

CATALOGUE



STOPANSKA BANKA AD BITOLA

Headquartered in Bitola, ul. Dobrivoje Radosavljevik No. 21, listed in the Trade Register of the Trial Court Bitola In Bitola, Treg. 1695/2000

Listing of shares of STOPANSKA BANKA AD Bitola on the Official Market of the Macedonian Stock Exchange AD Skopje

The Macedonian Stock Exchange has received request for listing of stocks STOPANSKA BANKA AD Bitola on the Official Market. The nominal STOPANSKA BANKA AD Bitola's stock is 3.000 MKD. The request for listing refers to the following types of stocks:

- 260.568 common shares with voting right
- 38.392 preferred shares

Before its listing on the Official Market of the Macedonian Stock Exchange AD Skopje, the shares of STOPANSKA BANKA AD Bitola were traded on the Unofficial Market of the Macedonian Stock Exchange.

Patron of the Listing

MAKOS-INVESTBROKER AD Skopje

Mito Hadzivasilev Jasmin 20/2

Skopje

DISCLAIMER

The President of the Issuer's Board accepts responsibility for the contents of this Catalogue:

“According to our beliefs, as well as our knowledge and available information, we declare that all the data published in this Catalogue present the assets and liabilities, income and loss, financial and operating condition of the issuer, rights provided with the securities completely and authentically and no data has omitted, which could influence the completeness and authenticity of this Catalogue”.

The Catalogue has been prepared in accordance with the Manual for listing of securities on the Macedonian Stock Exchange AD Skopje and the Law on Amendments to the Securities' Law (Official Gazette of the Republic of Macedonia N^o 37/2002).

STOPANSKA BANKA AD Bitola's financial statements for 1999, 2000, and 2002 were audited by KPMG Macedonia.

Patron of the listing of STOPANSKA BANKA AD Bitola is the brokerage house MAKOS-INVESTBROKER AD Skopje.

This catalogue should be considered neither as an offer for sale, nor invitation for purchasing stocks of STOPANSKA BANKA AD Bitola. This catalogue should not be regarded as a recommendation for buying stocks of STOPANSKA BANKA AD Bitola, and all the interested investors are encouraged to make individual assessment of the STOPANSKA BANKA AD Bitola's financial condition and operations.

Signature

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HISTORICAL DEVELOPMENT

Stopanska Banka AD Bitola, on its development road, suffered several reorganizational transformations, according to the changes of the overall business and banking system.

Stopanska Banka AD Bitola is a legal follower of Komunalna Banka Bitola, which was formed on October 1, 1948, following the decision of the National City Board of Bitola.

Komunalna Banka Bitola for the Region of Bitola was established with the decision of the National Board of the Bitola Region of Bitola. Thus, Komunalna Banka Bitola merged with Komunalna Banka Bitola (the Regional bank) which started with its activities on October 8, 1956.

Based on the founders' decision, Komunalna Banka Bitola remained to operate as a bank in the municipalities of Bitola and Demir Hisar from April 1, 1962.

Based on the decisions of the founders of the Komunalni (Communal) banks of Bitola, Ohrid, Struga, Resen, and Krusove, a new bank called Komercijalno Investiciona Banka Bitola was established.

With the decision of the founders' assemblies, Komercijalno Investiciona Banka Bitola, Komercijalno Investiciona Banka Skopje, and Stopanska Banka Skopje merged into one bank, with its headquarters in Skopje.

The newly formed Stopanska Banka, which was headquartered in Skopje, started operating on January 1, 1973 by opening regional offices in all municipal centers.

By the decision of the founders, on December 23, 1977, a new bank called Stopanska Banka Osnovna Banka Bitola was formed.

Through a mutual agreement the formed "Osnovni" banks formed Stopanska Banka Zdruzena Banka Skopje.

With the decisions of the founders of the "Osnovni" banks in the course of December 1989 Stopanska Banka AD Skopje merged, where the "Osnovni" banks were transformed into main regional offices, and the business units of the "Osnovni" banks in smaller regional offices.

The bank started its operations on January 1, 1990.

Through a tender of the National Bank of the Republic of Macedonia (NBRM), five banks from the Stopanska Banka AD Skopje chains spun off, among them being Stopanska Banka AD Bitola. With the Decision of the Shareholders' Assembly from June 7, 1995, Stopanska Banka AD Bitola started operating independently with an initial balance as of January 1, 1995.

OPERATIONS

Stopanska Banka AD Bitola is one of the five biggest banks in the Republic of Macedonia (according to the total assets and the engaged funds). It is also the biggest bank in the region of the municipalities of Bitola and Demir Hisar. At the same time, Stopanska Banka AD Bitola is one of the most profitable banks in the Republic of Macedonia according to the Return on Equity (ROE) and Return on Assets (ROA) ratios (during the last three years). As a result, for two years in a row the bank has received an award from the “Finances of Central Europe) for achieving best results and being the best bank in the Republic of Macedonia (for 2001 and 2002) according to the ROE ratio (earnings per share).

The main activity of Stopanska Banka AD Bitola is collecting deposits and partially or fully placing them in credits and other investments for its benefits, and for realizing profit.

The bank works for its own favor and the favor of other people. It works with the funds that have been invested in its equity, its retained earnings, and the received deposit funds, the funds from issuing stocks, placed credits in the country and abroad and other funds that have been acquired on the money markets, and the securities markets either abroad or through foreign credit lines.

The bank approves credits and guarantees only to healthy and credit-worthy borrowers. The crediting activity of the Bank is achieved based on the liquidity and rentability of the investments principle, security for the payment and the other elements of credit worthiness that have been set in the written politics and procedures of the Bank.

Within the frames of its activities, the bank conducts the following operations:

- Receiving all kinds of money deposits of legal entities and individuals;
- Providing and taking credits in the country;
- Hard currency operations;
- Issuing cash cards;
- Financial leasing;
- Payment operations in the country according to the law;
- Economic/financial consulting;
- Providing services while charging invoices, keeping evidence;
- Providing other financial services (renting safes and other);
- Issuing MKD money guarantees, and other forms of guarantees;
- Purchasing and selling short-term notes in its own favor or in the favor of the client
- Purchasing, selling and charging of receivables;
- International Payment operations;
- International credit and guarantee operations;
- Factoring for its clients;
- Trading with securities for its own favor and the favor of its clients;
- Trading with hard currency and conducting hard currency transactions;
- Trading with financial derivatives;
- Keeping and managing securities and objects from valuable metals;

- Purchasing/selling, guarantees and placing of issued shares;
- Providing services of the bank-keeper of estate type, and
- Other banking operations

ORGANIZATION

The Statute of Stopanska Banka AD Bitola gives an opportunity for forming branch offices, and dispersed counters, as parts of the Bank without taking the title of a legal entity.

The bank has two dispersed counters in Bitola, and one in Skopje, Demir Hisar, Prilep, and Resen.

Internal organization of the Bank:

1. Management issues
2. Business politics department
3. Crediting department
4. Department for working with the general population, hard currency regime and international Payment operations
5. Department for organization, legal and general banking issues.

MANAGEMENT

Stopanska Banka AD Bitola is managed through:

Assembly of the Bank

The Assembly of the Bank is comprised of 677 shareholders, i.e. their representatives.

Managing Board

The Managing Board is comprised of seven members. The members of the Managing Boards choose a President and a Deputy President within the lines of the Board. The mandate of the Management board members lasts four years. The Managing Board leads the business politics of the Corporation and decides on the most important issues of the operations of the Bank.

The current members of the Managing Board are:

Ivanco Naumov President	Graduated technologist, Manager of AD Kvasara Bitola
M-r Vangel Gagacev Member	Graduated agronomist, Manager of ZK Pelagonija AD Bitola
Dragi Milosevski Member	Graduated economist, Manger of Pecatnica Kiro Dandaro AD Bitola
Zivko Radevski	Graduated agronomist, Manger of IMB Mlekara a.d. Bitola
Gjore Dimovski Member	Graduated economist, Manager of the finance department of Prehranbena Industrija Blagoj Gjorev AD Veles
Dobre Angelevski Member	Graduated Economist, Manager of Jukan Dehitekso DOOEL Demir Hisar
M-r Jakim Ivanovski Member	Graduated economist, Manager of Stopanska Banka AD Bitola

Board for risk management

The Risk Management Board (RMB) is comprised of three members that are appointed by the Managing Board from its own lines. These members have a mandate of four years.

The RMB is in charge of establishing and enforcing credit politics; politics for managing the assets, liabilities and equity of the Bank, as well as other issues that are important for the liquidity and credit potential of the bank.

The current members of the RMB are:

M-r Vangel Gagacev President	Graduated agronomist, Manager of ZK Pelagonija AD Bitola
Dragi Milosevski, Member	Graduated economist, Manger of Pecatnica Kiro Dandaro AD Bitola
M-r Jakim Ivanovski Member	Graduated economist, Manger of Stopanska Banka AD Bitola

Auditing Board

The Auditing Board (AB) is comprised of three members that are appointed by the Bank's Assembly. They have a mandate of two years.

The AB establishes appropriate accounting procedures and controls their accordance with the Law on banking as well as other regulations.

The current members of the AB are:

Ratko Cadikovski President	Graduated economist, Deputy Manager of Pivara Skopje AD Skopje
D-r Tomislav Grozdanovski Member	Graduated economist, Professor at the Law School in Skopje
Olimpija Biceva Member	Graduated economist, Chief of the department for funds, plan and analysis and securities at Stopanska Banka AD Bitola

Operating Body

The Bank is managed by the Operating Body, which is comprised of two members – managers that are appointed by the Managing Board of the Bank, after a previous approval by the National Bank of the Republic of Macedonia.

The Operating Body represents the Bank, and takes ensures that the decisions of the Assembly and the Managing Board are enforced. It is also responsible for promotion of the Bank's operations.

Current members of the Operating Body are:

M-r Jakim Ivanovski	Graduated economist, who represents the Bank, and has a 24 year working experience in at the Bank
Draganco Gj. Mitrevski	Graduated legal advisor, who has passed the state board exam, and has a 15 year working experience at the Bank

Other Managing Bodies

Other Managing Bodies of the Bank are:

- The sector for internal audits of the Bank
- Crediting Board of the Bank
- Operations Crediting Board
- Individuals with special rights and responsibilities
- The Bank's Collegium

EMPLOYEES

As of September 30, 2002, the operating responsibilities of the Bank were conducted by 138 employees. They have the following qualifications structure:

Qualification	Number of employees	%
Masters Degree	1	0,72
University Degree	43	31,16
Two year college	17	12,32
High School	65	47,10
Other	12	8,70
Total	138	100,00

EQUITY

Stopanska Baka AD Bitola's equity on September 30, 2002 amounted to 896.880.000,00 MKD. It is comprised of 298.960 shares that have a nominal value of 3.000,00 MKD. Of the total shares, 260.568 are common shares with voting right according to the "one share-one vote" principle, while 38.392 are preferred shares with priority rights when dividends are paid out.

The evidence of the shares is conducted at the Central Securities Depository in an electronic form. The rights and obligations from the securities are assigned on the day of their retistration in the Depository.

OWNERSHIP STRUCTURE

On November 14, 2002, Stopanska Banka AD Bitola had a total of 677 shareholders. The shareholders' structure is as follows:

Shareholders	Number of shares			%
	Common	Preferred	Total	
Domestic legal entities	260.138		260.138	87,01
Domestic individuals	430	38.392	38.822	12,99
Total	260.568	38.392	298.960	100,00

Shareholders that hold over 10% of the shareholders' equity of Stopanska Banka AD Bitola and that have voting rights are: ZK Pelagonija AD Bitola (21,86%) and Prehranbena Industrija Blagoj Gjorev AD Veles (14,46%).

The Management team of the Bank does not hold any shares that have voting rights.

TRADING WITH SHARES

Before its listing on the Official Market of the Macedonian Stock Exchange, the shares of Stopanska Banka AD Bitola were traded on the Unofficial Market, under the ticker name SBT. The highest closing price for the common shares of Stopanska Banka AD Bitola reached 3.000,00 MKD, while the lowest one was 1.000,00 MKD per share.

The preferred shares of Stopanska Banka AD Bitola have had only one transaction, at the price of 600,00 MKD per share.

The price movement of Stopanska Banka AD Bitola's shares is the following:

DIVIDENDS AND DIVIDEND POLITICS

The paid dividends in the operations of Stopanska Banka AD Bitola so far are given in the table below, as a percentage of the nominal value of the common and priority shares:

Year	Common shares	Preferred Shares
1995	31,70%	31,70%
1996	35,10%	26,00%
1997	38,56%	36,23%
1998	18,12%	18,12%
1999	17,80%	17,80%
2000	14,50%	14,50%
2001	16,38%	16,38%

The amount of the dividend that would be paid to the common and preferred shareholders is set with the decision of the Bank's Assembly which confirms the proposal of the Managing Board for using and distributing the realized profit.

The dividend is paid out no later than 30 days from the day that the above decision has been adopted.

With the decision of the Bank's Assembly, the dividend can be partially or fully capitalized. The Bank will issue a certain amount of shares for the capitalized dividend and will act in accordance with the legal framework.

LAWSUITS

Stopanska Banka AD Bitola, after spinning off from Stopanska Banka AD Skopje, has receivables of 457.454,00 MKD for two lawsuits from 1996. The same lawsuits are the Bank's biggest receivables through the courts.

For the collateral and the cash lawsuits (33 lawsuits), the Bank's receivables amount to 178.288.825,00 MKD, while for 337 lawsuits its receivables in the current accounts are 6.700.000,00 MKD.

The Bank has a total of eight lawsuits that has been filed against it. For those lawsuits, the bank is required to pay:

- 8.930.899,50 MKD for six lawsuits and
- 72.165.34 EUR for two lawsuits.

DEVELOPMENT STRATEGY

The Bank's mission is to:

- To play a significant role in the global financial market, e.i. to be an elit financial institution in the city, the region, and wider in the Republic of Macedonia as well as abroad;
- To mobilize the free cash from individuals and legal entities in the form of deposits and shares;
- To be the universal bank with a high level choices of quality financial products and services for the economy and more quality and acceptable prices for the population;
- To achieve superior financial operations by creating higher value for its shareholders.

In order to achieve its mission, on the annual meeting of the Bank's Shareholders' Assembly held on March 21, 2001, the Bank adopted the Business plan for the development of Stopanska Banka AD Bitola for the period between 2001 and 2005, which was previously supported by the Managing Board as well as the Bank's managers.

The Bank's medium-term strategic goals are:

- Increasing the market share, meaning increasing the client base and the credit portfolio realistically, and at the same time selling more products and services to its clients;
- Keeping the existing and attracting new deposits through the reforms of the payment system in the country;
- Improving the expertise of the credit analysis and installing expert valuation when it comes to securing the credits;
- Returning the trust of the savers through a marketing approach, competitive prices and mostly with a market oriented personnel;
- Installing new products and services that fit the clients' needs.

The activities for achieving these goals will be in the function of achieving the key financial goal in market conditions – generating profit (satisfactory operating result).

FINANCIAL STATEMENTS

STOPANSKA BANKA AD BITOLA

INCOME STATEMENT

	In MKD
	01.01-30.06.2002
Interest revenue	185.965.590
Interest expense	(63.267.632)
Revenues from investing in stocks	491.168
Provision revenues	56.012.377
Provision expenses	(6.055.645)
Other revenues	60.067.679
General Administrative expenses	(46.599.269)
Depreciation and value adjustment of the long-term assets	(5.604.635)
Other expenses	(57.964.089)
Value adjustment of the receivables and reserves for unexpected liabilities and other liabilities	(28.288.817)
Net Income	94.756.727

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Auditors' report to the shareholders of Stopanska Banka AD – Bitola

We conducted an audit to the attached Balance Sheet of Stopanska Banka AD – Bitola “The Bank” from December 31, 1999, as well as the Income and Cash Flow Statements for the fiscal year that ends on that date.

Appropriate obligations of the managers and auditors

The financial statements are an obligation of the managers of the company. Our responsibility is to express an opinion, based on the conducted audit, for the financial statements.

Basis of the opinion

The audit was conducted according to the International Auditing Standards. These standards require of us to plan and conduct the audit in order to get a reasonable assurance that the financial statements do not contain significant material mistakes. The audit includes examination, based on testing of the evidence that supports the amounts and notes in the financial statements. It also turns to the used accounting principles and the significant estimates made by the managers, as well as the evaluation of the adequacy of the presentation of the information in the financial statements. We are convinced that our audit secures a reasonable basis for our opinion.

Opinion

According to our opinion, the financial statements realistically and objectively present the financial statement of The Bank on December 31, 1999, as well as the operating result and the cash flow for the year that ends on that date, in accordance with the International Accounting Standards that are applicable in the Republic of Macedonia as well as the Macedonian laws.

Skopje, March 13, 2000

AUTHORISED AUDITOR OF RM
Gordana Nusevska

KPMG
DIRECTOR
Gjorgji Cucuk

INCOME STATEMENT

For the fiscal year ending on December 31, 1999

In thousands of MKD	Notes	1999	1998
Interest revenues	2	306.893	315.876
Interest expense	2	(90.101)	(99.239)
Net interest revenues		<u>216.792</u>	<u>216.637</u>
Revenues from provisions and compensations		32.651	39.850
Expenses from provisions and compensations		(24.379)	(29.750)
Net revenues from provisions and compensations		<u>8.272</u>	<u>10.100</u>
Net revenues from exchange rate differences		28.085	19.129
Other operating revenues		865	4.201
Non-interest revenues		<u>37.222</u>	<u>33.430</u>
Operating revenues		254.014	250.067
Other operating expenses	3	(117.969)	(112.436)
Net operating income		<u>136.045</u>	<u>137.631</u>
Correction for bad and suspicious receivables (net)	4	40.971	29.273
Income before tax		<u>177.016</u>	<u>166.904</u>
Income tax and contributions	5	(28.428)	(25.364)
Net annual income	22	<u>148.588</u>	<u>141.540</u>

BALANCE SHEET
On December 31, 1999

In thousands of MKD	Notes	1999	1998
Assets			
Cash	7	231.652	407.105
Obligatory reserve at the Nat. Bank of RM	8	67.642	67.315
Securities	9	324.759	52.587
Investments in, and credits of other banks	10	279.394	146.430
Credits and advances given to other clients	11	1.522.209	1.541.204
Interest receivables and other assets	12	32.034	42.607
Funds for further sale	13	1.717	19
Investing in stocks and other securities	14	89.229	96.791
Intangible investments		2.738	3.504
Tangible investments	15	174.738	166.272
Total Assets		2.726.112	2.523.834
Liabilities and Equity and Funds			
Deposits of other banks and other			
financial institutions	16	40.447	7.669
Deposits of other clients	17	1.254.022	1.161.770
Credit obligations	18	292.668	257.921
Other obligations	19	87.831	127.739
Interest obligations	20	16.164	16.346
Special reserve for out of balance sheet		32.459	49.883
Items	21		
Total Liabilities and Equity		1.723.591	1.621.328
Equity and reserves			
Shareholders' equity		713.274	664.059
Re-valORIZED reserve		17.280	10.299
Accumulated income		271.967	228.148
Total engaged funds	22	1.002.521	902.506
Total liabilities and funds		2.726.112	2.523.834
Out of balance sheet items			
Taken over potential obligations	24		
Guarantees		19.287	7.813
Letters of credit		49.217	94.765
Taken over obligations		63.493	108.645
The financial statements shown on pages 3 through 25 were approved by the Managing Board of the Bank on March 13, 2000 and signed by			
Mr. Jakim Ivanovski			
Manager			
CASH FLOW STATEMENT			
For the fiscal year ending on December 31, 1999			

In thousands of MKD	Notes	1999	1998
Operations			
Income before tax		177.016	166.904
Corrected for:			
Depreciation of:			
Tangible investments		6.169	5.914
Intangible investments		877	876
Re-valorization of depreciation		63	-
Revenues from sales of funds for for further selling		(1.698)	-
Revenues from sales of tangible goods		-	(167)
Revenues from band and suspicious receivables		(37.251)	(28.039)
Revenues from interest and provisions	4	(339.544)	(355.726)
Interest expense		90.101	99.239
Capitalized dividends		(40)	-
Unpaid interest and provisions	2	323.716	342.964
Paid interest		<u>(90.283)</u>	<u>(104.555)</u>
Operating income before the changes of the business assets		129.126	127.410
<i>(Increase) Decrease of the business assets:</i>			
Bank investments		130.268	37.548
Deposits for monetary controlled goals		(327)	41
Credits and advances given to clients		13.821	(380.643)
Short-term securities		(7.915)	(7.577)
Other assets		8.367	(1.789)
<i>Increase (decrease) of the business liabilities:</i>			
Received / (returned) deposits		32.778	(13.393)
from banks		92.252	(107.329)
Received / (returned) deposits from other clients		<u>(2.179)</u>	<u>1.739</u>
Other liabilities			
Operating cash flow before tax		396.191	(343.993)
Paid taxes and contributions for the net income		(6.577)	(54.623)

Net cash flow from operations		389.614	(398.616)
Investing activities			
Charged interest from bonds		6.593	7.831
Purchasing tangible investments	15	(7.764)	(21.244)
Inflow of sold tangible investments		-	167
Inflow of from state issued bonds	14	7.473	7.473
Net cash flow from investing activities		6.302	(5.773)
Cash flow from financing activities			
Funds for issuing shares	22	18.291	729
Paid dividends		(122.047)	(5.676)
Net increase of the credit liabilities		34.747	56.562
Net cash flow from financing activities		(69.009)	51.615
Net increase / decrease of cash and cash equivalents		326.907	(352.774)
Cash and cash equivalents at the beginning of the year		426.914	779.688
Cash and cash equivalents at the end of the year	23	753.821	426.914

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Auditors' report to the shareholders of Stopanska Banka AD – Bitola

We conducted an audit to the attached Balance Sheet of Stopanska Banka AD – Bitola “The Bank” from December 31, 2001, as well the related Income and Cash Flow Statements for the year ending on the same date. The financial statements are an obligation of the Managers of The Bank. Our obligation is to express an opinion, based on the conducted audit, for the financial statements.

We conducted the audit according to the International Auditing Standards, published by the International Federation of Accountants. These standards require of us to plan and conduct the audit in order to get a reasonable assurance that the financial statements do not contain significant material mistakes. The audit includes examination, based on testing, the evidence that supports the amounts and notes of the financial statements. At the same time, it also takes into account the used accounting principles and the significant estimates made by the management, as well as an evaluation of the adequacy of the presentation of the information in the financial statements. WE are convinced that our audit secures a reasonable basis for our opinion.

According to our opinion, the financial statements realistically and objectively show the financial situation of The Bank on December 31, 2001, as well as the operating results and the cash flow for the year that end on that date, in accordance with the Macedonian Laws and the International Accounting Standards that have been accepted by the International Board for International Accounting Standards, and which are applied in the Republic of Macedonia.

Skopje, March 7, 2000

AUTHORISED AUDITOR OF RM
Gjorgji Cucuk

KPMG
DIRECTOR
Gjorgji Cucuk

Income Statement

For the fiscal year ending on December 31, 2001

In thousands of MKD	Notes	2001	2000
Interest revenues		370.956	328.607
Interest expense		(103.273)	(94.667)
Net interest revenues	1	<u>267.683</u>	<u>233.940</u>
Revenues from provisions and compensations		118.494	46.867
Expenses from provisions and compensations		(51.547)	(29.253)
Net revenues from provisions and compensations		<u>66.947</u>	<u>17.614</u>
Dividend revenues		383	-
Net revenues from exchange rate differences		7.987	22.416
Other operating revenues	2	<u>2.055</u>	<u>15.052</u>
Operating revenues		<u>345.055</u>	<u>289.022</u>
Expenses for suspicious and disputable receivables	4	(16.772)	(28.697)
Other operating expenses	3	(144.773)	(120.771)
Operating expenses		<u>(161.545)</u>	<u>(149.468)</u>
Income before tax		183.510	139.554
Income tax and contributions	5	(26.542)	(27.664)
Net annual income	20	<u><u>156.968</u></u>	<u><u>111.890</u></u>

Balance Sheet

On December 31, 2001

In thousands of MKD	Notes	2001	2000
Assets			
Cash and cash equivalents	6	968.181	750.852
Investments in, and credits of other banks	7	307.317	411.833
Credits and advances given to other clients	8	2.133.269	1.639.964
Interest receivables and other assets	9	38.962	30.466
Funds received in replacement for suspicious and disputable receivables			
	10	8.869	9.754
Investments	11	127.572	129.481
Intangible investments		999	1.987
Tangible investments	13	184.661	184.421
Total Assets		3.769.830	3.158.758
Liabilities and Equity and Funds			
Deposits of other banks			
	14	44.895	53.499
Deposits of other clients	15	2.049.596	1.664.301
Credit obligations	16	416.680	274.627
Interest obligations	17	13.050	16.721
Special reserve for out of Balance Sheet Items	18	29.288	19.585
Income tax payable		3.574	12.877
Other liabilities	19	4.936	3.811
Total Liabilities		2.562.019	2.045.421
Equity and reserves			
Shareholders' equity		844.560	799.707
Reserves		200.025	172.717
Retained earnings		163.226	140.913
Total equity and reserves	20	1.207.811	1.113.337
Total liabilities, equity and reserves		3.769.830	3.158.758
Out of balance sheet items			
Potential and taken over obligations	22		
Guarantees		373.766	214.937
Letters of credit			
Taken crediting obligations		84.622	89.308
		121.693	95.810

The financial statements shown on pages 3 through 38 have been approved by the Board of Directors of The Bank on March 7, 2000 and signed by:
Mr. Jakim Ivanovski, Manager

Cash Flow Statement

For the fiscal year ending on December 31, 2001

In thousands of MKD	Notes	2001	200
Cash flow from operations			
Income before tax		183.510	139.554
<i>Categorized for:</i>			
Depreciation of tangible investments	3	9.157	7.974
Depreciation of intangible investments	3	988	913
Re-valorization of depreciation	3	-	392
Expensed material investments		111	73
Expenses for suspicious and disputable receivables	4	45.907	48.391
Correction for out of Balance Sheet items		9.703	(12.874)
Revenues from interest and provisions		(489.450)	(375.474)
Interest expense	1	103.273	94.667
Capital loss from the funds received in replacement for suspicious and disputable receivables		107	-
Dividend revenue		(383)	-
Charged interest and provisions		475.286	365.635
Paid interest		<u>(106.944)</u>	<u>(94.110)</u>
Operating income before the changes of the business assets		231.265	175.141
<i>(Increase) Decrease of the business assets:</i>			
Investments in, and credits of, other banks		110.236	(136.223)
Credits and advances given to other clients		(544.570)	(175.494)
Securities for trading			
Inflow from sold assets that have been received in exchange for		778 (351)	1.770 2.679

suspicious and disputable receivables		(8.604)	13.052
Other assets			
<i>Increase (decrease) of the liabilities and equity:</i>		385.295	410.279
Received deposits from other		842	(606)
banks and other financial institutions			
Received deposits from other			
clients			
Other liabilities and equity			
Net cash flow from operations before tax		174.891	290.598
Income tax paid		(35.845)	(24.083)
Net cash flow from operations		139.046	266.515
Net cash flow from investing activities			
Charged interest from state issued bonds		6.019	6.191
Inflow from state issued bonds		-	14.947
Purchased tangible investments		(9.508)	(4.496)
Purchased intangible investments		-	(17)
Buying shares		(21.266)	(11.451)
Inflow from sales of investments		22.813	270
Received dividends		383	-
Net cash flow from investing activities		(1.559)	5.444
Cash flow from financing activities			
Net (decrease) / increase of credit liabilities		142.053	(18.041)
Funds for issuing shares	20	7.905	11.598
Inflow from selling own shares		23.769	-
Own shares bought off		-	(23.769)
Paid dividends		(93.885)	(74.615)
Net cash flow from financing activities		79.842	(104.467)
Net increase / decrease of cash and cash equivalents		217.329	167.492
Cash and cash equivalents at the beginning of the year		750.852	583.360
Cash and cash equivalents at the end of the year	6	968.181	750.852