

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 SEPTEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 30.09.2013	As at 31.12.2012
<b>ASSETS</b>		
Cash and balances with the Central Bank	784,569	928,111
Placements with and advances to banks	267,358	172,500
Receivables under repurchase agreements	48,000	63,976
Financial assets held for trading	133,167	96,406
Financial assets, recorded at fair value in the profit or loss	-	1,446
Loans and advances to customers, net	1,750,777	1,652,099
Other assets	83,906	73,871
Financial assets available for sale	238,021	205,284
Financial assets held to maturity	263,969	269,674
Fixed assets	125,658	105,104
Good will	7,725	7,725
Non-current assets held for sale	6,969	6,544
<b>TOTAL ASSETS</b>	<b>3,710,119</b>	<b>3,582,740</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks	50,182	36,013
Loans from banks	831	42,150
Liabilities under repurchase agreements	-	-
Amounts owed to other depositors	3,224,849	3,072,360
Other attracted funds	320	1,000
Subordinated debt	46,558	45,023
Other liabilities	18,839	20,412
<b>TOTAL LIABILITIES</b>	<b>3,341,579</b>	<b>3,216,958</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	156,447	146,430
Revaluation reserve	324	1,483
Current year profit	4,775	10,241
Total shareholders' equity of the shareholders of the mother Bank	354,144	350,752
Non-control participation	14,396	15,030
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>368,540</b>	<b>365,782</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,710,119</b>	<b>3,582,740</b>
Commitments and contingencies	176,914	156,742

Ivaylo Donchev  
Executive Director

Yordan Hristov  
Chief accountant

Tihomir Atanasov  
Procurator

## CENTRAL COOPERATIVE BANK AD

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF 30 SEPTEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 30.09.2013	As at 30.09.2012
Interest income	123,785	128,885
Interest expenses	(77,906)	(89,107)
Net interest income	<u>45,879</u>	<u>39,778</u>
Fees and commissions income	31,532	25,457
Fees and commissions expenses	(4,516)	(3,694)
Net fees and commissions income	<u>27,016</u>	<u>21,763</u>
Gains from transactions with securities, net	(733)	133
Foreign exchange rate gains, net	5,094	5,279
Other operating income, net	2,269	8,604
Operating expenses	(70,994)	(69,913)
Impairment and uncollectability income (expenses), net	(1,726)	(2,128)
Expenses for devaluation of non-current assets	(608)	-
Profit for the period before taxes	<u>6,197</u>	<u>3,516</u>
Taxes	(1,309)	(1,089)
PROFIT FOR THE PERIOD	<u>4,888</u>	<u>2,427</u>
Revaluation of financial assets held for sale	(1,234)	3,165
Revaluation of non-current assets, held for sale	84	-
Other comprehensive income after taxes	<u>(1,150)</u>	<u>3,165</u>
TOTAL COMPREHENSIVE INCOME AFTER TAXES	<u>3,738</u>	<u>5,592</u>
Share of the profit for non-control participation	113	(222)
Share of the profit for the mother Bank	4,775	2,649
Share of the total comprehensive income for non- control participation	120	(256)
Share of the total comprehensive income for the mother Bank	3,618	5,848
Earnings per share for the shareholders of the mother Bank (in BGN)	0.04	0.02

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Chief accountant

Tihomir Atanasov  
Procurator

CENTRAL COOPERATIVE BANK AD  
CONSOLIDATED STATEMENT OF CASH FLOWS  
AS OF 30 SEPTEMBER 2013

All amounts are in thousand Bulgarian Levs

	As at 30.09.2013	As at 30.09.2012
Cash flows from operating activities:		
Profit before taxes	6,197	3,516
Depreciation and amortization	7,115	7,449
Income tax paid	(1,494)	(1,019)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(2,690)	(3,198)
Unrealized losses/(gains) from revaluation of financial assets, recorded at fair value in the profit or loss	(116)	(2)
Increase (decrease) of provisions for liabilities and loans impairment allowances	1,726	2,128
Net cash flows before working capital changes	10,738	8,874
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	(5,585)	(6,597)
(Increase) / decrease in receivables under repurchase agreements	15,976	(35,948)
(Increase) / decrease in financial assets held for trading	(34,071)	2,582
(Increase) / decrease in financial assets recorded at fair value in the profit or loss	1,446	(7)
(Increase) / decrease in loans and advances to customers	(100,404)	(114,841)
(Increase) / decrease in other assets	(10,035)	(10,315)
(Increase) / decrease in non-current assets held for sale	(425)	43
	(133,098)	(165,083)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	10,813	(12,998)
Increase / (decrease) in loans from banks	(41,319)	4,161
Increase / (decrease) in liabilities under repurchase agreements	-	(10,021)
Increase / (decrease) in liabilities to other depositors	152,489	265,982
Increase / (decrease) in other attracted funds	(680)	31
Increase / (decrease) in subordinated debt	1,535	-
Increase / (decrease) in other liabilities	(1,573)	(1,982)
	121,265	245,173
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,095)	88,964
Cash flows from investing activities		
(Acquisitions) / sale of property, plant, and equipment, net	(27,669)	(12,906)
Acquisition of investments in subsidiaries, net of the cash flows of the subsidiaries	-	55,915
(Acquisitions) / sale of financial assets available for sale, net	(33,887)	52,733
(Acquisitions) / sale of financial assets held to maturity, net	5,705	(5,209)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(55,851)	90,533
Cash flows from financing activity		
Issue of share capital	-	-
NET CASH FLOW FROM FINANCING ACTIVITY	-	-
INCREASE IN CASH AND CASH EQUIVALENTS, NET	(56,946)	179,497
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,097,609	877,488
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,040,663	1,056,985

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Yordan Hristov  
Chief accountant

Tihomir Atanasov  
Procurator



CENTRAL COOPERATIVE BANK AD  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
AS OF 30 SEPTEMBER 2013

All amounts are in thousand Bulgarian Levs

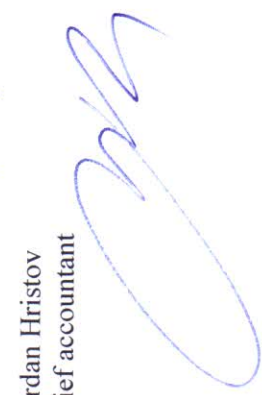
	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Revaluation reserve	Profit for the year	Minority participation	Total
BALANCE AS OF 31 DECEMBER 2011	113,154	79,444	137,590	(2,884)	11,228	6,589	345,121
Transfer of net profit for the year ended 31 December 2011, to retained earnings	-	-	11,228	-	(11,228)	-	-
Net profit for the period ended 30 September 2012	-	-	-	-	2,649	(222)	2,427
Acquisition of a subsidiary	-	-	14	-	-	7,735	7,749
Other comprehensive income for the period ended 30 September 2012	-	-	-	3,225	-	(60)	3,165
BALANCE AS OF 30 SEPTEMBER 2012	113,154	79,444	148,832	341	2,649	14,042	358,462
BALANCE AS OF 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 30 September 2013	-	-	-	-	4,775	113	4,888
Other comprehensive income for the period ended 30 September 2013	-	-	(67)	(1,159)	-	76	(1,150)
Other movements	-	-	(157)	-	-	(823)	(980)
BALANCE AS OF 30 SEPTEMBER 2013	113,154	79,444	156,447	324	4,775	14,396	368,540



Ivaylo Donchev  
Executive Director



Tihomir Atanasov  
Procurement



Yordan Hristov  
Chief accountant

## **EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD 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 third 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 third 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 third 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 third 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 third 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 third 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 third quarter of 2013 no extraordinary positions occurred with regard to the assets, the liabilities, the shareholders' equity, the income and expenses. The total assets in the report on the financial condition of the Group as at 30.09.2013 increased compared to 31.12.2012 and reach BGN 3 710 119 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 30.09.2013 comes only from income and expenses, concerning the ordinary activity of the Group.



In the third 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 30 September 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 third 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 30 September 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 third 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 30 September 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 third 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 third quarter of 2013 the Group did not accrue or did not pay dividends to its shareholders.

6. Events after the statements date

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

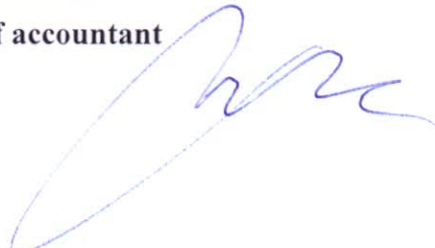
7. Information about the changes in the conditional assets and liabilities

During the third 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 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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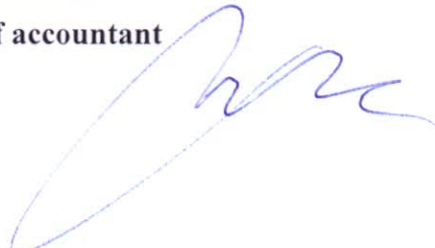
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