT
2005

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exchange rates

Exchange rates 29.05.06

	bid	ask
USD	1 1.537	1.557
EUR	1 1.950	1.960
GBP	1 2.830	2.869

[more >>](#)

interest rates

Interest rates 29.05.06

	BGN	EUR	USD
1 month	3.00	2.75	1.75
3 months	3.50	3.00	1.95
6 months	3.75	3.25	3.00
9 months	4.00	3.50	3.30
12 months	4.75	4.00	3.75

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news

morning news

[29.05.2006 09:31]

Morning News

THE LATEST AFJ Europe plans to invest 100 mln euro in Central, Eastern Europe & ...

services

- Account opening** Any local or foreign individual can open savings or deposit accounts in BGN, EUR, USD, CHF, GBP or TRY ...
- Corporate Banking** D Commerce Bank Working Capital Loans, With working capital loan facility of D Commerce Bank AD ...
- Tariff** On the May 20th, 2004 the Managing Board of D Commerce Bank AD took a resolution for accepting the bank's new terms and conditions ...

Consumer loans Exchange deposit Online banking

Done Internet

Contents of the Annual Report of D COMMERCE BANK AD for 2005

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D COMMERCE BANK

D Commerce Bank AD is a joint stock company, a “bank” within the meaning of art.1, para. 1 of the Law on Banks, with a banking license for the country and abroad as well as for carrying on banking activities in local and foreign currency by enjoying the right to execute any and all transactions as per art. 1, para. 1 and Para 2 of the Law on Banks (full scope banking license). D Commerce Bank AD is a financial institution specialising in corporate and small and medium-sized business banking. It functions as a boutique bank catering to the needs of a limited number of high-rated clients.

The Bank has already positioned itself as a preferred business partner in Bulgaria. With about 90 employees and five branches in the country as of December 31, 2005, the Bank provides full-service corporate, retail and commercial banking services – all delivered in a highly personalized approach by our expert team. The bank’s customer-focused model is applied in all of its business units. Improving its performance is a never-ending challenge.

D Bank is owned by a consortium of two Turkish entrepreneurs, namely Dogan family and Mr. Halit Cingillioglu. Registered share capital of the bank amounts to BGN 20,000 thousand and comprises of 20,000 ordinary shares with a par value of BGN 1,000. The shares as of December 31, 2005 were distributed as follows:

Shareholder's Name	%
Mrs. Isil Dogan	50%
Mr. Halit Cingillioglu	40%
Mrs. Arzuhan Yalcindag	2,50%
Mrs. Vuslat Sabanci	2,50%
Ms. Hanzaade Vasfiye Dogan	2,50%
Mrs. Begumhan Dogan Faralyali	2,50%

During the period 01.01.2005 - 31.12.2005 the following changes to the registration of D Commerce Bank AD were completed, namely:

- Upon court decision No: 26/28.01.2005 the new commercial name (firm) was entered within the commercial register of Sofia City Court. This finalized the procedure of changing the name of the Bank, which included also holding a General Shareholders' Meeting and receiving a license by the Bulgarian National Bank (completed in 2004);
- Upon court decision No: 27/16.05.2005 Mrs. Imre Barmanbek was released from the position “Member of the Supervisory Board”. With the same court decision Mr. Dinc Uner was registered as a Member of the Supervisory Board;
- Upon court decision No: 28/21.10.2005 Mr. Rafi Karagol was released from the position “Member of the Managing Board and Executive Director”.



STATEMENT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

2005 offered more challenges for the Bulgarian banking system. A brief description of the development of the banking sector in 2005 would include reduction of interest rates on credits, increase of rates on deposits, continued growth of the volume of credits, and the introduction of new products and services in an environment of restrictive measures imposed by the Bulgarian National Bank. The good economy performance over the past few years reflects and results on the positive development of the banking sector. The steady growth, the interest of foreign investors, the progress of reforms and the recovered confidence in the economy are the key factors of this trend. Another key event is that banks were substantially facilitated by BNB's upgraded Central Credit Register, which reduced the risk in the banking system, eased the access to credits register and made the market more transparent. Having in mind that Bulgaria is on the threshold of European Union accession and is becoming EU member, the banks have made many changes (as introducing IBAN, synchronized the Bulgarian Banking Act with the European one, etc.) to become part of the EU banking family.

This year the banking sector remains as one of the fastest developing sectors in the Bulgarian economy. The loan portfolio compared to 2004 increased by 33% and amounted to BGN 18,379 million, the highest increase is in the housing and mortgage loans. The banking assets reached BGN 32,85 billion, which is by BGN 7,933 million (31.8%) more relative to the same period of the previous year. Meanwhile, deposits amounted to approximately BGN 25,412 million, an annual increase of 30%. The banking system reported a profit of BGN 584,235 thousand. Compared to the same period of the previous year, the financial result is by 34,6% (BGN 150,123 thousand) higher. These indicators predict strong potential for financial prosperity, including future opportunities for credit expansion. The banking system is becoming more and more stable but it probably has not made use of all of its potential in terms of development and effectiveness.

D Commerce Bank AD is operating 7 years, showing successful growth and expansion on the Bulgarian market. After the changes in our ownership structure in 2004 and identity in February 2005, the Supervisory Board structure has been also changed. Our strength such as established personalized relationship with our customers, as well as the shareholder's commitment have helped and will continue to be the guiding principles of D Commerce Bank AD to keep on growing in a competitive environment. We firmly believe that we will continue to growth in the market successfully by adhering to our well-devised strategy.

Personally and on behalf of the Board of Directors, I would like to thank to our shareholders, customers, employees and correspondent bankers for their confidence and support.

Tayfun Bayazit
Chairman of the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Tayfun Bayazit', written in a cursive style.



STATEMENT OF THE CHIEF EXECUTIVE DIRECTOR

On behalf of the Management Board, it is my pleasure to present you our Annual Report for 2005. During the past year D Commerce Bank AD successfully met the challenges of its macroeconomic and sectoral environments and made significant progress in the direction of customer-based growth by further entrenching its identity as a trusted business partner that customers prefer. Reliability, transparency and service quality are the most important elements of D Bank's corporate culture. One of our aims is to provide our shareholders the highest value added on their investments. To achieve this goal - high level of customer satisfaction is required to be reached in every operation we undertake. Therefore, we constantly improve ourselves with new products and services, ceaselessly continuing our efforts in this direction.

During 2005 the value of the net interest income rose by 24% and net fee and commission income by 47%. In April 2005, with Regulation No 21 on Minimal obligatory reserves, Bulgarian National Bank limited the growth of the lending business in the banking system. Under these circumstances, we had to reconsider our budget in terms of the loans growth. In conformity with the regulation, the loans portfolio of the Bank grew with 24% in comparison with the previous 2004-year. The performing for the period loans has constituted 99.7% of the grand total of all loans, which is a sign for excellent asset quality. In 2005 corporate business lending remained the main sphere of the business, as it was in 2004. Total assets reported in the Bank's balance sheet as of 31 December 2005 are in the amount of BGN 85,207 thousand. Their increase is 61 % or BGN 32,294 thousand, in comparison with the previous year 2004. The greatest achievement was the increase of customers' deposit base up to BGN 59,238 thousand. The positive trend of 185% is mostly based on attracting of some corporate funds from abroad, which were kept in current accounts, at favourable rates. The total capital adequacy ratio is 36.38% providing capacity for further growth and good liquidity. The Bank reports the amount of BGN 847 thousand profit before taxes and BGN 890 thousand after deferred taxes. The reported profit increased by 71% in comparison with 2004 and 63% of its operational profit.

In 2005, for the first time in its history, D Commerce Bank AD started a massive image creating advertisement campaign in the media for popularization of its new name and business in front of the general audience. The motto of the campaign was: "We are pleased to welcome you to get know each other!"

In this year we will continue our strategy for growth. Successful implementation of the IBAN in 2006 is a primary task. There were made already a lot of activities such as educating the bank's officers, preparing the bank system and to generating successfully new customers' account numbers.

In conclusion, on behalf of the Management Board, I would like to express my gratitude to the shareholders, bank's clients, correspondent banks and last but not least special thanks to all of the employees, who made a huge contribution to the impressive development of D Commerce Bank AD.

Muammer Aksit Ozkural
Member of the Managing Board and
Chief Executive Director

A handwritten signature in blue ink, appearing to be 'Muammer Aksit Ozkural', written in a cursive style.

SHAREHOLDERS

The Bank is a part of two multinational Groups called Dogan Holding and C Group respectively. They are situated in Turkey, where they play a key role in different industries and activities, including banking and financial services.

Dogan Holding

Dogan family - the Bank's major shareholder, which holds 60% of the Bank's share, is the owner of a private and well-diversified conglomerate, called Dogan Holding. As a media group in Turkey, reaching more than three million people every day, it is active in six main areas: energy, finance, media, telecom, tourism and commerce. As a service oriented corporation, Dogan Group places special emphasis on customer focus and has started a series of customer empowerment through its companies, beginning with the media industry. As a diversified holding, the Group has a presence all around Turkey with 11,000 employees, 5 international partnerships, 8 daily newspapers, 3 national, 1 international and 2 cable TV channels, financial services in insurance and factoring, USD 5,7 billion in revenues, 10 publicly traded companies.

C Group

The remaining part of the Bank's shares belongs to Mr. Halit Cingillioglu, who owns C Group. This Group serves a multinational portfolio of customers, through 7 financial institutions within its structure. The Group makes up one of the most experienced corporate groups in the Turkish financial and banking market. One of the Group's companies, C Factoring A.S., operates in domestic and international factoring fields and has the highest paid-in capital among the Turkish factoring companies.

Bankpozitif Kredi ve Kalkinma Bankasi A.S. (formerly C Kredi ve Kalkinma Bankasi A.S.)

Bankpozitif is specialized in corporate and investment banking areas. With headquarters in Istanbul, the Bank also has branches in Ankara and Izmir. On December 13, 2005, C Faktoring A.S. and Bankpozitif signed a final share subscription agreement with Tarshish-Hapoalim Holdings and Investments Ltd (Bank Hapoalim-Tarshish), a wholly-owned subsidiary of Bank Hapoalim B.M., Israel's largest bank, and with RP Explorer Master Fund (RP). According to the provisions of the agreement, Bank Hapoalim-Tarshish will hold 57.55% of Bankpozitif's shares through a capital increase. Additionally, the agreement allows RP to participate in the capital increase process and become a shareholder of Bankpozitif with 7.45%. Subsequent to the capital increase, Bankpozitif's equity will reach around USD 200 million, while C Faktoring's stake in the Bank will decline to 35% under the new ownership structure. Bankpozitif's consolidated capital adequacy ratio is 46.22 %.

This consortium of two big Holdings has expanded its activity in Europe and Asia through financial institutions incorporated in the Netherlands - Demir-Halk Bank N.V., in Kazakhstan - Demir Kazakhstan Bank and in Kyrgyzstan - Demir Kyrgyz International Bank. Demir-Halk Bank has built a network of eight business locations in three European countries - Belgium, Germany and the Netherlands.

Demir-Halk Bank (Netherland) NV

The Rotterdam-based Bank is rated by Fitch Ratings with BB for long term and B for short-term with stable outlook. The Bank had total assets worth EUR 2,300 million as of year-end 2005. Demir-Halk Bank's main focus is on trade finance, consumer lending and treasury products.

Demir Kyrgyz International Bank

In 2005 Demir Kyrgyz International Bank continued to follow the policy of stable development and has achieved significant profit, assets and net worth growth. Net increase of assets in comparison with the last year composed 6%. Total assets size at the end of the year 2005 reached approximately USD 29 million. As of December 31, 2005, net loan portfolio totaled USD 5 million, shown 2 times growth in comparison with December 31, 2004. Total deposit base of physical and legal entities at the end of 2005 amounted to USD 23 million.

Demir Kazakhstan Bank

Based in Alma Aty, Demir Kazakhstan Bank maintains the reputation of a stable and dynamic bank. With its strong customer base and balance sheet the Bank positively contributes to the country it operates in. As of December 31, 2005 Demir Kazakhstan Bank had total assets worth USD 54 million and for the same period its shareholders' equity amounted to USD 10 million.



BUSINESS REVIEW

Corporate Banking

The main aim of D Commerce Bank AD is to establish long-lasting mutually fruitful relations with corporate customers with sound performance and good prospects for development.

D Commerce Bank AD has corporate customers, operating in different sectors of economy, namely:

- Wholesale and retail trade with: household goods, metals, construction materials, automobiles, auto-parts and tires, fuels, clothes, foods and beverages, grain
- Energy production and distribution
- Petroleum production
- Metals production
- Machine Engineering
- Medical Equipment production
- Construction
- Chemicals
- Cattle-breeding
- Transport
- Tourism
- Financial Services
- Consultancy

The credits were granted mainly for short term financing of companies' working capital, however the long-term credits for investments are growing as well. The Bank is targeting the corporate customers by offering good service, flexible tailor-made products and fast decision-taking process.

D Commerce Bank AD is the only private bank in Bulgaria with Turkish ownership. Therefore the Bank has the competitive advantage for servicing the commercial and investment transactions between Turkey and Bulgaria.

The Bank's prevailing customers are pure Bulgarian companies operating in the country, however the Bank is also servicing big Turkish companies performing significant projects in Bulgaria.

Trade finance

The Bank is providing advanced trade finance products to its local and international customers in order to facilitate their import-export transactions.

Through the established correspondent relationships the Bank has an access to various points of business interest all over the world.

The Bank is servicing also the needs of both foreign and local companies operating and involved in projects within the country by issuing all kinds of Bank Guarantees to government institutions and private entities.

Retail Banking

D Commerce Bank AD has enlarged the variety of the offered retail loans to the clients during 2005. The Bank offers the following products: mortgage backed consumer loan, consumer loans with guarantors, consumer loan against cash collateral, and overdraft.

D Commerce Bank AD developed the retail loan products extending the maturity of the loans for mortgages as well as surety ship secured ones.

In the area of deposit products D Commerce Bank AD has offered long-term saving schemes. In addition to the standard/classical deposit have been developed and launched two special products giving additional options and flexible saving decisions.

Treasury activities

The Treasury has three main areas of activity: money market, foreign exchange (FX) transactions and bond trading. During 2005 Treasury Department serviced the FX transactions of the clients of the Bank. The wide range of local and international counterparts enables the prices and quotations given to the clients to be close to the market levels. The Bank trades foreign currency with different value dates from same day to forwards in all major currency crosses and even in exotic currency pairs.

The primary target of the Treasury is to secure the liquidity of the Bank. In 2005 the Bank did not experience shortage of funds. This result was achieved through a good management of the cash flows and due to increased deposits from non-financial institutions. In addition, the Bank has arranged counterpart-banking limits enough to meet the eventual need for funds. In case of necessity the Bank has the support of the shareholders. The management of the liquidity is related to the Minimum Reserve Requirements of Bulgarian National Bank and D Commerce Bank AD strictly follows the rules and maintains always the required amounts.

The third major source of profit for the Treasury is bond trading. The Bond Desk of D Commerce Bank AD is particularly strong because it is well positioned both in the Bulgarian and Turkish market. In the previous year, the Turkish sovereign debt in the form of USD and EUR denominated Eurobonds offered very attractive yields. That is why the bank constructed portfolio that includes short-term Turkish T-Bills and long-term Eurobonds. The Bank invested also successfully in Bulgarian T-Bills and Eurobonds. Since July 2002 D Commerce Bank has been approved as Primary Dealer of Bulgarian treasury bills and bonds. The Bank keeps its own portfolio in BGN denominated bonds, which is a base for numerous retail oriented products such as REPO deals, etc. The result of the dynamic and proper investments of the Treasury is a total portfolio return of 6.41 % for year 2005. In the course of the year, the Bank provided also advisory services to its clients. The Treasury consulted the clients of the Bank in the areas of cash management assets. Products that are tailored to fit the individual needs of the customers were offered ranging from currency exchange to custom-fit reverse REPO and other structured deals. A certified Investment Consultant strengthened the Treasury team in 2005.

Development in information technologies

Internet Banking

D Commerce Bank AD offers Internet banking to its customers since August 2003 in tune of the needs of the customers. The Bank has the opportunity to offer to its customers a worldwide access to its products and continuously improves the flexibility of the services. Our customers have more developed and up-to-dated information wherever they are in the world. At the same time they have access to our new service - WAP Internet Banking.

Unified network system

Since the end of 2002, the Bank has online connection with Varna Branch. Until the end of 2003 three more offices have been included in the network system - Plovdiv, Bourgas and Haskovo. This fact improved significantly the communication and led to better servicing surpassing the distance barrier and speeding up daily procedures and most importantly our customers' transactions.

RINGS

One of the major projects that has been successfully completed is implementation of RINGS. With this successful certification the Bank is able to execute payments in domestic currency in real time. For active participation in the testing period of RINGS the Bank has received "Letter of gratitude" from Bulgarian National Bank.



FINANCIAL STATEMENTS OVERVIEW

The year of 2005 was successful for the business of our bank in terms of financial performance. The Bank has increased its balance sheet significantly. The realized profit was the biggest one in comparison with the past years and exceeded the budgeted profit with 67%. Increase has been reached in terms of:

- Net interest income was reported at BGN 3,411 thousand, marking an increase of 24% compared to the one in 2004;
- The net fee and commission income grew to BGN 1,653 thousand, an increase of 47%;
- The Bank reported a pre-tax result amounting to BGN 847 thousand, an increase of 63%; (compared to BGN 519 thousand reported in 2004);
- The total amount of the assets increased by BGN 32,294 thousand or 61%. Credits and advances to other clients are still priority;
- The share of the loans granted to customers in the total assets was 42.79% as of December 31, 2005. In real terms, this represents BGN 36,457 with 24% growth. The performing loans for the period have constituted 99.7% of the grand total of all loans, which is a sign for excellent asset quality. The analysis of the structure of the credit portfolio based on customer type shows that in 2005 the Bank emphasized on lending to corporate customers. Based on the economy sectors, trade loans, that are 95% of the total loans, are the major share of the credit portfolio. It is obvious that the Bank directs its crediting activity towards highly profitable businesses, which ensures regular repayment of debts and normal level of bank liquidity;
- The total shareholders' funds represent 23% from the total balance sheet. They amounted to BGN 19,325 thousand. The capital base is good and strong enough to support further growth;
- The greatest achievement in 2005 was the increase of customers' deposit base up to BGN 59,238 thousand. The positive trend of 185% is mostly based on attracting of some corporate funds from abroad, which were kept in current accounts, at favorable rates. Customer deposits represent 89.92% from the total liabilities of the Bank;
- Investments in securities - both held for trading and available-for-sale assets, represent 20.97% from the total assets of the bank, or BGN 17,869 thousand. The major goal of the Bank is to invest in more profitable financial instruments. The main part of the securities portfolio contains interest-bearing securities, denominated by those in EUR and BGN and issued by Bulgarian and Turkish Government and average yield of the total portfolio 6.41% p.a.;
- Total capital adequacy ratio - 36.38% against the regulated minimum of 12%;
- Primary capital adequacy ratio - 36.33% against the regulated of 6%.

To see the complete version, please visit our web site: www.dbank.bg





**REPORT
OF THE INDEPENDENT AUDITOR
TO THE SHAREHOLDERS OF D COMMERCE BANK AD**

Sofia, 1 March 2006

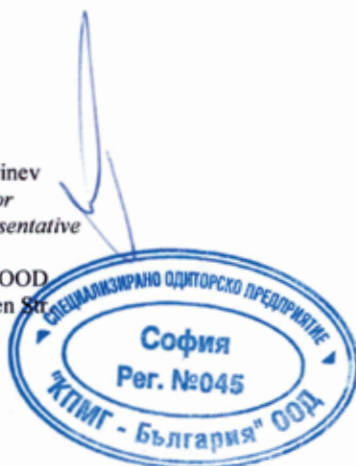
We have audited the accompanying balance sheet of D Commerce Bank AD ("the Bank") as of 31 December 2005 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion 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 2005, and of the results of its operations and its cash flows for the year then ended in accordance with the national accounting legislation, applicable to the banks in Bulgaria.

Krassimir Hadjivinev
Registered auditor
Authorised representative

KPMG Bulgaria OOD
37 Fridtjof Nansen Str.
1142 Sofia
Bulgaria



Margarita Goleva
Registered auditor



Income statement
For the year ended 31 December 2005

In thousands of BGN	Note	Year ended 31 December 2005	Year ended 31 December 2004
Interest and similar income		4,344	3,380
Interest expense and similar charges		-933	-624
Net interest income	3	3,411	2,756
Fee and commission income		1,765	1,189
Fee and commission expense		-112	-68
Net fee and commission income	4	1,653	1,121
Net trading income	5	644	1,190
Total income from banking operations		5,708	5,067
General administrative expenses	6	-4,873	-4,920
Impairment losses	7	-5	372
Other Income, net		17	-
Total income from banking operations		847	519
Litigation settlement expense		-	-
Profit before taxes		847	519
Deferred Tax Income	8	43	-
Profit after taxation		890	519

The financial statements have been approved by the Chief Executive Director and the Executive Directors on 28 February 2006.

Aksit Ozkural

Chief Executive Director

Krassimir Hadjichev

Registered Auditor
Authorized Representative
KPMG Bulgaria OOD

Sinan Kirjali

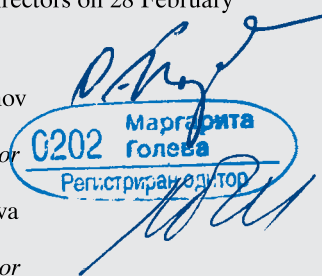
Executive Director

Ognyan Yordanov

Executive Director

Margarita Goleva

Registered Auditor



Balance sheet
As at 31 December 2005

In thousands of BGN	Note	31 December 2005	31 December 2004
ASSETS			
Cash and balances with Central Bank	9	9,333	5,748
Loans and advances to banks	10	18,350	1,559
Financial assets held for trading	11	12,724	14,748
Investments	12	5,145	4
Loans and advances to other customers	13	36,457	29,335
Receivables under repurchase agreements	26	1,958	-
Property and equipment	15	957	1,321
Intangible assets	16	86	121
Other assets	17	154	77
Deferred Tax Asset	22	43	-
Total Assets		85,207	52,913
LIABILITIES			
Due to banks and other financial institutions	18	2,822	11,912
Due to other customers	19	59,238	20,815
Liabilities in trading portfolio	20	1,285	1,287
Other liabilities	21	2,537	491
Total Liabilities		65,882	34,505
Shareholders' equity			
Issued share capital	23	20,000	20,000
Reserves		-675	-1,592
Total shareholders' funds		19,325	18,408
Total liabilities and shareholders' equity		85,207	52,913

The financial statements have been approved by the Chief Executive Director and the Executive Directors on 28 February 2006.

Aksit Ozkural

Chief Executive Director

Krassimir Hadjidinev

Registered Auditor
Authorized Representative
KPMG Bulgaria OOD

Sinan Kirjali

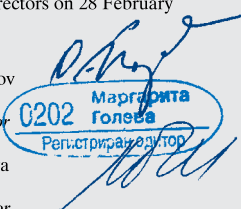
Executive Director

Ognyan Yordanov

Executive Director

Margarita Goleva

Registered Auditor



Cash flow statement For the year ended 31 December 2005

<i>In thousands of BGN</i>	Note	31 December 2005	31 December 2004
Cash flow from operating activities			
Profit before tax		890	519
Impairment gains/(losses)	7	5	-372
Depreciation and amortisation	6	573	648
Deferred Tax Income		-43	-
		1,425	795
Change in operating assets			
(Increase)/decrease in assets held for trading		2,024	-417
(Increase)/decrease in loans to customers		-7,127	-15,997
(Increase)/decrease in receivables under repurchase agreements		-1,958	-
(Increase)/decrease in loans and advances to banks (repayment beyond 3 months)		-	5,293
(Increase)/decrease in blocked LC cover deposits with banks		-3,092	-
(Increase)/decrease in other assets		-77	28
Change in operating liabilities			
Net increase/(decrease) in due to banks		-9,090	27
		38,423	1,305
Net increase/(decrease) in amounts owed to other depositors		-	-1,001
Decrease in other borrowed funds		-	1,287
Increase in liabilities in trading portfolio		-2	-
Net increase/ (decrease) in other liabilities		2,046	-747
Net cash flow from operating activities		22,572	-9,427
Cash flow from investing activities			
Purchase of property, plant and equipment	15,16	-174	-120
(Acquisition)/ disposal of investments		-5,114	-
Net cash flow from investing activities		-5,288	-120
Net increase/(decrease) in cash and cash equivalents		17,284	-9,547
Cash and cash equivalents at the beginning of period		7,307	16,854
Cash and cash equivalents at the end of period	26	24,591	7,307

The financial statements have been approved by the Chief Executive Director and the Executive Directors on 28 February 2006.

Aksit Ozkural

Chief Executive Director

Krassimir Hadjicirev

Registered Auditor
Authorized Representative
KPMG Bulgaria OOD

Sinan Kirgali

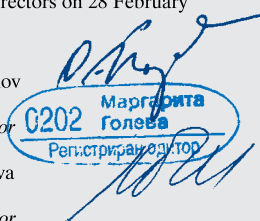
Executive Director

Ognyan Yordanov

Executive Director

Margarita Goleva

Registered Auditor



Statement of Changes in Equity

For the six months period ended 31 December 2005

<i>In thousands of BGN</i>	Share capital	Statutory Reserves	Other Reserves	Revaluation Reserves on available for sale investments	Total
Balance at 1 January 2004	20,000		-2,111	-	17,889
Net profit for the year	-	-	519	-	519
Transfer to statutory reserves		88	-88		
Balance at 31 December 2004	20,000	88	-1,680	-	18,408
Net profit for the year	-	-	890	-	890
Revaluation of available for sale investments	-	-	-	27	27
Balance at 31 December 2005	20,000	88	-790	27	19,325

The financial statements have been approved by the Chief Executive Director and the Executive Directors on 28 February 2006.

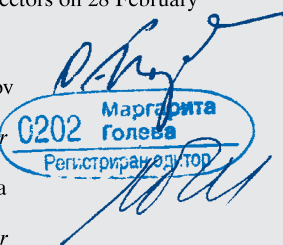
Aksit Ozkural
Chief Executive Director

Sinan Kincali
Executive Director

Ognyan Yordanov
Executive Director

Krassimir Hadjicirev
*Registered Auditor
Authorized Representative
KPMG Bulgaria OOD*

Margarita Goleva
Registered Auditor



Supervisory Board

The members of the Supervisory Board of the Bank at the end of 2005 were:

Mr. Tayfun Bayazit
Chairman

Mr. Dinc Uner
Member

Mr. Ismail Hasan Akcakayalioglu
Member

Mr. Mevlut Tufan Darbaz
Member

Mr. Faik Acikalin
Member

Management Board

The members of the Management Board of the Bank at the end of 2005 were:

Mr. Aksit Ozkural

Chief Executive Director and Member of MB

Mr. Sinan Kircali

Executive Director and Member of MB

Mr. Ognian Yordanov

Executive Director and Member of MB



Mr. Aksit Ozkural



Mr. Sinan Kircali



Mr. Ognian Yordanov

Head Office and Branches

Head Office

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