
Very Special Supervision or the Shortest Way to the Artificial Bankruptcy of Corpbank AD

April 14th, 2015

Dear Ladies and Gentlemen,

I do not know whether there is still anyone in Bulgaria, who is not aware that Corpbank AD was intentionally attacked with the active cooperation of a number of governmental authorities and institutions, so as to lead it to an artificial bankruptcy. The principal goal was to plunder the most attractive assets of the bank and to melt away the debts of certain companies and persons, related to the DPS and GERB political parties. In my previous statement, I shared how the attack was prepared by the Bulgarian investigation and prosecution authorities. However, it is important to bear in mind the unworthy and biased position of the Bulgarian National Bank in this sinister scenario.

First of all, it shall be made clear that from the very beginning the position of BNB and especially of Ivan Iskrov was inadequate and strangely incompetent, which only indicates strong dependencies. In the real rule of law, instead of circus performances and theatrical improvisations at the Extraordinary Parliamentary Commission, they would investigate the dependencies of Mr. Iskrov – for example his dependency on the prosecution authorities, which turned him into a nonentity. Is it possible that Mr. Iskrov was forced to follow certain instructions, so as not to disclose frozen investigations, related to him and to transfers to a bank on an island, whose headquarters is situated in Africa?! Or is it for some other obliquity of the governor, noticed by the vigilant eyes of those, to whom the prosecution authorities are “stitched”. In a normal country, this would be of interest for the Extraordinary Parliamentary Commission, as it was of interest for those, who control the actions and the orotund speeches of the governor.

Because is there another way to explain:

1. The refusal of BNB to grant liquidity support to Corpbank AD? Especially, as compared to the immediate granting of liquidity support to First Investment Bank during the same period, moreover to a considerably higher amount than requested by Corpbank AD! Corpbank AD survived after a 7-day bank-run of cash and needed about BGN 500 million, so as to overcome the liquidity crisis. By contrast, FIB received BGN 1.2 billion without any audits and unwanted questions on behalf of the BNB, immediately after requesting support.

2. The difference in the positions of Mr. Iskrov of June 17th, 2014 – the date of the official statement of the Central Bank regarding the Corpbank AD crisis, initiated by the independent prosecution authorities (independent, because nothing depends on them without the approval of their masters) – and of June 20th, 2014 – the date, when the Governing Council of the BNB adopted the decision to place Corpbank AD under special supervision?

3. The decision of the BNB of June 22nd, 2014, to place under special supervision Credit Agricole Bulgaria EAD (currently renamed to Bank "Victoria" EAD), although this bank did not suffer a bank-run?

4. The declaration of the BNB of June 22nd, 2014, that it would nationalize Corpbank AD before even having discussed with the shareholders the potential recapitalization of the bank, which is a standard international practice? Here, we can also mention the biased playing the shareholders off and the refusal of BNB's management to meet with them for months!

5. The hallucinations of the Governor in respect of the taking out of BGN 200 million in sacks in broad daylight in the center of Sofia, which were presented in his notorious statement of July 11th , 2014?

6. The appointment of conservators, who do not comply with the requirements of the Law on Credit Institutions and do not possess experience and qualification to occupy such positions?

7. The carrying out of a fictitious "audit" of Corpbank AD based on standards, which have never been applied either in Bulgaria, or in the European Union?

8. The complex policy for the biased and intentional deterioration of Corpbank AD's situation during the "special supervision", which can readily be renamed to "devastating supervision"?

The overall conduct of the BNB after the artificially caused liquidity crisis at Corpbank AD by the theatrical masters of the Bulgarian prosecution authorities is an example of how within a short time frame a bank, which was operating well until yesterday, may be liquidated!

Let's draw our attention to certain less known facts of BNB's activity in relation to the intentional ruination of Corpbank AD:

I. Excessively "Special" Special Supervision

It is a less known fact that the Governing Council of the BNB introduced the most severe measures of the special supervision that are provided for by the Law on Credit Institutions, without having regard, for a moment, to the particular situation, in which the bank was placed as a result of the demonstrative actions of the investigation and prosecution authorities – from preventing of “killings”, through massive rushing into offices and arrests, to accusations in misappropriation before completion of the investigation, and etc.

In practice, the inadequate measures of the BNB foreordained the destiny of Corpbank AD. Undoubtedly, no one at BNB had illusions that Corpbank AD would be rescued, because, apparently, these were the instructions of #WHO or of SOME#ONE.

What are the proofs:

1. There is no reasoning in the decisions of the Governing Council of the BNB as required by Article 151, Par. 2 of the Law on Credit Institutions;

2. The imposed measures are to be applied in case of risk of insolvency, while Corpbank AD, as at the moment of its placing under special supervision, was in a situation of classic liquidity crisis;

3. The measures are the most severe possible that are envisaged in the Law and do not provide any opportunity to the already former managing bodies to cooperate with the quaestors for the rescuing of Corpbank AD;

4. The mere measures are neither differentiated, not directed to the rescuing of the bank. In practice, the full ban on all transactions deprived the customers of Corpbank AD of the possibility for servicing of their exposures.

Actually, why are we surprised, when, 2 weeks after placing Corpbank AD under special supervision, Iskrov was ready with his proposals for dividing of the bank into a good and a bad one, supported by the draft-legislative tandem Peevski - Tsonev (forgive me God, but this is a pure mockery)?

II. What Did the Conservators “Do” at Corpbank AD?

I already had the opportunity to call them an “external unit of the investigation and prosecution

authorities". Their activities absolutely confirm the correctness of this definition, because they are manifestly directed against the interests of the depositors and of the bank itself.

Here are several examples:

1. Information of the assets and liabilities of Corpbank AD is carried about without control and in direct breach of the bank secret rule;

2. The "protected" witnesses of Peevski and the prosecution authorities walk about the bank, as if it is their patrimony;

3. Customers' files were taken away to the investigation authorities and brought back in absolute violation of the law (we shall bear in mind that during that period there were a lot of talking about the recovery of the bank). Are the conservators going to deny that files were brought back to them in bulk and without any inventory? Probably, yes! To their great regret and to the regret of the misled employees of the investigation and prosecution authorities, there are witnesses of that too!

4. Meanwhile, before the kind and "competent" eyes of these conservators, investigation and prosecution authorities, the assets of the bank are subject to nuisance. None of them is interested in who their main witness and his claqueurs think they are, when disposing of property that certainly does not belong to them? This appears to be an example of your dual standards, gentlemen from the prosecution authorities and BNB? Naturally, for the bigger part of the illegal actions of these persons, of which I and my attorneys are aware, we have already reported. Currently, they are making it clear that the "A crow doesn´t rip out the eyes of another crow" principle is fundamental. I am sure, however, that a day will come, when the society will be interested in that!

5. Are the conservators able to give a reasonable answer to the question: why did their authorized representative abstain at the General Meeting of the Shareholders of Bulgartabac holding, clearly contrary to the interests of Corpbank AD? #WHO gave you this advice, disrespected Lyutov and Kostadinchev? To whom did you report – to the Governing Council of BNB, to the prosecution authorities or personally to Peevski?

Do you know that only this action/inaction of yours caused a damage of about BGN 30 million to the bank, respectively, to its creditors? The cases with Rubin, Petrol, the so-called studios of the "investor" Staliyski, and many others are similar. Meanwhile, you and your superiors from Berlin and Montevideo did whatever you could to put obstacles in the normal operation of a business that worked, so as to prove their crazy thesis that the bank is a "pyramid".

6. What the conservators did not manage to destroy with their inept and obsequious conduct, is now left in the hands of the next tools that Peevski has at his disposal – the National Revenue Agency and the Commission for Protection of Competition. And the audience applauses! Even certain "coryphaei" argue that this had to be done earlier! Who do you think you are punishing, gentlemen? Me?! You are very wrong! You are punishing yourselves, because this is the quickest way to complete the destruction of what was created and preserved until June 20th, 2014. And one wonderful day you will be held responsible for that!

Apparently, the only way to protect my name and dignity, as well as the name and dignity of my family and my colleagues, is to refer the problem to Strasbourg. And, to stop the speculations about my actions, once again I would like to underline that I will use the earnings to create a fund "Victims of the actions of the state in the Corpbank AD affair".

In conclusion, I would like to point out that the state, with the tacit consent of the main political forces, destroyed one of the few banks, which was working for the recovery of the Bulgarian national economy. Now, the same state apparatus is on its way to finish crushing the businesses funded by the bank, so as to prevent me from accidentally taking advantage from it in any manner whatsoever.

I have no doubt as to who will be the victim of this insanity in the end – the sovereign, who is watching closely the show and is thinking that this does not concern him. I hope that soon this sovereign will wake up out of the deep sleep and will understand that today they are telling him the story of "the bad one and the good ones" only to continue keeping him in coma "vigil".