

## **VIVACOM servicing banks**

*Sofia, June 23, 2014*

On 20.06.2014 the Bulgarian National Bank (BNB) placed one of the servicing banks of VIVACOM - Corporate Commercial Bank (CCB) - under conservatorship.

Current information from BNB is that CCB will resume normal operations on 21.07.2014.

Cash balances of VIVACOM in the CCB banking group as of the moment of conservatorship are estimated to be around EUR 6.5m. VIVACOM continues to generate positive cash flows from operating activities and the financial position of the company is stable, with enough cash and cash equivalents in its other servicing banks, as well as unutilized balance under a revolving credit facility.

Information about the events relating to CCB can be found on [www.bnb.bg](http://www.bnb.bg) and [www.corpbank.bg](http://www.corpbank.bg). As part of the information is available only in Bulgarian we are summarizing it below.

On 20.06.2014 at 11.40 a.m. BNB received a written notice from the management of Corporate Commercial Bank AD (CCB) that CCB's liquidity had been depleted and the bank had suspended making payments and conducting all types of banking transactions. On these grounds and with a decision of the BNB Governing Council, Corporate Commercial Bank AD has been placed under conservatorship for three months. From that moment on, the CCB's shareholders holding a share above 10% have been divested of their rights and conservators have been appointed at the bank.

On 22.06.2014 the Governing Council of the Bulgarian National Bank, after a detailed analysis of the situation created by the lack of liquidity of Corporate Commercial Bank and its subsidiary - the former "Credit Agricole - Bulgaria" (banking group CCB), also placed Credit Agricole - Bulgaria under special supervision for three months, appointed conservators and removed from office the members of the Management Board and the Supervisory Board of the bank.

In order to preserve the financial stability in the country, the Bulgarian National Bank, with the full support of the government, declared that it will take all necessary actions as stipulated by law and will provide the necessary liquidity support to the banking group to enable it to meet its full obligations to its customers. The necessary actions will be taken by 20 July this year. The banking group is scheduled to resume full operations on 21 July 2014.