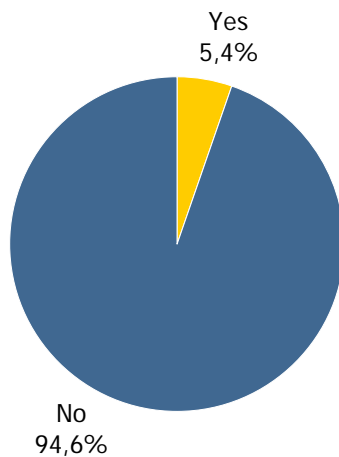


Bulgaria

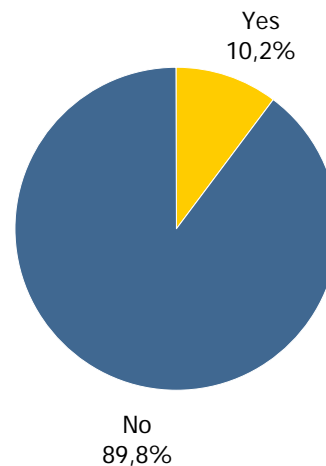
A doubling in volume of the mortgage business is expected over the next two years. More than half of the people who want to buy a home will use a mortgage loan.

According to more than 10% of the respondents of the "Mortgage Business in the Eyes of the Consumer" survey by Raiffeisen Bank, led by GfK (7- 15th May, 2008), the mortgage loan will be a popular choice for future investment in real estate in the next couple of years. The survey covers residents of the ages 26-55 years in the cities of Sofia, Plovdiv, Varna, Bourgas, Ruse, Pleven and Stara Zagora. The data show that the number of people who plan to take out a mortgage loan in the next two years is double the number who already make use of this bank product. In the last five years, 5.4% have taken out a loan whilst 10.2% say they intend to do so in the next two years.

Use of mortgage loans in the last 5 years



Intention of taking out a mortgage loan in the next 24 months



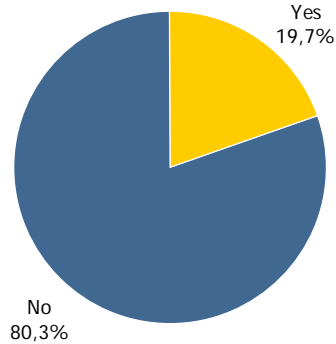
About 80% of the respondents already own real estate. Low interest is shown in the style of building known as panel housing.

The survey reveals a preference for living in private housing. Even if until recently young people early in their careers preferred to "rent a house", now they consider the possession of real estate to be a longed-for aim to be sought after. Such a trend can be explained to some extent by the "equalization" of rents and monthly loan repayments over the last couple of years. In addition, the acquisition of property is felt to be prestigious amongst higher social class groups.

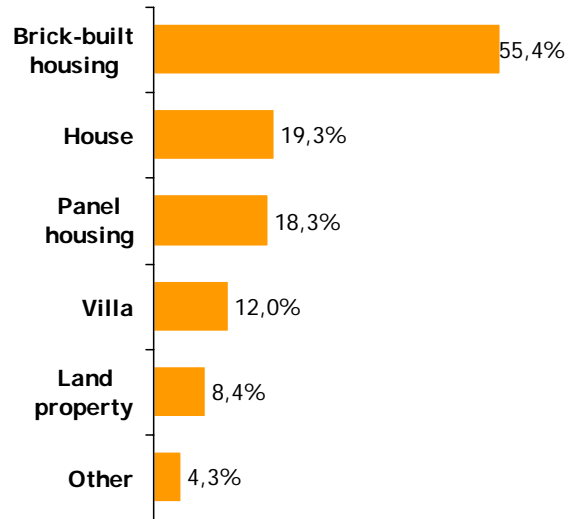
79.3% of the respondents say they own a property: 84.9% of them have an apartment, 30.1% own a house and 26.5% have land. The flats are mainly in the city where the respondents live. In response to the question as to how they acquired the apartment they own, 36.5% said they paid for it with their own money whilst 11.2% took out a mortgage loan from a bank. The main ways to acquire a property are by an inheritance or personal

savings. With regard to a loan for the acquisition of real estate, this is also a means of funding a purchase but only for a small proportion of property owners.

Intention of buying a property



Type of property intended to be bought

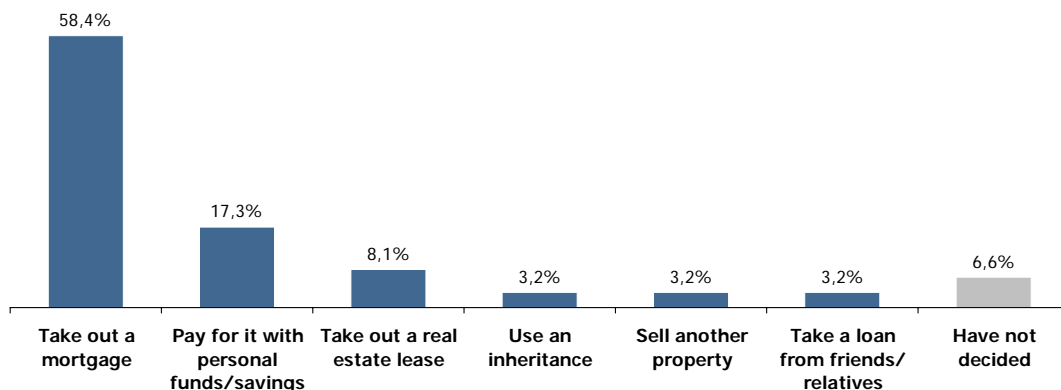


20% of the respondents say they intend to acquire real estate in the next three years with half of them saying they are more likely to buy a brick-built apartment property (55.4%). There is much lower interest in panel housing (18.3%) and 19.3% intend to buy a house.

More than half of those wanting to buy housing will use a mortgage loan. People want to remain in the city.

Around 60% of the people who intend to buy real estate say they will take out a mortgage loan. Only 17% will pay for the property with personal savings while 8% will sign a real estate leasing contract.

Ways to obtain the planned for acquisition property

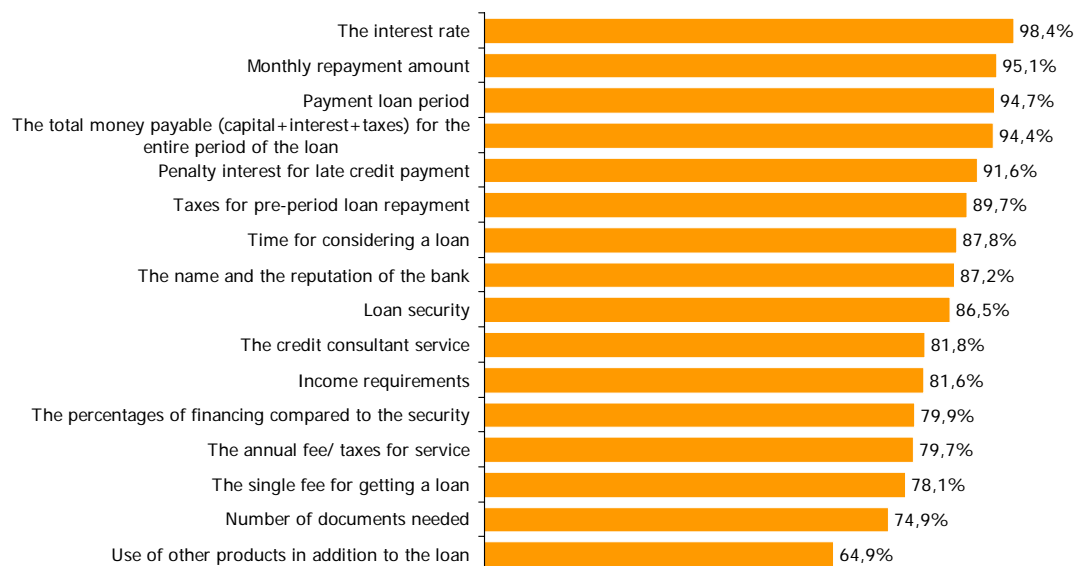


50% of those planning a purchase declare that they intend to buy a property that is on the edge of a city in Bulgaria, 31% will buy in the centre of a specific town and 13% will buy in a village in Bulgaria. The survey does not show any indication of growing migration trends. Barely 4% of the respondents plan to move away from the region or city they live in now. 16.5% of respondents say that they intend to move to another home. The potential for acquiring real estate among those willing to move is high considering the fact that 80.3% of them claim they have such intentions.

Factors in choosing a loan

Price factors are very important in the decision concerning taking out a mortgage loan. Among the most important are the interest rate (98%), the level of the monthly repayment (95%), the total money to be paid (the capital+interest rate+taxes) for the entire period of the loan (94%) and the penalty interest for late payments (92%). With regard to the non-price factors, the mortgage loan satisfaction period is perceived to be very important (95%). This is explained by the fact that the longer repayment period ensures better repayment schemes deferred in time.

Importance of factors in choosing a mortgage loan



5-point scale: 1 – Not important, 5 – Very important

Top 2 positions /very important + important/

79.1% of those who have already taken out a mortgage loan say that one of the most important satisfaction-with-the-loan factors is the name and reputation of the financing bank while 64.9% report the loan consultant service to be very essential and important.

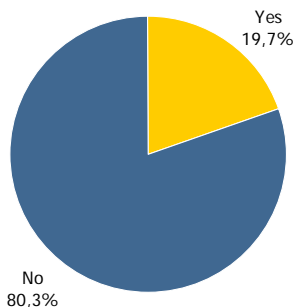


Raiffeisen Bank - a preferred bank for those who have said they will take out a mortgage loan.

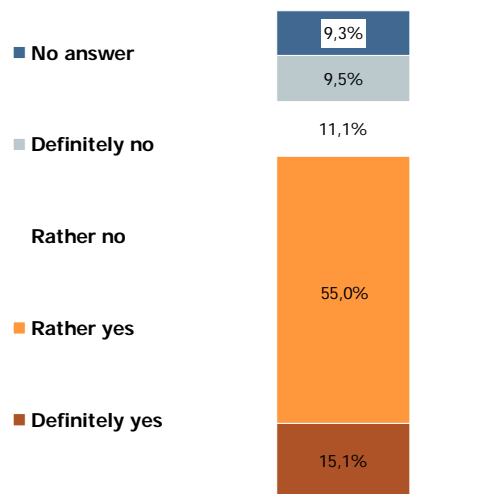
1/3 of those intending to take out a mortgage in the next 24 months say they will use the services of the Raiffeisen Bank. According to the respondents, this is a bank with a high level of awareness among the banks that offer mortgages and the one they would recommend to relatives and friends for taking out a mortgage. The main reasons for the Raiffeisen Bank to be recommended are its trustworthiness and good reputation. The bank stands out with its favourable mortgage loan conditions, easy-to-be-granted loans, the variety of products and services together with the personal service and acceptable interest rate which are mentioned by many respondents.

Around 10% of all respondents to the survey know about the "Housing Center" service.

Intentions for buying a property



Intentions to use "Housing Center"



Less than a year after the opening of the first Raiffeisen Housing Center on 12th March 2007, 10% of the respondents are aware of the "Housing Center" service. 3/4 of the respondents like the idea, mainly because of the complete service offered by the Raiffeisen Bank. More than a half of those who find the idea attractive appreciate the convenience of these Centers. According to the results of this survey, people intending to buy real estate in the next three years are positive towards the concept of the "Housing Center". Approximately 70% of them say they will use a "Housing Center".



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