

AUDITORS' REPORT

**TO
 THE SHAREHOLDERS
 OF ENCOURAGEMENT BANK AD**

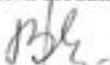
We have audited the accompanying balance sheet of Encouragement Bank AD (the Bank) as at 31 December 2005, and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2005, and of the results of its operations, its cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

MAZARS & GUERARD
Max Dongar

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29 March 2006

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