

Messrs Iliev and Donovan and Ms Marinova
Corporate Commercial Bank AD (in insolvency)
10 Graf Ignatiev Street
Sofia 1000
Bulgaria

22 February 2016

SENT BY EMAIL

CC: Mr Milenkov at the Bulgarian Deposit
Insurance Fund

Dear Messrs Iliev and Donovan and Ms Marinova

Request of the Ministry of Finance in relation to the AlixPartners' Report dated 23 September 2015

This letter sets out our response to the request by the Ministry of Finance of Bulgaria dated 15 February 2016 to you to seek to obtain our consent to the disclosure of the AlixPartners' Report to you dated 23 September 2015 (the **Report**). We would be grateful if you would ensure that this response is forwarded to Finance Minister Goronov.

You understand that AlixPartners was contracted by Corporate Commercial Bank AD (the **Bank** or **KTB**) to provide independent consulting services pursuant to Article 31, Paragraph 1, Item 17 of the Bank Insolvency Act. We agreed that we would produce a report for the Bank's Receivers which would evaluate possible recovery options for the Bank and ultimately for the benefit of its creditors. To this end our Report sets out our findings and recommendations across a spectrum of recovery options.

You are aware that, at all times, we (both you as Receivers and AlixPartners) have considered AlixPartners' work, and the Report, to be both strategically and commercially sensitive; indeed, this has been reinforced recently in our response to the request for our Report by certain MPs and in our discussions and correspondence with you. Moreover, the Report includes a significant amount of personal data on the Bank's customers, their accounts and sensitive financial information. It is for these reasons that the Report is classified as '*strictly confidential*' and containing '*commercially sensitive information*'. At no point did we envisage that the Report would become widely/publically available, and this allowed us to be full and frank in our observations, findings and recommendations, all of which are designed to assist the Bank's chances of recoveries. Put another way, the Report was drafted with a very specific readership in mind and it assumes very particular knowledge.

Unsurprisingly, we continue to consider the Report to be strictly confidential. We strongly believe, as we understand you do too, that its release (whether publically or on a limited basis) risks significantly damaging the process of recoveries to the detriment of the Republic of Bulgaria and its citizens.

We have always fully appreciated that the failure and ongoing bankruptcy of KTB is a matter of some public interest. Further, we are aware of the pending debate within Parliament concerning a potential change to the law which would require our Report to be published, over-riding our confidential contractual arrangements.

It is for this reason alone that we have reluctantly expressed our willingness to agree that the Report might be released on a limited basis to the Bulgarian Parliament's 'Security Department' / 'Secret Registry' only. We understand that this would allow elected MPs to review the Report, but that it cannot/will not be copied and/or distributed outside this department/registry. Please note that our aforementioned agreement extends only to the English language version of the Report that we provided to the Bank. We have not, and will not, authorise any existing Bulgarian language version of the Report - any internal Bank translation is not likely to be of sufficient quality and accuracy necessary for third party readership.

It should be clear to you now that AlixPartners continues to strongly disagree with the release of the Report and only does so to the extent indicated above, subject to the reservations and concerns expressed herein, under duress. The Report remains, notwithstanding the limited specific agreement to release the Report to the Bulgarian Parliament's 'Security Department' / 'Secret Registry set out above, subject at all times to the terms and conditions agreed between the Bank and AlixPartners in our letter of engagement with the Bank dated 11 June 2015.

The Report reflects the applicable conditions understood as of 23 September 2015 and the views of AlixPartners at 23 September 2015. Those conditions may have changed and, consequently, those views may have changed and/ or be subject to change. AlixPartners does not accept or assume any duty, responsibility or liability whatsoever in respect of the Report (including any judgments, findings, conclusions, opinions or recommendations set out in the Report) to any party, save for the Bank, to whom the Report, or any parts thereof, are shown or provided. Further, AlixPartners does not accept or assume any duty, responsibility or liability whatsoever to any party, save for the Bank, in respect of the consulting services AlixPartners have provided or will provide to the Bank pursuant to our letter of engagement with the Bank dated 11 June 2015. In this regard, we remind you of the indemnities agreed between us in our said letter of engagement.

Please acknowledge receipt of this letter and its terms.

Yours sincerely



AlixPartners Services UK LLP