



Annual Report
2009



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MESSAGE FROM THE MANAGEMENT

Ladies and Gentlemen,

We, the Executive Directors and Procurator of Central Cooperative Bank Plc, would like to use this opportunity to inform you about our achievements and accolades in 2009. Central Cooperative Bank Plc is a universal commercial bank with a pronounced focus on retail banking. As at 31.12.2009 the Bank assets are BGN 1 839 million, shareholders' equity amounts to BGN 251 million and the net profit is BGN 22 million.

Last year was our third year as a member of the European Union and the whole year was characterized by the effects of the global financial crisis. Nevertheless, we ranked among the first banks in Bulgaria in terms of total assets and achieved a 10.54% increase in total assets.

Among our goals for 2010 are: joining Target 2 and BISERA 7 via BNB on February 1, 2010; new products and services for individuals; new developments in the card business; new strategies to cushion the effects of the global financial crisis; preserving the quality and decreasing the concentration of the loan portfolio; an emphasis on client, credit and market risk; profiting from our existing wide branch network; collaboration with leading financial institutions from EU and USA; training and qualifying the personnel; good liquidity, preserving and increasing the amount of total assets and keeping our place among the leading and well-developed Bulgarian banks.

We make our clients feel important. The Bank management and staff have committed their efforts to defending the already achieved position and further improving in the banking field. We look forward to continue working with you and sharing best practices and recommendations.

Yours sincerely,




George Konstantinov
Executive Director



Ivaylo Donchev
Executive Director



Sava Stoyanov
Executive Director



Tihomir Atanassov
Procurator

FINANCIAL HIGHLIGHTS AS AT 31.12.2009

Main Indicators from the Balance Sheet and the Income Statement	As at 31.12.2009 Thousand BGN	As at 31.12.2008 Thousand BGN
Total assets	1,839,437	1,664,100
Share capital	83,155	83,155
Shareholders' equity	251,403	228,496
Total deposits	1,524,152	1,391,757
Deposits from non-financial institutions	1,519,876	1,384,958
Advanced loans and advances to customers, net	1,147,905	979,810
Net interest income	67,912	65,226
Non-interest income	55,612	47,067
Total income	123,524	112,293
Operating expenses	89,854	82,437
Net profit	22,095	21,644

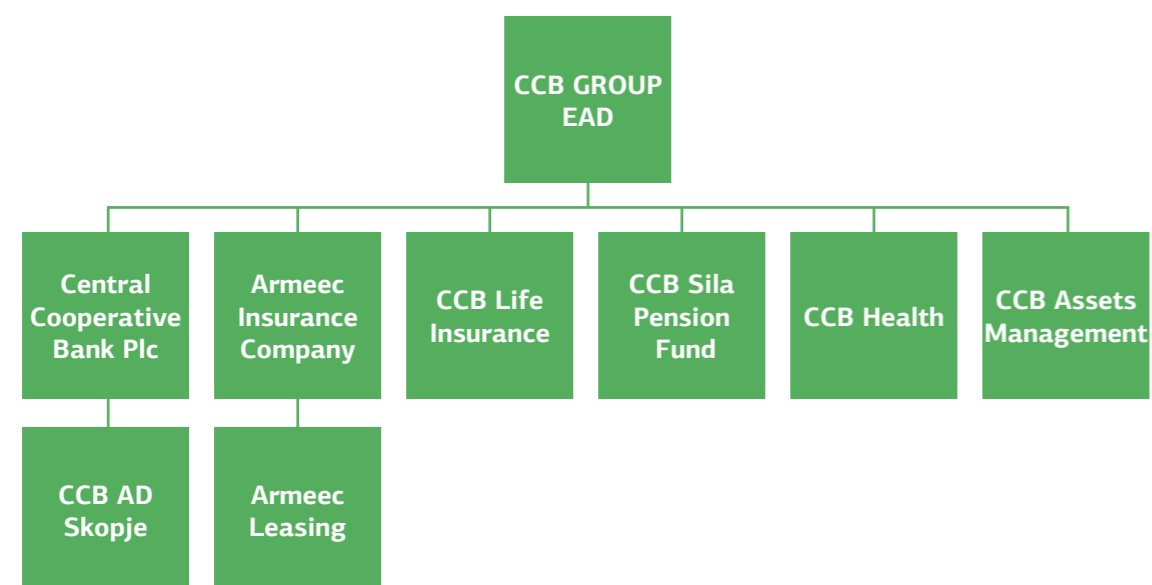
Financial Highlights	As at 31.12.2009	As at 31.12.2008
ROE %	9.44%	9.95%
ROA %	1.27%	1.34%
Shareholders' equity / total assets %	13.67%	13.73%
Operating expenses / total assets %	4.88%	4.95%
Operating expenses / total income %	72.74%	73.41%
Loans to customers / total assets %	62.41%	58.88%
Total deposits / total assets %	82.86%	83.63%
Deposits from non-financial institutions / total assets %	82.63%	83.23%
Total capital adequacy	14.60%	13.21%

Recourses	As at 31.12.2009 Number	As at 31.12.2008 Number
Number of customers	1,123,000	1,022,008
Foreign correspondents	472	360
Nostrro accounts	19	22
Locations, including branches	263	266
Personnel	2,319*	1,886

*the figure includes 513 people, appointed in 2009 in the established self-defense unit, as a result of a change in the organization of the physical defense of the Bank.

TODAY

Central Cooperative Bank Plc is a universal commercial bank, belonging to the financial structure of **CCB Group EAD**. Together with the remaining companies, the Bank comprises the full array of products and services in the field of financial intermediation, with an emphasis on SME lending and retail banking.



As a **universal commercial bank** CCB Plc offers an array of financial products and services, which correspond to the competitive requirements of the dynamically changing market environment. The Bank constantly strives to deploy the spectrum of financial intermediation and works hard to create new and develop the known products and services.

CCB Plc. is a full member of the **International Cooperative Banking Association** and the **European Association of Cooperative Banks**.

The products and services of **Western Union** are offered at 248 branches and offices of CCB Plc in 135 settlements across the country.

The Bank is a full member of **MasterCard Europe** and **Visa International**, offers the Maestro and MasterCard cards and the family of Visa cards.

Central Cooperative Bank Plc is an indirect member of **EBA STEP2 SCT and TARGET2**.

The Bank is an indirect member of **International Swaps and Derivatives Association, Inc - ISDA**.

CCB Plc maintains good relationships with a number of **correspondent banks**, improving the business contacts with them. The Bank has 360 correspondents and 19 Nostro accounts, as well as a number of lines for documentary operations for various amounts and trade finance for the import of investment products, made in EU. Through the MM and FX limits, the Bank maintains the wide spectrum of the offered products and consulting services.

CCB Plc has a license to carry out transactions as **an investment intermediary** on the Bulgarian capital market, acting on its behalf and at its expense, as well as at the expense of its clients.

CCB Plc is a **primary dealer of government securities** on the Bulgarian domestic market.

The Bank provides an easy access to all range of its products via a well-developed **branch network**, offering quick and modern solutions to its customers. At present the Bank has 263 branches and offices all over the country and abroad, which are subject to constant optimization with the aim of maximum efficiency.

BRIEF HISTORY

On 28 March 1991 Central Cooperative Bank was registered with a resolution of the Sofia City Court. At first the Bulgarian National Bank Management Board issued a license to CCB Plc for carrying out bank activity on the territory of the country.

The founders of the Bank were Central Cooperative Union, the regional cooperative unions and more than 1100 cooperative organizations. In the beginning its mission was to contribute to the development of the cooperative system in Bulgaria. Passing through different development periods, the Bank established itself as a universal commercial bank nowadays.

Since 12 March 1993 the Bank is authorized to carry out operations abroad as well.

Since July 1993 CCB Plc is an associate member of the European Association of Cooperative Banks, domiciled at Brussels.

On 4 March 1999 CCB Plc received the statute of a publicly listed company, and in this way became one of the two Bulgarian banks, the shares of which were traded on the Bulgarian Stock Exchange - Sofia.

Up to 2001 CCB Plc shareholders included: Central Cooperative Union, Bulbank AD, the State Agricultural Fund, the Bank Consolidation Company etc.

At the beginning of 2002 the share of Bank Consolidation Company AD amounting to 32.77% was acquired through bidding by Chimimport JSC, which became the main shareholder of Central Cooperative Bank Plc.

In 2002 CCB Plc received a license from MasterCard Europe – a prestigious international card organization for the issuance and acceptance of the international Maestro debit cards and Mastercard credit cards.

In 2003 CCB Plc acquired a license for a Bulgarian agent of Western Union, the international fast money transfer company.

In September 2004 Central Cooperative Bank Plc became a member of the Management Board of the International Cooperative Banking Association, together with over 52 credit institutions from 36 countries.

At the end of 2004 CCB Plc increased its capital from BGN 16 169 564 to BGN 32 338 128 via the issuance of 16 168 564 shares, having a par and issue value of BGN 1. The Bank's main shareholder is CCB Group Assets Management EAD, which is 100% property of Chimimport Plc.

On 27 May 2005 the Bank became a principal member of Visa International and at the beginning of 2006 we started offering the family of Visa cards.

In September 2005 CCB Plc took a decision to increase its share capital by 50% and as of the end of the year it amounted to BGN 48 507 186, and the shareholders' equity was BGN 80,928 thousand.

In December 2005 CCB Plc received a permit from the Central Bank of Cyprus to open its first foreign branch in Nicosia.

On 11 May 2006 CCB Plc signed a second Syndicated Term Loan Facility, whereas the initial amount of EUR 11.000.000 was increased to EUR 27.500.000 with the participation of 12 foreign banks. The syndicated loan was arranged by HSH Nordbank AG and Raiffeisen Zentralbank Österreich AG.

At the end of June 2006 the General Meeting of Shareholders of CCB Plc took a decision to increase the capital by 50% and at the end of the year the Bank share capital amounted to BGN 72 760 779.

Since 1 January 2007, with Bulgaria's accession to EU, CCB Plc has acquired the statute of a full member of the European Association of Cooperative Banks.

In June 2007 the General Meeting of Shareholders of CCB Plc took a decision to increase the capital and at the end of the year it amounted to BGN 83 155 thousand.

In September 2007 the first foreign branch of CCB Plc was opened in Nicosia, Cyprus.

On 28 February 2008 CCB Plc acquired the Macedonian bank Sileks Bank AD Skopje, which was renamed to Central Cooperative Bank AD Skopje on 22 October 2008. At present CCB Plc has 82.63% of the voting shares of the capital of CCB AD Skopje.

On 15 August 2008 Central Cooperative Bank Plc joined ISDA - International Swaps and Derivatives Association as a user.

In October 2008 CCB Plc became an indirect member of EBA STEP2 SCT.

In December 2008 CCB Plc became an indirect member of TARGET2.

As at 31.12.2009 the total assets of CCB Plc increase by 10%.

As at 31.12.2009 the profit of CCB Plc increases by 2%.

MANAGERIAL TEAM

Central Cooperative Bank Plc has a two-tier system of management, which consists of a Supervisory Board and a Management Board.

The Supervisory Board consists of three members and elects the Management Board and a Procurator. The Management Board on its part elects the Executive Directors with the approval of the Supervisory Board.

At present the following members are included in the Supervisory Board and the Management Board:

1. Supervisory Board:

Chairperson: Ivo Kamenov Georgiev

Members:: Marin Velikov Mitev
Central Cooperative Union
Represented by Peter Stefanov

2. Management Board:

Chairperson: Prof. Dr. Aleksander Vodenicharov

Members: Tsvetan Botev – Deputy-Chairperson
George Konstantinov – Executive Director
Ivaylo Donchev – Executive Director
Sava Stoynov - Executive Director
Aleksander Kerezov
Bisser Slavkov

3. Procurator:

Tihomir Atanassov

SHARE CAPITAL AND SHAREHOLDERS

As at December 31, 2009 the share capital of the Bank amounts to BGN 83,155,092 and is divided into 83,155,092 shares, each with a value of BGN 1. The shares of the Bank are book-entry, registered and each share gives the right to one vote in the General Meeting of Shareholders. CCB Plc does not have shareholders with special controlling rights. We do not know of any agreements between the shareholders, which lead to limitations in the transferring of shares or the right to vote.

As at December 31, 2009 the shareholders' equity of the Bank amounts to BGN 251,403 thousand. The capital adequacy is 14.60%, which is in agreement with the requirements of Ordinance No. 8 of BNB on the capital adequacy of banks.

Shareholders of CCB Plc as at 31 December 2009	Share (%)
CCB Group EAD, Sofia*	68.20
UNICREDIT BANK AUSTRIA AG	4.83
Armeec Insurance Company JSC, Sofia	4.51
Chimimport JSC	2.88
Other minority participation	19.57
Total	100.00

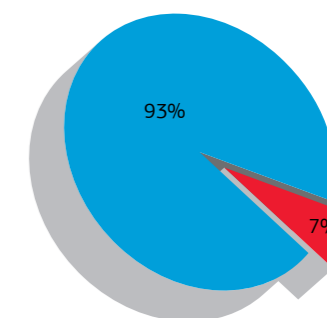
* Former name: CCB Group Assets Management EAD

As at December 31, 2009 the shareholders of CCB Plc are 7,084, among them 5,856 individuals and 1,228 legal entities.

The shares of CCB Plc are being traded at the Bulgarian Stock Exchange since 4 March 1999. In the last 10 years the CCB Plc shareholders' structure has significantly changed three times – in June 1999, when Bulbank AD sold to the State Agricultural Fund its share of 35%; in June 2001 when the share of the State Agricultural Fund, which had been acquired by the Bank Consolidation Company, was purchased by "Chimimport" JSC and at the end of 2004, when the shares of Central Cooperative Union were acquired by "Chimimport" JSC through CCB Group EAD.

Breakdown of Share Capital

- Legal entities (Bulgarian and foreign)
- Individuals (local and foreign)



ACTIVITY OVERVIEW

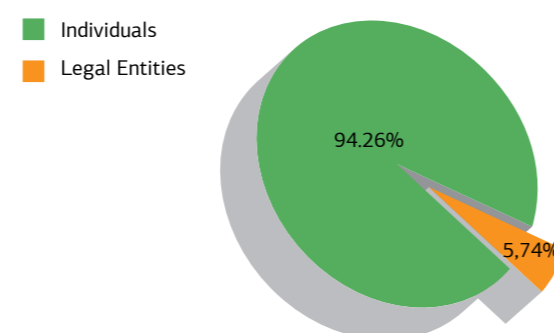
CCB Plc is a universal bank, working in a multitude of banking activities, with an emphasis on "retail" banking and SME lending. Along with that the Bank continues to be a leader in rendering services to the agricultural sector and the related production activities.

In 2009 the Bank preserved the array of offered credit products and services in the field of consumer lending, as well as lending to SMEs. Following the set goals, the Bank deployed its activity as a "retail bank" and achieved good positions in the market of SMEs, attracting more and more clients in this sector.

Client structure

A considerable contribution for the success and the established market positions of the Bank belongs to its clients. For this reason CCB Plc attracted more clients, especially individuals, households, SMEs. The Bank portfolio is entirely subordinated to the needs and desires of clients. Efforts have been concentrated on offering competitive and attractive products.

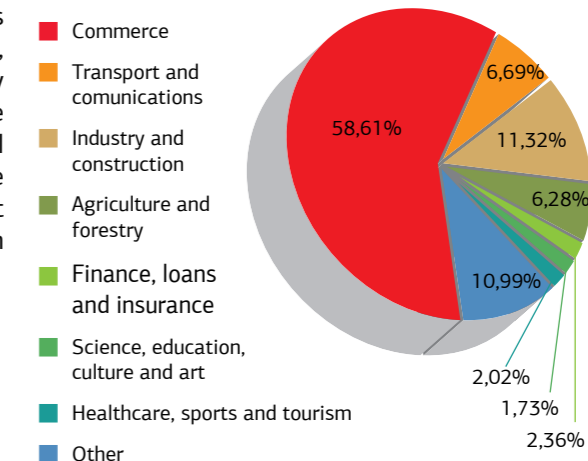
Breakdown of Clients as at 31.12.2009



Sector	December 2009	December 2008
Individuals and sole proprietors	1 058 559	947 783
Commerce	37 772	34 765
Transport and communications	4 308	4 134
Industry and construction	7 293	6 531
Agriculture and forestry	4 048	3 879
Finance, loans and insurance	1 521	15 938
Science and education	1 118	993
Healthcare, sports and tourism	1 301	1 994
Other	7 080	5 991
Total	1 123 000	1 022 008

At the end of 2009 the Bank clients increased to 1,123,000, which is by 100 992 or 9,88% more in comparison with the previous year. There is an increase mainly in individuals, whose number has increased by 110 776 or by 11.69% in comparison to 2008. The positive tendency of growth is present in the last several years, because CCB Plc strives to develop in the highly competitive for the Bulgarian market "retail banking" segment. There is also growth in SME lending.

Branch Structure of Clients



Retail banking

In 2009 the changed economic conditions limited the possibilities for growth of all banks in Bulgaria with respect to retail banking. In spite of that Central Cooperative Bank preserved its good positions with regard to card business and consumer lending.

The total number of issued Bank cards as at 31.12.2009 is nearly 750 000. As at the same date the market share of CCB Plc in the field of consumer lending is 2,55%. In 2009 the Bank started several new products and services for individuals, as well as new programs for its clients. The conditions of the various card and credit products were updated.

Card business

In the last years CCB Plc affirmed itself as one of the biggest issuers of credit and debit cards in the country. The Bank issues international MasterCard and Visa credit cards, as well as local credit cards; with regard to the debit cards CCB Plc offers to its clients Maestro, Visa Electron and local debit cards.

In 2009 CCB Plc preserved a good market share in the issuance of bank cards, whereas the total number of issued Bank cards as at 31.12.2009 amounts to 748 681. In the same year there is a considerable increase in the number of cobranded credit cards "CCB – Bulgaria Air", which combine perfect financial conditions for the clients with various additional bonuses of Bulgaria Air. There continued to increase the share of chip cards in the total number of credit cards of CCB Plc.

At the end of 2009 CCB Plc started the CCB Bonus program, with which it offered new possibilities to its clients. Upon shopping with credit cards at the commercial partners of CCB Plc

under this program, the clients of the Bank enjoy special rebates. Via CCB Bonus the Bank provides preferences to the owners of all types of credit cards – Visa, MasterCard and local credit cards. As at the end of 2009 the number of traders under this program is almost 50, whereas in 2010 the Bank intends to deploy the array of traders.

In the second half of 2009 CCB Plc started the issuance of Maestro and Visa Electron chip debit card. Those cards offer greater security and protection, in comparison to the cards only with a magnetic strip.

At the beginning of 2009 there started the offering of the “Issuer” service. This is a cards account service, which makes possible for clients of the Bank to dispose with their funds at the same time via their card, for money transfers and for cash operations. The clients of CCB Plc may use their card accounts for automatic transfers, Internet banking, repayment of installments for consumer loans and credit cards on other accounts, etc. The other advantage of the service is that the funds credited with the account of the client become accessible immediately for use via the bank cards on the account.

CCB managed to preserve good positions with regard to the development of its network of ATMs and POS terminals. There is a growth in all segments – in the number of installed ATMs, in the number of POS terminals for dispensing cash, as well as in the number of POS terminals at the commercial sites. At the end of the year the total number of ATMs of CCB Plc is 339. The total number of POS terminals of CCB Plc at the end of 2009, including the POS terminals in the bank rooms, is 2 250.

Consumer loans

In 2009 the crisis and the deteriorated economic environment increased the risk in front of the financial institutions and played a very important role in determining the policy of lending to individuals by banks in Bulgaria. The decrease in the market share of CCB Plc in lending from 2,81% to 2,55% is due mainly to the more conservative behavior and the stricter criteria of granting consumer loans during last year. The efforts of the Bank during last year were directed not so much to increasing the number of granted loans, but more to increasing the amount and quality of the loan portfolio.

In spite of the deterioration in the economic conditions, CCB Plc continued to offer to its clients exceptionally competitive products in the field of consumer lending, which corresponds to the increased requirements of the Bank.

Goods on credit. In 2009 the exceptionally beneficial conditions of “Goods on credit” attracted solvent new clients and predisposed those, who already used them, to make it again. Clients had the opportunity to shop goods at a price up to BGN 10 000 in over 3000 trade shops. The term, within which the client returns the loan, is up to 5 years. The processing of the applications that came from the trade partners of CCB Plc from the whole country is made by a special unit within the head-office. In spite of the heavy ordeals, with which the companies, dealing with trade in durable goods were confronted, the partners of the Bank in 2009 increased with over 150 new traders. The simplified procedure for application, the quick reply by the Bank and the advantageous financial conditions, characteristic of the product of CCB Plc during last year, were a precondition for the product to be preferred by clients that have chosen that form of lending.

“Life” insurance policies of the borrowers. During last year the clients of CCB Plc that enjoy consumer loans may conclude “Life” or “Accident” insurance policy with CCB “Life” insurance

joint-stock company under preferential conditions. The insurance policy is concluded in favour of the bank, whereas the client is entitled to choose between the one-off payment of the whole premium or annual payments. In cases of an insurance event, the insurance company pays to CCB Plc the amounts due from the client as a lump sum or in monthly installments, depending on the type of the event.

Student loan. During last year the Bank continues to lend to students, with the guarantee of their parents. The loan is extended for the payment of semester fees and meeting the current needs for the period of study. The Bank finances also participation of students in programs for cultural exchange, experience or brigades abroad. When the loan is intended to cover fees for study, clients may choose whether to receive the full amount of the loan immediately or to receive every year the amount, necessary for the respective year. The Bank provides to students the possibility to use a grace period for the duration of the study, whereas during this period only interest is repaid. When the loan is to finance a program for experience abroad, the grace period is up to 12 months. At the end of the year agreements were reached between the Bank and two of the big companies in Bulgaria, which send students to work abroad on collaboration in lending to the companies’ clients. The Bank offered the departing students the possibility to apply for a loan up to BGN 3500 and to use a grace period, during which they pay only interest, for a term of up to 9 months.

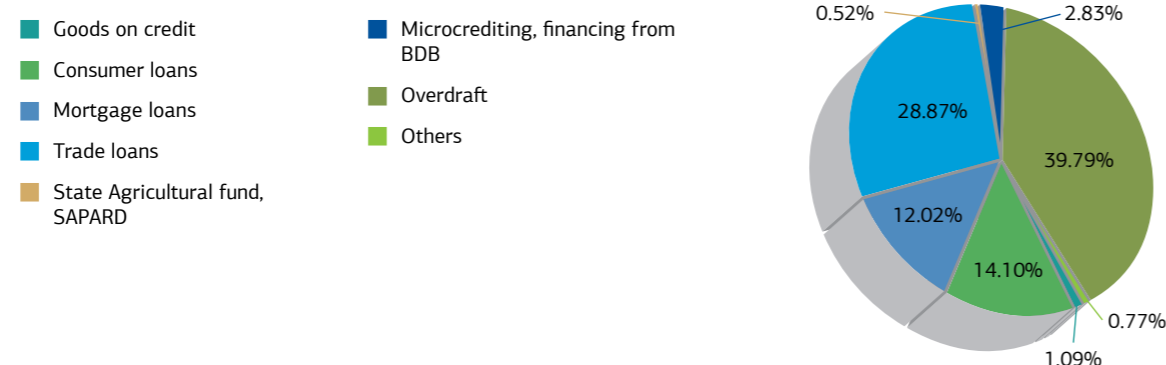
Loans for state employees and employees of companies, approved by the Bank. At the end of the year CCB Plc updated the conditions for consumer loans, which are extended to employees of certain reliable employers and state employees. The changes were based on the relatively low levels of employee turnover of these employers, as well as the lower overdue amounts of already extended loans. Clients, complying with the conditions of the Bank, now may receive up to BGN 30 000, whereas for those of them, who receive their salary to an account with CCB Plc, the loan term is up to 10 years.

Crediting

Crediting constitutes a major share of the Bank business. In 2009 the loan portfolio increased moderately, reaching 63.49% of total assets. In the portfolio structure there are no big changes in the breakdown according to types of loans. The major part belongs to overdraft, which has 39.79% of the advanced loans, whereas in 2008 its share was 31.28%. Overdraft includes allowed overdraft of individuals and legal entities, as well as overdraft with a mortgage.

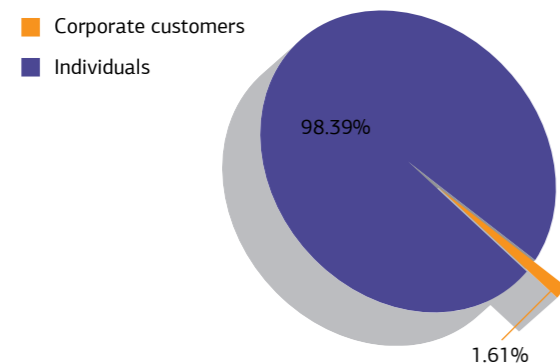
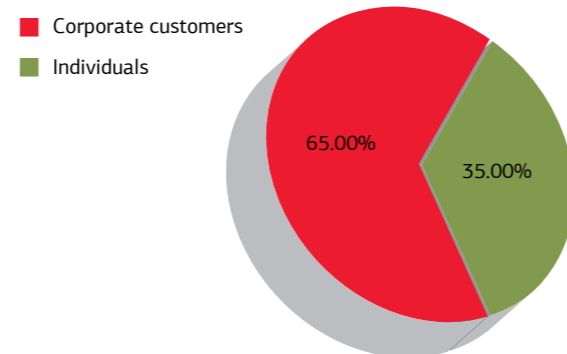
The consumer and mortgage loans preserve their approximate values from the previous year and amount to 14.10% and 12.02% respectively of the total loan portfolio. CCB Plc offers attractive products in the field of consumer lending and crediting small and medium sized enterprises.

Company loans have 28.87% of the loan portfolio, whereas their share in the previous year was 30.94%.

Breakdown of the Loans According to the Type of the Credit

In 2009 CCB Plc introduced stricter conditions for housing, mortgage and consumer lending, considering the changed tendencies on the market of loans in global and national scope.

In 2009 there is a certain decrease in loans for individuals to the amount of 3.65%. The breakdown of loans to individuals and corporate loans according to the number and amount of advanced loans may be seen in the following graphs:

Breakdown of the Loans According to the Number of Granted Loans**Breakdown of the Loans According to the Loan Amount**

Correspondent relations with Bulgarian and foreign financial institutions

In 2009 the Bank continued working on several long-term trade finance projects and further improved its good business relationships with the leading banks from EU and USA.

In 2009 CCB Plc continued performing its obligations associated with several projects under the main framework agreement with Landesbank Berlin, concluded in November 2002. The purpose of the agreement is a credit line for partial midterm and long-term financing of contracts for the purchase and delivery of investment goods and services with German exporters, but the export from countries such as Belgium, Austria, etc may be financed as well. The loan insurance is made by the export credit agencies of the respective exporting countries.

The Bank has a credit line with Banco Bilbao Vizcaya Argentaria, Madrid. The line concerns the investment goods – imported from Spain, and it is possible to include up to 15% components having non-Spanish origin in the value of goods, and exceptionally up to 30% having an origin in other EU countries.

CCB Plc has two successful syndicated loan agreements. The first syndication was concluded in 2005 at the amount of EUR 11 million for one year, whereas the second Syndicated Term Loan Facility, concluded in 2006, was for EUR 27.5 million, having a one-year term and an extension option of one more year. The syndicated loans were arranged by HSH Nordbank AG and Raiffeisen Zentralbank Österreich AG and the participants were prestigious financial institutions from Europe and Asia. The loans' purpose is advancing loans and financing small and medium-sized enterprises – clients of the Bank. The great interest on the part of foreign financial institutions and the increase in the preliminarily stated amount of more than two times in 2006 is a proof of the recognition and good reputation of the Bank on the international scene.

There are effective credit lines for confirming small documentary operations with Deutsche Bank AG, Frankfurt / Main; Raiffeisen Zentralbank Österreich AG, Austria, UniCredito Italiano, Italy and Standard Chartered Bank, USA. Along with that CCB Plc develops and streamlines its relationships in other fields of banking, working with banks such as: KBC Bank NV, Brussels; Unicredit Bank Austria AG, Vienna; Danske Bank, Copenhagen; BBVA, Madrid; BAWAG P.S.K., Vienna; Wachovia (Wells Fargo), New York; Credit Suisse, Zurich; Landesbank Berlin, Germany; Rabobank Netherlands, Utrecht, Societe Generale, Paris La Defense, Barclays Bank Plc, London etc.

CCB Plc has established correspondent relations with over 360 financial institutions from all over the world, and it can exchange encrypted messages with over 2000 foreign correspondents. In 2008 the Bank successfully migrated to RMA. In 2009 for the destination CECBBSGF it has exchanged 472 RMAs, for CECBCY2N it has exchanged 65 RMAs and for CECBMK22 it has exchanged 115 RMAs. The Bank has 19 Nostro accounts, 8 of which are in EUR with European banks, 3 accounts are in USD with American banks, and 8 are in other currencies – GBP, CHF, CAD, DKK, SEK, NOK, JPY and PLN.

The correspondent network of CCB Plc is subject to constant optimization, with the aim of effecting the payments as quickly as possible, without any problems and under the best financial conditions for the clients.

International payments

With its well-developed branch network and Correspondent relations CCB Plc carries out payments all over the world. The Bank is a member of SWIFT since 1994, an indirect member of EBA STEP2 SCT and TARGET 2, and since 2003 it is a member of the Western Union fast money transfer system. All these preconditions allow CCB Plc to effect high quality payments for its clients.

In the period 2005 – 2008 the amount of payments has shown an incessant increase as a whole. The increase in the outgoing payments for 2008 in comparison to 2007 is 7%, for 2007 in comparison to 2006 is 91%, and for 2006 compared to 2005 it is 56%. With the incoming payments the increase for 2008 in comparison to 2007 is 21%, for 2007 compared to 2006 is 103%, for 2006 compared to 2005 it is 35%.

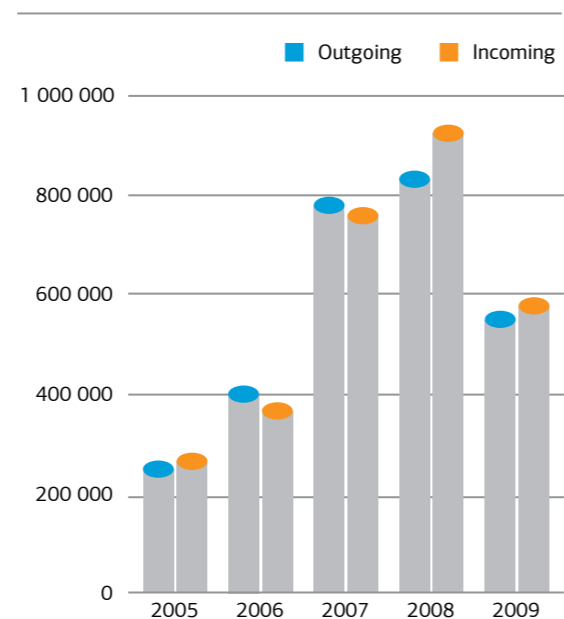
In 2009 there is a decrease in payments due to the international financial crisis.

For the full year 2009, Central Cooperative Bank Plc distinguished itself with the exceptional quality of international payments, ranking among the market leaders in terms of straight through processing rate (STP).

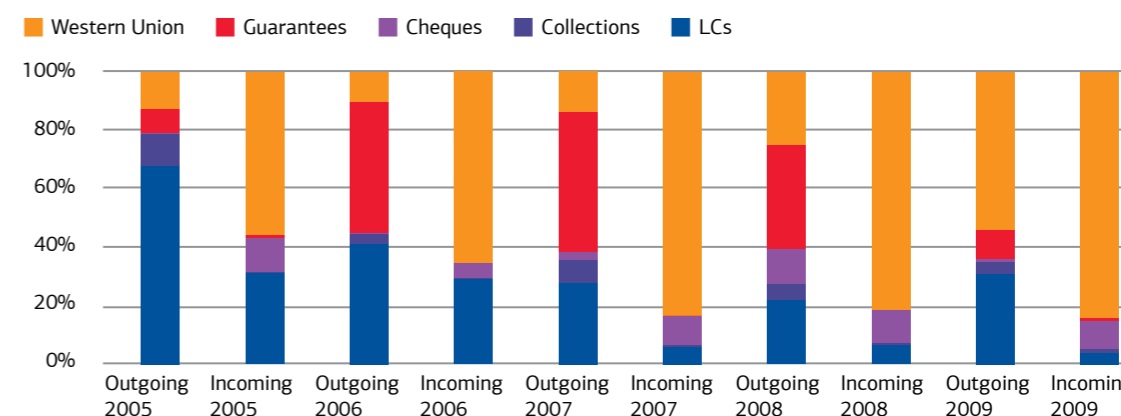
Central Cooperative Bank Plc offers to its clients the main types of payments, known in the bank practice. A major share belongs to the clean payments, which have the greatest portion in the incoming and outgoing payments. In 2009 the amount of the incoming and outgoing transfers decreased. There is an increase in the incoming documentary collections, bank guarantees and Western Union transactions.

The breakdown of the types of payments is rather varied and may be seen in the following diagram:

Total Amount of the Incoming and Outgoing Payments in the Long Run (thousand USD)

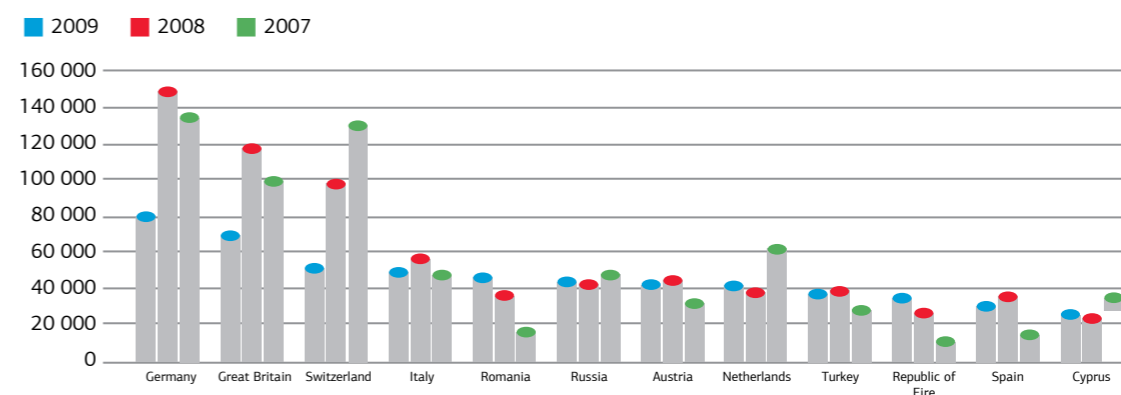


Comparing the Types of Incoming and Outgoing Payments in the Long Run



During the last year according to the amount of payments Germany has a leading position with 7.18% of the total amount of payments. Great Britain remains on the second place with 6.24%, followed by Switzerland – 4.70% and Italy – 4.52%. Next, according to the amount of payments, follow: Romania, Russia, Austria, Netherlands and Turkey.

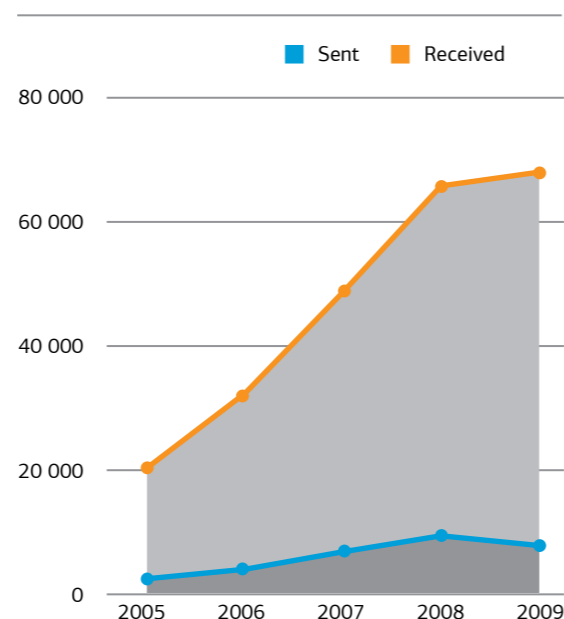
Transactions in Foreign Currency According to Countries for 2007, 2008 and 2009 (thousand USD)



Western Union

Since 2003 CCB Plc is a licensed agent for Bulgaria of the Western Union fast money transfer system. Western Union is present with more than 365 000 offices in over 200 countries all over the world, which makes possible the speedy ordering and receiving of money transfers all over the world. The Western Union products and services are offered in 248 branches and offices of CCB Plc in 135 settlements across the country, equipped with a direct electronic access to the Western Union network. Besides, CCB Plc has concluded agreements with subagents, which offer the Western Union services on 107 more sites in 69 settlements.

Sent and Received Transfers through Western Union for the Period 2005 - December 2009 (thousand USD)



Financial markets

2009 was extremely difficult for the financial markets and was marked by the global financial crisis. In spite of that Central Cooperative Bank Plc kept its good liquidity during the whole year.

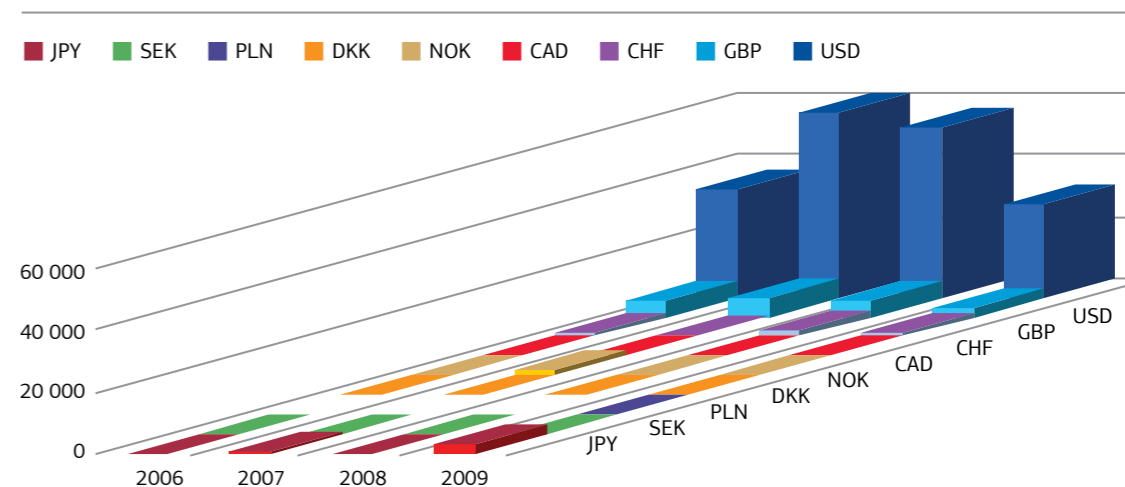
In 2009 financial markets continued to be one of the important segments in the activity of CCB Plc. The Bank affirmed its position as one of the most active banks on the interbank FX market and banknote trade. Being a primary dealer of government securities on the domestic primary market, CCB Plc effects transactions on its behalf and at its expense and also at the expense of its clients. It maintains excellent relationships with first class foreign banks and places a huge amount of deposits on the Bulgarian and the international markets.

Foreign exchange

In the field of foreign exchange the Bank offers a number of products and consulting services to investors and corporate clients, as well as to correspondent banks – spot, forward and swap transactions, options, hedging, etc. The Bank actively uses the existing FX lines from big European banks. In 2009 CCB Plc continued to use the full capacity of its trading lines, provided by leading financial institutions such as Deutsche Bank AG, Germany, Credit Suisse, Switzerland, WGZ, Germany,

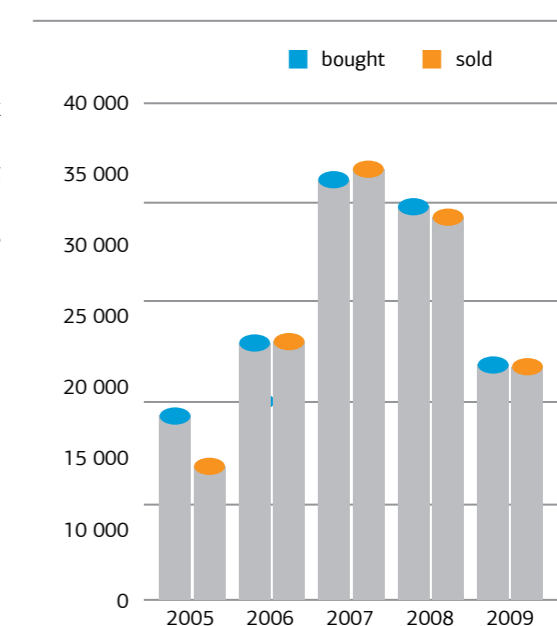
RZB, Austria, Standard Chartered Bank, USA and Danske Bank, Denmark. In 2009 CCB Plc signed with KBC Bank an ISDA agreement, which allows the Bank to provide a broader spectrum of services to its clients.

FX Trade Activity According to Currencies (in thousand EUR)



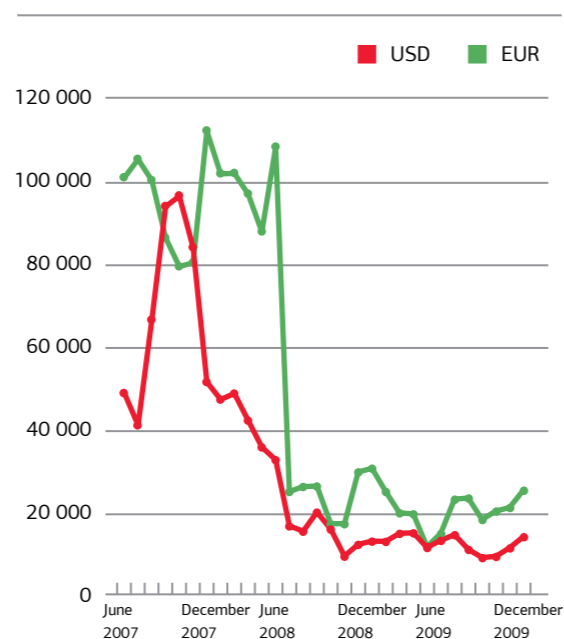
The Bank has lines for margin and netting trade with several leading financial and brokerage houses, such as Saxo Bank, Succen Financial, Man Financial and LaSalle Investment Management. In this way the Bank gives the opportunity to its clients to trade on the international financial markets, concluding contracts for margin trade. These lines allow the Bank to conclude speculative transactions at its expense upon limited risk.

Amount of FX Trade (in thousand EUR)



During last year the amount of deposits provided to banks in EUR exceeds those in USD, due to the greater volume of attracted funds in EUR, as well as the orientation of the Bulgarian economy in this direction.

Volume of the Deposits from June 2007 to December 2009 (in thousand EUR and USD)



Securities

In 2009 CCB Plc continued to actively participate in the primary and secondary market of government securities. The portfolio of government securities was optimized with the aim of shortening the average term to maturity and including securities with a floating yield due to the limitations for hedging the price and interest rate risk, associated with the owned government securities.

Capital markets

Central Cooperative Bank Plc has a full license of an investment intermediary since 1997. The Bank offers the following investment services:

- effecting orders for the purchase or sale of securities at the expense of clients or at its own expense;
- preparing prospectuses for the public offering of securities;
- accepting securities issues.

Information Technology

The Bank services its customers on the basis of contemporary banking information technologies. The IT experts within CCB Plc endeavor to assist the business units to keep and extend the market share of the Bank in the country and abroad. In 2009 the Bank information technologies were concentrated on the following main aspects:

- Deploying the features of the centralized information system of "AIS 2" used at CCB Plc, a development of "Datamax" AD. Using the advantages of "AIS 2", the Bank offers to its customers complete bank servicing. From interbank payments in BGN and foreign currency in real time, international payments, depositing funds, payments between clients without the requirement for customers to have opened bank accounts, etc, to participation on the stock exchange.
- Deploying the system, servicing SWIFT for the management and performance of currency payments via different BIC codes.
- CCB Plc is a licensed agent of the Western Union fast money transfer system and there are over 200 positions for Western Union transactions within the Bank information network.
- CCB Plc is a licensed agent of the EasyPay fast money transfer system, whereas in the information network of the Bank there are over 250 positions for working with EasyPay.
- CCB Plc is a registration operator of the Info notary universal electronic signatures system, whereas in the information network of the Bank there are over 250 positions for working with Info notary.

Personnel

CCB Plc human resource is the main pillar for effecting the Bank policy and strategy. At the same time via a proper selection, evaluation, qualification, payment and stimulation, the necessary staff is provided for the performance of tasks with regard to the bank's competitiveness. Considering the specifics of the business of CCB Plc, the requirements to the quality of the work of the employees are especially high with the aim of reaching the goals set by the Bank. The Bank management aims at creating the conditions for improving the quality of personnel, the personnel professional growing up and development. The ultimate goal is motivating qualified and loyal personnel, unsparing to the objectives of the institution.

The total staff number of CCB Plc as at 31.12.2009 is 2319 people, including 847 people at the head-office and 1472 people at the branches. The increase in comparison to the previous year is by 433 people or 23%. As a result of a change in the physical defense and security of the Bank, in 2009 a self-defense unit was established, in which 513 employees were appointed.

The management takes permanent care of the staff number and structure. There are mainly

young experts at the Bank with the necessary education and linguistic competence.

Within the Bank the employees at the age up to 40 years old are 1229 people or 53 % of the total number. These are the employees at the most vital and creative age and with certain potential for results in work, also employees, working directly with clients of the Bank, for whom care and efforts are rendered for their motivation for future work at the Bank.

The employees with bank work experience up to 5 years are 769 people or 42%, who are mainly employees, servicing clients, cashiers and retail banking experts.

The employees with work experience 5-15 years in the bank system are 764 people, 42% of all employees. These are mainly management staff at the head-office and the branches, employees of the head-office with methodological functions, loan officers, heads front office and other employees with high bank qualification at the branches.

CCB Plc pays special attention to the education of employees. The share of the employees with university education in all its degrees is especially big – 1239 people, which is 68.6 % of the Bank employees. A basic approach upon appointing employees with the proper education and high professionalism is the proper selection of candidates.

The financial stimulus is dominant in creating and maintaining the interest of employees. With determining the remuneration at CCB Plc we aim at reaching even better relationship between the labor results and the individual remuneration and stimulate the initiative and the ideas of employees, reach better technological and employment discipline, as well as responsibility in the performance of their work functions. The main aspects in determining the employment remuneration consist of the objective evaluation of the labor of employees and determining their individual work salaries.

The long-term Concept for Training and Development of the Bank Personnel is the basis for carrying out the training and qualification of employees. On that ground we developed a Program for Training and Qualifying Employees within the Bank System for 2009, with the following emphasis:

- Loan operations and credit risk;
- Retail banking;
- International payments;
- Money markets and securities;
- Information technologies;
- Client servicing.

In 2009 special attention was devoted to training with the collaboration of the International Banking Institute, different centres for qualification and training of staff, as well as other Bulgarian and international institutions. The Bank employees participated in many international conferences and courses in our country and abroad with regard to the new requirements of the European Union in the field of banking.

Branch network

During last year, via the huge branch network, CCB Plc managed to offer competitive financial products and services to its clients, not only in Bulgaria, but also in Cyprus. In 2009 the Bank put an emphasis on increasing the efficiency and functionality of the built up network, the good servicing of its clients and easy access to the array of products.

Via its branch network the Bank aims to be at the disposal of its clients to a maximum extent, to be able to provide to them convenient, quick and quality servicing.

Structural Units	31.12.2009	31.12.2008	31.12.2007
Bank locations	263	266	251

In 2009 the first foreign branch of CCB in Cyprus continued offering bank products and services to a great number of clients among the Bulgarian citizens, living and working on the territory of Cyprus, local people and small and medium-sized enterprises.

The Bank in the future

Central Cooperative Bank Plc has always endeavored to increase the number of its clients via maintaining an optimum level of risk and excellent financial results.

The Bank future goals include:

- Joining Target 2 and BISERA 7 via BNB on February 1, 2010;
- New products and services for individuals;
- New developments in the card business;
- New strategies to cushion the effects of the global financial crisis;
- Preserving the quality and decreasing the concentration of the loan portfolio;
- An emphasis on client, credit and market risk;
- Profiting from our existing wide branch network;
- Collaboration with leading financial institutions from EU and USA;
- Training and qualifying the personnel;
- Good liquidity, preserving and increasing the amount of total assets;
- Keeping our place among the leading and well-developed Bulgarian banks.

In 2010 the Bank will further develop its relationships with foreign financial institutions, keep the number of credit lines and diversify its products for external financing. In this way and with its good reputation, market positions and broad branch network, CCB Plc will be able to satisfy the ever-increasing requirements of its clients.

FINANCIAL REVIEW FOR 2009

Market share and position of CCB Plc*

In 2009 the activity of CCB Plc was not influenced by the financial instability that was characteristic globally. The Bank managed to keep its good positions in the Bulgarian bank system. According to the classification of BNB, Bulgarian banks are divided into three groups according to amount of total assets: the first group includes the first five banks with biggest total assets, the second group includes the next 19 banks and the third group includes the branches of foreign banks in Bulgaria. At the end of 2009 CCB Plc maintains its position in the second group of banks and occupies the 12th place among all banks on the territory of Bulgaria. As at 31.12.2009 the total assets of the bank system are BGN 70,867,899 thousand, and the total assets of CCB Plc are BGN 1,839,437 thousand.

The market share of CCB Plc in terms of the main balance sheet and income statement elements is presented in the following table:

Market Share of CCB Plc in Terms of:	Total for the banking system	For the second group of banks
Total assets	2.60%	7.02%
Earning assets	2.28%	6.19%
Long-term tangible assets	4.09%	9.95%
Attracted funds	2.58%	7.01%
Attracted funds from NFI and other clients	3.51%	9.32%
Loan, granted to NFI	2.03%	5.65%
Net income from interest and dividends	2.39%	6.95%
Non-interest income net	5.10%	16.58%
Net profit	2.83%	8.12%

* source: data, published on the web site of BNB for supervisory purposes, as well as data of banks, participating in BISERA

The table below presents the main financial highlights of CCB Plc, compared to the highlights of the second group of banks and the highlights of the banking system as a whole:

Ratio	CCB Plc	Second group of banks	Total for the banking system
ROE (Return on equity)	9.44%	6.31%	8.87%
ROA (Return on assets)	1.27%	1.03%	1.12%
Earning assets / total assets	77.55%	87.93%	88.21%
Rate of advancing loans	74.87%	112.44%	118.69%
Shareholders' equity / assets	13.67%	13.92%	13.34%
Rate of provisioning	1.84%	3.02%	4.04%
Net interest income / operating expenses	75.67%	121.83%	149.26%
Non-interest income, net / operating expenses	51.88%	35.04%	47.83%
Net interest margin	4.86%	4.27%	4.63%
Operating expenses / gross income	78.17%	59.31%	50.13%
Profitability of assets at the end of the period	1.55%	1.18%	1.25%

In 2009 CCB Plc preserved its good market share in the issuance of **bank cards**, registering an insignificant decrease of 3.37%, with which it affirmed its place among the biggest issuers of bank cards in the country. The total number of cards, issued by CCB Plc, is 748,681.

In 2009 the Bank had a decrease in the issuance of MasterCard credit cards, which is with 23.44% less than 2008. The absolute change in the number of issued MasterCard and VISA credit cards is 7,681. The total number of issued **credit cards** of CCB Plc reached 45,280, which is by 14.50% less in comparison to the previous year.

As at 31.12.2009 the Bank has a 33.16% growth in the issuance of CCB-Office 1 debit cards. At the end of 2009 the total number of debit cards of CCB Plc amounts to 703,401, which is by 2.55% less than the previous year.

The total number of **ATMs** for last 2009 is 339, which is an increase by 7 items in comparison to the previous year. As at 31.12.2009 the number of **POS** terminals, including the virtual POS devices, is 2,339, whereas the percentage increase in comparison to 2008 is 4.65%. The number of POS terminals at the commercial sites increased by about 5% approximately. The POS devices at the Bank branches increased by 1.96%. The number of installed virtual POS devices increased by 8.54%.

As at 31.12.2009 the market share of the Bank with regard to loans granted to NFI is 2.21% and 6.20% compared to the second group of banks.

In 2009 CCB Plc occupies the 13th place in terms of company loans on the market of Bank services. In the retail exposures CCB Plc remains on the same place, whereas at the end of 2009 it occupied the 12th place. Based on the housing and mortgage loans advanced to individuals, the Bank ranks on the 13th place in the bank system. The Bank remains on the 9th place in consumer lending among the remaining Bulgarian banks. For 2009 the Bank is on the 8th place according to the amount of funds attracted from individuals, households and other institutions.

Risk management

The system for risk management has preventative functions to prevent losses and control the amount of losses and includes:

- policy for risk management;
- rules, methods and procedures for the evaluation and management of the risks;
- organizational structure for risk management;
- parameters and limits for making transactions and operations;
- procedures for reporting, evaluation, information and subsequent control of the risks.

The main principles within the policy of Central Cooperative Bank Plc for risk management are:

- the principle of sharing responsibilities among those who assume risk and those who manage risk;
- the precautionary principle, which assumes the reporting of the simultaneous occurrence of the most unfavourable case for each of the risk weighted assets;
- the principle of managing risk at the source.

The organizational structure for risk management is centralized and has been structured according to the levels of competence as follows:

- Management Board – determines the acceptable levels of risk of the Bank within the adopted strategy for development;
- Specialised collective authorities – affirm the frameworks and parameters of the bank activity in risk management;
- Executive Directors – control the process of approval and implementation of adequate policies and procedures within the Strategy for risk management, adopted by the Bank;
- Directors of the structural units at the Bank – apply the adopted policy for risk management in organizing the activity of the respective organizational units.

Risk concerns the probability for the factual revenues of a given investment not to correspond to the expected revenues. The specifics of the Bank branch necessitate the implementation of adequate systems for the timely identification and management of the various types of risk. Of special significance are the procedures for managing the risks, the mechanisms for maintaining risks in acceptable boundaries, via an evaluation of the external and internal environment, optimum liquidity, diversification of the portfolio, profitability of the operations. In the activity associated with risk management, CCB Plc applies the new agreement Basel II with the principally new requirements for the management of credit risk and the capital coverage of operational risk.

Credit risk – the probability for the counterparty or borrower not to be able to perform the assumed commitments under contracts with the bank under the conditions and terms specified in the contracts. Detailed procedures are applied in the process of lending concerning the analysis of

the economic soundness of each project, the type of collateral, acceptable to the Bank, control over the use of the advanced funds and the associated administration. Every month the Bank makes an evaluation of the risk exposure, stemming from the loan portfolio, classifying and making provisions for loans in the portfolio, according to the requirements of Ordinance № 9 of BNB. The big loan exposures under Ordinance № 7 of BNB are subject to constant supervision and reporting. The Bank has adopted and follows the compliance of limits for credit exposure according to regions and branches. The above limits aim at limiting the concentration of the loan portfolio in one or another region and branch, which could lead to an increased credit risk.

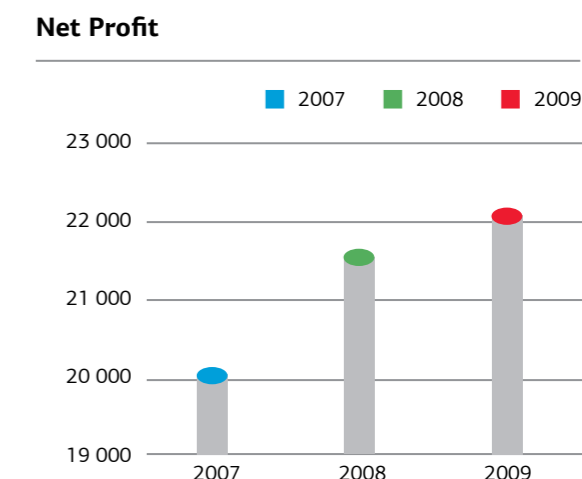
Liquidity risk – the probability of a difficulty in the payments due to a mismatch in time of the incoming and outgoing cash flows. The Bank manages its assets and liabilities in a way, which guarantees to it that it can regularly and without any delay perform its everyday commitments, in the normal banking environment and in the conditions of a crisis.

Market risk – the probability of the occurrence of a loss for the Bank as a result of the unfavorable change of the exchange rates, market prices and interest rates;

Operational risk – the probability of direct or indirect losses, stemming from the inadequate functioning or termination of the activity of the processes, systems or staff, internal to the Bank.

Income statement

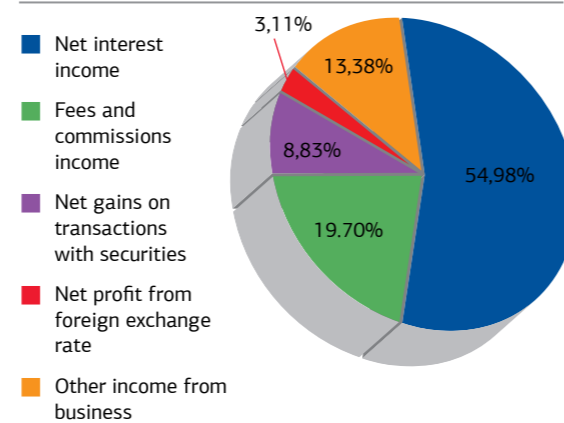
In 2009 the profit of Central Cooperative Bank Plc continued increasing. The net profit at the end of the year amounts to BGN 22,095 thousand, which is an increase of the financial result of 2% in comparison to 2008, when the profit amounted to BGN 21,644 thousand.



For the period in consideration the return on equity is 9.25% and return on assets is 1.24%. The total capital adequacy is 14.60%.

In 2009 the net interest income of CCB Plc was the main source of income, with a growth of 4.12% to BGN 67,912 thousand in comparison to the previous year, which is 54.98% of total income. Next in terms of share in total income come fees and commissions income with 19.70% and other income from business with 13.38%.

Income Breakdown



The interest expenses in 2009 are to the amount of BGN 68,826 thousand, whereas their amount for 2008 was BGN 42,708 thousand. The increase is 61.15% and is due to the increase in liabilities for client deposits. The fees and commissions income increased by 7.39%, reaching BGN 24,329 thousand.

At the end of 2009 the Bank realized a profit from securities to the amount of BGN 10,907 thousand and increased its net profit from foreign exchange rate by 12.40%.

The operating expenses of CCB Plc for 2009 amount to BGN 89,854 thousand. In comparison to 2008 they have increased by 9%. The reported increase is due to new bank services and the increased number of serviced clients. The ratio "operating expenses / total income" decreases to 72.74% in comparison to 73.41% for 2008.

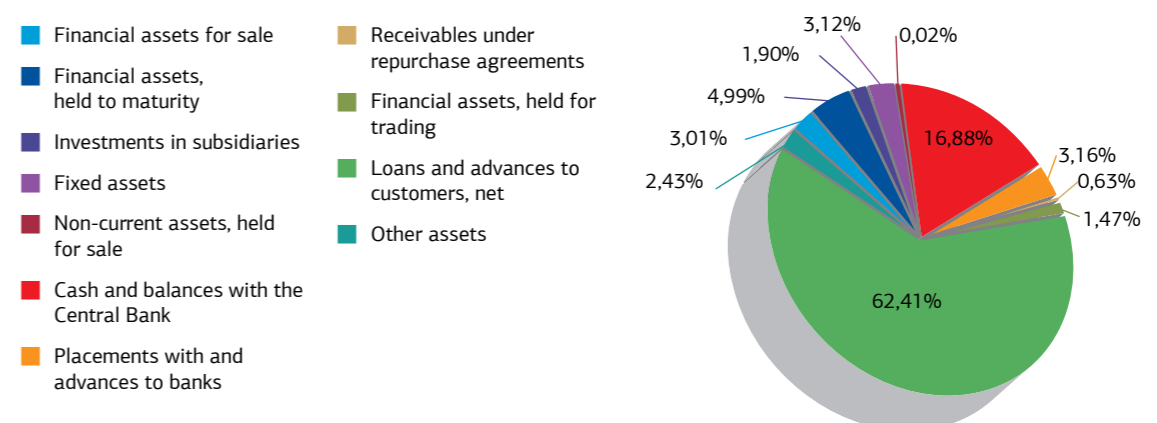
Analysis of the assets and liabilities

Assets

As at 31 December 2009 the assets of CCB Plc amount to BGN 1,839,437 thousand. In comparison to 2008, when total assets amounted to BGN 1,664,100 thousand, there is an increase of BGN 175 337 thousand or 10% on an annual basis. The increase in total assets for the whole banking system in comparison to December 2008 amounts to 1.88%.

During last year there is a change in the structure of assets.

Assets Breakdown

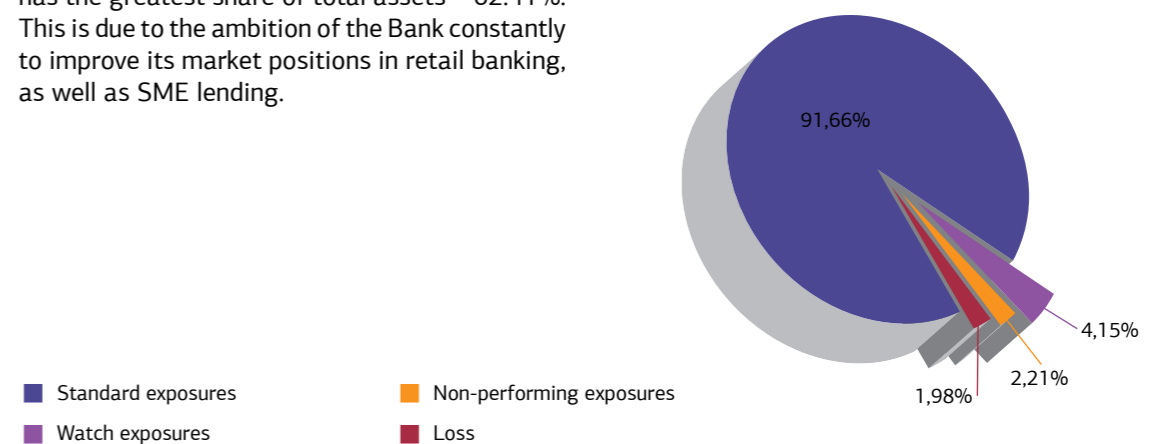


At the end of 2009 the cash and balances with the Central Bank amount to BGN 310,525 thousand and form 16.88% of total assets, compared with BGN 303,184 thousand for 2008 or 18.22% of total assets. In 2009 there was an increase in loans and advances to customers and there is a certain decrease in fixed assets. The funds with first class banks, correspondent accounts and short-term deposits amount to BGN 58,059 thousand or 3.16% of the total assets of the Bank.

The investments in securities, including government securities, corporate bonds, shares and compensation instruments, are an instrument for improving the profitability of the Bank. The securities held for trading are BGN 26,972 thousand in 2009, compared to BGN 21,719 thousand in 2008. The financial assets for sale, those held to maturity and the investments in subsidiaries are to the amount of BGN 181,981 thousand, whereas in 2008 they were BGN 182,506 thousand. Central Cooperative Bank Plc maintains a diversified portfolio, whose main goal is increasing the income and profits from traded securities, as well as ensuring a high degree of liquidity. The bank services first level budget spending units, which have been secured by government bonds.

As at 31.12.2009 the total amount of loan exposures reached BGN 1,147,905 thousand, compared to BGN 979,810 thousand in 2008. It has the greatest share of total assets – 62.41%. This is due to the ambition of the Bank constantly to improve its market positions in retail banking, as well as SME lending.

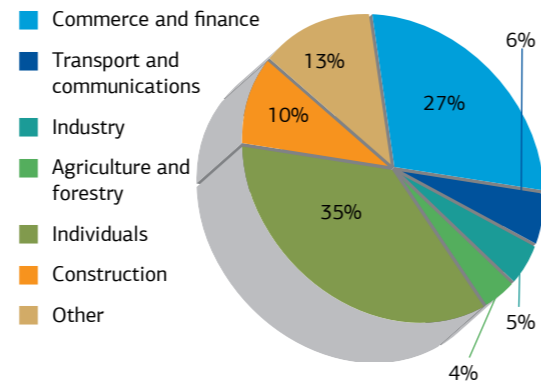
Breakdown of the Loan Portfolio According to the Classification of Credit Risk



The loan portfolio retains its very good quality. As at 31.12.2009 the relative share of standard exposures in the total amount of loans of the Bank is 91.66%. The loss is to the amount of 1.98%, and the non-performing exposures are 2.21%.

CCB Plc grants loans to clients from all branches of the economy. First rank the loans granted to households and individuals, which have a share of 35% of the loan portfolio. Second rank the loans to commerce and finance, which have 27%. As at 31.12.2009 the breakdown of loans according to branches is as follows:

Breakdown of Loans According to Branches



Liabilities

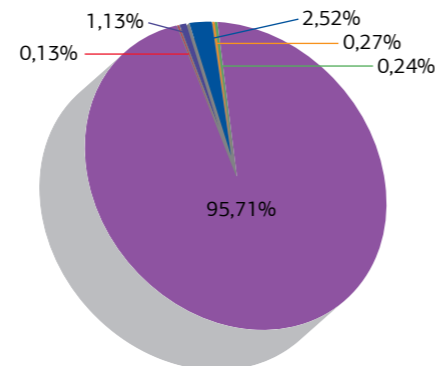
In 2009 in the structure of liabilities there are no significant changes. The attracted funds keep their stable structure, which allows the Bank not to be dependent on external financing and the crisis on the global financial markets.

As at 31.12.2009 the total amount of attracted funds of CCB Plc is BGN 1,588,034 thousand. They have 86.33% of total liabilities and shareholders' equity, whereas their increase in comparison to the previous year is 10.62%. The total amount of deposits from individuals as at 31.12.2009 is BGN 1,519,876 thousand, which is a growth of 9.74% in comparison to 2008. The funds attracted from financial institutions in the form of deposits and repo transactions are 0.51%. The attracted funds from other depositors – individuals and non-financial institutions affirmed their role as a main source of financing the operations of CCB Plc. Their share in the total amount of bank liabilities is 95.71% compared to 96.47% for 2008.

The structure of the Bank liabilities is illustrated in the following diagram:

Liabilities Breakdown

- Amounts owed to other depositors
- Other attracted funds
- Other liabilities
- Loans from banks
- Deposits from banks
- Liabilities under repurchase agreements



The funds, attracted from individuals and households have a share in the total amount of attracted funds from clients 57.17%. The funds, attracted from companies amount to 42.01%, and those attracted from other institutions are 0.82%.

During last year we updated the interest rates for deposits of individuals. The interest rate for an annual deposit in BGN is 8%, and in EUR – 6,5%.

The interest rates for the privileged deposits of CCB Plc are even more attractive. The clients who have chosen Deposit +, already receive interest up to 8,75% in BGN and up to 7,5% in EUR.

The considerable share of the amounts, attracted from the population is an important and stable source of resources for the Bank. That is due to the strategy, chosen by the Bank, to develop as a retail bank and focus on servicing the population. That strategy compels continuing the efforts for the development and implementation of new products and services for individuals, households and SMEs, which are the main part of the CCB Plc clients.

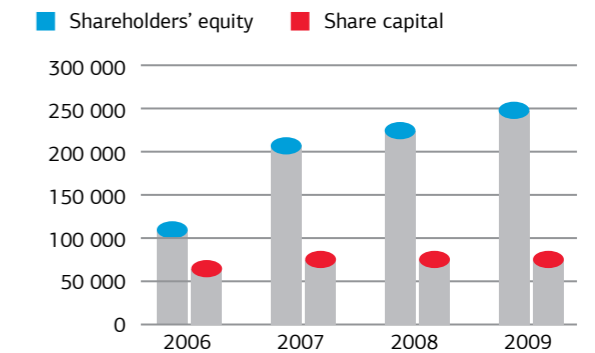
Shareholders' equity

At the end of 2009 the shareholders' equity of CCB Plc amounts to BGN 251,403 thousand, increasing its amount by 10% compared to 2008. The increase in shareholders' equity is due to the profit formed during the year and a decrease in the revaluation reserve. The Bank share capital is the same as in the previous year - BGN 83,155 thousand. The net profit in 2009 is BGN 22,095 thousand, whereas at the end of 2008 it was BGN 21,644 thousand.

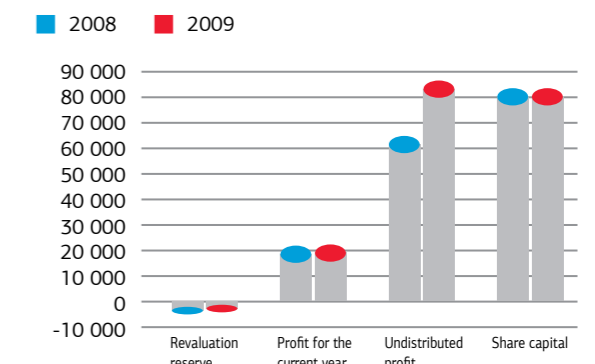
The increase in undistributed profit, which amounts to BGN 86,153 thousand in 2009, is to the amount of 33.55% compared to the previous year. The Bank remained loyal to its policy through capitalizing profit to contribute to increasing its capital and assets.

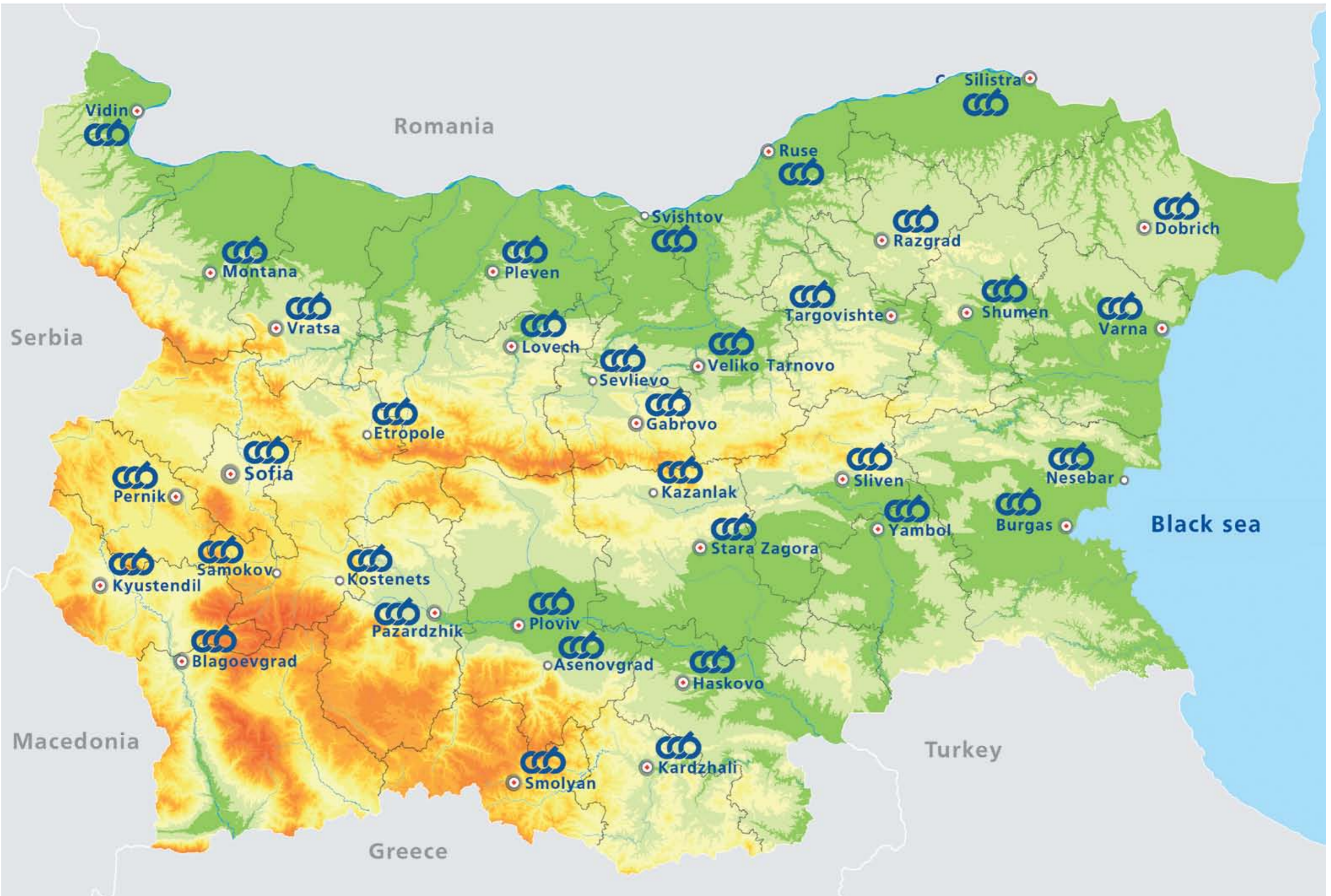
Central Cooperative Bank Plc is a public company, the shares of which have been traded on the Bulgarian Stock Exchange since March 1999. The market capitalization of the Bank at the end of 2009 amounts to BGN 108,102 thousand.

Increase in Shareholders' Equity and Share Capital



Shareholders' Equity







APPENDIX №1: BRANCH NETWORK

City	Locations	Name	Address	Tel. number
1 Asenovgrad	Branch	Asenovgrad	Asenovgrad 4230, 8, Rechna Str.	+359 331 63193
	Location	West	Asenovgrad 4230, 4, Bulgaria Blvd.	+359 331 68695
	Location	Laki	Laki 4241,19, Vazrazhdane Str.	+359 3052 3080
	Location	Arkadia	Plovdiv 4000, Trakia 48, Sankt Peterburg Blvd.	+359 32 290001
	Location	Trakia	Plovdiv 4000, RUM Trakia, 23, Chetvarti January Str.	+359 32 290002
	Location	Topolovo	Topolovo 4260, Kompleks Tyankov, 59, Tsar Kaloian Str.	+359 3321 2341
2 Blagoevgrad	Branch	Blagoevgrad	Blagoevgrad 2700,13 Vasil Levski Str.	+359 73 882961
	Location	Kiril and Metodiy	Blagoevgrad 2700, 5, St. St Kiril and Metodiy Blvd.	+359 73 834153
	Location	Sandanski	Sandanski 2800, 13, Svoboda Blvd.	+359 746 30322
	Location	Razlog	Razlog 2760, 5, Hristo Botev Str.	+359 747 80034
	Location	Petrich	Petrich 2850, 52A, Rockefeller Str.	+359 745 21180
	Location	Gotse Delchev	Gotse Delchev 2900,13, Byalo more Str.	+359 751 60205
3 Burgas	Branch	Burgas	Burgas 8000, 4, Kont Androvanti Blvd.	+359 56 874500
	Location	Aleksandrovska	Burgas 8000, 1, Aleksandrovska Str.	+359 56 879683
	Location	Slaveykov	Burgas 8005, Slaveykov bl. 107	+359 56 581301
	Location	Democratsiya	Burgas 8001, Bratia Miladinovi, Democratsiya Blvd. bl. 117	+359 56 530269
	Location	Airport	Burgas Airport	-
	Location	Meden rudnik	Burgas 8000, Meden rudnik, 7, Apriltsi Str.	-

City	Locations	Name	Address	Tel. number
	Location	Karnobat	Karnobat 8400,2, Patriarh Evtimiy Str.	+359 559 22268
	Location	Aytos	Aytos 8500, 15, Tsar Osvoboditel Str.	+359 558 29041
4	Central (Sofia) Branch	Central (Sofia)	Sofia 1463, 18, Gurgulyat Str.	+359 2 9263062
	Location	Vitosha	Sofia 1408, 93, Vitosha Blvd.	+359 2 9531082
	Location	Patriarh Evtimiy	Sofia 1000, 20, Patriarh Evtimiy Str.	+359 2 9808608
	Location	VMA	Sofia 1606,56, St. Georgi Sofijski Blvd.	+359 2 9515480
	Location	Pirogov	Sofia 1605, 5, Pencho Slaveykov Blvd.	+359 2 9533852
	Location	Evlogi Georgiev	Sofia 1142, 57-59, Evlogi Georgiev Blvd.	+359 2 9885025
	Location	Rakovski 173	Sofia 1000, 173, G. S. Rakovski Str.	+359 2 9882929
5	Chimimport (Sofia) Branch	Chimimport (Sofia)	Sofia 1000, 2, Stefan Karadzha Str.	+359 2 9321910
	Location	Hadzhi Dimitar	Sofia 1000, 9-12, Hadzhi Dimitar Str., office 2	+359 2 9802939
	Location	Energoproekt	Sofia 1000, 51, James Boucher Blvd.	+359 2 9659935
	Location	National Theatre	Sofia 1000, 2, Ivan Vazov Str.	+359 2 9359010
6	Darvenitsa (Sofia) Branch	Darvenitsa (Sofia)	Sofia 1756, 8, St. Kliment Ohridski Blvd.	+359 2 8167957
	Location	Studentski grad	Sofia 1700, 103, 8th December Str.	+359 2 9623186
	Location	East	Sofia 1113, 20, Fr. Jouljo Kiuri Str.	+359 2 8164470
	Location	Studentski grad 2	Sofia 1700, 2, Prof. D-r Ivan Stranski Str.	+359 2 8681175
	Location	Simeonovsko shose	Sofia 1700, 85, Simeonovsko shose Blvd.	+359 2 9624770
7	Dobrich Branch	Dobrich	Dobrich 9300, 1, Bulgaria Blvd.	+359 58 600134
	Location	Tervel	Tervel 9450, 6, St. St. Kiril and Metodiy Str.	+359 5751 3004

City	Locations	Name	Address	Tel. number
	Location	Shabla	Shabla 9680, 2, Dobrudzha Str.	-
	Location	Kavarna	Kavarna 9650, 65, Bulgaria Blvd.	+359 570 85053
	Location	General Toshevo	General Toshevo 9500, 2, 3th March Str.	+359 5731 2044
	Location	Treti mart	Dobrich 9300, 47, 3th March Blvd.	+359 58 604149
8	Dondukov (Sofia) Branch	Dondukov (Sofia)	Sofia 1000, 7B. Knyaz Al. Dondukov Blvd.	+359 2 9306911
	Location	Dondukov 13	Sofia 1000, 13, Knyaz Al. Dondukov Blvd.	+359 2 9267911
	Location	Borsa	Sofia 1574, 13, Prof. Tsvetan Lazarov Blvd.	+359 2 9712651
	Location	Ekzarh Yosif	Sofia 1000, 23, Ekzarh Yosif Str.	+359 2 9835651
	Location	Tsar Samuil	Sofia 1202, 147, Tsar Samuil Str.	+359 2 9310918
	Location	ESRS	Sofia 1164, 6, Dragan Tzankov Blvd.	+359 2 9641695
	Location	Notariat	Sofia 1142, 2, Patriarh Evtimiy Blvd.	+359 2 9867142
	Location	Brachna kolegiya	Sofia 1618, 54, Tsar Boris III Blvd.	+359 2 9549293
	Location	SIS - ESRS	Sofia 1142, 2, Patriarh Evtimiy Blvd.	+359 2 9867142
	Location	Maria Luiza	Sofia 1202, 80, Maria Luiza Blvd.	+359 2 9314048
9	Etropole Branch	Etropole	Etropole 2180, 2, Georgi Dimitrov Str.	+359 720 7414
	Location	Botevgrad	Botevgrad 2140, 2, Gurko Str.	+359 723 66914
	Location	Pravets	Pravets 2161, 23, 3th March Blvd.	+359 7133 2165
	Location	Pirdop	Pirdop 2070, bl. 9, Todor Vlaykov Sqr.	+359 7181 7220
	Location	Zlatitsa	Zlatitsa 2080, 1 Macedonia Sq.	+359 728 66100
	Location	Koprivshitsa	Koprivshitsa, 49, Hadzhi N. Palaveev Blvd.	+359 7184 2031

City	Locations	Name	Address	Tel. number
10 Gabrovo	Branch	Gabrovo	Gabrovo 5300, 54, Bryanska Str.	+359 66 817011
	Location	Stoletov	Gabrovo 5300, 24, Stoletov Blvd.	+359 66 882068
	Location	Dryanovo	Dryanovo 5370, 144, Shipka Str.	+359 676 75230
11 Haskovo	Branch	Haskovo	Haskovo 6300, 1, Skopie Str.	+359 38 607838
	Location	Haskovo 2	Haskovo 6300, 3, Bulgaria Blvd.	+359 38 622259
	Location	Regional court of Haskovo	Haskovo 6300, 144 Bulgaria Blvd.	+359 38 631165
	Location	Svilengrad	Svilengrad 6500,114, Bulgaria Blvd.	+359 379 71436
	Location	Dimitrovgrad	Dimitrovgrad 6400, 13 bl. 1, G.S. Rakovski Blvd.	+359 391 64468
	Location	Neohim AD	Dimitrovgrad 6400, 3, Himkombinatska Str.	+359 391 64462
12 Hadzhi Dimitar (Sofia)	Branch	Hadzhi Dimitar (Sofia)	Sofia 1510, 51, Makgahan Str.	+359 2 8144851
	Location	Orlandovtsi	Sofia 1225, Orlandovtsi, 18, Hr. Stanishev Str.	+359 2 9366775
	Location	Botevgradsko shose	Sofia 1517,46, Botevgradsko shose Blvd.	+359 2 9450594
	Location	Todorini kukli	Sofia 1505, Suha reka, 7, Todorini kukli Str.	+359 2 9434195
15 Kardzhali	Branch	Kardzhali	Kardzhali 6600, 47, Republikanska str.	+359 361 60909
	Location	Kroumovgrad	Krumovgrad 6900, 6, Bulgaria Sq.	+359 3641 7132
	Location	Momchilgrad	Momchilgrad 6800, 2, 27th December Str.	+359 3631 6776
	Location	Kirkovo	Kirkovo 6884, 32, Dimitar Blagoev Str.	+359 3679 3204
13 Kazanlak	Branch	Kazanlak	Kazanlak 6100, 3, 23th Pehoten shipchenski polk Blvd.	+359 431 68241

City	Locations	Name	Address	Tel. number
	Location	Shipchenski polk	Kazanlak 6100, 4, 23th Pehoten shipchenski polk Blvd.	+359 431 64464
	Location	Maglizh	Maglizh 6180, 11, 3th March Sq.	+359 4321 2082
	Location	Pavel Banya	Pavel Banya 6155, 9, Osvozhdenie Str.	+359 4361 3020
	Location	Karlovo	Karlovo 4300, 57, General Kartsov Str.	+359 335 90470
	Location	Sopot	Sopot 4330, 25, Ivan Vazov Str.	+359 3134 6599
14 Kostenets	Branch	Kostenets	Kostenets 2030, 11A, Targovska Str.	+359 7142 3080
	Location	Ihtiman	Ihtiman 2050, 114, Tsar Osvozhdenie Str.	+359 724 82298
	Location	Dolna Banya	Dolna Banya 2040, 93, Targovska Str.	+359 7120 2297
16 Kyustendil	Branch	Kyustendil	Kyustendil 2500, 22, Konstantinova banya Str.	+359 78 551115
	Location	Dupnitsa	Dupnitsa 2600, 5, Hristo Botev Str.	+359 701 51183
17 Lovech	Branch	Lovech	Lovech 5500, 10, Prof. Ishirkov Str.	+359 68 600565
	Location	Yablanitsa	Yablanitsa 5750, 5, Vazrazhdane Sq.	+359 6991 2112
	Location	Teteven	Teteven 5700, 16, Ivan Vazov Str.	+359 678 2339
	Location	Lukovit	Lukovit 5770, 100, Vazrazhdane Str.	+359 697 2339
	Location	Lesidren	Lesidren 5520, 106, Stara planina Str.	+359 6920 2051
	Location	Troyan	Troyan 5600, 44, G. S. Rakovski Str.	+359 670 60167
	Location	Osam	Lovech, 5500, 28A, Targovska Str.	+359 4361/3020
	18 Madrid (Sofia)	Branch	Madrid (Sofia)	Sofia 1505, 37-39, Madrid Blvd.
Location	Yanko Sakazov	Sofia 1504, 32, Yanko Sakazov Blvd.	+359 2 9434223	

City	Locations	Name	Address	Tel. number
	Location	Orlov most	Sofia 1504, 33, Tsar Osvoboditel Blvd.	+359 2 9461757
	Location	Oborishte	Sofia 1504, 1-3, Oborishte Str.	+359 2 9434464
19 Mladost (Sofia)	Branch	Mladost (Sofia)	Sofia 1784, 14, Andrei Saharov Blvd.	+359 2 9744606
	Location	Office Mladost 4	Sofia 1750, bl. 416, Bitov kombinat	+359 2 9743881
	Location	Office Mladost 1	Sofia 1750, bl. 24, Ivan Vinarov Str.	+359 2 9757476
	Location	Office Mladost 1A	Sofia 1729, ,bl. 550, vh. 2	+359 2 9743212
	Location	Office Goroublyane	Sofia 1138, 46, Samokovsko shose Str.	+359 2 9736585
20 Montana	Branch	Montana	Montana 3400, 59, 3th March Blvd.	+359 96 300810
	Location	Lom	Lom 3600, 18, Dunavska Str.	+359 971 60219
	Location	Valchedrum	Valchedrum 3650, 4, Benkovski Str.	+359 9744 2109
	Location	Varshets	Varshets 3540, 8, Republika Blvd.	+359 9527 3008
	Location	Berkovitsa	Berkovitsa 3500, 2, Bor	+359 953 88923
21 Nesebar	Branch	Nesebar	Nesebar 8230, 23, Struma Str.	+359 554 29966
	Location	Pomorie	Pomorie 8200, 78, Knyaz Boris Str.	+359 596 26078
	Location	Sunny beach	Sunny beach 8240, Sunny Beach AD Administration building	+359 554 22828
	Location	Ivan Vazov	Nesebar 8230, 25, Ivan Vazov Str.	+359 554 46086
	Location	St. Vlas	St. Vlas 8256, 17A, Tsar Simeon Str.	+359 554 68644
22 Pazardzhik	Branch	Pazardzhik	Pazardzhik 4400, 7, Esperanto Str.	+359 34 401611
	Location	Peshtera	Peshtera 4550, 36, Doyranska Epopeya Str.	+359 350 63864

City	Locations	Name	Address	Tel. number
	Location	Panagyurishte	Panagyurishte 4500, 20th April Sq.	+359 357 62336
	Location	Velingrad	Velingrad 4600, box:98, Fontani Sq.	+359 359 58494
23 Pernik	Branch	Pernik	Pernik 2300, 4, Krakra Pernishki Sq.	+359 76 688330
	Location	Elena	Pernik 2300, 23 St. St. Kiril and Metodiy Str.	+359 76 607887
	Location	Municipality	Pernik 2300, 1A, St. Ivan Rilski Sq.	+359 76 684203
	Location	East	Pernik 2304, 36, Yuriy Gagarin Str.	+359 76 674050
24 Pleven	Branch	Pleven	Pleven 5800, 150 Vasil Levski Str.	+359 64 882310
	Location	Obnova	Obnova 5922, 29, 9th September Str.	+359 6538 2686
	Location	Local court	Cherven Bryag 5800, 6, Ekzarh Yosif Str.	+359 659 94040
	Location	Cherven Bryag	Cherven Bryag 5980, Kniiaz Boris I Str.	+359 659 92839
25 Plovdiv	Branch	Plovdiv	Plovdiv 4000, 5 Betoven Str.	+359 32 654950
	Location	Maria Luiza	Plovdiv 4000,55, Maria Luiza Blvd.	+359 32 623425
	Location	Kooptargoviya	Plovdiv 4003, 142, Brezovsko shose Str.	+359 32 955174
	Location	Smirnenski	Plovdiv 4001, 13, Tsarevets Str.	+359 32 640279
	Location	Layptsig	Plovdiv 4000, 117, Ruski Blvd.	+359 32 621341
	Location	Vaptzarov	Plovdiv 4004, 115, N. Vaptzarov Str.	+359 32 670373
	Location	Hisar	Hisar 4180, 25, Gen. Gurko Blvd.	+359 337 62456
	Location	Rakovski	Rakovski 4150, 170, G. S. Rakovski Str.	+359 3151 2275
	Location	Maritsa	Plovdiv 4020, 44, Yanko Sakazov Str.	+359 32 275760

City	Locations	Name	Address	Tel. number
	Location	Parvomay	Parvomay 4270, 2, Orfey Str.	+359 336 2931
26 Plovdiv Bulgaria	Branch	Plovdiv Bulgaria	Plovdiv 4003,31, Bulgaria Blvd.	+359 32 921111
	Location	Krichim	Krichim 4220, 10, Obединение Sq.	+359 3145 2173
	Location	Kaloyanovo	Kaloyanovo 4173, 3, Vazrazhdane Sq.	-
27 Razgrad	Клон	Razgrad	Razgrad 7200, 7, Stefan Karadzha Str.	+359 84 661292
	Location	Kubrat	Kubrat 7300, 2, Tsar Osvoboditel Str.	+359 838 73905
	Location	Zavet	Zavet 7330, 101, Osvobozhdenie Blvd.	+359 8342 2105
	Location	Isperih	Isperih 7400, 91, Vasil Levski Str.	+359 835 2939
	Location	Tsar Kaloyan	Tsar Kaloyan 7280, 1, Demokratsia Sq.	+359 8314 2910
	Location	Loznitsa	Loznitsa 7290, 14, Druzha Str.	+359 8362 2011
28 Ruse	Branch	Ruse	Ruse 7000, Box: 467, 1, Han Kubrat Sqr.	+359 82 826070
	Location	Glodzhevo	Glodzhevo 7040, 32, Dimitar Blagoev Str.	+359 8324 2466
	Location	Borovo	Borovo 7174, 1A, N. Vaptsarov Str.	+359 8140 2245
	Location	Tsenovo	Tsenovo 7139, 62, Tsar Osvoboditel Str.	+359 8122 2577
	Location	Tutrakan	Tutrakan 7600, 31, Transmariska Str.	+359 857 60008
29 Samokov	Branch	Samokov	Samokov 2000, 33, Targovska Str.	+359 722 68910
	Location	Samokovo	Samokovo 2003, 5, Prespa Str.	+359 722 60121
30 Sevlievo	Branch	Sevlievo	Sevlievo 5400, 4, Stoyan Buchvarov Str.	+359 675 32665
	Location	Stara Planina	Sevlievo 5400, 70, Stara planina Str.	+359 675 85050

City	Locations	Name	Address	Tel. number
31 Shumen	Branch	Shumen	Shumen 9700, 13A, Slavyanski Blvd.	+359 54 868930
	Location	Novi Pazar	Novi pazar 9900, 16, Tsar Osvoboditel Str.	+359 537 22064
	Location	Veliki Preslav	Veliki Preslav 9850, 50, Boris Spirov Str.	+359 538 42190
	Location	Patleyna	Shumen 9703, 10, Patleyna Str.	+359 548 74701
32 Silistra	Branch	Silistra	Silistra 7500, 1, G. S. Rakovski Str.	+359 86 821236
	Location	Tsar Simeon Veliki	Silistra 7500, 29, Tsar Simeon Veliki Str.	+359 86 821206
	Location	Doulovo	Dulovo 7650, 8, Vasil Levski Str.	+359 855 25195
	Location	Tutrakan	Tutrakan 7600, 53, Transmariska Str.	+359 857 60495
33 Sliven	Branch	Sliven	Sliven 8800, 1, Al. Stamboliyski Sq.	+359 44 662945
	Location	Armeets	Sliven 8800, 11, Tsar Osvoboditel Str.	+359 44 632959
	Location	Nova Zagora	Nova Zagora 9800, 34, Narodni buditeli Str.	+359 457 68168
	Location	Mladost	Sliven 8800, 51, Burgasko shose Blvd.	+359 44 680028
34 Smolyan	Branch	Smolyan	Smolyan 4700,11 Bulgaria Blvd.	+359 301 62163
	Location	Raykovo	Smolyan 4700, K. Raykovo, 3, Byalo more Str.	+359 301 62082
	Location	Rudozem	Roudozem 4960, 3, Osvobozhdenie Str.	+359 306 4570
	Location	Madan	Madan 4900, 12, Osvobozhdenie Str.	+359 308 2085
35 Sofia City	Branch	Sofia City	Sofia 1000, 103, G. S. Rakovski Str.	+359 2 9266121
	Location	Kopernik	Sofia 1113, 7, Nikolay Kopernik Str.	+359 2 9710137
	Location	Slatina	Sofia 1574, Slatina bl. 20, Slatinska Str.	+359 2 9711442

City	Locations	Name	Address	Tel. number
	Location	Stochna Gara	Sofia 1202, Stochna gara, 212A, Slivnitsa Blvd.	+359 2 9833772
	Location	Chimsnab	Sofia 1271, Iliyantsi 1, Skladova Baza Str.	+359 2 8381006
	Location	Drujba 1	Sofia 1582, Drujba, bl. 209, Tsvetan Lazarov Blvd.	+359 2 9790698
	Location	Drujba 2	Sofia 1592, Drujba 1, 6, 5030 Str.	+359 2 9790803
	Location	Srebarna	Sofia 1407, Hladilnika, 14, Srebarna Str.	+359 2 9622316
36 Sofia West	Branch	Sofia West	Sofia 1359, bl. 442, Pancho Vladigerov Blvd.	+359 2 9238022
	Location	Liulin 2	Sofia 1343, Liulin 2, bl. 227, T-market	+359 2 8272397
	Location	Vrabnitsa	Sofia 1231, Vrabnitsa, bl. 637B, Beli Dunav Str.	+359 2 9340098
	Location	Orion	Sofia 1324, Liulin 10, 1-3, Orion Str.	+359 2 8250698
	Location	Nadezhda	Sofia 1220, Nadezhda 2, 50, Lomsko shose Blvd.	+359 2 9360735
	Location	Sofioplast	Sofia 1220, 33, Iliyansko shose Blvd.	+359 2 9311093
	Location	Kostinbrod	Kostinbrod 2230, 2, Detelina Str.	+359 721 66331
	Location	Svoge	Svoge 2260, 12A, Tsar Simeon Str.	+359 7226 4800
	Location	Bankya	Bankya 1320, 6, Knyaz Boris I Str.	+359 2 9977581
37 Sofia South	Branch	Sofia South	Sofia 1612, Krasno selo, 35, Gotse Delchev Blvd.	+359 2 8188081
	Location	Borovo	Sofia 1618, 24, Bratya Bakston Blvd.	+359 2 9559006
	Location	Knyazhevo	Sofia 1619, 357 Tzar Boris III Blvd.	+359 2 9571928
	Location	Pavlovo	Sofia 1618, 13, Al. Pushkin Blvd.	+359 2 9555286
	Location	Ovcha kupel	Sofia 1632, 47, Montevideo Blvd.	+359 2 9562219

City	Locations	Name	Address	Tel. number
	Location	Belite Brezi	Sofia 1680, Hipodrouma, 23, Emine Str.	+359 2 8188082
	Location	South Park	Sofia 1404, bl. 4, Petko Todorov Blvd.	+359 2 9589201
38 Sozopol	Branch	Cherno more	Sozopol 8130, 17, Apolonya Str.	+359 550 26372
	Location	Sozopol	Sozopol 8130, 16, Republikanska Str.	+359 550 22550
	Location	Tsarevo	Tsarevo 8260, 24, Han Asparuh Str.	+359 590 53958
	Location	Primorsko	Primorsko 8180, 57, 3th March Str.	+359 550 32317
39 Stamboliyski (Sofia)	Branch	Stamboliyski (Sofia)	Sofia 1309, 156, Al. Stamboliyski Blvd.	+359 2 8128753
	Location	Gevgeliyski	Sofia 1309, Gevgeliyski, bl. 1, Machukovo Str.	+359 2 9294473
	Location	Shtrosmayer	Sofia 1233, bl. 217, Yosif Shtrosmayer Str.	+359 2 9311081
	Location	Slivnitsa	Sofia 1309, 22, Slivnitsa Blvd., Oryahovo station	+359 2 9200300
	Location	Al. Stamboliyski	Sofia 1309, 237, Al. Stamboliyski Blvd.	+359 2 9200183
	Location	Krasna polyana	Sofia 1330, Krasna polyana, bl. 132A, Vazkresenie Blvd.	+359 2 9201540
40 Stara Zagora	Branch	Stara Zagora	Stara Zagora 6000, 54, Kolyo Ganchev Str.	+359 42 220369
	Location	Gurkovo	Gurkovo 6199, 4A, Knyaz Al. Batemberg Str.	+359 4331 2238
	Location	Chirpan	Chirpan 6200, 1, Saedinenie Sq.	+359 416 6344
	Location	Stara Zagora Vereya	Stara Zagora 6000, 58, Gen. Gurko Str.	+359 42 220107
	Location	Galabovo	Galabovo 6280, Centre, bl. 11	+359 418 62175
41 Svishtov	Branch	Svishtov	Svishtov 5250, 5, Tsar Osvoboditel Str.	+359 631 61251
	Location	Belene	Belene 5930, 33, Bulgaria Str.	+359 658 36641

City	Locations	Name	Address	Tel. number
42 Targovishte	Branch	Targovishte	Targovishte 7700, 5, Vasil Levski Str.	+359 601 69111
	Location	Energiya	Targovishte 7700, Industrial area, Energiya AD	+359 601 68306
	Location	Stefan Karadzha	Targovishte 7700, 36, Stefan Karadzha Str.	+359 601 62337
	Location	Opaka	Opaka 7840, 69, Bulgaria Str.	+359 6039 2490
	Location	Popovo	Popovo 7800, 1, Al. Stamboliyski Str.	+359 608 27932
	Location	Omurtag	Omurtag 7900, 1, Al. Stamboliyski Str.	+359 605 4418
	Location	Antonovo	Antonovo 7940, 24, Tuzlushki Geroy Str.	+359 6071 2259
	Location	Varbitsa	Varbitsa 9870, 49, Septemvriysko Vazstanie Str.	+359 5391 2115
44 Varna	Branch	Varna	Varna 9000, 58A, Saborni Blvd.	+359 52 608754
	Location	Varna	Varna 9000, 13, Knyaz Boris I Blvd.	+359 52 608146
	Location	Proektantska	Varna 9000, 76G, Tsar Osvoboditel Blvd.	+359 52 600365
	Location	Trezor	Varna 9000, 23 Shipka Str.	+359 52 600072
	Location	Cherno more	Varna 9000, 45 Knyaz Boris I Blvd.	+359 52 614128
	Location	Benkovski	Varna 9000, 16 Georgi Benkovski Str.	+359 52 600067
	Location	Airport	Varna 9103, Varna Airport	+359 52 730450
	Location	Provadia	Provadia 9200, Central Sq.	+359 518 47110
	Location	Balchik	Balchik 9600, 8 Primorska Str.	+359 579 72232
	Location	Otets Paisiy	Varna 9000, Yane Sandanski Str.	+359 52 608505
	Location	Tsar Simeon	Varna 9000, 31 Tsar Simeon Str.	+359 52 608501

City	Locations	Name	Address	Tel. number
	Location	Konstantin and Elelna	Varna 9000, Konstantin and Elena resort, Shipka Kompleks	+359 52 631050
	Location	Elprom	Varna 9000, 277, Vladislav Varnenchik Blvd.	+359 52 509671
	Location	Varna municipality	Varna 9002, 43, 8th Primorski polk Blvd.	+359 52 600722
	Location	Varna plod	Varna 9009, 1, Akademik Kurchatov Str.	+359 52 500491
	Location	Vladislav	Varna, 18, Vladislav Varnenchik Blvd.	+359 52 604517
	Location	Chernomorets	Varna 9002, 55, 8th Primorski Polk Blvd.	+359 52 650144
	Location	Slivnitsa 77	Varna 9000, 72, Slivnitsa Blvd.	+359 52 602411
	Location	Madara	Varna 9000, 59, Ruse Str.	+359 52 604445
	Location	Avren	-	-
43 Vazrazhdane (Sofia)	Branch	Vazrazhdane (Sofia)	Sofia 1303, 3, Vazrazhdane Sq.	+359 2 9234821
	Location	Al. Stamboliyski	Sofia 1301, 47, Al. Stamboliyski Blvd.	+359 2 9804272
	Location	Stefan Stambolov	Sofia 1301, 2, Stefan Stambolov Blvd.	+359 2 9812818
	Location	Hristo Botev	Sofia 1233, 163, Hristo Botev Blvd.	+359 2 9313854
	Location	Ministry of Agriculture and Food	Sofia 1606, 55, Hristo Botev Blvd.	+359 2 98511691
	Location	Pirotska	Sofia 1303, 27, Sofroniy Vrachanski Str.	+359 2 8321663
	Location	Ruski pаметnik	Sofia 1606, 77, Gen. Mihail Skobelev Blvd.	+359 2 9516531
45 Veliko Tarnovo	Branch	Veliko Tarnovo	Veliko Tarnovo 5000, 4, Nikola Gabrovski Str.	+359 62 620523
	Location	Elena	Elena 5070, 1, Ilarion Makariopolski Str.	+359 6151 2279
	Location	Suhindol	Suhindol 5240, 115, Rositza Str.	+359 6136 2959

City	Locations	Name	Address	Tel. number
	Location	Gorna Oryahovitsa	Gorna Oryahovitsa 5100, 10, St. Knyaz Boris I	+359 618 60243
	Location	Zlataritsa	Zlataritsa 5090, 10, S. Popstoyanov Str.	+359 615 35520
	Location	Polski Trumbesh	Polski Trumbesh 5180, 88, Targovska Str.	+359 6141 3056
	Location	Pavlikeni	Pavlikeni 5200, 4, Saedinenie Str.	+359 610 52693
46 Vidin	Branch	Vidin	Vidin 3700, 4, Akad. Stefan Mladenov Str.	+359 94 600152
	Location	Tsar Simeon Veliki	Vidin 3700, 1, Tsar Simeon Veliki Str.	+359 94 600091
47 Vratsa	Branch	Vratsa	Vratsa 3000, 5, Lukashov Str.	+359 9262 2539
	Location	Kozloduy	Kozloduy 3320, 3, Hristo Botev Str.	+359 973 80726
	Location	Borovan	Borovan 3240, 5, Slavko Tzenov Str.	+359 9147 2080
	Location	Mezdra	Mezdra 3100, 30, Hristo Botev Str.	+359 910 92739
	Location	Byala Slatina	Byala Slatina 3200, 76, Dimitar Blagoev Str.	+359 915 82414
48 Yambol	Branch	Yambol	Yambol 8600, 7, Osvobozhdenie Sq.	+359 46 662045
	Location	Straldzha	Straldzha 8680, 21, Hemus Str.	+359 476 5232
	Location	Elhovo	Elhovo 8700, 65A, Targovska Str.	+359 478 88571
49 Cyprus	Branch	Nicosia	1070 Nicosia, Cyprus, 69, Arch. Makarios III Ave., Tlais Tower	+357 22447757

APPENDIX №2: NOSTRO ACCOUNTS

Bank	BIC	Currency	Account №
KBC Bank NV, Brussels	KREDBEBB	EUR	488-5918232-05
Deutsche Bank AG, Frankfurt am Main	DEUTDEFF	EUR	100 9233560 0000
Standard Chartered Bank (Germany) GMBH	SCBLDEFX	EUR	018183003
UniCredito Italiano SpA, Milan	UNCRITMM	EUR	0995 172
Societe Generale, Paris La Défense	SOGEFRPP	EUR	002010319130
Raiffeisen Zentralbank Österreich AG, Vienna	RZBAATWW	EUR	000-50.098.938
Rabobank Nederland, Utrecht	RABONL2U	EUR	390879673A00EUR
Panellinia Bank S.A., Athens	PNELGRAA	EUR	GR3104910010000004109550014
Standard Chartered Bank, New York Branch	SCBLUS33	USD	3582021983001
Deutsche Bank Trust Company Americas, New York	BKTRUS33	USD	04164299
HSBC Bank USA, New York	MRMDUS33	USD	000304875
Credit Suisse, Zurich	CRESCHZZ80A	CHF	0835-0902027-53-001
Barclays Bank PLC, London	BARCGB22	GBP	20325380245925
The Toronto-Dominion Bank, Toronto	TDOMCATT	CAD	0360-01-2223944 TORONTO
Danske Bank Aktieselskab, Copenhagen	DABADKKK	DKK	3996024253
Skandinaviska Enskilda Banken AB (Publ), Stockholm	ESSESESS	SEK	52018518488
DnB NOR Bank ASA, Oslo	DNBANOKK	NOK	7001.02.05172
Sumitomo Mitsui Banking Corporation, Tokyo	SMBCJPJT	JPY	4280
Nordea Bank Polska S.A.	NDEAPLP2	PLN	PL721440000300000000 10131917



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Independent Auditor's Report

**To the Shareholders of
Central Cooperative Bank AD**

Report on the separate financial statements

We have audited the accompanying separate financial statements of Central Cooperative Bank AD ("the Bank"), which comprise the separate statement of financial position as of December 31, 2009, and the separate statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the separate financial statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards (IFRS), as approved by

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the European Union. 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.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the separate 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 Bank'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 separate financial statements.

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

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Bank as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with IFRS, as approved by the European Union.

Other reports on legal and regulatory requirements - Annual separate report on the activities of the Bank according to article 33 of the Accountancy Act

Pursuant to the requirements of the Bulgarian Accountancy Act, article 38, paragraph 4 we have read the accompanying Annual separate report on the activities of the Bank prepared by the Bank's management. The Annual separate report on the activities of the Bank is not a part of the separate financial statements. The historical financial information presented in the Annual separate

report on the activities of the Bank prepared by the management is consistent, in all material aspects with the financial information disclosed in the separate financial statements of the Bank as of December 31, 2009, prepared in accordance with IFRS, as approved by the European Union. Management is responsible for the preparation of the Annual separate report on the activities of the Bank dated March 30, 2010.

Deloitte Audit

Deloitte Audit OOD



Sylvia Peneva
Managing Director
Registered Auditor



Sofia
March 30, 2010

SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2009

All amounts are in thousand Bulgarian Levs, unless otherwise stated

ASSETS	Note	As of 31.12.2009	As of 31.12.2008
Cash and balances with the Central Bank	4	310,525	303,184
Placements with, and advances to banks	5	58,059	39,650
Receivables under repurchase agreements	6	11,528	23,033
Financial assets held for trading	7	26,972	21,719
Loans and advances to customers, net	8	1,147,905	979,810
Other assets	9	44,678	51,524
Financial assets available for sale	10	55,380	46,027
Financial assets held to maturity	11	91,720	101,598
Investments in subsidiaries	12	34,881	34,881
Property, plant and equipment	13	57,454	62,339
Non-current assets held for sale	14	335	335
TOTAL ASSETS		1,839,437	1,664,100

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES			
Deposits from banks	15	4,276	6,799
Loans from banks	16	40,068	10,003
Liabilities under repurchase agreements	17	3,825	15,504
Amounts owed to other depositors	18	1,519,876	1,384,958
Other attracted funds	19	2,005	4,120
Other liabilities	20	17,984	14,220
TOTAL LIABILITIES		1,588,034	1,435,604

SHAREHOLDERS' EQUITY

Issued capital	21.1	83,155	83,155
Premium reserve		64,445	64,445
Reserves, including retained earnings	21.2	86,153	64,509
Revaluation reserve		(4,445)	(5,257)
Current year profit		22,095	21,644
TOTAL SHAREHOLDERS' EQUITY		251,403	228,496

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,839,437	1,664,100
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Commitments and contingencies	31	192,557	255,635
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These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on March 30, 2010 by:

Ivaylo Donchev
Executive Director

Sylvia Peneva
Registered Auditor
March 30, 2010



Thomir Atanassov
Procurator



The accompanying notes are an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED DECEMBER 31, 2009

All amounts are in thousand Bulgarian Levs, unless otherwise stated

	Note	Year ended 31.12.2009	Year ended 31.12.2008
Interest income	22	136,738	107,934
Interest expenses	22	(68,826)	(42,708)
Net interest margin		67,912	65,226
Fees and commissions income	23	28,119	26,163
Fees and commissions expenses	23	(3,790)	(3,509)
Fees and commissions income, net		24,329	22,654
Net gains of transactions with securities	24	10,907	6,948
Foreign exchange rate gains, net	25	3,844	3,420
Other operating income, net	26	16,532	14,045
Operating expenses	27	(89,854)	(82,437)
Net expenses for impairment and uncollectability	28	(9,005)	(6,895)
Profit for the period before taxes		24,665	22,961
Taxes	29	(2,570)	(1,317)
PROFIT FOR THE PERIOD		22,095	21,644
Earnings per share (in BGN)	30	0.27	0.26
Other comprehensive income after taxes		812	(4,493)
Revaluation of financial assets held for sale		812	(4,493)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR AFTER TAXES		22,907	17,151

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on March 30, 2010 by:

Ivaylo Donchev
Executive Director

Sylvia Peneva
Registered Auditor
March 30, 2010



Thomir Atanassov
Procurator



The accompanying notes are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2009

All amounts are in thousand Bulgarian Levs, unless otherwise stated

	Year ended 31.12.2009	Year ended 31.12.2008
Cash flows from operating activities		
Profit before taxes	24,665	22,961
Depreciation and amortization	9,396	7,891
Profit tax paid	(593)	(3,893)
Unrealised gains/(losses) from revaluation of securities held for trading	(349)	4,372
Increase of provisions for liabilities and impairment allowances	9,005	6,895
Net cash flows before working capital changes	42,124	38,226
Change in operating assets:		
Decrease in placements with, and advances to banks, with maturity over 90 days	-	4,890
(Increase)/decrease in the receivables under repurchase agreements	11,505	(6,249)
Decrease/(increase) in financial assets for trading	(4,904)	9,991
(Increase) in loans and advances to customers	(177,100)	(330,675)
(Increase)/decrease in other assets	7,456	(41,636)
(Increase) of non-current assets, held for sale	-	(335)
	(163,043)	(364,014)

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on March 30, 2010 by:

Ivaylo Donchev
Executive Director

Sylvia Peneva
Registered Auditor
March 30, 2010



Thomir Atanassov
Procurator



The accompanying notes are an integral part of these separate financial statements.

Change in operating liabilities:

Increase/(decrease) in deposits from banks	(2,523)	6,426
Increase of loans from banks	30,065	10,003
Increase/(decrease) of liabilities under repurchase agreements	(11,679)	1,497
Increase in liabilities to other depositors	134,918	57,719
(Decrease) in other attracted funds	(2,115)	(2,933)
Increase of other liabilities	3,764	7,357
	152,430	80,069

NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES

31,511 (245,719)

Cash flows from investing activities

Acquisition of property, plant and equipment	(7,098)	(15,059)
Acquisition of investments in subsidiaries	-	(34,881)
Sale/(acquisition) of financial assets available for sale, net	(8,541)	30,909
Acquisition of/(proceeds from) financial assets held to maturity, net	9,878	(17,140)

NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES

(5,761) (36,171)

INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS, NET

25,750 (281,890)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR (NOTE 32)

342,834 624,724

CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 32)

368,584 342,834

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on March 30, 2010 by:

Ivaylo Donchev
Executive Director

Sylvia Peneva
Registered Auditor
March 30, 2010



Thomir Atanassov
Procurator



The accompanying notes are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2009

All amounts are in thousand Bulgarian Levs, unless otherwise stated

	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Re-valuation reserve	Current year profit	Total
BALANCE AS OF DECEMBER 31, 2007	83,155	64,445	44,415	(764)	20,094	211,345
Transfer of net profit for the year ended December 31, 2007 to retained earnings	-	-	20,094	-	(20,094)	-
Net profit for the year ended December 31, 2008	-	-	-	-	21,644	21,644
Other comprehensive income for the year ended December 31, 2008	-	-	-	(4,493)	-	(4,493)
BALANCE AS OF DECEMBER 31, 2008	83,155	64,445	64,509	(5,257)	21,644	228,496
Transfer of net profit for the year ended December 31, 2008 to retained earnings	-	-	21,644	-	(21,644)	-
Net profit for the year ended December 31, 2009	-	-	-	-	22,095	22,095
Other comprehensive income for the year ended December 31, 2009	-	-	-	812	-	812
BALANCE AS OF DECEMBER 31, 2009	83,155	64,445	86,153	(4,445)	22,095	251,403

These separate financial statements have been approved by the Management Board and signed on behalf of Central Cooperative Bank AD on March 30, 2010 by:

Ivaylo Donchev
Executive Director

Sylvia Peneva
Registered Auditor
March 30, 2010



Thomir Atanassov
Prosecutor



The accompanying notes are an integral part of these separate financial statements.

1. Operating policy

Central Cooperative Bank AD, Sofia (the "Bank") was established in 1991. The Bank's activities and operations are governed by the Law on Banks and the regulations issued by the Bulgarian National Bank ("BNB"). The Bank currently operates under a banking license granted by BNB, pursuant to which it may accept deposits in local and foreign currency, extend loans in local and foreign currency, open and maintain nostro accounts in foreign currency abroad, deal with securities and foreign currency and perform all other banking activities and transactions, permitted by the Law on Credit Institutions.

In December 2005 the Bank obtained a bank license, issued by the Central Bank of Cyprus, under which the Bank is authorized to perform bank activity as a legally licensed bank branch on the territory of the Republic of Cyprus, in compliance with the requirements of the Cyprus Law on Banks. The Bank started its banking activity on the territory of Cyprus in 2007.

The Bank is a public entity and is listed on the Bulgarian Stock Exchange, Sofia. The Bank is a member of the European Association of Cooperative Banks. The Bank has a primary dealer status for transactions with government securities.

As of December 31, 2009 the Bank's operations are conducted through a head-office located in Sofia, Bulgaria, 51 branches and 218 remote offices throughout the country and one branch in the Republic of Cyprus.

2. Basis for the preparation of the separate financial statements

General framework for financial reporting

These financial statements are separate financial statements prepared for the year ended December 31, 2009. The amounts in the separate financial statements are stated in thousand Bulgarian levs (BGN'000).

These separate financial statements have been prepared for general purposes under the going concern consumption. The separate financial statements have been prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the interpretations, issued by the International Financial Reporting Interpretations Committee (IFRIC), approved by the European Union (the "EU") and applicable in the Republic of Bulgaria.

The Bank owns over 50% of the subsidiary Central Cooperative Bank AD Skopje, the Republic of Macedonia. In accordance with the requirements of IAS 27 „Consolidated and separate financial statements,” the Bank prepares also consolidated financial statements, which will be issued in April 2010.

The separate financial statements are prepared under the historical cost convention, modified by the revaluation to fair value of financial assets and liabilities held for trading, available for sale and all derivative contracts. Loans and receivables and financial assets to maturity are carried at amortized cost.

Changes in IFRS

The following standards are effective for reporting periods beginning on or after January 1, 2009:

- AS 1 (revised) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009);
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after July 1, 2008).
- IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009).

The revised IAS 1, effective from January 1, 2009 is aimed at improving users' ability to analyze and compare the information given in financial statements. The revision introduced terminology changes and changes in format and content of the financial statements (e.g. 'statement of financial position' instead of 'balance sheet'). The revised standard prohibits the presentation of items of income and expenses that are 'non-owner changes in equity' in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement disclosing the net income for the period and statement of comprehensive income). The Bank has adopted the 'one statement approach' in presenting items of income and expenses and other comprehensive income. Since these changes only impact presentation aspects, there is no impact on retained earnings or results for the period.

The adoption of the above amendments has not resulted in changes in the accounting policies of the Bank.

At the date of authorization of these separate financial statements the following standards, revisions and interpretations adopted by EU were in issue but not yet effective:

- IFRS 1 (revised) First-time Adoption of IFRS (effective for annual periods beginning on or after January 1, 2010);
- IFRS 3 (revised), Business Combinations (effective for annual periods beginning on or after July 1, 2009);
- Amendments to IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after July 1, 2009);
- Amendments to IAS 32 Financial Instruments: Presentation regarding accounting for rights issues (effective for annual periods beginning on or after January 1, 2011);
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement regarding eligible hedged items (effective for annual periods beginning on or after July 1, 2009);
- IFRIC 12 Service Concession Arrangements (effective for annual periods beginning on or after March 30, 2009);
- IFRIC 15 Agreements for the Construction of Real Estate (effective for annual periods

beginning on or after 1 January 2010);

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after July 1, 2009);

The Bank's management does not intend to adopt early the above mentioned IFRS and interpretations. Most of the IFRS and IFRIC stated above are not applicable to the Bank's activity and will have no material effect on the financial statements.

As of the date of authorization of these financial statements, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to the existing standards and interpretations, which were not yet endorsed for use:

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after January 1, 2013);
- Improvements to IFRS published in April 2009 (most amendments are effective for annual periods beginning on or after January 1, 2010) primarily with a view to removing inconsistencies and clarifying wording in IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9, IFRIC 16;
- Amendments to IAS 24 Related Party Disclosures – simplifying the disclosure requirements for government-related entities and clarifying the definition of a related party (effective for annual periods beginning on or after January 1, 2011);
- Amendments to IFRS 1 First-time Adoption of IFRS- Additional Exemptions for First-time Adopters (effective for annual periods beginning on or after January 1, 2010);
- Amendments to IFRS 2 Share-based Payment - Group cash-settled share-based payment transactions (effective for annual periods beginning on or after January 1, 2010);
- Amendments to IFRIC 14 IAS 19 — The Limit on a defined benefit Asset, Minimum Funding Requirements and their Interaction - Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after January 1, 2011);
- IFRIC 19 Extinguishing Liabilities with Equity Instruments (effective for annual periods beginning on or after July 1, 2010).

The Bank anticipates that the adoption of these standards, amendments to the existing standards and interpretations will have no material impact on the financial statements of the Bank in the period of initial application, except for the one noted below which might have material effect on the financial statements:

- IFRS 9 Financial Instruments, which uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how the Bank manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39.

3. Accounting policy

3.1. Scope and objective

The accounting policy comprises principles and basic assumptions, concepts, rules, practices, bases and procedures, adopted by management for reporting the activity of the Bank, and the preparation and presentation of the financial statements.

The purpose of the accounting policy is to provide the necessary organizational and methodological uniformity in the process of financial reporting of the Bank's activities, aimed at providing a true and fair presentation of the Bank's financial position and result of operations in the annual financial statements.

3.2. Major components of the accounting policy

3.2.1. Interest income and expenses

Interest income and expenses are recognized on a time proportion basis using the effective interest rate method, as the difference between the amount at initial recognition of the respective asset or liability and the amount at maturity is amortized.

For loans granted by the Bank and amounts owed to depositors, where the interest is calculated on a daily basis by applying the contracted interest rate to the outstanding balance, the effective interest rate is considered to be approximately equal to the contracted interest rate due to the nature of the contractual terms.

Interest earned as a result of holding trading securities or securities available for sale is reported as interest income. Interest income includes the amount of amortization of any discount, premium or other difference between the initial cost of debt securities and their amount at maturity.

Upon acquisition of an interest-bearing investment, the interest accrued as of the acquisition date is accounted for as interest receivable.

3.2.2. Fees and commissions

Fees and commissions consist mainly of fees for payment transactions in BGN and in foreign currency, fees for granting and management of loans, opening of letters of credit and issuance of guarantees. Fees and commissions are recognized when the service is performed or becomes due.

Commissions arising from foreign currency transactions are reported in the statement of comprehensive income on their receipt. Fees and commissions for granting and management of loans when considered to be part of the effective income are amortized during the loan term and are recognized as current financial income during the period by adjusting the effective interest income.

3.2.3 Foreign currency transactions

Transactions denominated in foreign currency are converted into BGN at rates set by BNB for the transaction date. Receivables and liabilities denominated in foreign currency are converted into BGN as of the date of statement of financial position preparation at the exchange rates of BNB for the same date.

Net foreign exchange rate gains or losses, arising from translation at the rates of BNB as of

the transaction date, are included in the statement of comprehensive income for the period, when they arise.

The Bank carries out daily revaluation of all currency assets and liabilities and off-balance sheet positions at the official rate for the respective day. The net gains and losses, arising from revaluation of balance sheet currency positions, are reported in the statement of comprehensive income for the period, in which they arise.

Effective from 2002 the Bulgarian Lev is fixed to the Euro at the rate of EUR 1 = BGN 1.95583.

The exchange rates of USD and the Bulgarian Lev as of December 31, 2009 and 2008 are as follows:

December 31, 2009	December 31, 2008
1 USD = 1.36409 BGN	1 USD = 1.38731 BGN

3.2.4. Financial assets

Financial assets held for trading are acquired by the Bank with the purpose of generating income from short-term price or dealing margin fluctuations, or they are assets, included in a portfolio, for which a short-term profit realization is probable. These include discount and interest-bearing government securities held for trade, as well as corporate securities of non-financial companies, in which the Bank does not have a controlling interest.

Financial assets available for sale are those financial assets, which are not held for trading, not held to maturity and are not loans and receivables, which have initially originated at the Bank. Financial assets available for sale include acquired interest-bearing government and corporate securities, as well as equity investments in financial and non-financial enterprises, in which the Bank does not have a controlling interest.

Financial assets held to maturity are assets with fixed payments and maturity, which the Bank has the intention and ability to hold to maturity, irrespective of the possibility to sell them upon arising of favorable conditions in the future. These assets consist of acquired interest-bearing government securities.

Loans and advances, originated initially by the Bank with a fixed maturity date, are financial assets, incurred by direct granting of funds or services with fixed maturity to certain customers.

Recognition

Financial assets are recognized only when the Bank becomes a party under the contract provisions of the instrument. Their initial recognition is on the contract settlement date /payment date/.

Initial measurement

Financial assets are recognized initially at acquisition cost, which is equal to the amount of the fair value of the consideration given and the related expenses. The expenses related to the transaction and included in the acquisition cost are fees, commissions and other remuneration paid

to agents, brokers, consultants, dealers, and other persons directly involved in the transaction, taxes, charges, permits, etc. paid to stock exchanges and regulatory authorities. All other expenses are reported as current expenses in the period when incurred. Acquisition cost does not include accrued interest on the financial asset, not paid as of the date of acquisition. Such interest is reported as accrued interest receivable.

Subsequent measurement

After initial recognition, financial assets held for trading are stated at fair value. Fair value is determined on the basis of quoted prices on an active market. The difference between the carrying amount of the financial asset and its fair value is accounted for as current financial income or current financial expense in the period of occurrence.

After initial recognition, financial assets available for sale are stated at fair value, when there exists a quoted price on an active market or there are reliable models for valuation, which reflect the specific circumstances of the issuer. The difference between the carrying amount of these financial assets and their fair value is reported in equity as increase or decrease in revaluation reserve. After initial recognition, financial assets available for sale, for which there are no active market quotations and for which no other reliable evaluation models can be applied, are carried at acquisition cost.

After initial recognition, financial assets held to maturity are stated at amortized cost, applying the effective interest rate method and are not revaluated. Amortized cost is the initial value /acquisition cost/ of the asset, increased by the accumulated amortization for any difference between the initial amount and the amount at maturity, and reduced by repayments of principle, accumulated amortization for any difference between the initial amount and the amount at maturity, and the allowance for impairment and/or uncollectability. The amortization is calculated by applying the effective interest rate.

After initial recognition, loans and advances originated initially by the Bank with fixed maturity are reported at amortized cost, applying the effective interest rate method and are not subject to revaluation.

The amortized cost is the initial value of the asset, increased by the accumulated amortization for any difference between the initial amount and the amount at maturity, less repayments of the principle and the allowance for impairment and/or uncollectability. The amortization is calculated by applying the effective interest rate.

Derecognition

Financial assets are derecognized when the Bank loses control over the contractual rights in relation to realizing the rights associated with the asset, waiver of the rights associated with the asset and expiry of the term for realizing of the rights associated with the asset. Net profit or loss as a result of the write off is reported in the statement of comprehensive income in the period of its occurrence. The revaluation reserve accumulated as of the date of derecognition is recognized as current financial expense or financial income.

Impairment for uncollectability

Financial assets are impaired if any conditions for impairment exist: there is evidence about financial difficulties; there is an actual breach of the contract; the issuer has performed restructuring of the debt; the issuer's securities have been excluded from the stock exchange.

For the purpose of preparation of the financial statements, financial assets held for trading are reviewed for impairment, if impairment is not already provided in the revaluation performed as of the date of annual financial statements. In case of existing condition for impairment, the recoverable amount of financial assets is determined. If the expected recoverable amount of the financial assets is lower than their carrying amount, impairment is provided, and the carrying amount of financial assets is reduced to their expected recoverable amount. The difference is accounted for as current financial expense and decrease in the value of financial assets.

For the purpose of preparation of the financial statements, financial assets available for sale and reported at fair value are reviewed for impairment, if impairment is not already charged in the revaluation performed as of the date of the financial statements. In case of existing condition for impairment, the recoverable amount of the financial assets is determined. If the expected recoverable amount of the financial assets is lower than their carrying amount, impairment is provided. It is accounted for as follows:

- if at the moment of impairment there is no revaluation reserve – the difference between the carrying amount and the expected recoverable amount is recorded as a current financial expense and a decrease in the value of financial assets;
- if at the moment of impairment there is a revaluation reserve, which is positive and lower than the amount of impairment – the carrying amount of the assets and the amount of the revaluation reserve /which becomes zero/ are decreased by the amount of impairment up to the revaluation reserve balance. The remaining part of the amount of impairment is accounted for as a current financial expense and a decrease in the carrying amount of assets;
- if at the moment of impairment there is a revaluation reserve, which is negative, the difference between the carrying amount and the expected recoverable value is recorded as a current financial expense and a decrease in the value of the financial assets, and the negative value of the revaluation reserve is transferred to and stated in the current financial expenses;
- if at the moment of impairment there is a revaluation reserve, which is positive and is greater than the amount of impairment, the value of the investment and the amount of the revaluation reserve are decreased by the impairment amount.

Financial assets held to maturity are reviewed for indications of impairment, in relation to preparation of the annual financial statements. Allowances for impairment and uncollectability of the securities held by the Bank, measured at amortized cost, are determined as the difference between the carrying amount and the present value of the future cash flows, discounted at the original effective interest rate. If the present value of the future cash flows of securities is lower than their carrying amount, then allowance for impairment is provided. The difference is reported as current financial expense and decrease in the value of securities. Decrease of allowances for impairment and uncollectability is stated in the statement of comprehensive income for the respective period. Recovered amounts, previously written off, are treated as income by releasing the allowances for impairment and uncollectability for the respective year.

Loans and advances, originated initially by the Bank with a fixed maturity, are reviewed for indications of impairment, in relation to preparation of the annual financial statements. Allowances for impairment and uncollectability of loans originated by the Bank, measured at amortized cost, are determined as the difference between the carrying amount and the present value of the future

cash flows discounted at the loan original effective interest rate, where appropriate. Management determines the expected future cash flows based upon reviews of individual borrowers, loan exposures and other relevant factors. If the present value of the future cash flows of loans is lower than their carrying amount, then allowance for impairment is provided. The difference is reported as a current financial expense and a decrease in the value of loans. Decrease of allowances for impairment and uncollectability is stated in the statement of comprehensive income for the respective period. Recovered amounts, previously written off, are treated as income by releasing the allowances for impairment and uncollectability for the respective year. Loans and advances that cannot be recovered are written off and charged against the accumulated allowances for impairment and uncollectability. Such loans are written off after all necessary legal procedures have been completed and the amount of the loss has been determined.

The Bank has adopted a methodology for the calculation of allowances for impairment of loans based on IFRS and in compliance with the requirements of the banking regulations in Bulgaria. The Bank classifies its loans in several groups. A specified percentage rate for non-regular loans, which are above the minimum required by the regulations, is applied to contractual cash flows as a mean to determine the expected cash flows, which are then to be discounted as stated above. Other specific requirements of the regulations relate to conditions for transfers of non-regular into regular loans and recognition of liquid collaterals with the purpose of assessment of the allowances for impairment and uncollectability of loans.

The amount of potential losses, which are not exactly identified, but based on previous experience may be expected for a group of loans with similar characteristics, is also charged as provision expense and decrease of the loans' carrying amount. The expected losses are measured based on previous experience, customers' credit rating, and economic environment.

3.2.5. Investments in subsidiaries

Subsidiaries are those entities in which the Bank's ownership directly or indirectly exceeds 50% of the voting rights or it can exercise control over their operating and financial policy.

In the separate financial statements of the Bank the shares and interests in the subsidiaries are initially recognized at acquisition cost. Subsequently, the Bank performs reviews periodically to determine whether there are indications for impairment. Impairment is recognized in the statement of comprehensive income as impairment losses of investments in subsidiaries.

Dividends in subsidiaries, are recognized and reported in the statement of comprehensive income, if they are related to the distribution of profit from reporting periods after the acquisition of the investment, or in the decrease of the carrying amount of the investment, if they are related to the distribution of profit before their acquisition.

3.2.6. Receivables and liabilities under repurchase agreements

Receivables and liabilities under repurchase agreements are recognized at cost, which represents the funds placed/obtained by the Bank, secured by the value of the securities. Interest due on the fair value of the funds placed/obtained for the term of the agreement is accounted and recognized as interest income/expense in the period of its occurrence.

3.2.7. Cash and cash equivalents

Cash and cash equivalents, for the purpose of the cash flows statement preparation, include cash, balances with the Central Bank (BNB) and nostro accounts, which are unrestricted demand deposits at other banks, as well as placements with, loans and advances to other banks with a

maturity up to 3 months.

3.2.8. Fair value of financial assets and liabilities

IFRS 7 "Financial Instruments: Disclosure", provides for the disclosure in the notes to the financial statements of information about the fair value of the financial assets and liabilities. For this purpose fair value is defined as the amount, for which an asset can be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

It is the policy of the Bank to disclose fair value information on those assets and liabilities, for which published market information is readily available and whose fair value significantly differs from their carrying amounts. The fair value of cash and cash equivalents, deposits and loans, granted by the Bank, other receivables, deposits, borrowings and other current liabilities approximates their carrying amount, in case they mature in a short period of time. Sufficient market experience, as well as stable and liquid market currently do not exist for purchases and sales of loans and some other financial assets or liabilities, for which published market information is not readily available. Accordingly, their fair values cannot be reliably determined. In the opinion of the management, under these circumstances, the reported recoverable amounts of the financial assets and liabilities are the most reliable and efficient for the purposes of the financial statements.

For the assets and liabilities recognized at fair value in the statement of financial position the Bank discloses for each class financial instruments the hierarchy level of fair value to which the measurements of fair value are categorized in their full scope, each significant transfer between level 1 and 2 of the fair value hierarchy and the respective reasons, as well as reconciliation of opening and closing balances for the level 3 measurements.

Fair value hierarchy

The Bank uses the following hierarchy to measure and disclose the fair value of financial instruments through evaluation technique:

- **Level 1:** quoted (unadjusted) prices of active markets for identical assets or liabilities;
- **Level 2:** other techniques for which the whole incoming information that has material effect on the reported fair value is subject to direct or indirect monitoring;
- **Level 3:** techniques which use incoming information that has material effect on the reported fair value and are not based on monitored market data.

3.2.9. Netting

The financial assets and liabilities are netted, and the net value is presented in the statement of financial position when the Bank is entitled by law to net the recognized values, and the transactions are intended to be settled on a net basis.

3.2.10. Provisions for credit commitments

The amount of provisions for guarantees and other off-balance credit commitments is recognized as an expense and a liability when the Bank has current legal or constructive obligations, which have occurred as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and a reasonable estimate of the amount of the liability can be made. Any loss resulting from recognition of provisions for liabilities is reported in the statement of comprehensive income for the respective period.

3.2.10. Derivatives

Derivatives are stated at fair value and recognized in the statement of financial position as derivatives for trading. The fair value of derivatives is based on the market price or relevant valuation models. Derivative assets are presented as part of the financial assets held for trading, while the derivative liabilities are presented as part of other liabilities. Any change in the fair value of derivatives for trade is recognized as a part of the net trading income in the statement of comprehensive income.

3.2.11. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are identifiable non-monetary assets acquired and possessed by the Bank and held for use in the production and/or rendering of services, for renting, administrative and other purposes. They are stated at acquisition cost, less charged depreciation and accumulated losses from impairment.

Depreciation of property, plant and equipment and amortization of intangible assets are calculated by using the straight-line method designed to write off the assets value over their estimated useful life. The annual depreciation and amortization rates are as follows:

Buildings	4%	(25 years)
Fixtures and fittings	15%	(7 years)
Motor vehicles	15%	(7 years)
Other assets	15%	(7 years)
Special equipment, cable networks and security systems	4%	(25 years)
Equipment, including hardware and software	20%	(5 years)

Land, assets for resale, assets under construction, assets to be disposed and fully depreciated assets are not subject to depreciation.

The management of the Bank has performed a review for impairment of property, plant and equipment and intangible assets as of the date of preparation of these separate financial statements. No evidence of impairment of property, plant and equipment and intangible assets has been identified; therefore they have not been impaired.

3.2.12. Taxation

Corporate income tax is calculated on the basis of profit for the period and includes current and deferred taxes. Taxes due are calculated in accordance with the Bulgarian tax legislation.

Current income tax is calculated on the basis of the taxable profit, by adjusting the statutory financial result for certain income and expenditure items, not approved for tax purposes, as required under Bulgarian accounting legislation, applicable for banks.

Deferred income taxes are calculated using the balance sheet liability method. Deferred income taxes represent the net tax effect of all temporary differences between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes. Deferred tax assets and liabilities are calculated at the tax rates, which are expected to apply to taxable profit for the period, when the temporary differences are expected to be recovered or settled. The measurement

of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Bank expects, at the date of the statement of financial position to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are recognized regardless when the temporary difference is likely to reverse.

Any tax effect, related to transactions or other events, recognized in the statement of comprehensive income, is also recognized in the statement of comprehensive income and tax effect, related to transactions and events, recognized directly in equity, is also recognized directly in equity.

A deferred tax liability is recognized for all taxable temporary differences unless it arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that taxable profit is probable, against which the deductible temporary difference can be utilized, unless the deferred asset arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Current and deferred taxes are recognized as income or expense and are included in the net profit for the period, except to the extent that the tax arises from a transaction or event, which is recognized in the same or different period, directly in equity. Deferred taxes are charged or deducted directly in equity, when the tax relates to items that are charged or deducted in the same or different period, directly in equity.

3.3. Accounting estimates, assumptions and key areas of uncertainty

The presentation of financial statements requires management to apply certain accounting estimates and reasonable assumptions that affect some of the carrying amounts of assets and liabilities, revenues and expenses for the reporting period and disclosures of contingent assets and liabilities. Although these estimates and assumptions are based on the best estimate as of the date of the preparation of the separate financial statements, they may differ from the future actual results.

The most significant areas of uncertainty, which require estimates and assumptions in applying the accounting policies of the Bank are as follows:

- Fair value of the financial instruments;
- Allowances for impairment of loans;
- Useful life of the depreciable assets;
- Impairment of financial assets available for sale.

In 2009 and at the beginning of 2010 as a result of the global economic crisis different industries and sectors in the Bulgarian economy have marked a decline which causes uncertainty and risks for their development in the foreseeable future. The declining rates of economic development increase the risks of the economic environment in which the Bank operates. Therefore, the amount of impairment losses on loans and advances, financial assets available for sale, other financial instruments, as well as the values of other accounting estimates in subsequent reporting periods may differ from those measured and reported in these financial statements. The recoverability of the loans and the adequacy of the recognized impairment losses, as well as the maintaining of

the Bank's liquidity ratios depends on the financial position of the borrowers and their ability to settle their obligations at contracted maturity in subsequent reporting periods. Bank's management applies the necessary procedures to manage these risks, as disclosed in note 33.

3.4. Capital management

The Bank defines its risk-bearing capacity as the amount of financial resources that are available for absorbing losses, which may be incurred due to the risk profile of the Bank. Financial resources are classified into Tiers of risk capital according to their ability to cover losses, ability to defer payments, and permanence.

The Bank calculates, monitors and reports its risk capital for all major risk categories – credit, market and operational risk. In managing its risk capital, the Bank follows the legal framework, as well as its own objectives. Bulgarian banks must maintain Core Tier I Capital Adequacy Ratio of at least 6%, and Total Risk Capital Adequacy Ratio of at least 12%.

For 2009 and 2008 the Bank is in compliance with the regulatory requirements for minimum capital adequacy.

4. Cash and balances with the Central Bank

	As of 31.12.2009	As of 31.12.2008
Cash in hand:		
In BGN	46,441	54,848
In foreign currency	29,072	30,359
Cash in transit:		
In BGN	2,179	1,237
In foreign currency	440	262
Cash in the Central bank:		
Current account in BGN	182,922	176,810
Minimum required reserve in foreign currency	48,896	39,117
Reserve guarantee fund RINGS	575	551
TOTAL CASH AND BALANCES WITH THE CENTRAL BANK	310,525	303,184

The current account with BNB is used for direct participation in the government securities and money market, as well as for the purposes of bank settlement in the country.

Commercial banks in Bulgaria are required to maintain minimum required reserves at BNB. The minimum obligatory reserve, periodically set by BNB, is interest-free and is calculated as a percentage ratio based on the attracted funds in BGN and foreign currency. These reserves are regulated on a monthly basis as any deficit incurs interest penalties. No restrictions are imposed by the Central Bank for using the minimum reserves, as daily fluctuations within the one-month regulation period are allowed.

In compliance with the Ordinances of the Central bank, the Bank allocates reserve guarantee fund to ensure the settlement of payments by means of the Real Time Gross Settlement system RINGS.

5. Placements with, and advances to banks

	As of 31.12.2009	As of 31.12.2008
Term deposits with local banks		
In BGN	-	4,001
In foreign currency	32,252	4,717
Term deposits with foreign banks in foreign currency	3,137	416
Nostro accounts with local banks		
In BGN	27	18
In foreign currency	204	11
Nostro accounts with foreign banks in foreign currency	22,439	30,487
TOTAL PLACEMENTS WITH, AND ADVANCES TO BANKS	58,059	39,650

6. Receivables under repurchase agreements

As of December 31, 2009 the Bank has signed repurchase agreements at the total amount of BGN 11,528 thousand, including interest receivables. The Bank has pledged as collateral Bulgarian government securities having an approximately equal value to secure the receivable. The agreements' maturities are between January and March 2010.

As of December 31, 2008 the repurchase agreements amount to BGN 23,033 thousand, including interest receivables.

7. Financial assets held for trading

Financial assets held for trading consist of trading securities, including the amount of accrued interest, based on their original maturity and discount as well as derivatives, held for trading, as follows:

	As of 31.12.2009	As of 31.12.2008
Bulgarian government notes	2,410	1,209
Bulgarian government bonds	138	474
Bulgarian corporate securities	10,885	9,041
Derivatives, held for trading	13,539	10,995
TOTAL TRADING SECURITIES	26,972	21,719

Bulgarian government notes

As of December 31, 2009 and 2008 Bulgarian government notes amounting to BGN 2,410 thousand and BGN 1,209 thousand respectively are stated at fair value and include securities denominated in BGN, issued by the Bulgarian government.

Bulgarian government bonds

As of December 31, 2009 and 2008 Bulgarian government bonds amounting to BGN 138 thousand and BGN 474 thousand, respectively, are stated at fair value and include securities in BGN, issued by the Bulgarian government.

Bulgarian corporate securities

As of December 31, 2009 the Bank owns corporate securities, issued by non-financial companies and financial institutions, amounting to BGN 2,813 thousand. These securities represent shares of public companies, listed on the Bulgarian Stock Exchange. They are liquid on the Bulgarian stock market and are stated in these financial statements at fair value.

As of December 31, 2009 the Bank owns bonds issued by Bulgarian – American Credit Bank AD at the amount of BGN 1,210 thousand and the maturity of the issue is July 2011. As of December 31, 2009 the Bank also owns bonds issued by Finance Consulting EAD at the amount of BGN 6,100 and the maturity of the issue is August 2016 and shares in Mutual fund “Real Finance High-profitable Fund” at the amount of BGN 762 thousand.

As of December 31, 2008 the Bank owns corporate securities, issued by non-financial companies and financial institutions, amounting to BGN 679 thousand. These securities represent shares of public companies, listed on the Bulgarian Stock Exchange. They are liquid on the Bulgarian stock market and are stated in these financial statements at fair value.

As of December 31, 2008 the Bank owns bonds issued by Bulgarian-American Credit Bank AD at the amount of BGN 8,065 thousand and the maturity of the issue is in July 2011. As of December 31, 2008 the Bank also owns shares in Mutual fund Europe at the amount of BGN 297 thousand.

Derivatives, held for trading

As of December 31, 2009 and 2008 derivatives, held for trading, at the amount of BGN 13,539 thousand and BGN 10,995 thousand respectively, are carried at fair value and include sale-purchase transactions of foreign currency, securities, forward agreements and currency swaps in the open market.

Bulgarian securities pledged as a collateral

As of December 31, 2009 and 2008 government bonds, issued by the Bulgarian government amounting to BGN 2,206 thousand and BGN 126 thousand, respectively, have been pledged as a collateral for servicing of budget accounts.

8. Loans and advances to customers, net**(a) Analysis by Type of Clients**

	As of 31.12.2009	As of 31.12.2008
Individuals:		
In BGN	303,197	317,015
In foreign currency	44,099	43,450
Enterprises:		
In BGN	496,767	366,833
In foreign currency	324,735	264,450
	1,168,798	991,748
Allowance for impairment and uncollectability	(20,893)	(11,938)
TOTAL LOANS AND ADVANCES TO CUSTOMERS, NET	1,147,905	979,810

Loans and advances to customers as of December 31, 2009 include deposits with international financial institutions on margin transactions with derivatives amounting to BGN 19,394 thousand (2008: BGN 15,564 thousand), including result of transactions.

(b) Analysis by Economic Sector

	As of 31.12.2009	As of 31.12.2008
Agriculture and forestry	40,316	35,677
Manufacturing	58,731	56,224
Construction	121,036	102,776
Trade and finance	472,219	341,136
Transport and communications	69,250	49,286
Individuals	347,296	360,465
Other	59,950	46,184
	1,168,798	991,748
Allowance for impairment and uncollectability	(20,893)	(11,938)
TOTAL LOANS AND ADVANCES TO CUSTOMERS, NET	1,147,905	979,810

(c) Interest rates

Loans denominated in BGN and foreign currency bear interest at floating rates. Under the terms of these loans, the interest rate is calculated as the Bank base interest rate, plus a margin. The interest rate margin on performing (regular) loans varies from 4 to 8 percent based on the credit risk associated with the borrower, and a 35% interest is charged as penalty on overdue loans, corresponding to the interest on not allowed overdraft.

9. Other assets

	As of 31.12.2009	As of 31.12.2008
Deferred tax assets	210	193
Income tax refundable	-	1,041
Deferred expenses	1,956	2,718
Established real rights for building use	38,245	42,086
Other assets	4,267	5,486
TOTAL OTHER ASSETS	44,678	51,524

Deferred expenses represent prepaid sums for advertising, rent etc.

The established real rights for building use have been received in December 2008 from two Bulgarian commercial companies. The rights are related to two solid administrative buildings, which are situated in the very center of Sofia, which will be used for the head office of the Bank. The right of use of the first building is established for a period of 98 months for the amount of EUR 5,372 thousand. The right of use of the second building is established for a period of 149 months for the amount of EUR 15,598 thousand.

The carrying amount of established real rights include also the expenses for taxes and fees related to the establishment. The carrying amount of each real right for use will be amortized on equal parts for the respective period of use of buildings.

10. Financial assets available for sale

Financial assets available for sale consist of equity and debt securities, including the amount of accrued interest, based on their original maturity and discount, as follows:

	As of 31.12.2009	As of 31.12.2008
Medium-term Bulgarian government bonds	26,448	11,469
Long-term Bulgarian government bonds	4,273	9,873
Equity investments in financial institutions	9	14
Equity investments in non-financial institutions	9,668	6,296
Bulgarian corporate securities	14,905	13,213
Foreign corporate securities	-	5,085
Other	77	77
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE	55,380	46,027

Bulgarian securities, pledged as collateral

As of December 31, 2009 government bonds issued by the Bulgarian government amounting to BGN 4,491 thousand are pledged as a collateral for servicing of budget accounts.

Equity investments in financial institutions

As of December 31, 2009 equity investments in financial institutions include shares in commercial banks.

Equity investments in non-financial institutions

As of December 31, 2009 equity investments in non-financial institutions present shares in commercial companies and in mutual funds.

Bulgarian corporate securities

As at December 31, 2009 the Bulgarian corporate securities available for sale represent bonds. None of these investments are in a subsidiary or in an associated company.

11. Financial assets held to maturity

Financial assets held to maturity represent government bonds, including the amount of the accrued interest and discount/premium, based on original maturity, as follows:

	As of 31.12.2009	As of 31.12.2008
Medium-term Bulgarian government bonds	34,726	40,365
Long-term government bonds	56,994	61,233
TOTAL FINANCIAL ASSETS HELD TO MATURITY	91,720	101,598

Bulgarian securities pledged as a collateral

As of December 31, 2009 and 2008 government bonds issued by the Bulgarian government issued at the amount of BGN 65,677 thousand and BGN 65,148 thousand, respectively, are pledged as collateral for servicing budget accounts.

12. Investments in subsidiaries

In February 2008 the Bank acquired 136,658 shares from the capital of Sileks Bank AD, Skopje, Republic of Macedonia, representing 62.57% of the voting shares. After the acquisition the Bank owns totally 171,658 shares of the capital of Sileks Bank AD, representing 75.51% of the voting shares, thus acquiring the controlling interest in the capital of the subsidiary. The investment is at the amount of BGN 26,493 thousand. In September 2008 the capital of the subsidiary was increased and after this increase the Bank owns 263,696 shares, representing 82.57% of the voting shares. In October 2008 the name of the subsidiary was changed to Central Cooperative Bank AD Skopje. As of December 31, 2008 the investment of the Bank in its subsidiary amounts to BGN 34,881 thousand.

In October 2009 22,354 ordinary voting shares owned by the Bank are converted into privileged shares with no voting right. In December Central Cooperative Bank AD Skopje has withdrawn 208 own privileged shares. As of December 31, 2009 the Bank owns 241,342 ordinary voting shares presenting 83.78 % of the voting shares of Central Cooperative Bank AD Skopje and 22,354 privileged shares with no voting right presenting 71.94 % of the privileged shares with no

voting right of Central Cooperative Bank AD Skopje. As of December 31, 2009 the total participation of the Bank in the equity of Central Cooperative Bank AD Skopje is 82.63 %. As of December 31, 2009 the investment of the bank in its subsidiary amounts to BGN 34,881 thousand.

13. Property, plant and equipment

	Land and build-ings	Equipment	Motor vehicles	Fixtures and fittings	Fixed assets in progress	Other fixed assets	Total
January 1, 2008	27,646	19,826	4,270	8,434	9,758	9,707	79,641
Acquired	585	2,205	200	3,387	13,483	6,315	26,175
Disposed	-	(772)	-	(415)	(11,049)	(18)	(12,254)
December 31, 2008	28,231	21,259	4,470	11,406	12,192	16,004	93,562
Acquired	2,681	2,289	55	5,584	9,663	21,332	41,604
Disposed	(5,828)	(733)	(9)	(223)	(18,004)	(14,682)	(39,479)
December 31, 2009	25,084	22,815	4,516	16,767	3,851	22,654	95,687
Depreciation							
January 1, 2008	4,768	9,403	2,479	4,110	-	3,710	24,470
Net charge for the period	956	3,323	424	1,197	-	1,991	7,891
Depreciation on disposals	-	(749)	-	(375)	-	(14)	(1,138)
December 31, 2008	5,724	11,977	2,903	4,932	-	5,687	31,223
Net charge for the period	1,056	3,324	417	1,759	-	2,840	9,396
Depreciation on disposals	(1,470)	(697)	(9)	(206)	-	(4)	(2,386)
December 31, 2009	5,310	14,604	3,311	6,485	-	8,523	38,233
Net book value							
December 31, 2008	22,507	9,282	1,567	6,474	12,192	10,317	62,339
December 31, 2009	19,774	8,211	1,205	10,282	3,851	14,131	57,454

The fixed assets in progress include repair works, performed by the Bank, concerning the reconstruction of the leased premises into bank offices, whereas the repair works have not been finished as at the date of preparing the statement of financial position.

14. Non-current assets held for sale

Non-current assets held for sale represent property acquired by the Bank in 2008 as mortgage creditor on granted and not serviced loan. These assets will not be used in Bank's activity, hence actions for their sale have been taken. The sale process has not been completed in 2009 due to circumstances out of the Bank's control.

15. Deposits from banks

	As of 31.12.2009	As of 31.12.2008
Demand deposits – local banks:		
In BGN	84	71
In foreign currency	118	140
Demand deposits – foreign banks in foreign currency:	33	38
Term deposits - local banks in BGN	4,041	4,001
Term deposits - foreign banks in foreign currency	-	2,549
TOTAL DEPOSITS FROM BANKS	4,276	6,799

16. Loans from banks

As of December 31, 2009 the Bank has received loans from Bulgarian Development Bank as follows:

- under a program for target refinancing of commercial banks at the amount of BGN 35,005 thousand, including interest payables, as the funds for the loan are provided to the Bank for mid-term and long-term investment crediting and project financing for technical renovation, implementing of new technologies, know-how, increase of competitiveness and export potential, projects of the structural fund of the EU and short-term pre-export financing of small and middle-sized enterprises registered under the Commercial Act. The deadline for the loan repayment is December 30, 2018 with lump-sum payment. The Bank owes 5% interest on an annual basis over the outstanding portion of the loan.
- under program for granting target credit lines to commercial banks for refinancing agricultural producers at the amount of BGN 5,063 thousand, including interest payables. The deadline for the loan repayment is March 30, 2014 with lump-sum payment. The Bank owes 5% interest on an annual basis over the outstanding portion of the loan.

17. Liabilities under repurchase agreements

As of December 31, 2009 the Bank has concluded securities repurchase agreements with Bulgarian companies at the total amount of BGN 3,825 thousand, including interest payables. The Bank has secured this liability by establishing a pledge on Bulgarian government securities. The maturity of these agreements is between January – March 2010.

As of December 31, 2008 the Bank has concluded securities repurchase agreements with Bulgarian companies at the total amount of BGN 15,504 thousand, including interest payables.

18. Amounts owed to other depositors

(a) Analysis by term and currency

	As of 31.12.2009	As of 31.12.2008
Demand deposits		
In BGN	328,210	440,996
In foreign currency	74,060	67,133
	402,270	508,129
Term deposits		
In BGN	358,623	304,578
In foreign currency	673,718	503,280
	1,032,341	807,858
Saving accounts		
In BGN	35,710	26,095
In foreign currency	37,095	25,444
	72,805	51,539
Other deposits		
In BGN	8,702	9,493
In foreign currency	3,758	7,939
	12,460	17,432
TOTAL AMOUNTS OWED TO OTHER DEPOSITORS	1,519,876	1,384,958

(b) Analysis by customer and currency type

	As of 31.12.2009	As of 31.12.2008
Deposits of individuals		
In BGN	376,990	350,422
In foreign currency	491,985	434,582
	868,975	785,004
Deposits of enterprises		
In BGN	345,552	421,248
In foreign currency	292,889	161,274
	638,441	582,522
Deposits of other institutions		
In BGN	6,942	9,492
In foreign currency	5,518	7,940
	12,460	17,432
TOTAL AMOUNTS OWED TO OTHER DEPOSITORS	1,519,876	1,384,958

19. Other attracted funds

As of December 31, 2009 and 2008 "Other attracted funds" include financing from the State Agricultural Fund amounting to BGN 2,005 thousand and BGN 4,120 thousand (including interest) respectively, for granting loans to the agricultural sector. The credit risk for collectability of these loans shall be assumed by the Bank.

20. Other liabilities

	As of 31.12.2009	As of 31.12.2008
Liabilities for unused paid leave	1,336	1,428
Derivatives, held for trading	12,107	9,252
Other liabilities	3,807	2,975
Deferred income	734	565
TOTAL OTHER LIABILITIES	17,984	14,220

Derivates held for trading

As of December 31, 2009 and 2008 derivates held for trading at the amount of BGN 12,107 thousand and BGN 9,252 thousand and are presented at fair value and include sale and purchase transactions of foreign currency, securities, forward contracts and foreign currency swaps on open market..

21.1 Issued capital

As of December 31, 2009 and 2008 the issued, called-up and fully paid-in share capital of the Bank comprises respectively 83,155,092 ordinary voting shares with a nominal value of BGN 1.

The Bank's Parent company CCB Group EAD is a subsidiary of Chimimport AD, which is a public company and its shares are traded on the Bulgarian Stock Exchange.

Principal Shareholders	2009		2008	
	Share capital	Percentage rate	Share capital	Percentage rate
CCB Group EAD	56,715	68.20	56,715	68.20
ZAD Armeetz AD	3,753	4.51	3,691	4.44
Chimimport AD	2,395	2.88	2,395	2.88
Artio International Equity Fund	1,276	1.53	1,276	1.53
Unicredit Bank Austria AG	4,020	4.83	1,338	1.61
Universal Pension Fund Suglasie	1,685	2.03	1,677	2.02
Other	13,311	16.02	16,063	19.32
	83,155	100	83,155	100

21.2 Reserves, including retained earnings

As of December 31, 2009 reserves, including retained earnings include undistributable portion of BGN 7,059 thousand and distributable portion of BGN 79,094 thousand..

22. Interest income and expenses

	Year ended 31.12.2009	Year ended 31.12.2008
Interest income by source:		
Loans	126,972	90,094
Securities	7,376	7,465
Deposits in banks	2,390	10,375
TOTAL INTEREST INCOME	136,738	107,934

	Year ended 31.12.2009	Year ended 31.12.2008
Interest expenses by recipients:		
Deposits to customers	66,829	42,155
Deposits to banks	293	74
Loans	1,451	120
Other	253	359
TOTAL INTEREST EXPENSES	68,826	42,708

23. Income from/expenses for fees and commissions

	Year ended 31.12.2009	Year ended 31.12.2008
Granting and repayment of loans	3,040	3,444
Servicing of contingent commitments	1,395	1,288
Servicing of accounts	2,081	1,666
Bank transfers - domestic and international	16,158	15,133
Other income	5,445	4,632
TOTAL FEES AND COMMISSIONS INCOME	28,119	26,163

	Year ended 31.12.2009	Year ended 31.12.2008
Servicing of accounts	134	145
Bank transfers - domestic and international	3,084	2,732
Securities' transactions	145	139
Clearing valuable consignments	79	83
Other expenses	348	410
TOTAL EXPENSES FOR FEES AND COMMISSIONS	3,790	3,509

24. Gains from dealing with securities, net

	Year ended 31.12.2009	Year ended 31.12.2008
Gains on dealing with securities available for sale	7,742	11,497
(Loss) on dealing with securities held for trading	2,816	(177)
Gain/(loss) on revaluation of securities held for trading	349	(4,372)
TOTAL GAINS FROM DEALING WITH SECURITIES, NET	10,907	6,948

25. Foreign exchange gains, net

Net foreign exchange gains arise from:

	Year ended 31.12.2009	Year ended 31.12.2008
Dealing gains, net	4,282	2,829
Revaluation gains/(losses), net	(438)	591
TOTAL FOREIGN EXCHANGE GAINS, NET	3,844	3,420

Dealing gains represent net gains arising from purchases and sales of foreign currency. Revaluation gains represent net gains in BGN arising from the revaluation of assets and liabilities, denominated in foreign currency.

26. Other operating income, net

	Year ended 31.12.2009	Year ended 31.12.2008
Dividends	45	227
Income from cession contracts	2,116	13,326
Income from sale of property, plant and equipment	13,473	-
Other operating income	898	492
TOTAL OTHER OPERATING INCOME, NET	16,532	14,045

The income from cession contracts in 2009 originates from cash receivables under loan agreements, which were transferred on the part of the Bank through cession contracts at the amount of BGN 2,116 thousand. In 2008 income from cession contracts amounts to BGN 13,326 thousand.

27. Operating expenses

	Year ended 31.12.2009	Year ended 31.12.2008
Salaries and other personnel costs	28,856	26,544
Administrative and marketing costs	36,651	33,555
Other expenses	12,522	11,838
Depreciation/amortization	9,396	7,891
Materials and repair works	2,429	2,609
TOTAL OPERATING EXPENSES	89,854	82,437

The increase of the operating expenses is due to the expansion of the Bank's branch network, the offering of new bank services and the increased number of serviced customers.

28. Increase of allowances for impairment and uncollectability

	Loans granted to clients
BALANCE AS OF JANUARY 1, 2008	22,077
Charges for the period	9,933
Released during the period	(3,038)
Disposals	(17,034)
BALANCE AS OF DECEMBER 31, 2008	11,938
Charges for the period	14,893
Released during the period	(5,888)
Disposals	(50)
BALANCE AS OF DECEMBER 31, 2009	20,893

29. Taxes

Tax expenses are presented as follows:

	Year ended 31.12.2009	Year ended 31.12.2008
Current tax expenses	2,587	1,330
Income from deferred taxes, related to the origination and reversal of temporary differences	(17)	(13)
TOTAL TAX EXPENSES	2,570	1,317

Current tax expenses represent the amount of the tax due according to Bulgarian legislation and the applicable tax rates of 10% for 2009 and 2008. Deferred tax income and expenses result from the change in the carrying amount of deferred tax assets and liabilities. The deferred tax assets and liabilities as of December 31, 2009 and 2008 are calculated based on the tax rate of 10%, effective for 2010 and 2009.

Deferred tax assets are as follows:

	As of 31.12.2009	As of 31.12.2008
Deferred tax assets:		
Other liabilities (unused annual paid leaves)	157	163
Property, plant and equipment and intangible assets	53	30
DEFERRED TAX ASSET	210	193

The relationship between tax expense in the income statement and the accounting profit is as follows:

	Year ended 31.12.2009	Year ended 31.12.2008
Profit before taxes	24,665	22,961
Taxes at applicable tax rates: 10 % for 2009 and 10 % for 2008	2,466	2,296
Tax effect on non-taxable income from transactions with shares on a regulated local exchange, dividends and other	104	(979)
TAX EXPENSES	2,570	1,317
EFFECTIVE TAX RATE	10.42%	5.74%

30. Earnings per share (in BGN)

	Year ended 31.12.2009	Year ended 31.12.2008
Net profit after tax (in BGN'000)	22,095	21,644
Weighted average number of shares	83,155,092	83,155,092
EARNINGS PER SHARE (IN BGN)	0.27	0.26

The basic earnings per share is determined by dividing the net profit for the period, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the years ended December 31, 2009 and 2008, respectively.

The weighted average number of shares is calculated as a sum of the number of ordinary shares outstanding at the beginning of the period and the number of ordinary shares issued during the period, multiplied by the time-weighting factor.

The Bank does not have potentially dilutive instruments and diluted earnings per share is the same as basic earnings per share.

31. Commitments and contingencies

The total amount of contingent liabilities as of the year end is as follows:

	Year ended 31.12.2009	Year ended 31.12.2008
Bank guarantees		
In BGN	63,830	115,074
In foreign currency	38,735	50,741
Irrevocable commitments	89,860	89,464
Other outstanding guarantees	132	356
TOTAL OUTSTANDING GUARANTEES	192,557	255,635

As of December 31, 2009 and 2008 the Bank has signed contracts for granting loans to clients at the total amount of BGN 89,860 thousand and BGN 89,464 thousand, respectively. The future utilization of these amounts depends on the customers' ability to meet certain criteria, including no record of overdue payments on previously granted loans, provision of collateral with suitable quality and liquidity, etc.

32. Analysis of changes in cash and cash equivalents

Разходите за данъци са представени както следва:

	Year ended 31.12.2009	Year ended 31.12.2008
Cash	78,132	86,706
Balances with the Central Bank	232,393	216,478
Placement with, and advances to, banks with residual maturity up to 3 months	58,059	39,650
AS OF DECEMBER 31	368,584	342,834

33. Financial risk management

The risk inherent to the Bank's operations with financial instruments is the possibility that actual proceeds from owned financial instruments could differ from the estimated ones. The peculiarities of banking necessitate adequate systems for timely identification and management of different types of risk as emphasis is put on risk management procedures, mechanisms for maintaining risk in reasonable limits, optimal liquidity and portfolio diversification. The main risk management goal is to present and analyze the types of risk, which the Bank is exposed to, in a convincing and comprehensive manner.

The risk management system has preventive functions for prevention and control of the amount of incurred loss and includes:

- Risk management policy;
- rules, methods and procedures for assessment and risk management;

- risk management organizational structure;
- parameters and limits for transactions and operations;
- procedures for reporting, assessment, notification and subsequent control of risks.

The underlying principles in the Bank's risk management policy are:

- separation of responsibilities between those taking the risk and those managing risk;
- the principle of caution, which presumes the consideration of the worst case scenario for each of the risk weighted assets;
- the principle of source risk management.

The risk management organizational structure is centralized and structured in terms of competency levels as follows:

- Management Board - determines the acceptable levels of risk for the Bank within the adopted development strategy;
- Special collective bodies - approve the Bank's risk management framework and activity parameters;
- Executive directors - control the approval process and application of adequate policies and procedures within the frameworks of the risk management strategy, adopted by the Bank;
- Heads of structural units within the Bank - implement the adopted risk management policy in the organization of the activities of the respective organizational units.

The Bank's exposures in derivative financial instruments are presented at fair value transactions for the purchase and sale of foreign currency, securities, forward contracts and foreign currency swaps on the open market. Most of them represent positions of the Bank's clients for foreign currency sale and purchase transactions and the related transactions on behalf of the Bank. The traded for the Bank's account speculative positions in derivative instruments are less than 10% of the total fair value of the derivative financial instruments, with insignificant amount and the Bank is not exposed to the respective risks inherent to such instruments.

The nature and the essence of the risks, inherent to financial instruments of the Bank are as follows:

Credit risk

Credit risk is the risk that a counterparty will be unable to pay its obligations when due. The Bank has structured its credit risk by setting credit risk limits for maximum exposure to a debtor, a group of related parties, to a geographical region and the respective business sectors. To mitigate credit risk, the respective collaterals and guarantees are required according to the Internal credit rules.

Cash and balances with the Central bank at the amount of BGN 310,525 thousand does not bear credit risk to the Bank due to their nature and the fact that they are at the Bank's disposal.

Placements with, and advances to banks at the amount of BGN 58,059 thousand comprise mostly deposits in first-class international and Bulgarian financial institutions with maturity up to 7

days. Generally, according to the policy of the Bank, these financial assets bear some credit risk as its maximum exposure is 20 % or BGN 11,611 thousand as an absolute amount.

Receivables under repurchase agreements of securities at the amount of BGN 11,528 thousand do not bear credit risk for the Bank due to fact that they are secured by Bulgarian government securities, guaranteed by the Republic of Bulgaria.

Financial assets held for trading at the amount of BGN 26,972 thousand bear mainly market risk for the Bank which is discussed in the market risk disclosures.

Corporate securities, held for trading at the amount of BGN 9,668 thousand represent shares in financial and non-financial enterprises which bear credit risk exposure of 100% or of BGN 9,668 thousand as an absolute amount .

Debt securities, held for trading and issued by the Republic of Bulgaria, at the amount of BGN 30,721 thousand bear no credit risk for the Bank as they are guaranteed by the Republic of Bulgaria.

Debt securities available for sale and issued by local commercial companies at the amount of BGN 14,905 thousand bear credit risk for the Bank with maximum exposure 100% or BGN 14,905 thousand as an absolute amount.

Debt securities held to maturity and issued by the Republic of Bulgaria at the amount of BGN 91,720 thousand and do not bear credit risk for the Bank due to the fact that they are guaranteed by the Bulgarian State.

The investment in the subsidiary of the Bank, Central Cooperative Bank AD, Skopje, in the Republic of Macedonia amounts to BGN 34,881 thousand and bears a credit risk, the maximum exposure of which is 100% or BGN 34,881 thousand as an absolute amount.

Loans and advances to customers with carrying amount of BGN 1,168,798 thousand bear credit risk for the Bank. In order to determine the Bank's exposure to this risk, an analysis of each individual risk for the Bank, arising from each particular exposure is conducted by applying criteria for risk exposures assessment and classification in compliance with the banking legislation of the Republic of Bulgaria. According to these criteria and the conducted analysis, the maximum exposure to credit risk of the Bank is at the amount of BGN 924,477 thousand. For credit risk mitigation purposes, detailed procedures for analysis of the economic reasonableness of every project, types of collateral acceptable to the Bank, control over lent funds and the respective administration are applied in the lending process. The Bank has set limits for credit exposures by regions and sectors, which are monitored closely. The above limits aim at restricting the credit portfolio concentration in one or another region/sector, which could result in increased credit risk. The Bank has adopted methodology for calculation of allowances for impairment and uncollectability of loans and advances to customers in compliance with the requirements of the banking legislation in the Republic of Bulgaria. As of December 31, 2009 the allocated allowances for impairment loss of loans and advances to customers are at the amount of BGN 20,893 thousand.

Quality of the credit portfolio

Classification groups as of December 31, 2009:

Debt Group	By granted loans			Unutilized Amount	By provided letters of guarantee		
	Amount	%	Allowances		Amount	%	Allowances
Regular	1,071,392	91.67	2,265	88,528	102,565	100	-
Watch	48,515	4.15	1,456	814	-	-	-
Irregular	25,771	2.20	3,624	387	-	-	-
Non-performing	23,120	1.98	13,548	131	-	-	-
Total	1,168,798	100	20,893	89,860	102,565	100	-

Classification groups as of December 31, 2008:

Debt Group	By granted loans			Unutilized Amount	By provided letters of guarantee		
	Amount	%	Allowances		Amount	%	Allowances
Regular	944,661	95.25	2,968	89,146	165,815	100	-
Watch	32,417	3.27	1,273	156	-	-	-
Irregular	3,962	0.40	1,049	43	-	-	-
Non-performing	10,708	1.08	6,648	119	-	-	-
Total	991,748	100	11,938	89,464	165,815	100	-

The loans granted by the Bank can be summarized in the following table:

Groups	31.12.2009				31.12.2008			
	Loans, granted to non-financial customers		Loans, granted to banks and receivables under repurchase agreements		Loans, granted to non-financial customers		Loans, granted to banks and receivables under repurchase agreements	
	thousand BGN.	%			thousand BGN.	%		
Neither past due nor impaired	798,006	68.27	3,825	760,512	76.69	15,504		
Past due but not impaired	334,129	28.59	-	208,600	21.03	-		
Impaired on individual basis	36,663	3.14	-	22,636	2.28	-		
Total	1,168,798	100	3,825	991,748	100	15,504		
Allowances for impairment provided	20,893		-	11,938		-		
Net loans	1,147,905		3,825	979,810		15,504		

As of December 31, 2009 and 2008 the prevailing part of the loans classified as past due but not impaired consist of loans overdue within 30 days. The Bank considers that such delays are not an indication for impairment of the respective loans.

Loans and advances, which are neither overdue, nor impaired, are presented in the following table:

	As of 31.12.2009	As of 31.12.2008
Individuals		
Credit cards and overdrafts	21,054	23,183
Consumer loans	155,988	189,410
Mortgage loans	74,602	92,290
Corporate clients	546,362	455,629
Total	798,006	760,512

The carrying amount of loans, which are overdue, but have not been impaired is stated below. These loans are not impaired due to the fact that the nature of the overdue loans is accidental and the overdue period is within 30 days, which dismisses the necessity of their impairment

	As of 31.12.2009	As of 31.12.2008
Individuals		
Credit cards and overdrafts	9,770	6,013
Consumer loans	32,032	28,862
Mortgage loans	22,631	11,238
Corporate clients	269,696	162,487
Total	334,129	208,600

The carrying amounts of the loans, which have been provided allowances for on an individual basis as of December 31, 2009 and 2008 is BGN 36,663 thousand and BGN 22,636 thousand. These amounts exclude cash flows from utilization of collaterals under these loans.

2009	Carrying amount before impairment	Carrying amount before impairment	Carrying amount before impairment	Total highly liquid collateral
	Group II	Group III	Group IV	
Credit cards and overdrafts	2,301	1,167	2,609	-
Consumer loans	10,695	5,266	8,158	1,514
Mortgage loans	49	154	882	1,662
Corporate clients	1,601	1,431	2,350	1,208
Total	14,646	8,018	13,999	4,384

2008	Carrying amount before impairment	Carrying amount before impairment	Carrying amount before impairment	Total highly liquid collateral
	Group II	Group III	Group IV	
Credit cards and overdrafts	2,683	334	1,008	-
Consumer loans	1,097	868	2,146	366
Mortgage loans	586	458	113	505
Corporate clients	8,381	1,000	3,962	1,154
Total	12,747	2,660	7,229	2,025

The table below presents the net exposure of the ten largest loans and advances to Bank's customers.

Customer	Contractual amount limit	Net exposure as of 31.12.2009	Customer	Contractual amount limit	Net exposure as of 31.12.2008
Company 1	59,376	59,061	Company 1	37,600	35,000
Company 2	31,650	24,394	Company 2	30,515	30,512
Company 3	30,866	30,702	Company 3	30,000	27,996
Company 4	30,000	30,127	Company 4	27,382	25,582
Company 5	27,382	25,753	Company 5	21,000	20,842
Company 6	26,530	26,342	Company 6	20,558	20,594
Company 7	21,367	20,794	Company 7	24,722	12,354
Company 8	20,558	20,590	Company 8	11,539	11,376
Company 9	16,100	12,268	Company 9	11,038	11,036
Company 10	15,435	14,679	Company 10	11,735	9,995
Total	279,264	264,710		226,089	205,287

The total amount of the net exposure for 2009 and 2008 is 23.06% and 20.95%, respectively, from the loans and advances of the Bank's customers.

The following table presents the Bank's portfolio by type of collateral:

	2009	2008
Secured by cash and government securities	107,782	50,610
Secured by mortgage	480,266	490,878
Other collaterals	511,471	420,970
No collateral	69,279	29,290
Expenses for provision of allowances for impairment loss	(20,893)	(11,938)
Total	1,147,905	979,810

Business segment, classification group and overdues as of December 31, 2009:

Segment	Group	Amount				Including overdue on:		
		Number of transactions	Liability principal	interest	Court receiv-ables	Allowances	Allowances	
Retail	regular	88,746	291,751	707	263	-	2,265	41,413
	watch	6,375	27,713	737	456	-	1,304	657
	irregular	2,906	13,416	904	587	-	3,187	358
	non-performing	6,104	14,416	1,347	758	6,328	10,942	98
Total		104,131	347,296	3,695	2,064	6,328	17,698	42,526
Corpo- rate	regular	1,740	769,388	2,171	1,090	-	-	44,623
	watch	198	20,802	583	276	-	152	157
	irregular	90	12,355	1,095	537	-	437	29
	non-performing	106	8,704	218	364	2,471	2,606	33
Total		2,134	811,249	4,067	2,267	2,471	3,195	44,842
Budget	regular	6	10,253	-	-	-	-	2,492
	watch	-	-	-	-	-	-	-
	irregular	-	-	-	-	-	-	-
	non-performing	-	-	-	-	-	-	-
Total		6	10,253	-	-	-	-	2,492
Total portfolio		106,271	1,168,798	7,762	4,331	8,799	20,893	89,860

Business segment, classification group and overdues as of December 31, 2008:

Segment	Group	Amount				Including overdue on:		
		Number of transactions	Liability principal	interest	Court receiv-ables	Allowances	Allowances	
Retail	regular	106,123	346,989	380	241	-	2,968	33,405
	watch	2,306	7,842	166	82	-	436	140
	irregular	735	2,233	74	43	-	597	33
	non-performing	4,153	3,401	624	159	962	3,015	3,016
Total		113,317	360,465	1,244	525	962	7,016	36,594
Corpo- rate	regular	2,267	593,789	615	439	-	-	52,181
	watch	59	24,575	40	28	-	837	16
	irregular	16	1,728	31	41	-	452	11
	non-performing	91	5,237	113	29	1,171	3,633	31
Total		2,433	625,329	799	537	1,171	4,922	52,239
Budget	regular	6	5,954	-	-	-	-	631
	watch	-	-	-	-	-	-	-
	irregular	-	-	-	-	-	-	-
	non-performing	-	-	-	-	-	-	-
Total		6	5,954	-	-	-	-	631
Total portfolio		115,756	991,748	2,043	1,062	2,133	11,938	89,464

Liquidity risk

Liquidity risk arises from the mismatch of the assets' and liabilities' maturity and the lack of sufficient funds the Bank to meet its obligations on its current financial liabilities, as well as to provide funding for the increase in financial assets and the potential claims on contingent commitments.

Adequate liquidity is achieved if the Bank is able to provide enough funds for the above purposes by increasing liabilities and transforming assets as soon as possible and at relatively low costs through potential sale of liquid assets or attraction of additional funds from cash, capital or currency markets. The preventive function in the liquidity risk management comprises maintaining of reasonable level of liquidity to avoid potential loss at unexpected sale of assets.

The Bank observes its responsibilities and limitations resulting from the Law on Credit Institutions and Ordinance No. 11 of the Bulgarian National Bank on liquidity management and supervision of banks. The special collective body for liquidity management in the Bank is the Assets and Liabilities Management Committee. It applies the Bank's policy on liquidity risk management.

Quantity measure of the liquidity risk according to the BNB regulations is the liquid assets coefficient being the ratio between the liquid assets (cash in hand and at accounts with the Central bank, unencumbered government securities of the Republic of Bulgaria, deposits at financial institutions with maturity up to 7 days) and the attracted funds by the Bank.

Traditionally, the Bank maintains high volume of liquid assets – cash in hand and at BNB, which guarantees it to meet easily its liquid needs. As of December 31, 2009 their share is approximately 17% of the Bank's total assets. As further instrument to provide high liquidity, the Bank uses placements with and advances to financial institutions. These comprise mostly deposits in first-class international and Bulgarian financial institutions with maturity within 7 days. As of December 31, 2009 such deposits represent more than 3% of the total assets. The government securities of the Republic of Bulgaria owned and not pledged by the Bank comprise over 2% of the total assets. By maintaining above 22% of its assets in highly liquid assets the Bank is able to meet all payments on matured financial liabilities.

The allocation of the Bank's financial liabilities as of December 31, 2009 according to their time remaining to maturity is as follows:

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
FINANCIAL LIABILITIES						
Deposits from banks	235	-	4,041	-	-	4,276
Loans from banks	-	-	-	5,063	35,005	40,068
Liabilities under repurchase agreements	3,001	824	-	-	-	3,825
Liabilities to other depositors	624,889	189,845	268,378	436,764	-	1,519,876
Other attracted funds	196	100	457	883	369	2,005
Other liabilities	17,984	-	-	-	-	17,984
TOTAL FINANCIAL LIABILITIES	646,305	190,769	272,876	442,710	35,374	1,588,034

The financial liabilities of the Bank are mainly formed by attracted funds from other depositors – retail and corporate depositors. Most of them – 41% are with residual term within one month. Traditionally, in the Republic of Bulgaria the customers prefer to sign a deposit agreement with one month term and its renegotiation for prolonged period of time. On account of this the one month

deposits are practically a long-term and relatively permanent resource for the Bank.

The allocation of the Bank's financial liabilities as of December 31, 2008 according to their time remaining to maturity is as follows:

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
FINANCIAL LIABILITIES						
Deposits from banks	6,799	-	-	-	-	6,799
Loans from banks	-	-	-	-	10,003	10,003
Liabilities under repurchase agreements	15,504	-	-	-	-	15,504
Liabilities to other depositors	535,249	127,299	294,242	428,153	15	1,384,958
Other attracted funds	494	230	1,643	1,753	-	4,120
Other liabilities	14,220	-	-	-	-	14,220
TOTAL FINANCIAL LIABILITIES	572,266	127,529	295,885	429,906	10,018	1,435,604

Market risk

Market risk is the risk, at which it is possible that the changes in the market prices of the financial assets, the interest rates or the currency rates have an unfavorable effect on the result of the Bank activity. Market risk arises on opened exposures on interest, currency and capital products, as all of them are sensitive to general and specific market movements. Exposure to market risk is managed by the Bank in accordance with risk limits, stipulated by management.

Interest rate risk

Interest rate risk is the possibility of potential fluctuation of the net interest income or the net interest rate margin, due to changes in the general market interest rates. The Bank manages its interest rate risk through minimizing the risk of decrease of the net interest income in result of changes in the interest rates.

For measurement and evaluation the interest rate risk the Bank applies the method of the GAP analysis (gap analysis/disbalance). By this analysis the sensitivity of the expected income and expenses toward the interest rate development is identified.

The method of the GAP analysis aims to determine the Bank position, in total and separately by financial assets and liabilities types, regarding expected changes in interest rates and the influence of this change on the net interest income. It helps the management of the assets and liabilities and is an instrument for provision of enough and stable net interest rate profitability.

The gap of the Bank between the interest-bearing assets and liabilities as of December 31, 2009 is negative and amounts to BGN 205,353 thousand. GAP coefficient, as a sign of this disbalance, compared to the total earning assets of the Bank (interest-bearing assets and equity instruments) is minus 14.40%.

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
INTEREST-BEARING ASSETS						
Placements with, and advances to, banks	58,059	-	-	-	-	58,059
Receivables under repurchase agreements	5,539	5,989	-	-	-	11,528
Trading securities	-	-	-	3,631	6,227	9,858
Loans and advances to customers, net	109,548	95,459	227,850	507,153	207,895	1,147,905
Financial assets available for sale	-	11,354	-	34,273	-	45,627
Financial assets held to maturity	-	8,807	-	80,823	2,090	91,720
TOTAL INTEREST-BEARING ASSETS	173,146	121,609	227,850	625,880	216,212	1,364,697
INTEREST-BEARING LIABILITIES						
Deposits from banks	235	-	4,041	-	-	4,276
Loans from banks	-	-	-	5,063	35,005	40,068
Liabilities under repurchase agreements	3,001	824	-	-	-	3,825
Liabilities to other depositors	624,889	189,845	268,378	436,764	-	1,519,876
Other attracted funds	196	100	457	883	369	2,005
TOTAL INTEREST-BEARING LIABILITIES	628,321	190,769	272,876	442,710	35,374	1,570,050
NET INTEREST-BEARING ASSETS AND LAIBILITIES GAP	(455,175)	(69,160)	(45,026)	183,170	180,838	(205,353)

The maintenance of negative gap exposes the Bank to risk of decrease of the net interest income when interest rates increase. The influence of the gap, reported as of December 31, 2009 on the net interest income, with forecast for 2% (2008: 1%) increase in interest rates in a period of one year is decrease of the net interest income by BGN 591 thousand (2008: BGN 417 thousand).

The gap of the Bank between the interest-bearing assets and liabilities as of December 31, 2008 is negative and amounts to BGN 227,906 thousand. GAP coefficient, as a sign of this disbalance, compared to the total earning assets of the Bank (interest-bearing assets and equity instruments) is minus 18.28%.

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
INTREST-BEARING ASSETS						
Placements with and advances to banks	39,650	-	-	-	-	39,650
Receivables under repurchase agreements	17,058	5,975	-	-	-	23,033
Financial assets held for trading	-	-	331	9,285	132	9,748
Loans and advances to customers, net	47,765	38,259	177,253	504,130	212,403	979,810
Financial assets available for sale	1,322	-	5,085	28,985	4,247	39,639
Financial assets held to maturity	988	10,767	3,769	83,956	2,118	101,598
TOTAL INTEREST-BEARING ASSETS	106,783	55,001	186,438	626,356	218,900	1,193,478
INTEREST-BEARING LIABILITIES						
Deposits from banks	6,799	-	-	-	-	6,799
Loans from banks	-	-	-	-	10,003	10,003
Liabilities under repurchase agreements	15,504	-	-	-	-	15,504
Liabilities to other depositors	535,249	127,299	294,242	428,153	15	1,384,958
Other attracted fund	494	230	1,643	1,753	-	4,120
TOTAL INTEREST-BEARING LIABILITIES	558,046	127,529	295,885	429,906	10,018	1,421,384
NET INTEREST-BEARING ASSETS AND LAIBILITIES GAP	(451,263)	(72,528)	(109,447)	196,450	208,882	(227,906)

Foreign currency risk

Foreign currency risk is the risk for the Bank to realize loss as a result of fluctuations in the foreign exchange rates.

In the Republic of Bulgaria the rate of the Bulgarian lev to the Euro is fixed by the Currency Board Act. The Bank's long position in EUR does not bear risk for the Bank. The net currency position as of December 31, 2009 in financial instruments, denominated in other currencies, different from BGN or EUR is under 2% of the financial assets and does not bear a significant currency risk for the Bank.

The currency structure of the financial assets and liabilities by carrying amount as of December 31, 2009 is as follows:

	BGN	EUR	USD	Other	Total
FINANCIAL ASSETS					
Placements with, and advances to, banks	27	23,617	32,083	2,332	58,059
Receivables under repurchase agreements	11,528	-	-	-	11,528
Trading securities	6,123	7,310	12,358	1,181	26,972
Loans and advances to customers, net	778,990	328,138	40,777	-	1,147,905
Financial assets available for sale	40,399	14,938	43	-	55,380
Financial assets held to maturity	36,816	54,904	-	-	91,720
Investments in subsidiaries	-	34,881	-	-	34,881
TOTAL FINANCIAL ASSETS	873,883	463,788	85,261	3,513	1,426,445
FINANCIAL LIABILITIES					
Deposits from banks	4,125	145	5	1	4,276
Loans from banks	40,068	-	-	-	40,068
Liabilities under repurchase agreements	3,001	824	-	-	3,825
Amounts due to other depositors	729,484	679,976	104,628	5,788	1,519,876
Other attracted funds	2,005	-	-	-	2,005
TOTAL FINANCIAL LIABILITIES	778,683	680,945	104,633	5,789	1,570,050
NET POSITION	95,200	(217,157)	(19,372)	(2,276)	(143,605)

The currency structure of the financial assets and liabilities by carrying amount as of December 31, 2008 is as follows

	BGN	EUR	USD	Other	Total
FINANCIAL ASSETS					
Placements with, and advances to, banks	4,019	15,583	17,478	2,570	39,650
Receivables under repurchase agreements	23,033	-	-	-	23,033
Trading securities	2,946	8,065	9,654	1,054	21,719
Loans and advances to customers, net	672,640	272,992	34,167	11	979,810
Financial assets available for sale	28,490	13,246	4,291	-	46,027
Financial assets held to maturity	46,252	55,346	-	-	101,598
Investments in subsidiaries	-	34,881	-	-	34,881
TOTAL ASSETS	777,380	400,113	65,590	3,635	1,246,718
FINANCIAL LIABILITIES					
Deposits from banks	4,072	2,720	6	1	6,799
Loans from banks	10,003	-	-	-	10,003
Liabilities under repurchase agreements	15,504	-	-	-	15,504
Amounts due to other depositors	781,163	513,460	86,307	4,028	1,384,958
Other attracted funds	4,120	-	-	-	4,120
TOTAL FINANCIAL LIABILITIES	814,862	516,180	86,313	4,029	1,421,384
NET POSITION	(37,482)	(116,067)	(20,723)	(394)	(174,666)

Price risk

Price risk is related to changes in market prices of the financial assets and liabilities, for which the Bank can suffer a loss. The main threat for the Bank is the decrease of the market prices of its equity instruments for trading to lead to slump of the net profit. The Bank does not own material exposures in derivative instruments, based on equity instruments or indexes and therefore the carrying amount of the equity instruments from the portfolio of financial assets available for sale – BGN 2,813 thousand (2008: BGN 976 thousand).

34. Information regarding the fair value of the assets and liabilities

Fair value is defined as the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Sufficient market experience, stability and liquidity do not currently exist for purchases and sales of loans and advances to customers, other assets, and also all liabilities of the Bank, for which published market information is not readily available. Accordingly, their fair values cannot be reliably determined. Management considers that their carrying amounts are the most valid and useful reporting amounts under these circumstances.

The fair value of the financial assets and liabilities, distributed in accordance with the hierarchy of the fair values as of December 31, 2009 and 2008 is as follows:

2009	Carrying amount	Fair value	Level 1 – quoted market price	Level 2 – Techniques for assessment of observed market levels	Level 3 – Techniques for assessment –non-observed market levels	Fair value is not available
ASSETS						
Financial assets held for trading	26,972	26,972	26,972			
Financial assets available for sale	55,380	55,380	42,316			13,064
TOTAL ASSETS	82,352	82,352	69,288	-	-	13,064

2009	Carrying amount	Fair value	Level 1 – quoted market price	Level 2 – Techniques for assessment of observed market levels	Level 3 – Techniques for assessment –non-observed market levels	Fair value is not available
LIABILITIES						
Derivative financial instruments	12,107	12,107	12,107			-
TOTAL LIABILITIES	12,107	12,107	12,107	-	-	-

2009	Carrying amount	Fair value	Level 1 – quoted market price	Level 2 – Techniques for assessment of observed market levels	Level 3 – Techniques for assessment –non-observed market levels	Fair value is not available
ASSETS						
Financial assets held for trading	21,719	21,719	21,719			
Financial assets available for sale	46,027	46,027	27,884			18,143
TOTAL ASSETS	67,746	67,746	49,603	-	-	18,143

2009	Carrying amount	Fair value	Level 1 – quoted market price	Level 2 – Techniques for assessment of observed market levels	Level 3 – Techniques for assessment –non-observed market levels	Fair value is not available
LIABILITIES						
Derivative financial instruments	9,252	9,252	9,252			-
TOTAL LIABILITIES	9,252	9,252	9,252	-	-	-

35. Related parties transactions

The Bank has conducted a number of transactions with related parties as it has granted loans, issued guarantees, drawn in cash, realized repo deals and others. All deals are completed at common trade conditions, in the course of activity of the Bank and do not differ from the market conditions, as loans are granted and guarantees are issued only in the presence of sufficient collateral.

As of December 31, 2009 and 2008 balances with related parties are as follows:

Related Party Balances	As of 31.12.2009	As of 31.12.2008
Parent company		
Loans granted	-	-
Deposits received	19	7
Companies under common control		
Loans granted	74,838	89,515
Guarantees issued	25,204	27,599
Receivable under repurchase agreements	11,528	11,680
Other receivables	3,004	112
Acquired shares and bonds	-	124
Deposits received	128,137	62,805
Subsidiaries		
Deposits received	33	2,586
Deposits granted	84	84
Key management personnel of the Bank or its shareholder		
Loans granted	5,010	5,747
Deposits received	396	507

Income and expenses realized by the Bank in 2009 and 2008 from transactions with related parties are as follows:

Related Party Transactions	2009	2008
Parent company		
Interest income	10	1
Income from fees and commissions	20	1
Interest expense		(1)
Companies under common control		
Interest income	6,960	4,358
Income from fees and commissions	2,569	1,807
Income from services	199	289
Interest expense	(6,287)	(498)
Expenses for services	(6,760)	(5,140)
Subsidiaries		
Interest expense	(26)	(56)
Income from fees and commissions	1	2
Key management personnel of the Bank or its shareholder		
Interest income	154	17
Income from fees and commissions	3	2
Interest expense	(28)	(18)

The remunerations of the members of the Supervisory Board paid in 2009 are BGN 72 thousand (2008: BGN 70 thousand). The remunerations of the members of the Management Board paid in 2009 are BGN 404 thousand (2008: BGN 497 thousand).

36. Events after the reporting period

As of the date of authorization of these separate financial statements, after the pronouncing of the respective authorities of the Republic of Bulgaria and the Republic of Macedonia, a tender procedure has started for the purchase by the Bank of 100% of the share capital of Stater Banka, Kumanovo, Republic of Macedonia.

