

**THE DEPOSITS PROTECTION FUND,  
PODGORICA**

**Financial Statements for the  
Year Ended December 31, 2006 and  
Independent Auditors' Report**

## THE DEPOSITS PROTECTION FUND, PODGORICA

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## INDEPENDENT AUDITORS' REPORT

### To the Management Board of the Deposits Protection Fund

We have audited the accompanying financial statements (pages 2 to 15) of the Deposits Protection Fund, Podgorica, (hereinafter the "Fund" which comprise balance sheet as of December 31, 2006 and the related statements of income, changes in equity and cash flows for the year then ended, and the summary of significant accounting policies and explanatory notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management of the Fond is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Republic of Montenegro. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

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 and with the Law on Accounting and Auditing of the Republic of Montenegro. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide solid basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Deposits Protection Fund, Podgorica, as of December 31, 2006, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards and Regulations prevailing in the Republic of Montenegro.

Deloitte d.o.o., Podgorica

Podgorica, Republic of Montenegro  
March 25, 2007

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Danijela Dimovski, Certified Auditor  
(License No. 030 issued on August 7, 2006)

*Translation of the official report issued in the Montenegrin language*

**THE DEPOSIT PROTECTION FUND,  
PODGORICA**

**INCOME STATEMENT**  
**Year Ended December 31, 2006**  
**(Amounts in EUR )**

	<b>Notes</b>	<b>2006</b>	<b>2005</b>
			(Corrected)
<b>OPERATING INCOME</b>		1,543,718	1,352,847
Premiums for fund protection	3.1.	1,414,501	1,203,256
Donations, technical and financial assistance	3.2., 4	73,612	147,558
Interest income	3.3.	55,605	2,033
<b>OPERATING EXPENSES</b>		(129,217)	(147,558)
Materials, fuel and energy consumed	5	(3,916)	(2,537)
Staff costs	3.4., 6	(90,230)	(101,305)
Depreciation and amortization	3.9., 8	(9,722)	(6,275)
Other operating expenses	7	(25,349)	(37,441)
<b>NET INCOME</b>		1,414,501	1,205,289

The accompanying notes on the following pages  
are an integral part of these financial statements.

These financial statements are approved by the Management Board of the Deposit Protection Fund on March 28, 2007.

Signed on behalf of: Deposit Protection Fund

Person responsible for  
preparation of the  
financial statements

President of the  
Management Board of  
the Fund

\_\_\_\_\_  
(Radomir Žarić)

\_\_\_\_\_  
(Predrag Marković)

**THE DEPOSIT PROTECTION FUND,  
PODGORICA**

**BALANCE SHEET**  
**As of December 31, 2006**  
**(in EUR)**

	Notes	December 31, 2006	December 31, 2005 (Corrected)
<b>ASSETS</b>			
<b>Non-current assets</b>		33,264	22,160
Intangible assets	3.7., 3.9., 8	7,291	5,895
Equipment	3.8., 3.9., 8	25,973	16,265
<b>Current assets</b>		2,639,119	1,223,328
Accounts receivable		-	2,033
Cash and cash equivalents	3.10., 9	2,639,119	1,221,295
<b>Total assets</b>		2,672,383	1,245,488
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		2,619,790	1,205,289
Undistributed net income		2,619,790	1,205,289
<b>Short-term liabilities</b>		52,593	40,199
Accounts payable		217	496
Deferred income	3.2, 10	52,376	39,703
<b>Total Equity and liabilities</b>		2,672,383	1,245,488

The accompanying notes on the following pages  
are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
Year Ended December 31, 2006  
(in EUR)

	<u>Undistributed income</u>	<u>Total</u>
Balance, January 1, 2005	-	-
Net income for the current year, corrected	<u>1,205,289</u>	<u>1,205,289</u>
Balance, December 31, 2005	<u>1,205,289</u>	<u>1,205,289</u>
Balance, January 1, 2006	1,205,289	1,205,289
Net income for the current year	<u>1,414,501</u>	<u>1,414,501</u>
Balance, December 31, 2006	<u>2,619,790</u>	<u>2,619,790</u>

The accompanying notes on the following pages  
are an integral part of these financial statements.

**CASH FLOWS STATEMENT**  
**Year Ended December 31, 2006**  
**(in EUR)**

	<u>2006</u>	<u>2005</u>
<b>Operating activities</b>		
Cash receipts of deposits premiums from banks	1,414,501	1,203,256
Cash receipts of technical assistance from the Central Bank of Montenegro	67,000	119,722
Cash receipts from other operating activities	3,759	-
Cash paid to suppliers and employees	<u>(119,774)</u>	<u>(140,629)</u>
<i>Net cash generated from operating activities</i>	1,365,486	1,182,349
<b>Investing activities</b>		
Interest inflow	57,638	-
Purchase of intangible assets	(5,300)	(8,474)
Purchase of equipment	<u>-</u>	<u>(2,586)</u>
<i>Net cash used in investing activities</i>	52,338	(11,060)
<b>Net increase in cash and cash equivalents</b>	1,417,824	1,171,289
<b>Cash and cash equivalents at the beginning of the year</b>	<u>1,221,295</u>	<u>50,006</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>2,639,119</u></u>	<u><u>1,221,295</u></u>

The accompanying notes on the following pages  
are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**1. FOUNDATION AND ACTIVITY**

The Deposit Protection Fund, Podgorica (hereinafter: "the Fund") was established pursuant to the Law on Deposits Protection ("Official Gazette of the Republic of Montenegro", No 40/03) and officially started with activities on November 18, 2004., when the Fund was prescribed in the Register maintained by the Bureau for Statistics of the Republic of Montenegro.

The commercial banks licensed by the Central Bank of Montenegro are obliged to pay premiums to the Fund in order to provide protection of their deposits in the conditions and manner determined by the Law on Deposits Protection.

Basic activity of the Fund is to provide protection of banks' deposits and undertake payment of the guaranteed deposits whenever events requiring the payments of guaranteed deposit occur (hereinafter: "the protected event") as requested by the Law on Deposits Protection. Deposit protection shall cover deposits placed with bank prior to, or on the day of the protected event. The protected event occurs on the date of passing a resolution of the initiation of the bankruptcy proceedings against a bank. The Fund is obliged to pay per one depositor the amount which may not exceed EUR 5.000, regardless of the number and the amount which one depositor possesses in a bank undergoing bankruptcy proceedings.

The registered seat of the Fund is in Podgorica, str. Miljana Vukova bb.

As of December 31, 2006 the Fund employed five individuals (as of December 31, 2005 four employees).

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING METHOD**

**2.1. Basis of Preparation and Presentation of the Financial Statements**

The Fund has the obligation to maintain its accounting records and prepare its statutory financial statements in conformity with the Accounting and Auditing Law of the Republic of Montenegro (See "Official Gazette of the Republic of Montenegro", No 69/2005) which means in accordance with the relevant decision pertaining to the application of International Accounting Standards ("IAS") in the Republic of Montenegro (See "Official Gazette of the Republic of Montenegro", No. 69/2002). Pursuant to these provisions, the International Financial Reporting Standards (IFRS) should be applied from the reporting period commencing on January 1, 2003.

After January 1, 2003, the amendments to IAS, as well as the newly-issued IFRS, were not published neither officially enacted in the Republic of Montenegro, and, in accordance with that, they have not been applied in the preparation of the accompanying financial statements.

Financial statements of Fund are disclosed in an aspect prescribed by Article 3 of Law of Accounting and Audit of the Republic of Montenegro and Article 22 of the EU Directive (no.78/660/EEC).



**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING METHOD (continues)**

**2.1. Basis of Preparation and Presentation of the Financial Statements (continues)**

The Management estimates the influence that the changes in IAS, new IFRS and their interpretations has on financial statements, and, although many of these changes were not applicable to operations of the Company, the Management of the Company does not expose an explicit and unconditional statement with regard to compatibility of the accompanying financial statements with IAS and IFRS implemented during the periods shown in the financial statements. With the consideration potentially materially significant effects that the departure of Accounting Laws of the Republic of Montenegro from IAS and IFRS may have on reality and objectiveness of financial statements of the Company, and in accordance with aforesaid, the accompanying financial statements could not be treated as financial statements prepared in accordance with IAS and IFRS.

During the composition of these financial reports, Company applied accounting policies explained in Note 3 that are based on accounting and tax regulations of the Republic of Montenegro.

The currency in the Republic of Montenegro and the reporting currency of the Company is euro (EUR).

**2.2. Corrections on basis of changes of accounting policy with regards to acceptance of deposits protection premiums income**

In the financial statements of 2005., the Fund accomplished acceptance of deposits protection premiums income within the scope of long-term position of liabilities in balance sheet – Surety reserves. In 2006. the Management of the Fund changed accounting policy with regards to acceptance of deposits protection premiums income and, on basis of aforesaid, the Fund accomplished correction of accumulated income initial status as of January 1, 2005. in the amount of 1.203,256 EUR.

	<b>(Amounts in EUR)</b>	
	<b>Accumulated income</b>	<b>Total</b>
	<hr/>	<hr/>
Balance, January 1, 2005.		
Statutory financial statement previously disposed	2,033	2,033
Correction of initial balance	1,203,256	1,203,256
	<hr/>	<hr/>
Balance, January 1, 2005., corrected	1,205,289	1,205,289
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING METHOD (continues)**

Financial statements of 2005. are corrected on basis of effect of changing accounting policy with regards to acceptance of deposits protection premiums income. The effect that change of accounting policy has on the financial statements of 2005. is as follows:

	<b>(Amounts in EUR) The effect on 2005</b>
Acceptance of deposits protection premiums income	1,205,289
The net income increase for current period	1,205,289
Abolishment of surety reserves	(1,205,289)
Increase of accumulated income	1,205,289
Effect on liabilities of balance sheet	-

**2.3. Use of Estimates**

The presentation of financial statements requires the Fund's management to make best estimates and reasonable assumptions that effect the presented assets and liabilities' amounts, as well as the disclosure of contingent liabilities and receivables as of the date of the preparation of the financial statements, and the income and expenses arising during the accounting period. These estimations and assumptions are based on information available as of the date of the financial statement preparation, however the Fund's future operating results may differ from the estimated values.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1. Income from Deposits Protection Premiums**

Income from Deposits Protection Premiums represent assets which commercial banks in the Republic of Montenegro are obliged to pay to the Fund in accordance with the Law on Deposit Protection ("Official Gazette of the Republic of Montenegro", No. 40/03 and 65/05).

Income from Deposits Protection Premiums are comprised from:

- initial premiums;
- annual premiums.

The initial premium paid to the Fund amounts 0.3% of total deposits, but not less than EUR 10,000. Newly founded banks are obliged to pay the initial premium in the fixed amount of EUR 10,000 within 60 days from the day of their prescribing into the Central Registry of the Commercial Court.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2005**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The banks are obliged to pay to the Fund annual premiums for deposit protection in quarterly instalments, starting from the first quarter after the initial premium payment. The banks pay the annual premiums within the period from the 1st through the 20th in the first month of the quarter for the current quarter, as per the invoice submitted by the Fund, provided that the quarters beginning on the first day of January, April, July and October. The basis for calculation of the annual premium instalments is the average amount of total deposits as at the last day of each month in the previous quarter.

The amount of the annual premium is determined for each financial year in particular.

By the decision on establishing the amount of the annual premium, the Management Board may establish different premium amounts depending on the assessment of rating and the degree of operating risk of individual banks (differential premiums).

Data on the assessment of a bank rating and the degree of operating risk shall be furnished to the Fund by the Central Bank.

In case that the Fund assets reach the level of 3 percentage of protected deposits, Management Board of the Fund may quartally take in consideration the possibility of annual premium decrease , in other words it may temporarily withhold the premium repayment.

The incomes disposed in balance sheet are, for the according period, confronted with the matching outcomes.

**3.2. Income from Donations, Technical and Financial Assistance**

*Donations*

Donations received for the purpose of acquiring fixed assets, namely nonmonetary grants are shown as deferred income and are depreciated during the useful life of the granted fixed assets. The amount of depreciation of the granted fixed assets is recorded as other operating income during the useful life of granted fixed assets.

*Technical and Financial Assistance of Central bank of Montenegro*

Income related to the technical assistance of the Central Bank of Montenegro represents financial assets returnlessly approved to the Fund with the purpose of temporary financing of its functioning. The received assets are recognized as income on a systematic and rational basis over the period, at the amount necessary to match them with the costs of regular functioning.

**3.3. Interest Income / Expense and Other costs Arising on Borrowings**

Interest income or expense and other costs arising on borrowings are credited or debited in the accounting period in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended December 31, 2005**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)**

**3.4. Employee Benefits**

*/i/ Employee Taxes and Contributions for Social Security*

In accordance with the regulations that are implemented in the Republic of Montenegro, the Fund has an obligation to pay contributions to various state social security funds, in order to provide social security of employees. These obligations involve the payment of contributions on behalf of the employee by the employer in the amount calculated by applying the specific, legally-prescribed rates. The Fund is also legally obliged to withhold contributions from gross salaries to employees, and on behalf of them, to transfer the withheld portions directly to the relevant funds. Contributions on behalf of the employee and on behalf of the employer are credited to expenses in the period in which they arise.

*/ii/ Obligations for Severance Pay*

The present value of future liabilities according to The General Collective Contract, as severance pays for retirement after fulfilment of retirement conditions, due to the estimation of the Fund's management, does not have a materially significant effect on the financial statements regarded as a whole. Accordingly, provisions for severance pays have not been made in these financial statements.

**3.5. Taxes**

In accordance with Deposits protection Law, the Fund is exempted from payment of taxes, duties and fees which arise during the performance of activities on deposit protection.

**3.6. Foreign Exchange Gains and Losses**

Assets and liabilities' components denominated in foreign currencies are translated into EUR at the official exchange rates prevailing at the balance sheet date published by the Central Bank of Montenegro.

Foreign currency transactions during the year are translated into EUR at the official exchange rates in effect at the date of each transaction.

Foreign exchange gains or losses arising upon the translation of assets, liabilities in foreign currencies and translation of transactions during the year are credited or debited as appropriate, to the Income Statement.

**3.7. Intangible assets**

The intangible assets are stated at cost and primarily include acquired computer software. Intangible assets cost represents the price invoiced by suppliers increased for all expenses incurred in putting intangible assets into functional use.

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)**

**3.8. Equipment**

Property and equipment are stated at cost less accumulated depreciation. Cost represents the price invoiced by suppliers, as increased by all expenses incurred in putting the new assets into functional use.

Additional expenses, such as replacements of the equipment parts (new parts implementation), are accounted as increase of equipment current value if it appears probable that, on these basis, will accordingly occur the income of future economic benefits, or in case that these expenses could be reliably quantified.

The maintenance and repair expenses are accounted as the outcome of the period.

Enhancements or improvements that increase the remaining useful life of property and equipment are stated as a portion of the corresponding assets, whereas the maintenance and repairs that do not extend their useful lives, are charged to the current accounting period.

Profits on the disposal or sale of property and equipment are directly credited to Balance Sheet as "Other operating income" whereas any associated losses are accounted to "Other operating expenses."

**3.9. Depreciation**

The depreciation of intangible assets and depreciation of property and equipment are accounted at their cost using proportional method in order to fully write off the cost of the assets over their estimated useful life.

Depreciation rates in use are as follows:

	<b>Depreciation Rate (%)</b>
Software usage licences	20.00
Computers and related equipment	20.00 - 33.33
Technical equipment	12.50 - 20.00
Office furniture	10.00 - 12.50

**3.10. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and demand deposits held on account of Central bank of Montenegro. Cash equivalents are short term, highly liquid investments which can be easily converted into known cash amounts (within 90 days) and are subjected to an insignificant risk of value changes.

**3.11. Impairment**

At the balance sheet date, the Fund's management reviews the carrying amounts of the Fund's tangible and intangible assets stated in the financial statements. If there is any indication that those assets have suffered an impairment loss, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount stated in the financial reports, the carrying amount of the asset is reduced to its recoverable amount. The impairment is recognized as debited in the Income Statement.

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continues)**

**3.12. Fair Value**

It is a policy of the Fund to disclose the fair value information of those components of assets and liabilities for which official or market prices are readily available, and of those whose fair value may materially differ from their accounted values. In the Republic of Montenegro, sufficient market experience, stability and liquidity do not exist for the purchase and sale of receivables and other financial assets or liabilities, due to the fact that published market prices are not at any time readily available. As a result of this, fair value cannot readily or reliably be determined in the absence of an active market.

**4. DONATIONS, TECHNICAL AND FINANCIAL ASSISTANCE**

	<b>(In EUR)</b>	
	<b>Year ended on December 31,</b>	
	<b>2006</b>	<b>2005</b>
Income from technical and financial assistance of Central Bank of Montenegro (Note 10)	62,883	142,250
Depreciation of donated property and equipment (Note 10)	6,970	5,308
Refundment income from Employment Bureau of the Republic of Montenegro	3,262	-
Other income	497	-
	<b>73,612</b>	<b>147,558</b>

**5. MATERIALS, FUEL AND ENERGY EXPENSES**

	<b>(In EUR)</b>	
	<b>Year ended on December 31,</b>	
	<b>2006</b>	<b>2005</b>
Material Expenses	1,301	1,878
Fuel and Energy Expenses	2,615	659
	<b>3,916</b>	<b>2,537</b>

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**6. STAFF COSTS**

	(In EUR)	
	Year ended on December 31,	
	<u>2006</u>	<u>2005</u>
Net salaries and benefits	31,877	27,951
Contractors' fees	12,635	19,688
Taxes on salaries and benefits	12,427	12,613
Contributions on salaries and benefits paid by employee	11,959	13,816
Contributions on salaries and benefits paid by employer	11,145	9,484
Daily allowances for official trips	1,977	8,220
Official trips accomodation	1,147	3,394
Official trips transportation	2,052	3,699
Staff meal costs	1,025	1,075
Cofinancing of employee's medication	1,000	-
Other staff costs	2,986	1,365
	<u>90,230</u>	<u>101,305</u>

**7. OTHER OPERATING EXPENSES**

	(In EUR)	
	Year ended on December 31,	
	<u>2006</u>	<u>2005</u>
Telecommunication and other postage expenses	4,543	4,219
Entertainment expenses	2,701	2,424
Advertising and marketing expenses	2,783	3,706
Maintenance services	2,229	4,549
Expenses for public informing services	145	8,010
Training of the employees	2,800	2,460
Subscription for journals and publications	1,711	1,009
Bank charges for payment system	921	926
Financial advisory services	-	1,141
Accounting services	1,053	-
Audit of the Financial statements	5,031	-
Business premises adaptation	-	6,636
Expenses for assembling services	-	650
Other operating expenses	1,432	1,711
	<u>25,349</u>	<u>37,441</u>

**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**8. INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT**

(In EUR)

	<b>Office Equipment and other furniture</b>	<b>Intangible Assets</b>	<b>Total</b>
<b>Cost</b>			
Balance, January 1, 2006	19,961	8,474	28,435
Additions(Increase)	-	5,300	5,300
Donations (Note 10)	15,526	-	15,526
Balance, December 31, 2006	<u>35,487</u>	<u>13,774</u>	<u>49,261</u>
<b>Accumulated depreciation</b>			
Balance, January 1, 2006	3,696	2,579	6,275
Depreciation	5,818	3,904	9,722
Balance, December 31, 2006	<u>9,514</u>	<u>6,483</u>	<u>15,997</u>
<b>Net Book(Present) Value December 31, 2006</b>	<b><u>25,973</u></b>	<b><u>7,291</u></b>	<b><u>33,264</u></b>
<b>December 31, 2005</b>	<b><u>16,265</u></b>	<b><u>5,895</u></b>	<b><u>22,160</u></b>

**9. CASH AND CASH EQUIVALENTS**

(In EUR)

	<b>December 31, 2006</b>	<b>2005</b>
Gyro account(cash in bank)	3,692	16,642
Cash in hand	34	1,397
	<u>3,726</u>	<u>18,039</u>
Cash equivalents – interest submitted demand deposit	<u>2,635,393</u>	<u>1,203,256</u>
	<u>2,639,119</u>	<u>1,221,295</u>

As at December 31, 2006., cash equivalents in the amount of EUR 2,635,393 (as of December 31, 2005: EUR 1,203,256) represent short term demand deposits held with Central Bank of Montenegro, with interest rate in the range from 1,65% to 2,33% annually.



**NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2005**

**10. DEFFERED INCOME**

Changes regarding the deferred income from technical and financial assistance from the Central bank of Republic of Montenegro are as follows:

	<b>(In EUR)</b>	
	<b>Year ended on December 31,</b>	
	<b>2006</b>	<b>2005</b>
	<u>          </u>	<u>          </u>
Balance at the beginning of the period	27,636	49,557
Increase during the year	67,000	119,722
Other	-	607
Used durig the year (Note 4)	<u>(62,883)</u>	<u>(142,250)</u>
Balance at the end of the period	<u>31,753</u>	<u>27,636</u>

	<b>(In EUR)</b>	
	<b>December 31,</b>	
	<b>2006</b>	<b>2005</b>
	<u>          </u>	<u>          </u>
Deferred donations from Central Bank of Montenegro related to technical and financial assistance	31,753	27,636
Deferred donations for supplied equipment	<u>20,623</u>	<u>12,067</u>
	<u>52,376</u>	<u>39,703</u>

Changes regarding the deferred donations income for equipment procurement are as follows:

	<b>(In EUR)</b>	
	<b>Year ended on December 31,</b>	
	<b>2006</b>	<b>2005</b>
	<u>          </u>	<u>          </u>
Balance at the beginning of the period	12,067	-
Increase during the year(Note 8)	15,526	17,375
Depreciation of donated property and equipment (Note 4)	<u>(6,970)</u>	<u>(5,308)</u>
Balance at the end of the period	<u>20,623</u>	<u>12,067</u>