

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 31.12.2013	As at 31.12.2012
ASSETS		
Cash and balances with the Central Bank	974,538	928,091
Placements with and advances to banks	262,818	172,500
Receivables under repurchase agreements	48,664	63,976
Financial assets held for trading	132,039	96,201
Financial assets, recorded at fair value in the profit or loss	-	1,446
Loans and advances to customers, net	1,860,002	1,652,027
Other assets	60,879	73,670
Financial assets available for sale	215,196	205,284
Financial assets held to maturity	283,550	269,673
Fixed assets	123,957	105,717
Good will	7,725	8,177
Non-current assets held for sale	6,644	6,636
TOTAL ASSETS	3,976,012	3,583,398
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from banks	20,706	36,013
Loans from banks	7,811	42,150
Amounts owed to other depositors	3,481,282	3,072,339
Other attracted funds	290	1,000
Subordinated debt	-	45,023
Issued bonds	69,897	-
Other liabilities	22,077	20,193
TOTAL LIABILITIES	3,602,063	3,216,718
SHAREHOLDERS' EQUITY		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	156,781	146,918
Revaluation reserve	304	1,268
Current year profit	9,955	10,946
Total shareholders' equity of the shareholders of the mother Bank	359,638	351,730
Non-control participation	14,311	14,950
TOTAL SHAREHOLDERS' EQUITY	373,949	366,680
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,976,012	3,583,398

Commitments and contingencies

175,418

156,742

George Konstantinov
Executive Director

Tihomir Atanasov
Procurator

Yordan Hristov
Chief accountant

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF 31 DECEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 31.12.2013	As at 31.12.2012
Interest income	169,373	175,597
Interest expenses	(105,996)	(117,135)
Net interest income	<u>63,377</u>	<u>58,462</u>
Fees and commissions income	44,141	40,866
Fees and commissions expenses	(6,184)	(5,413)
Net fees and commissions income	<u>37,957</u>	<u>35,453</u>
Gains from transactions with securities, net	9,570	12,946
Foreign exchange rate gains, net	5,685	6,498
Other operating income, net	24,407	27,125
Operating expenses	(121,945)	(117,256)
Impairment and uncollectability income (expenses), net	(6,785)	(9,460)
Expenses for devaluation of non-current assets	(608)	-
Profit for the period before taxes	<u>11,658</u>	<u>13,768</u>
Taxes	(1,392)	(2,371)
PROFIT FOR THE PERIOD	<u><u>10,266</u></u>	<u><u>11,397</u></u>
Revaluation of financial assets held for sale	(1,063)	4,110
Foreign exchange differences from converting the statements from overseas business		4
Revaluation of non-current assets, held for sale	84	-
Other comprehensive income after taxes	<u>(979)</u>	<u>4,114</u>
TOTAL COMPREHENSIVE INCOME AFTER TAXES	9,287	15,511
Share of the profit for non-control participation	311	451
Share of the profit for the mother Bank	9,955	10,946
Share of the total comprehensive income for non- control participation	320	414
Share of the total comprehensive income for the mother Bank	8,967	15,097
Earnings per share for the shareholders of the mother Bank (in BGN)	0.09	0.10

George Konstantinov
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CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 DECEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 31.12.2013	As at 31.12.2012
Cash flows from operating activities:		
Profit before taxes	11,658	13,768
Depreciation and amortization	9,433	9,893
Income tax paid	(1,781)	(1,160)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(8,980)	(9,619)
Unrealized losses/(gains) from revaluation of financial assets, recorded at fair value in the profit or loss	(113)	(103)
Increase (decrease) of provisions for liabilities and loans impairment allowances	6,785	9,267
Net cash flows before working capital changes	17,002	22,046
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	1,003	61
(Increase) / decrease in receivables under repurchase agreements	15,312	(31,532)
(Increase) / decrease in financial assets held for trading	(26,858)	(15,014)
(Increase) / decrease in financial assets recorded at fair value in the profit or loss	1,446	4,507
(Increase) / decrease in loans and advances to customers	(214,760)	(199,262)
(Increase) / decrease in other assets	12,791	965
(Increase) / decrease in non-current assets held for sale	(8)	3,407
	(211,074)	(236,868)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	(15,307)	22,426
Increase / (decrease) in loans from banks	(34,339)	(1,210)
Increase / (decrease) in liabilities under repurchase agreements	-	(19,882)
Increase / (decrease) in liabilities to other depositors	408,943	314,896
Increase / (decrease) in other attracted funds	(710)	238
Increase / (decrease) in subordinated debt	(45,023)	45,023
Increase / (decrease) in other liabilities	1,884	459
	315,448	361,950
NET CASH FLOWS FROM OPERATING ACTIVITIES	121,376	147,128
Cash flows from investing activities		
(Acquisitions) / sale of property, plant, and equipment, net	(27,673)	(17,100)
Acquisition of investments in subsidiaries, net of the cash flows of the subsidiaries	-	55,938
(Acquisitions) / sale of financial assets available for sale, net	(10,975)	60,658
(Acquisitions) / sale of financial assets held to maturity, net	(13,877)	(26,685)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(52,525)	72,811
Cash flows from financing activity		
Issue of share capital	-	-
Increase (decrease) in issued bonds	69,897	-
NET CASH FLOW FROM FINANCING ACTIVITY	69,897	-
INCREASE IN CASH AND CASH EQUIVALENTS, NET	138,748	219,939
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,097,552	877,613
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,236,300	1,097,552

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CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 DECEMBER 2013
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Revaluation reserve	Profit for the year	Minority participation	Total
BALANCE AS OF 31 DECEMBER 2011	113,154	79,444	137,590	(2,884)	11,228	6,589	345,121
Transfer of net profit for the year ended 31 December 2011, to retained earnings	-	-	11,228	-	(11,228)	-	-
Net profit for the period ended 31 December 2012	-	-	-	-	10,946	451	11,397
Acquisition of a subsidiary	-	-	-	-	-	7,947	7,947
Other comprehensive income for the period ended 31 December 2012	-	-	-	4,151	-	(37)	4,114
Other movements	-	-	(1,900)	1	-	-	(1,899)
BALANCE AS OF 31 DECEMBER 2012	113,154	79,444	146,918	1,268	10,946	14,950	366,680
BALANCE AS OF KBM 31 DECEMBER 2012	113,154	79,444	146,430	1,483	10,241	15,030	365,782
Transfer of net profit for the year ended 31 December 2012, to retained earnings	-	-	10,241	-	(10,241)	-	-
Net profit for the period ended 31 December 2013	-	-	-	-	9,955	311	10,266
Other comprehensive income for the period ended 31 December 2013	-	-	-	(989)	-	10	(979)
Other movements	-	-	110	(190)	-	(1,040)	(1,120)
BALANCE AS OF 31 DECEMBER 2013	113,154	79,444	156,781	304	9,955	14,311	373,949

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EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2013 OF CENTRAL COOPERATIVE BANK AD

The present explanatory notes to the interim consolidated financial statements of Central Cooperative Bank AD, Sofia (the mother Bank) concern the activity of Central Cooperative Bank AD, Sofia and the subsidiaries, controlled by it: Central Cooperative Bank AD, Skopje, the Republic of Macedonia (subsidiary), CCB Assets Management EAD (subsidiary) and ZAO AKB "TatInvestBank", Kazan, the Republic of Tatarstan, Russian Federation (subsidiary) as a single reporting unit (the Group).

1. Information about the accounting policy

During the first quarter of 2013 the Group applied the same accounting policy and the same methods of evaluation, as upon the preparation of the annual consolidated financial statements for 2012.

During the first quarter of 2013 the financial assets, held for trading and for sale are evaluated at fair value, when for them there is a quotation on an active market, and when this quotation is not present, they are evaluated at acquisition cost.

During the first quarter of 2013 the financial assets, held to maturity are reported at amortized value according to the effective interest rate method and are not devaluated, due to the lack of indicators of the potential devaluation of these assets.

During the first quarter of 2013 the loans with a fixed maturity, which initially originated at the Bank, are recorded at amortized value according to the effective interest rate method and are devaluated under conditions, proving the decrease in the loans value.

During the first quarter of 2013 the Group performed everyday revaluation of all foreign exchange assets and liabilities and conditional positions according to the BNB reference rate for the respective day.

2. Information about the seasonality or cycles of the interim operations

During the first quarter of 2013 no interim operations were performed, stemming from the specific seasonality or cycles. All the interim operations during this period stem from the ordinary activity of the Group.

3. Information about unusual in amount and character assets, liabilities, shareholders' equity, income and expenses.

During the first quarter of 2013 no extraordinary positions occurred with regard to the assets, liabilities, the shareholders' equity, the income and expenses. The total assets in the report on the financial condition of the Group as at 31.03.2013 increased compared to 31.12.2012, and reaches BGN 3 594 450 thousand. In this quarter no operations were recorded associated with the extraordinary items of the statement of the comprehensive income, as a result of which the financial result as at 31.03.2013 comes only from income and expenses, concerning the ordinary activity of the Group.

In the first quarter of 2013 there is no change in the shareholder participation of the mother Bank in the subsidiary Central Cooperative Bank AD, Skopje, the Republic of Macedonia, as a result of which as at 31 March 2013 Central Cooperative Bank AD Sofia has 483,121 ordinary shares of the capital of Central Cooperative Bank AD Skopje, the Republic of Macedonia, which is 87,35 % of the capital of the subsidiary.

During the first quarter of 2013 there is no change in the shareholder participation of the mother Bank in the subsidiary "CCB Assets Management" EAD, as a result of which as at 31 March 2013 Central Cooperative Bank AD, Sofia has 500 000 ordinary shares of the capital of "CCB Assets Management" EAD, which is 100 % of the capital of the subsidiary.

During the first quarter of 2013 there is no change in the shareholder participation of the mother Bank in the subsidiary ZAO AKB "TatInvestBank", Kazan, the Republic of Tatarstan, Russian Federation, as a result of which as at 31 March 2013 Central Cooperative Bank AD, Sofia has 16 425 981 ordinary shares in the capital of ZAO AKB "TatInvestBank", Kazan, the Republic of Tatarstan, Russian Federation, which is 55.93 % of the capital of the subsidiary.

4. Information about the issued, repurchased and repaid debt and equity securities.

During the first quarter of 2013 the Group does not have any issued, repurchased or repaid debt and capital securities.

5. Information about the accrued /paid / dividends.

During the first quarter of 2013 the Group did not accrue and did not pay dividends to its shareholders.

6. Events after the statements date

After the end of the first quarter of 2013 no events have occurred, which have a significant impact on the future development of the Group.

7. Information about the changes in the conditional assets and liabilities

During the first quarter of 2013 compared to 31.12.2012 there are changes in the direction of an increase in the conditional assets of the Group, concerning mostly the assets provided by the clients as loan collateral. With respect to the conditional liabilities during the period there are changes in the direction of an increase in the conditional liabilities amount compared to 31.12.2012, whereas the increase concerns provided by the Group guarantees and commitments under concluded contracts for the granting of loans.

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