

CENTRAL COOPERATIVE BANK AD

SEPARATE 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
<b>ASSETS</b>		
Cash and balances with the Central Bank	930,904	871,577
Placements with and advances to banks	293,722	183,623
Receivables under repurchase agreements	48,664	63,976
Financial assets held for trading	131,833	96,201
Loans and advances to customers, net	1,762,196	1,590,262
Other assets	58,476	65,993
Financial assets available for sale	216,039	201,408
Financial assets held to maturity	160,253	152,499
Investments in subsidiaries	58,662	59,693
Property, plant, and equipment	82,008	61,665
Non-current assets held for sale	3,521	2,554
<b>TOTAL ASSETS</b>	<b>3,746,278</b>	<b>3,349,451</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks	16,125	31,605
Loans from banks	7,072	40,937
Amounts owed to other depositors	3,278,170	2,869,113
Other attracted funds	290	1,000
Subordinated debt	-	45,023
Issued bonds	69,897	-
Other liabilities	17,753	14,539
<b>TOTAL LIABILITIES</b>	<b>3,389,307</b>	<b>3,002,217</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	153,343	143,257
Revaluation reserve	233	1,293
Current year profit	10,797	10,086
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>356,971</b>	<b>347,234</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,746,278</b>	<b>3,349,451</b>
Commitments and contingencies	163,478	148,280

Ivaylo Donchev  
Executive Director

Yordan Hristov  
Chief accountant

Tihomir Atanasov  
Procurator

CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
AS OF 31 DECEMBER 2013

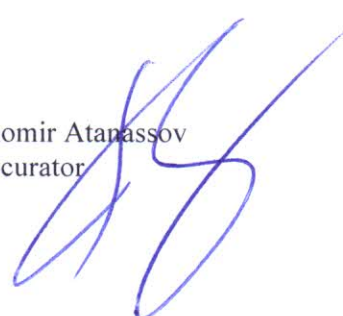
All amounts are in thousand Bulgarian Levs

	As at 31.12.2013	As at 31.12.2012
Interest income	155,783	164,899
Interest expenses	(101,167)	(112,948)
Net interest income	<u>54,616</u>	<u>51,951</u>
Fees and commissions income	38,294	35,461
Fees and commissions expenses	(5,275)	(4,656)
Net fees and commissions income	<u>33,019</u>	<u>30,805</u>
Gains from transactions with securities, net	9,614	13,102
Foreign exchange rate gains, net	5,232	5,890
Other operating income, net	20,880	20,824
Operating expenses	(105,131)	(102,007)
Impairment and uncollectability income (expenses), net	<u>(6,233)</u>	<u>(8,650)</u>
Profit for the period before taxes	11,997	11,915
Taxes	<u>(1,200)</u>	<u>(1,191)</u>
<b>PROFIT FOR THE PERIOD</b>	<u><u>10,797</u></u>	<u><u>10,724</u></u>
Earnings per share (in BGN)	0.10	0.09
Other comprehensive income after taxes	<u>(1,060)</u>	<u>4,367</u>
Revaluation of financial assets held for sale	<u>(1,060)</u>	<u>4,367</u>
<b>TOTAL COMPREHENSIVE INCOME AFTER TAXES</b>	<u>9,737</u>	<u>15,091</u>

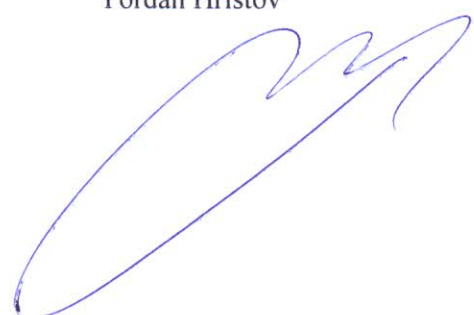
Ivaylo Donchev  
Executive Director



Tihomir Atanasov  
Procurator



Yordan Hristov



## CENTRAL COOPERATIVE BANK AD

## SEPARATE STATEMENT OF CASH FLOWS

AS AT 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	11,997	11,915
Depreciation and amortization	7,441	7,862
Income tax paid	(1,300)	(642)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(8,980)	(9,626)
Increase (decrease) of provisions for liabilities and loans impairment allowances	6,233	8,650
Net cash flows before working capital changes	15,391	18,159
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	(705)	43
(Increase) / decrease in receivables under repurchase agreements	15,312	(31,532)
(Increase) / decrease in financial assets held for trading	(26,652)	(14,801)
(Increase) / decrease in loans and advances to customers	(178,167)	(174,163)
(Increase) / decrease in other assets	8,648	8,447
(Increase) / decrease in non-current assets held for sale	(967)	(728)
	(182,531)	(212,734)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	(15,480)	10,750
Increase / (decrease) in loans from banks	(33,865)	(1,081)
Increase / (decrease) in liabilities under repurchase agreements	-	(19,882)
Increase / (decrease) in liabilities to other depositors	409,057	288,795
Increase / (decrease) in other attracted funds	(710)	238
Increase / (decrease) in subordinated debt	(45,023)	45,023
Increase / (decrease) in other liabilities	3,214	5,874
	317,193	329,717
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>150,053</b>	<b>135,142</b>
Cash flows from investing activities		
(Acquisitions) of property, plant, and equipment, net	(27,784)	(9,628)
(Acquisitions) of investments in subsidiaries	-	(10,277)
(Acquisitions) of financial assets available for sale, net	(15,691)	63,950
(Acquisitions) of financial assets held to maturity, net	(7,754)	(4,156)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(51,229)</b>	<b>39,889</b>
Cash flows from financing activities		
Increase / (decrease) in the issued bonds	69,897	-
<b>NET CASH FLOW FROM FINANCING ACTIVITY</b>	<b>69,897</b>	<b>-</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS, NET</b>	<b>168,721</b>	<b>175,031</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>1,052,161</b>	<b>877,132</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,220,882</b>	<b>1,052,163</b>

Ivaylo Donchev  
Executive Director

Yordan Hristov

Tihomir Atanassov  
Procurator

## CENTRAL COOPERATIVE BANK AD

## SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT 31 DECEMBER 2013

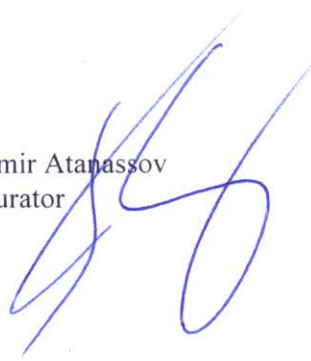
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	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Revaluation reserve	Profit for the year	Total
BALANCE AS OF 31 DECEMBER 2011	113,154	79,444	130,633	(3,074)	12,624	332,781
Transfer of net profit for the year ended 31 December 2011, to retained earnings	-	-	12,624	-	(12,624)	-
Net profit for the period ended 31 December 2012	-	-	-	-	10,724	10,724
Other comprehensive income for the period ended 31 December 2012	-	-	-	4,367	-	4,367
BALANCE AS OF 31 DECEMBER 2012	113,154	79,444	143,257	1,293	10,724	347,872
BALANCE AS OF 31 DECEMBER 2012	113,154	79,444	143,257	1,293	10,086	347,234
Transfer of net profit for the year ended 31 December 2012, to retained earnings	-	-	10,086	-	(10,086)	-
Net profit for the period ended 31 December 2013	-	-	-	-	10,797	10,797
Other comprehensive income for the period ended 31 December 2013	-	-	-	(1,060)	-	(1,060)
BALANCE AS OF 31 DECEMBER 2013	113,154	79,444	153,343	233	10,797	356,971

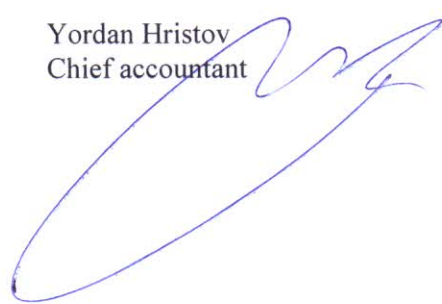
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**EXPLANATORY NOTES TO THE INTERIM INDIVIDUAL FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER OF 2013 OF CENTRAL  
COOPERATIVE BANK AD /THE BANK /**

1. Information about the accounting policy

During the fourth quarter of 2013 the Bank applied the same accounting policy and the same methods of evaluation, as upon the preparation of the annual individual financial statements for 2012.

During the fourth quarter of 2013 a devaluation of inventories, a devaluation of the fixed assets and the intangible assets was not performed, due to the lack of indicators of a potential devaluation of these assets.

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

During the fourth 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 method and are devaluated under conditions, proving the decrease in the loans value.

During the fourth quarter of 2013 the Bank 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 fourth 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 Bank.

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

During the fourth quarter of 2013 no extraordinary positions occurred with regard to the assets, liabilities, the shareholders' equity, the income and expenses.

With respect to the liabilities there is a new position, concerning an issue of convertible bonds, issued by the Bank in December 2013. In the same month after an approval of the Bulgarian National Bank the Bank repaid in advance the loan, obtained as a subordinated term loan, to the amount of BGN 45 000 thousand, together with the due interest as at the date of the repayment.

The total assets in the report on the financial condition of the Bank as at 31.12.2013 increased compared to 31.12.2012 by 12% and reaches BGN 3 746 278 thousand. The increase in total assets is mainly due to the increase in the attracted funds as amounts, attracted from other depositors. 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 31.12.2013 comes only from income and expenses, concerning the ordinary activity of the Bank. During the period no corrections were made of fundamental errors, made and reflected in the financial statements in previous periods.

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

During the fourth quarter of 2013 the Bank does not have any repurchased or repaid debt securities of its, as well as issued and repurchased capital securities. Within the same quarter the Bank issued an issue of convertible bonds to the amount of EUR 36 000 000, distributed among 36 000 bonds with a nominal value EUR 1000. The debenture loan is concluded for a term of 7 years at 4.5% annual interest rate, whereas the loan principal is paid once at the issue maturity.

5. Information about the accrued /paid / dividends.

During the fourth quarter of 2013 the Bank did not accrue or pay any dividends to its shareholders.

6. Events after the statements date

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

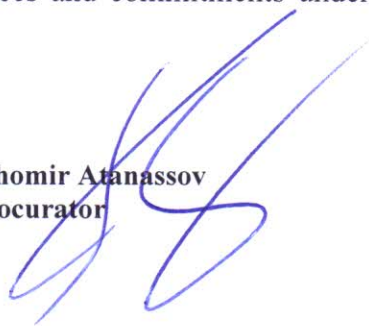
7. Information about the changes in the conditional assets and liabilities

During the fourth quarter of 2013 compared to 31.12.2012 there are changes in the direction of a increase in the conditional assets of the Bank, concerning 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 a increase in liabilities amount compared to 31.12.2012, whereas the increase concerns provided by the Bank guarantees and commitments under concluded contracts for the granting of loans.

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Executive Director



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Procurator



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Chief accountant

