EFG SECURITIES BULGARIA EAD
FINANCIAL STATEMENTS
31 DECEMBER 2009

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ANNUAL DIRECTORS' REPORT

The management present the Directors' Report as of 31 December 2009.

BUSINESS DESCRIPTION AND OVERVIEW

On 18 December 2007 EFG Securities Bulgaria EAD was granted a full license for investment intermediary services for the countries in the European Union and non - EU countries. The Company functionally succeeded the activities of Investment Banking and Stock Exchange Brokerage and Trading divisions in Eurobank EFG Bulgaria AD.
On 11 November 2009 the Financial Supervision Commission decided to restrict partially, under the request of EFG Securities Bulgaria EAD, the license for investment intermediary activity.
In sequence the scope of activity has been announced in the Commercial Register.
Currently, the investment intermediary activity continue in two main lines: Capital Markets and Stock Exchange Brokerage and Trading.

SHARE CAPITAL STRUCTURE

The total authorized number of ordinary shares amounts to BGN 2,500,000 with nominal value of BGN 1 per share.
Sole Owner of equity is EFG NEW EUROPE HOLDING B.V., the Netherlands, entered into the Dutch Chamber of Commerce, under registration number 34192535.

FINANCIAL PERFORMANCE

For the financial year ending 31.12.2009 the company incurred loss in the amount of BGN 198,961 .

GROUP STRUCTURE AND PERSONNEL

The organization structure of EFG Securities Bulgaria EAD included the following departments in 2009:
-Brokerage operations (Intermediary)
-Researches
-Investment banking (including: Capital markets, M&A, Consulting)
-Finance and operations (including: Accounting, HR, Back office, Risk management).
As of 31 December 2009 the total number of employees in the Company was 14 people, including 13 on payroll contracts and 1 on a management contract.

BOARD OF DIRECTORS

As 31 December 2009 the Board of Directors consists of the following members:
Asen Vasilev Yagodin, UCN 6610076921 – Chairman; Victor Chaim Asser, Greek nationality, passport No. AB1318632 / 18.10.2006; Konstantinos Vousvounis, Greek nationality, passport No. AA2376709 / 01.06.2006; Abis Levis, Greek nationality, passport No. AA0965032 / 14.03.2006 and Dragomir Hristov Velikov, UCN 7412170968 – Executive Director.

1. The total annual remuneration of the members of the Board

In 2009 the members of the Board of Directors didn't receive remunerations from the Company in their capacity of Board of directors members.

2. Shares and bonds of the Company that are acquired, owned and transferred by the members of the Board during the year

No member of the Board of Directors has owned or transferred shares or bonds of the Company.

3. The Board member's rights to acquire shares and bonds of the company

No member of the Board of Directors holds special rights of acquisition of shares or bonds of the Company.

4. Participation of the members in related parties management

- **Asen Yagodin**

Eurobank EFG Bulgaria AD – Executive Director

- **Victor Chaim Asser**

Eurobank EFG Securities Investment Firm S.A.- Vice Chairman of the Board of Directors
EFG Istanbul Menkul Değerler A.Ş. – Member of the Board of Directors
EFG İstanbul Holding A.Ş. – Deputy Chairman

- **Abis Levis**

EFG Eurobank Securities S.A., Romania - Member of the Board of Directors
EFG İstanbul Holding A.Ş. - Member of the Board of Directors

- **Konstantinos Vousvounis**

EFG Telesis Finance Investment Firm S.A., Greece - Member of the Board of Directors
EFG Eurobank finance A.D., Romania - Member of the Board of Directors
Bankpost S.A., Romania - Member of the Board of Directors
Eurobank EFG Securities Investment Firm S.A.- Member of the Board of Directors
Eurobank EFG Factors S.A.- Member of the Board of Directors
EFG İstanbul Holding A.Ş. – Member of the Board of Directors
BDD Istanbul Holdings- Member of Supervisory Board of Directors

5. Contracts under Article 240b of the Commerce Act, entered into in 2009

The Company has not entered into contracts specified in Article 240b, as defined in paragraph 1 of the Commerce Act in 2009.

FINANCIAL RISK MANAGEMENT

The Company is not exposed to significant financial risks because it executes orders on behalf clients and does not manage client's portfolio of equity securities or its own portfolio.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

MANAGEMENT RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of the enclosed financial statements in accordance with International Financial Reporting Standards as adopted by 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.

The Directors confirm that they have complied with the above responsibilities in preparing the financial statements for the year ended 31 December 2009.
The Directors also confirm that to the best of their knowledge the Company will continue on a going concern basis in the foreseeable future.

Assen Yagodin
Chairman of the Board of Directors

Dragomir Velikov
Executive Director and
Member of the Board of Directors

31 March 2010
Sofia, Bulgaria

(All amounts are shown in BGN thousands unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME	**Notes**	**Year-ended 31 December 2009**	**2008**
Fee and commission income	4	861	405
Fee and commission expense	4	(70)	(139)
Net fee and commission income		**791**	**266**
Interest income		16	34
Dividend income		-	8
Other financial expense		(2)	-
Interest and dividend income		**14**	**42**
Staff costs	5	(632)	(542)
Administrative expenses	6	(317)	(403)
Depreciation and amortisation	7, 8	(55)	(43)
Loss from operating expenses		**(199)**	**(680)**
Income tax	9	-	-
Loss for the year		**(199)**	**(680)**

The financial statement is prepared by:

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Louisa Amrouche
Financial director
25 March 2010

The Financial statements were authorised by the management on 25 March 2010 on its behalf.

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Assen Yagodin
Chairman of the Board of Directors

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Dragomir Velikov
Executive Director and
Member of the Board of Directors

Initialled for identification purposes in reference to the audit report

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Rositza Boteva
Registered Auditor
31 March 2010

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Petko Dimitrov
PricewaterhouseCoopers Audit OOD

The following notes set out on pages 8 to 23 form an integral part of these financial statements.

(All amounts are shown in BGN thousands unless otherwise stated)

BALANCE SHEET

	Notes	As at 31 December 2009	As at 31 December 2008
Current assets			
Cash and cash equivalents	10	724	1,377
Available for sale financial assets	12	20	20
Trade receivables and other assets	11	590	19
Non-current assets			
Equipment	7	168	218
Intangible assets	8	18	17
Total assets		**1,520**	**1,651**
Current liabilities			
Trade and other payables	13	96	28
Total liabilities		**96**	**28**
Equity			
Share capital	14	2,500	2,500
Accumulated deficit		(1,076)	(877)
Total equity		**1,424**	**1,623**
Total equity and liabilities		**1,520**	**1,651**

The financial statement is prepared by:

Louisa Amrouche
Financial director
25 March 2010

The Financial statements were authorised by the management on 25 March 2010 on its behalf.

Assen Yagodin
Chairman of the Board of Directors

Dragomir Velikov
Executive Director and
Member of the Board of Directors

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Rositza Boteva
Registered Auditor
31 March 2010

Petko Dimitrov
PricewaterhouseCoopers Audit OOD

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STATEMENT OF CHANGES IN EQUITY

	Share capital	**Accumulated deficit**	**Total**
At 1 January 2008	2,500	(197)	2,303
Loss for the year	-	(680)	(680)
At 31 December 2008	**2,500**	**(877)**	**1,623**
Loss for the year	-	(199)	(199)
At 31 December 2009	**2,500**	**(1,076)**	**1,424**

The financial statement is prepared by:

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Louisa Amrouche
Financial director
25 March 2010

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(All amounts are shown in BGN thousands unless otherwise stated)

STATEMENT OF CASH FLOWS

	Notes	31 December 2009	31 December 2008
Cash flows from operating activities			
Fee and commission income received		348	405
Interest received		16	34
Guarantee deposits		-	(57)
Payment to suppliers and other creditors		(431)	(718)
Payments of salaries, social security and others		(580)	(539)
Net cash used in operating activities		**(647)**	**(875)**
Cash flows from investing activities			
Purchase of equipment		-	(259)
Purchase of intangible assets		(6)	(19)
Purchase of financial assets		-	(20)
Dividends received		-	8
Net cash used in investing activities		**(6)**	**(290)**
Decrease in cash and cash equivalents		**(653)**	**(1,165)**
Cash and cash equivalents at the beginning of the period		1,320	2,485
Cash and cash equivalents at end of year	**10**	**667**	**1,320**

The financial statement is prepared by:

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Louisa Amrouche
Financial director
25 March 2010

The Financial statements were authorised by the management on 25 March 2010 on its behalf

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Rositza Boteva
Registered Auditor
31 March 2010

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Petko Dimitrov
PricewaterhouseCoopers Audit OOD

The following notes set out on pages 8 to 23 form an integral part of these financial statements.

1. General information

EFG Securities Bulgaria EAD (the 'Company') was established on 18 December 2007, as a joint-stock company, with seat and address of management at 14, Tsar Osvoboditel Blvd., region Sredets, Sofia and with the following subject of activity: Performing in the country, in the territory of the European Union and in the European Economic Area, and in third countries, the following investment services and activities under article 5, Para 2, items 1,2,3,4,5,6 and 7 in Market of Financial Instruments Act :
-acceptance and execution of orders in relation to one or more financial instruments, including intermediation for entering into transactions with financial instruments;

-execution of orders on behalf of clients;

- dealing on own account in financial instruments;

- portfolio management;

- investment advice;

- underwriting of financial instruments and/or offering for initial sale financial instruments in the conditions of unconditional and irrevocable commitment for subscription/acquisition of the financial instruments on own account;

- offering for initial sale of financial instruments without an unconditional and irrevocable commitment for acquisition of the financial instruments on own account;

And the following ancillary services under article 5, para 3 of MiFIA :

-safekeeping and administration of financial instruments for client account, including custodianship (keeping financial instruments and client cash in a depository institution) and related services such as management of the received cash/provided collateral;

- granting loans for carrying out of transactions in one or more financial instruments, provided that the entity granting the loan is involved in the transaction under conditions and procedure, laid down in an ordinance;

- advice to undertakings on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of undertakings;

- providing of services, related to foreign exchange services where these are connected with the provided investment services;

- investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;

- related to underwriting of issues of financial instruments;

At 11 November 2009 the scope of activity of EFG securities was amended with the issuance of the respective decision by the Financial Supervision commission and after the due registration in the Commercial Register.

The scope of activity of the Company shall be to perform in the country, in the territory of the European Union and in the European Economic Area, and in third countries, the following investment services and activities:

Notes for the financial statement (Continued)

1. General information (Continued)

(1) reception and transmission of orders in relation to one or more financial instruments, including intermediation for entering into transactions with financial instruments;

(2) execution of orders for clients' account ;

(3) portfolio management

(4) provision of investment consultations to a client ;

(5) offering for initial sale of financial instruments without an unconditional and irrevocable commitment to acquire the financial instruments on own account .

(6) Provision of the following additional services:

(a) safekeeping and administration of financial instruments for clients' account, including custodianship (keeping of clients' financial instruments and cash at a depository institution) and related services, such as cash/collateral management;

(b) granting loans for carrying out of transactions in one or more financial instruments, provided that the person granting the loan is involved in the transaction under conditions and procedure, laid down in an ordinance;

(c) consultations to companies on capital structure, industrial strategy and related matters, as well as consultations and services related to mergers and purchase of enterprises;

(d) provision of foreign exchange services, insofar as they are connected with the investment services provided;

(e) investment research and financial analysis or other forms of general recommendations related to transactions in financial instruments;

The capital of the Company is BGN 2,500,000 divided into 2,500,000 ordinary, non-physical, registered voting shares with nominal value of BGN 1 each.

1.1 Accounting principles

The principal accounting policies adopted in the preparation of these financial statements are set out below.

A. Basis of preparation

The financial statements of the Company have been prepared in accordance with both International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards issued by the IASB and in particular with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.
The policies set out below have been consistently applied to the years 2008 and 2009. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Notes for the financial statement (Continued)

1. General information (Continued)

1.1 Accounting principles (Continued)

(a) Amended and new standards and interpretations effective in 2009

IAS 1, Revised - Presentation of Financial Statements (effective 1 January 2009)
IAS 23, Amendment - Borrowing costs (effective 1 January 2009)
IAS 27, Revised - Consolidated and Separate Financial Statements (effective 1 July 2009)
IAS 32 and IAS 1 – Amendment - Puttable Financial Instruments (effective 1 January 2009)
IAS 39, Amendment - Eligible Hedged items (effective 1 July 2009)
IFRS 2, Amendment - Vesting Conditions and Cancellations (effective 1 January 2009)
IFRS 3, Revised - Business Combinations (effective 1 July 2009)
IFRS 7, Amendment – Improving Disclosures about Financial Instruments (effective 1 January 2009)
IFRS 8, Operating Segments (effective 1 January 2009)
IFRIC 9 and IAS 39, Amendments - Embedded Derivatives (effective 1 January 2009)
IFRIC 13, Customer Loyalty Programmes (effective 1 January 2009)
IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective 1 January 2009)
IFRIC 17, Distributions of Non-cash Assets to Owners (effective 1 July 2009)
Amendments to various Standards that form part of IASB's Annual Improvement Project (the majority of them is effective 1 January 2009)

(b) Standards and Interpretations issued but not yet effective

The application of the above mentioned standards and interpretations is not expected to have a material impact on the Company's financial statements in the period of the initial application. IAS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs.

The financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and of financial assets and financial liabilities (including derivative instruments) at fair-value-through-profit-or-loss.
The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

1. General information (Continued)

1.1 Accounting principles (Continued)

B. Going concern status

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The future viability of the Company depends upon business environment, as well as upon the continuing support of its existing and potential providers of finance. For the year ended 31 December 2009 the Company has incurred loss for the year of BGN 199 thousand (2008: BGN 877 thousand) and the accumulated deficit as of 31 December 2009 amounted BGN 1076 thousand (2008: BGN 877 thousand). Those factors indicated that the Company could only continue as a going concern with the continuing support of the parent company. The directors, in light of the support from the parent company obtained and their assessment of expected future cash flows (Note 2.c), are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

If the going concern risk is not mitigated and if the business of the Company was to be wound down and its assets sold, adjustments would have to be made to reduce the balance sheet value of assets to their liquidation value, to provide for further liabilities that might arise, and to reclassify equipment and long term liabilities as current assets and liabilities.

C. Foreign currencies transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in the national currency of Bulgaria, the Leva (BGN), which is the Company’s functional and presentation currency. The financial statements are rounded up to the nearest one thousandth.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the Central Bank’s exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Such balances are translated at the Central bank’s year-end exchange rates.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

At 31 December 2009, monetary assets and liabilities are translated at the reference Central Bank exchange rate – BGN 1 for EUR 0.5113 (2008: BGN 1 for EUR 0.5113) and BGN 1 for USD 0.73308 (2008: BGN 1 for USD 0. 72081).

1. General information (Continued)

1.1 Accounting principles (Continued)

D. Equipment and other tangible assets

All equipment is stated at historical cost less depreciation less impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis to write off the value of the assets to their residual values, over their expected useful lives, as follows:

	%
Servers	24
Personal Computer Systems	24
Equipment	11-24

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement

E. Cash and cash equivalents

Cash and cash equivalents are carried at amortized cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

F. Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against ‘selling and marketing costs’ in the income statement.

The group’s loans and receivables comprise ‘trade and other receivables’ and cash and cash equivalents in the balance sheet.

1. General information (Continued)

1.1 Accounting principles (Continued)

G. Employee benefits and pension obligations

The Company is obliged by the current Bulgarian legislation to make fixed contribution on behalf of the employees in a social fund operated by the Government. The social contributions represent additional cost for the employer. All those payments/liabilities are recognized as an expense in the period to which those relate.

H. Revenue recognition

(a) Fees and commissions are generally recognized on an accrual basis when the service has been provided. Brokerage income arising from negotiating, or participating in the negotiation of, a transaction for a third party, such as the arrangement of the acquisition of shares or other securities are recognized on execution date of the transaction on Bulgarian Stock Exchange. Investment banking fees are recognized based on the applicable service contracts, usually on a time-apportionate basis.

(b) Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

I. Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (approximately four years).

Costs associated with developing or maintaining computer software program are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

J. Lease

The Company as a Lessee

Operating leases - Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The lease is cancellable with one-month notice by the Company.

1. General information (Continued)

1.1 Accounting principles (Continued)

K. Related parties

For the purposes of the accompanying financial statements, a party is considered related if directly, or indirectly through one or more intermediaries, it controls, is controlled by, or is under common control with the Company; has an interest in the Company that gives it significant influence over the entity; has joint control over the Company; is an associate of the Company or a joint venture in which the Company is a venturer; or the party is a member of the key management personnel of the Company or its parent or a close member of the family of the personnel referred to above; the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, the key management or its relatives; or the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A detailed breakdown of related party transactions and balances outstanding at the year-end is provided in Note 15.

L. Current and deferred income tax

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized

M. Financial assets

The company classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Unlisted equity securities for which fair value cannot be reliably determined are carried at cost.

1. General information (Continued)

1.1 Accounting principles (Continued)

M. Available-for-sale financial assets (Continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The company owns available for sale financial assets that are measured at cost. The fair value of the assets can not be reliably measured because there is no active market and no recent transactions to the balance sheet date.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. Risk management is carried out by management of the Company under policies approved by the Board of Directors.

(a) Market risk

(i) Foreign currency risk

The monetary assets of the Company Cash and cash equivalents and Trade receivables other than the local currency, denominated in euro to which the local currency is fixed are nil as of 31 December 2009 (2008: BGN 7 thousand) the remaining BGN 724 thousands are in local currency. The company current liabilities BGN 96 thousands and BGN 583 current receivables are in local currency. as at 31 December 2009 (2008: BGN 31 thousand). Therefore, there is no Company's exposure to foreign currency risk.

(all amounts are shown in BGN thousand unless otherwise stated)

2. Financial risk management (Continued)

(a) Market risk (Continued)

(ii) Risk of change in the cash flows and fair values as a result of change in the interest rates

The profits of the Company are not significantly impacted by the changes in the market interest rates, due to the fact that the Company has no significant interest bearing liabilities and its only interest bearing assets are the deposits in banks. As the deposits are with short-term maturity the risk for the Company is insignificant.

(iii) Price risk

The Company is not exposed to price risk as it holds equity securities available for sale of insignificant amount.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The Company receives payment in advance for the majority of the services it provides thus it was not exposed to significant credit risk as at 31 December 2009 and in 2008.

The following table shows the exposures by counterparties as of the balance sheet date:

Counterparty	Rating	**31 December 2009**	**2008**
Deposits in EFG Eurobank Ergasias	BBB-	724	1,377
Fitch Ratings			
Total deposits in banks		**724**	**1,377**
Cash and cash equivalents		**724**	**1,377**

The above balances are neither past due nor impaired.

As the Company holds significant amounts of cash owned by its clients as of the year-end, which can be used any time by it to settle any outstanding receivable from these clients as of the year-end, the other customers category is assigned with credit rating of the bank in which the cash of the clients is held.
No credit limits were exceeded during the reporting period. The Company has not incurred losses arising from non-performance by these counterparties in the past.

The fair values of the above financial assets do not significantly differ from their carrying amounts.

(all amounts are shown in BGN thousand unless otherwise stated)

2. Financial risk management (Continued)

(d) Liquidity risk

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and very high volatility in stock markets. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Indeed the full extent of the impact of the ongoing financial crisis is proving to be impossible to anticipate or completely guard against.

Management is unable to reliably estimate the effects on the Group's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company’s business in the current circumstances.

The liquidity risk exposure are strictly monitored by the management and controlled by the Financial Supervision Commission in accordance with the Market of Financial Instruments Act. The management is following the above stated acts and is trying to minimize the risk exposures. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors rolling forecasts of the company’s liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow.
The Management expects positive cash flows for the year ended 2010, mainly due to the expected profit. The table below analyses the company’s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The company financial liabilities are not interest bearing. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Up to 3 months	**Total**
As at 31 December 2009		
Trade payables	43	**43**
Other payables	53	**53**
Total trade payables	**96**	**96**
As at 31 December 2008		
Trade payables	28	**28**
Total trade and other payables	**28**	**28**

(e) Capital risk management

The minimum capital required by the local regulator (Financial Supervision Commission) is BGN 250 thousands.
The company’s objectives when managing capital are to safeguard the company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(all amounts are shown in BGN thousand unless otherwise stated)

2. Financial risk management (Continued)

(e) Capital risk management

Total capital is calculated as 'equity' as shown in the balance sheet less intangible non-current assets and amounted to BGN 1,406 thousand as at 31 December 2009 (2008: BGN 1,606 thousand).

3. Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of non-current assets
The Company determines the expected useful lives of its non-current assets using its best knowledge and estimations of the future use of the assets and considering the other companies in the industry in which it operates. The expectation can differ significantly from the actual life of the assets due to either internal or external factors not known as of the current date. The management adjusts the depreciation/amortisation expense charged where the actual life of an asset differs from the one originally expected and impairs assets which it does not consider useful any more.

4. Fee and commission income

	2009	2008
Brokerage income	152	197
Brokerage expenses	(70)	(101)
Net brokerage income	**82**	**96**
Investment banking fees	709	208
Investment banking expenses	-	(38)
Net investment banking commissions	**709**	**170**
Total fees and commissions, net	**791**	**266**

5. Staff cost

	2009	2008
Salaries	470	457
Medical, Staff pension and national insurance	24	52
Pension expense	30	17
Life insurance	22	-
Cars rental	13	12
Petrol allowances and cars running costs	1	2
Provisions	72	2
	632	**542**

(all amounts are shown in BGN thousand unless otherwise stated)

6. Administrative expenses

	2009	2008
Rent	214	196
Service charges	25	37
Cleaning	5	6
Financial info distribution	27	24
Telephone call charges	5	7
Membership, subscriptions	4	15
Overseas travel cost	3	12
Audit fees expenses	12	10
Other promotion expenses	-	66
Miscellaneous	22	30
	317	**403**

7. Equipment

	Servers	Personal computer systems	Equipment	**Total**
2008				
Opening balance	-	-	-	-
Additions	51	23	185	**259**
Depreciation charge	(9)	(5)	(27)	**(41)**
Net book value at the end of the year	**42**	**18**	**158**	**218**
As at 31 December 2008				
Cost	51	23	185	**259**
Accumulated depreciation	(9)	(5)	(27)	**(41)**
Net book value	**42**	**18**	**158**	**218**
2009				
Opening balance	41	18	159	218
Depreciation charge	(12)	(5)	(33)	**(50)**
Net book value at the end of the year	**29**	**13**	**126**	**168**
As at 31 December 2009				
Cost	49	23	187	**259**
Accumulated depreciation	(20)	(10)	(61)	**(91)**
Net book value	**29**	**13**	**126**	**168**

(all amounts are shown in BGN thousand unless otherwise stated)

8. Intangible assets

	Software
2008	
Net book value at the beginning of the year	-
Additions	19
Amortization charge	(2)
Net book value at the end of the year	**17**
As at 31 December 2008	
Cost	19
Accumulated amortization	(2)
Net book value	**17**
2009	
Net book value at the beginning of the year	17
Additions	6
Amortization charge	(5)
Net book value at the end of the year	**18**
As at 31 December 2009	
Cost	25
Accumulated amortization	(7)
Net book value	**18**

9. Current income tax expense

As at the end of the period the Company has not recognised any deferred tax because its recoverability is not certain.The income tax is calculated at the officially enacted corporate tax rate of 10%. Tax losses are carried forward for five years after the year in which they were incurred. The amount of unrecognized deferred tax asset as at 31 December 2009 is BGN 104 thousand (2008: BGN 68 thousand).

The tax on the operating profit differs from the theoretical amount that would arise using the basic tax rate as follows:

	2009	**2008**
Loss before income tax	(199)	(680)
Theoretical tax credit at rate of 10 %	(19)	(68)
Effect of expenses not deductable for tax purposes	2	-
Effect from unrecognised deferred tax on losses carried forward	17	68
Income tax expense	-	-

The tax authorities may at any time inspect the books and records within 5 years subsequent to the reported tax year, and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances, which may give rise to a potential liability in this regard.

10. Cash and cash equivalents

	31/12/2009	31/12/2008
Cash at banks	667	1,320
Guarantee deposits	57	57
	724	**1,377**

11. Trade receivables and other assets

	31/12/2009	31/12/2008
Receivables	513	-
Prepayments	7	9
Other	70	10
	590	**19**

All of the above except prepayments are classified as loans and receivables in accordance with IAS 39.

12. Available for sale financial assets

The available for sale financial assets are shares of BSE Sofia AD (BSE) at acquisition cost of BGN 20 thousand.

13. Trade and other payables

	31/12/2009	31/12/2008
Payables to related parties (Note 15)	32	-
Rent payable	-	15
Audit fees payable	11	11
Personnel	52	-
Liabilities for unpaid leave	1	2
	96	**28**

The fair value of the above financial liabilities do not significantly differ from their caring amount.

14. Share capital

	Number of shares	Nominal value of one share	Value (BGN'000)
As of 01 January 2008	**2,500**	**1**	**2,500**
As of 31 December 2008	**2,500**	**1**	**2,500**
As of 31 December 2009	**2,500**	**1**	**2,500**

All shares are owned by NEW EUROPE HOLDING B.V., (the Netherlands), and are fully paid.

(all amounts are shown in BGN thousand unless otherwise stated)

15. Related parties transactions and balances

The Company is controlled by NEW EUROPE HOLDING B.V (Netherlands), which owns 100% of its shares as at 31 December 2009. NEW EUROPE HOLDING B.V (Netherlands)is a member of the EFG Group, the ultimate parent company of which is EFG Bank European Financial Group, a bank incorporated in Switzerland, which owns 41% of the ordinary shares. The remaining 59% of the shares are widely held.

All the voting rights in EFG Bank European Financial Group are held by the Latsis family, the ultimate controlling party of the Group.

The Company had the following transactions and balances with related parties:

i) Trade and other payables	**31/12/2009**	**31/12/2008**
Other related parties (fellow companies from EFG Group)		
EUROBANK EFG Bulgaria	32	-
	32	**-**

ii) Key management compensation

Key management compensation for the year ended 31 December 2009 amounted to BGN 137 thousand (2008: BGN 129 thousand) comprising short term benefits only.

iii) Expenses for hired services	**2009**	**2008**
Other related parties (fellow-subsidiary companies from EFG Group)		
EUROBANK EFG Bulgaria- Rent	-	39
EUROBANK EFG Bulgaria- Promotion expenses	-	38
EUROBANK EFG Bulgaria- Blumberg	27	15
EUROBANK EFG Bulgaria- Life insurance	-	15
EUROBANK EFG Bulgaria- Operational leasing	12	12
EUROBANK EFG Bulgaria- Other expenses for inform.system	-	6
EUROBANK EFG Bulgaria- Rent service charges	-	5
EUROBANK EFG Bulgaria- Miscellaneous	-	2
BDD EFG Securities Beograd A.D.	-	39
	39	**171**

iv) Fee and commission income		
Other related parties (fellow-subsidiary companies from EFG Group)		
EUROBANK EFG Securities- brokerage commissions	55	81
EUROBANK EFG Securities- returned brokerage commissions	-	(16)
EFG Eurobank Ergasias- brokerage commissions	-	8
EUROBANK EFG Bulgaria	5	2
Management	1	4
	61	**125**

(all amounts are shown in BGN thousand unless otherwise stated)

15. Related parties transactions and balances (Continued)

v) Interest income	**2009**	**2008**
EUROBANK EFG Bulgaria- received interest income (fellow-subsidiary company)	**16**	**34**

vi) Cash balances	**31/12/2009**	**31/12/2008**
EUROBANK EFG Bulgaria- at 31/12 (fellow- subsidiary company)	**724**	**1,377**

16. Operating lease commitments – company as a lessee

The Company has entered into commercial leases on premises, where the Company is the lessee, future minimum lease payment are as follows:

	31/12/2009	**31/12/2008**
No later than 1 year	223	214
Later than 1 year and no later than 5 years	492	715
	715	**813**

17. Off balance sheet items

EFG Securities Bulgaria as licensed investment intermediary keeps in its clients account, as at 31 December 2009, clients' deposits at the amounting to BGN 373 thousand, (2008: BGN 517 thousand) and clients financial assets under custody amounting to BGN 124,691 thousand (2008: BGN 82,324 thousand). The clients account is opened with EUROBANK EFG Bulgaria and the clients financials assets under custody are held at the Central Depositary.

18. Post Balance Sheet date events

No significant events have occurred after the balance sheet date.

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Independent auditor's report

To the Shareholder of the EFG Securities Bulgaria EAD

Report on the Financial Statements

We have audited the accompanying financial statements set out on pages from 4 to 23 of EFG Securities Bulgaria EAD (the "Company") which comprise the balance sheet as of 31 December 2009 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by 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 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 financial statements are free from material misstatement.

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

This version of our report/the accompanying documents is a translation from the original, which was prepared in Bulgarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

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 accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2009, and of its financial performance and its cash flows for the period from then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the Directors' Report in accordance with the Accounting Act.

We are required by the Accounting Act to express an opinion whether the Directors' Report is consistent with the annual financial statements of the Company.

In our opinion, the Directors' Report set out on pages 1 to 3 is consistent with the accompanying financial statements of the Company as of 31 December 2009.

Rositsa Boteva
Registered Auditor

Petko Dimitrov
PricewaterhouseCoopers Audit OOD

31 March 2010
Sofia, Bulgaria