



<b>RoE</b>	24.00%	<b>P/E</b>	5.96
<b>RoA</b>	2.86%	<b>P/Assets</b>	0.18
		<b>P/B</b>	1.30

### Corporate Commercial Bank



- Corporate Commercial Bank was the best performer among the public listed Bulgarian banks in terms of increase of net profit. The bank announced BGN 60 million profit for 2009 or 50% increase as compared to the previous year and is exceeding the management's prognosis by BGN 3 million. The quarterly profit was BGN 17.5 million which is the best result of the bank.

- The most important information for the investors was the level of impairments for bad loans. Corporate Commercial Bank announced BGN 4.2 million of impairment costs for the last year as compared to BGN 1.6 million for 2008. This is significantly lower than the average for the banking system and is due to the very low level of credits for individuals and credits to the companies that suffer from the crisis.

- Assets decreased as compared to end-2008 but the decline on quarterly basis was insignificant. The credit portfolio of the bank represents 70% of the assets or BGN 1.4 billion. The percentage of bad loans is 0.96%, whereas provisions totaled 0.76% of the portfolio in 2009 as compared to 0.56% at end-2008.

- The structure of the liabilities changed as deposits of bank and other financial institutions increased. The capital adequacy was 14.04%.

- Interbank interest rates decreased last year as the liquidity improved. Moreover, the interest rates to credits and deposits are falling steadily but we don't expect that the levels of 2007 will be reached anytime soon. The rising share of corporate credits in the portfolio of the bank improved the interest margin.

- Price-to-assets ratio is 0.18, whereas the price-to-book ratio continued to be above the average for Bulgarian banks. It is fully compensated by the good profit margin and the low P/E ratio.

- The price per share recovered after the short-term bottom in December. The stock traded at levels around BGN 60.00 in low buying interest before the announcement of the quarterly report. The price was hardly changed after the report but some block deals improved the turnover. The good news from the quarterly report will limit the downside movement of the stock.



## Corporate Commercial Bank 2009 Report

29 January 2010

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<b>Outperform</b>	More than 5% higher as compared to SOFIX and BG40 performance
<b>Market Perform</b>	Market performance, +/-5% as compared to SOFIX and BG40
<b>Underperform</b>	More than 5% lower as compared to SOFIX and BG40 performance

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