

An Individual Approach

An Interview with Tzvetan Vassilev,
Chairman, Corporate Commercial Bank AD

EDITORS' NOTE Tzvetan Vassilev is Chairman of the Supervisory Board of Corporate Commercial Bank AD (CCB) and its majority shareholder as well as Chairman of the Supervisory Board of Victoria FATA Insurance. In addition, Vassilev is the recipient of the badge of honor of the University of National and World Economy. Vassilev started his career in finance in 1992 when he founded Bromak and Fina-S finance and brokerage companies.



Tzvetan Vassilev

Between 1995 and 1999, he was Head of the Foreign Exchange Operations and Liquidity Department of Central Cooperative Bank, and in 1997, he also became a member of the bank's Board of Directors. For a short period, he headed the Markets and Liquidity Department at CB Bulgaria Invest. From 2000 to 2003, Vassilev was Chairman of the Management Board and Executive Director of Corporate Commercial Bank AD. Vassilev started his higher education in the Social and Economic Department of the University of Lodz in Poland. In 1985, he graduated from the Karl Marx Higher Institute of Economics, Sofia with a Master's Degree in International Economic Relations.

COMPANY BRIEF Corporate Commercial Bank (www.corpbank.bg) was established in 1994. The bank focuses on providing professional non-standardized banking services with high added value. The distinct advantage is the individual approach to clients and providing comprehensive banking services. Corporate Commercial Bank does not work with structured products and offers highly individualized services in accordance with clients' specific needs and profile. The bank works primarily with corporate clients, providing an individual approach to each client, as well as transparency in the relationship and offering a complex sum of banking services and integrated financial solutions.

Would you provide an overview of CCB's niche and role in Bulgaria's banking industry and where you want to take CCB in the future?

The development strategy of the bank, set since its establishment, proved to be accurate. The bank remained stable even in the conditions created by the global financial crisis by focusing its activities on the basic pillars of sustainable development – energy, infrastructure, and export, which allows it to maintain very high indicators for return of assets and its own capital, respectively over 3 percent and over 25 percent. I also believe the bank's

specialization contributes to its success. Our attention is dedicated to projects in connection with financial reorganization of high potential companies, which are having financial difficulties – financial reengineering. The individual approach towards each and every client and project will continue to be a major policy matter. This presents the bank as a very recognizable institution to its clients and makes them loyal.

I want Corporate Commercial Bank to continue to be the leader among banks in the sphere of business not only in Bulgaria, but also to cover the region. This will require the upward process of regional integration, which will be a new challenge for the bank's management in this unknown environment.

Beyond your activities in banking, you are also involved in real estate and media. What has been the secret to your success as an entrepreneur in Bulgaria?

Presently, engaging in new projects in the real estate sector is not advisable, especially in the Bulgarian market. Since 2007, the bank's investments in real estate gradually decreased, due to the unfavorable conditions forecasted on this market, which proved to be essential in preserving the bank's good capital indicators. Today, we invest in projects with upright potential, such as retail parks, spa resorts, and residential areas in luxury locations in major Bulgarian cities – Sofia, Varna, and Plovdiv.

We are currently facing challenges investing in the media sector including the negative influence of the financial crisis; competition between traditional and electronic media which is, more often than not, won by electronic media; and the social and political sensitivity of the investment, which becomes even more resilient in times of crisis.

In the end, success is a result of a combination of smart decisions. However, success does not come in one form and is quite contradictory. Every social-economic discrepancy is reflected in the media. On the other hand, I believe that this is a positive mechanism, because media is the way to destroy the old dogmas that have dominated for ages in conflict, not in unison, with contemporary development. If this harmony could be accomplished by any of the media I govern, positive economic results would follow.

What is your recommendation to foreign investors looking to enter the Bulgarian market?

I am confident that the economic situation in Bulgaria can present good conditions for foreign investors. Sometimes their expectations are too high and create a negative association, which does not correspond to actual outcomes. Bulgaria offers one of the most favorable tax conditions and this is not only in Europe. The country is among those with the lowest deficit and debt and yet there is a comparatively cheap but qualified workforce. Serious investments are needed, especially in infrastructure, to create better conditions for future investors. They should not expect a full return in three or four years, but we are a full-time European Union member and there are no discriminatory measures applied to them.

You have been a leading advocate for a new philosophy toward conducting business in Bulgaria. What does this mean and how has it shaped your businesses?

I profess the philosophy of equality of economic subjects in Bulgaria and between economic and international subjects, operating on Bulgarian territory.

I do not agree that an economic subject should be discriminated against because it is in connection with the opposition party or to be given priority treatment to a foreign investor to encourage foreign investments. We have witnessed numerous cases of brutal invasion of national interest in favor of foreign investments. I support the economic subjects' equal rights and believe that the practice of becoming a secret agent of a company in their own country – a role some ambassadors have taken – should be discontinued.

The current crisis displayed a fact of real importance – clash of the model of globalization, where the rich get richer by securing only temporarily the realization of the poor's profits, through actually expanding the debt of the poorer countries. The limitations of the model become visible in the boomerang effect it has created – the problems faced by the poor countries are transferring to the rich ones. Change should commence; however, this is possible in only one direction – synergy between the strong and the weak. If not, the perspective is quite dark – entropy, alienation, extensive extremism and, in the end, disintegration, resembling that of the feudalism. This picture is fragmented because there are other factors that have not been mentioned yet. Nonetheless, even if it is not as dark and pessimistic, the consequences are going to be dramatic. I hope the politicians will prove us wrong. Everything is in their hands now. ●