

Straw Man Plamen (Slamen Plamen)

June 15th, 2016

Peevski's straw prime minister recently expressed his "competent" opinion about Corpbank's insolvency. Actually, Mr. Oresharski's behavior should have come to nobody's surprise given the active involvement of his ministers Petar Chobanov and Tsvetlin Yovchev in the attack against Corpbank. Maybe also Peevski's multiple visits to the Government villa during the prime minister's short term have not just been benign expressions of good political will?!

Intentional lies

A reputable financial expert, as Mr. Oresharski claims himself to be, should first think, and then speak. First and foremost, Mr. Oresharski should have been aware that the entire banking system was growing during that period, particularly banks with predominantly Bulgarian ownership. The main reason for that is the 2008-2009 global financial crisis which limited the operations of foreign banks in Bulgaria in view of the huge problems faced by their headquarters. This should not be perceived as a negative trend by any means because Mr. Oresharski should have remembered that during Mr. Stanishev's government in which he served as financial minister, the share of foreign banks exceeded 85% (note the share of Greek banks was 30%). How does Mr. Oresharski think Bulgaria's economy would have functioned in the following years if it relied on these banks? Not to mention that billions were drained from the banking market in Bulgaria to the headquarters at that time. Mr. Oresharski's memory seems too short.

Furthermore, Mr. Oresharski should have known that it was not Mr. Borisov's government which was responsible for bank control, but the central bank (the Bulgarian National Bank). It is a fact that Borisov's allies in his first government did their best to stop Corpbank's growth via despicable slander reports to the European Commission in Brussels about alleged concentration of public money and whatnot else—claims the European Commission defined as unjustified and without legal basis after a preliminary investigation. Now, after the concerted efforts of everybody succeeded in destroying the bank, the interest in public funds faded away, and the balloon of lies burst. And yet, when Mr. Oresharski voices his insinuations (he does not sound more convincing when referring to the squib commissioned to AlixPartners), he should have checked that during his alleged "incriminated" 2009-2014 period, Corpbank's equity, including subordinated maturing debt, had increased by over 330%. In absolute numbers, the increase exceeded 600 million leva. This amount of equity was sufficient to fund the bank's development strategy, given the fact that the increase of assets was commensurate with equity increase—approximately 340%.

In that period, apart from scheduled audits by external auditors and inspections by the central bank, Corpbank was also audited by Goldman Sax (in connection with the State General Reserve Fund of the Sultanate of Oman's acquisition of Corpbank shares). Furthermore, the bank was audited during the preparation of the prospectus for the emission of bonds on the Dublin Stock Exchange in 2012. It is also worth remembering that Corpbank is the only Bulgarian financial institution to have emitted bonds on international financial markets. Certainly, here we must mention the regular inspections by the international rating agency, Moody's, too. Actually, Corpbank was the only Bulgarian bank with international rating, confirmed shortly before the bank was forced into bankruptcy.

Dual and triple standards

The words of the straw man may be explained with his indisputable involvement in the forced bankruptcy of the Corpbank. However, I cannot disregard the cynicism of a person claiming to be intelligent and knowledgeable whilst stating that "it is better that the bank is bankrupt; otherwise losses would have been greater." What losses have you diminished, Mr. Oresharski? Your talking in unison with Peevski's lackeys in the prosecutor's office and his plasmodia, Chobanov and Mentata, is easily explainable! Because of your spinelessness and servility, you allowed Corpbank to be forced into bankruptcy. And thereafter your government was forced into bankruptcy too.

Of course, the state aid for First Investment Bank (FIB) you yourself approved twice is compelling evidence of your "principles." The first time you approved state aid for them was almost criminal as you hid the information from the general public and the European Commission! Since you are demonstrating such profound expertise on Corpbank's portfolio, do you have the same profound knowledge of FIB's credit portfolio? You must be aware you will get a headache if you were to analyze it. Never mind, it will be Dimitar Kostov who will suffer from headache now. He is another man with "principles" who has become the doormat of the group which destroyed Corpbank. I am curious to see how he will treat exposures to First Investment Bank and the Bulgarian Development Bank of companies "unrelated" to Peevski such as Vodstroy 98, Putnostroitelna Tehnika (PST), Technoexportstroy, ICTS, Tabac Market, Doreco, Bulgartabac, Hermes Solar, Vili Vist, and I do not know what else?

In conclusion, I am enclosing a link to an analysis of Corpbank's case by the INSTITUTE FOR RESEARCH IN ECONOMIC AND FISCAL ISSUES in May 2015, which was purposefully hidden and ignored in Bulgaria:
http://en.irefeurope.org/SITES/en.irefeurope.org/IMG/pdf/iref_fffn_15-05_bez.pdf

No, Mr. Oresharski, it neither supports your "competent" opinion nor the opinions of other liars like you, but, of course, this is how "democratic" societies operate, right? Apparently, they hide true expert opinion from the general public.