

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2014

All amounts are in thousand Bulgarian Levs

	As at 30.09.2014	As at 31.12.2013
ASSETS		
Cash and balances with the Central Bank	701,121	974,682
Placements with and advances to banks	247,539	262,819
Receivables under repurchase agreements	86,309	48,664
Financial assets held for trading	271,140	132,039
Loans and advances to customers, net	1,968,302	1,860,852
Other assets	83,199	60,681
Financial assets available for sale	277,519	215,196
Financial assets held to maturity	241,541	283,551
Fixed assets	125,543	123,904
Good will	6,517	6,517
Non-current assets held for sale	7,262	6,934
TOTAL ASSETS	4,015,992	3,975,839
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from banks	43,735	20,706
Loans from banks	1,134	7,811
Liabilities for securities repurchase agreements	33,848	-
Amounts owed to other depositors	3,472,879	3,481,436
Other attracted funds	960	1,068
Issued bonds	72,289	69,897
Other liabilities	12,202	19,017
TOTAL LIABILITIES	3,637,047	3,599,935
SHAREHOLDERS' EQUITY		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	173,713	156,781
Revaluation reserve	109	303
Current year profit	4,461	10,865
Total shareholders' equity of the shareholders of the mother Bank	370,881	360,547
Non-control participation	8,064	15,357
TOTAL SHAREHOLDERS' EQUITY	378,945	375,904
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	4,015,992	3,975,839
Commitments and contingencies	175,971	173,253

Sava Stoynov
Executive DirectorYordan Hristov
Chief accountantTihomir Atanasov
Procurement

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF 30 SEPTEMBER 2014

All amounts are in thousand Bulgarian Levs

	As at 30.09.2014	As at 30.09.2013
Interest income	120,003	123,785
Interest expenses	(77,412)	(77,906)
Net interest income	<u>42,591</u>	<u>45,879</u>
Fees and commissions income	33,279	31,532
Fees and commissions expenses	(5,231)	(4,516)
Net fees and commissions income	<u>28,048</u>	<u>27,016</u>
Gains from transactions with securities, net	2,721	(733)
Foreign exchange rate gains, net	4,775	5,094
Other operating income, net	3,035	2,269
Operating expenses	(76,997)	(70,994)
Impairment and uncollectability income (expenses), net	1,624	(1,726)
Expenses for devaluation of non-current assets	(698)	(608)
Profit for the period before taxes	<u>5,099</u>	<u>6,197</u>
Taxes	(865)	(1,309)
PROFIT FOR THE PERIOD	<u><u>4,234</u></u>	<u><u>4,888</u></u>
Revaluation of financial assets held for sale	(133)	(1,234)
Revaluation of non-current assets, held for sale	12	84
Other comprehensive income after taxes	(121)	(1,150)
TOTAL COMPREHENSIVE INCOME AFTER TAXES	<u>4,113</u>	<u>3,738</u>
Share of the profit for non-control participation	(227)	113
Share of the profit for the mother Bank	4,461	4,775
Share of the total comprehensive income for non-control participation	(232)	120
Share of the total comprehensive income for the mother Bank	4,345	3,618
Earnings per share for the shareholders of the mother Bank (in BGN)	0.04	0.04

Sava Staynov
Executive Director

Yordan Hristov
Chief accountant

Tihomir Atanasov
Procurator

CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 30 SEPTEMBER 2014
All amounts are in thousand Bulgarian Levs

	As at 30.09.2014	As at 30.09.2013
Cash flows from operating activities:		
Profit before taxes	5,099	6,197
Depreciation and amortization	6,909	7,115
Income tax paid	(1,247)	(1,494)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(7,782)	(2,690)
Unrealized losses/(gains) from revaluation of financial assets, recorded at fair value in the profit or loss	-	(116)
Increase (decrease) of provisions for liabilities and loans impairment allowances	(1,624)	1,726
Devaluation of non-current assets	698	-
Other adjustments	(12)	-
Net cash flows before working capital changes	<u>2,041</u>	<u>10,738</u>
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	706	(5,585)
(Increase) / decrease in receivables under repurchase agreements	(37,645)	15,976
(Increase) / decrease in financial assets held for trading	(131,319)	(34,071)
(Increase) / decrease in financial assets recorded at fair value in the profit or loss	-	1,446
(Increase) / decrease in loans and advances to customers	(105,826)	(100,404)
(Increase) / decrease in other assets	(23,224)	(10,035)
(Increase) / decrease in non-current assets held for sale	(328)	(425)
	<u>(297,636)</u>	<u>(133,098)</u>
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	23,029	10,813
Increase / (decrease) in loans from banks	(6,677)	(41,319)
Increase in liabilities under repurchase agreements	33,848	-
Increase in liabilities to other depositors	(8,557)	152,489
Decrease in other attracted funds	(108)	(680)
Increase / (decrease) in subordinated debt	-	1,535
Increase / (decrease) in other liabilities	(6,815)	(1,573)
	<u>34,720</u>	<u>121,265</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(260,875)</u>	<u>(1,095)</u>
Cash flows from investing activities		
Acquisitions of property, plant, and equipment, net	(8,548)	(27,669)
Acquisitions of financial assets available for sale, net	(62,517)	(33,887)
Acquisitions of financial assets held to maturity, net	42,010	5,705
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(29,055)</u>	<u>(55,851)</u>
Cash flows from financing activity	-	-
Issue of share capital	-	-
Increase (decrease) in issued bonds	2,392	-
NET CASH FLOW FROM FINANCING ACTIVITY	<u>2,392</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS, NET	<u>(287,538)</u>	<u>(56,946)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>1,232,790</u>	<u>1,097,609</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>945,252</u>	<u>1,040,663</u>

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CENTRAL COOPERATIVE BANK AD
 CONSOLIDATED STATEMENT OF CASH FLOWS
 AS OF 30 SEPTEMBER 2014

All amounts are in thousand Bulgarian Levs

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 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
BALANCE AS OF КЪМ 31 DECEMBER 2013	113,154	79,444	156,781	303	10,865	15,357	375,904
Transfer of net profit for the year ended 31 December 2013, to retained earnings	-	-	10,865	-	(10,865)	-	-
Net profit for the period ended 30 September 2014	-	-	-	-	4,461	(227)	4,234
Additional acquisition of shares from a subsidiary	-	-	6,067	-	-	(6,067)	-
Other comprehensive income for the period ended 30 September 2014	-	-	-	(116)	-	(5)	(121)
Other movements	-	-	-	(78)	-	(994)	(1,072)
BALANCE AS OF 30 SEPTEMBER 2014	113,154	79,444	173,713	109	4,461	8,064	378,945

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 Procurator

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER OF 2014 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 2014 the Group applied the same accounting policy and the same methods of evaluation, as upon the preparation of the annual consolidated financial statements for 2013.

During the third quarter of 2014 the financial assets, held for trading recorded at fair value 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 2014 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 2014 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 2014 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 2014 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 2014 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 30.09.2014 increased compared to 31.12.2013 and reach BGN 4 015 992 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 30.09.2014 comes only from income and expenses, concerning the ordinary activity of the Group.

In the third quarter of 2014 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 2014 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 2014 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 2014 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 2014 there is no change in the shareholder participation of the mother Bank in the subsidiary ZAO "IC Bank", Kazan, the Republic of Tatarstan, Russian Federation, as a result of which as at 30 September 2014 Central Cooperative Bank AD, Sofia has 25 338 394 ordinary shares in the capital of ZAO "IC Bank", Kazan, the Republic of Tatarstan, Russian Federation, which is 86.273 % of the capital of the subsidiary.

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

During the third quarter of 2014 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 2014 the Group has not accrued or paid off dividends to its shareholders.

6. Events after the statements date

After the end of the third quarter of 2014 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 2014 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 31.12.2013, whereas the increase concerns provided by the Group guarantees.