

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2012

All amounts are in thousand Bulgarian Levs

	As at 31.12.2012	As at 31.12.2011
ASSETS		
Cash and balances with the Central Bank	928,091	475,544
Placements with and advances to banks	172,500	405,773
Receivables under repurchase agreements	63,976	32,444
Financial assets held for trading	96,201	71,777
Financial assets, recorded at fair value in the profit or loss	1,446	-
Loans and advances to customers, net	1,652,027	1,447,252
Other assets	73,670	77,691
Financial assets available for sale	205,284	261,829
Financial assets held to maturity	269,673	237,747
Fixed assets	105,717	82,717
Good will	8,177	7,883
Non-current assets held for sale	6,636	9,951
TOTAL ASSETS	3,583,398	3,110,608
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from banks	36,013	20,518
Loans from banks	42,150	43,360
Liabilities under repurchase agreements	-	19,882
Amounts owed to other depositors	3,072,339	2,667,998
Other attracted funds	1,000	762
Subordinated debt	45,023	-
Other liabilities	20,193	13,021
TOTAL LIABILITIES	3,216,718	2,765,541
SHAREHOLDERS' EQUITY		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	146,918	137,532
Revaluation reserve	1,268	(2,841)
Current year profit	10,946	11,181
Total shareholders' equity of the shareholders of the mother Bank	351,730	338,470
Non-control participation	14,950	6,597
TOTAL SHAREHOLDERS' EQUITY	366,680	345,067
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,583,398	3,110,608
Commitments and contingencies	156,742	162,279

Ivaylo Donchev
Executive Director

Yordan Hristov
Chief accountant

George Konstantinov
Executive Director



CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS OF 31 DECEMBER 2012

All amounts are in thousand Bulgarian Levs

	As at 31.12.2012	As at 31.12.2011
Interest income	175,597	160,522
Interest expenses	(117,135)	(105,426)
Net interest income	58,462	55,096
Fees and commissions income	40,866	30,582
Fees and commissions expenses	(5,413)	(4,789)
Net fees and commissions income	35,453	25,793
Gains from transactions with securities, net	12,946	14,254
Foreign exchange rate gains, net	6,498	5,952
Other operating income, net	27,125	25,329
Operating expenses	(117,256)	(102,380)
Impairment and uncollectability income (expenses), net	(9,460)	(11,275)
Expenses for devaluation of goodwill	-	(74)
Expenses for devaluation of intangible assets	-	(143)
Profit for the period before taxes	13,768	12,552
Taxes	(2,371)	(1,581)
PROFIT FOR THE PERIOD	11,397	10,971
Revaluation of financial assets held for sale	4,110	952
Foreign exchange differences from converting the reports from cross-border activity	4	(4)
Other comprehensive income after taxes	4,114	948
TOTAL COMPREHENSIVE INCOME AFTER TAXES	15,511	11,919
Share of the profit for non-control participation	451	(210)
Share of the profit for the mother Bank	10,946	11,181
Share of the total comprehensive income for non- control participation	414	(239)
Share of the total comprehensive income for the mother Bank	15,097	12,158
Earnings per share for the shareholders of the mother Bank (in BGN)	0.10	0.13

Ivaylo Donchev
Executive Director

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Chief accountant

George Konstantinov
Executive Director



CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2012

All amounts are in thousand Bulgarian Levs

	As at 31.12.2012	As at 31.12.2011
Cash flows from operating activities:		
Profit before taxes	13,768	12,552
Depreciation and amortization	9,893	10,257
Income tax paid	(1,160)	(2,272)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(9,619)	(8,886)
Unrealized losses/(gains) from revaluation of financial assets, recorded at fair value in the profit or loss	(103)	-
Increase (decrease) of provisions for liabilities and loans impairment allowances	9,267	11,275
Devaluation of goodwill		74
Devaluation of intangible assets		143
Net cash flows before working capital changes	22,046	23,143
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	61	12,760
(Increase) / decrease in receivables under repurchase agreements	(31,532)	8,577
(Increase) / decrease in financial assets held for trading	(15,014)	(13,764)
(Increase) / decrease in financial assets recorded at fair value in the profit or loss	4,507	-
(Increase) / decrease in loans and advances to customers	(199,262)	(236,845)
(Increase) / decrease in other assets	965	(9,854)
(Increase) / decrease in non-current assets held for sale	3,407	(1,832)
	(236,868)	(240,958)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	22,426	9,224
Increase / (decrease) in loans from banks	(1,210)	1,956
Increase / (decrease) in liabilities under repurchase agreements	(19,882)	(2,867)
Increase / (decrease) in liabilities to other depositors	314,896	664,755
Increase / (decrease) in other attracted funds	238	(255)
Increase / (decrease) in subordinated debt	45,023	-
Increase / (decrease) in other liabilities	459	(1,015)
	361,950	671,798
NET CASH FLOWS FROM OPERATING ACTIVITIES	147,128	453,983
Cash flows from investing activities		
(Acquisitions) / sale of property, plant, and equipment, net	(17,100)	(19,378)
(Acquisitions) of investments in subsidiaries, net of the funds of the subsidiaries	55,938	(3,200)
(Acquisitions) / sale of financial assets available for sale, net	60,658	(127,886)
(Acquisitions) / sale of financial assets held to maturity, net	(26,685)	(45,845)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	72,811	(196,309)
Cash flows from financing activity		
Issue of share capital	-	29,999
Premium reserve, concerning the issued share capital	-	14,999
Dividend payments	-	(397)
NET CASH FLOW FROM FINANCING ACTIVITY	-	44,601
INCREASE IN CASH AND CASH EQUIVALENTS, NET	219,939	302,275
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	877,613	575,338
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,097,552	877,613

Ivaylo Donchev
Executive Director

Yordan Hristov
Chief accountant

George Konstantinov
Executive Director



CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 31 DECEMBER 2012
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 2010	83,155	64,445	108,650	(3,865)	28,606	7,444	288,435
Transfer of net profit for the year ended 31 December 2010, to retained earnings	-	-	28,606	-	(28,606)	-	-
Net profit for the period ended 31 December 2011	-	-	-	-	11,181	(210)	10,971
Issued and paid in share capital	29,999	-	-	-	-	-	29,999
Premium reserve, concerning issued share capital	-	14,999	-	-	-	-	14,999
Merger of one subsidiary into another subsidiary	-	-	565	-	-	(565)	-
Other comprehensive income for the period ended 31 December 2011	-	-	(4)	1,024	-	(72)	948
Other movements	-	-	(285)	-	-	-	(285)
BALANCE AS OF 31 DECEMBER 2011	113,154	79,444	137,532	(2,841)	11,181	6,597	345,067
BALANCE AS OF 31 DECEMBER 2011	113,154	79,444	137,532	(2,841)	11,181	6,597	345,067
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

Ivaylo Donchev
Executive Director

Yordan Hristov, Chief accountant

George Konstantinov
Executive Director



EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER OF 2012 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 fourth quarter of 2012 the Group applied the same accounting policy and the same methods of evaluation, as upon the preparation of the annual consolidated financial statements for 2011.

During the fourth quarter of 2012 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 2012 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 fourth quarter of 2012 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 fourth quarter of 2012 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 fourth quarter of 2012 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 fourth quarter of 2012 no extraordinary positions occurred with regard to the assets, the shareholders' equity, the income and expenses. During the fourth quarter of 2012 as a liability in the report on the financial state there is the position "subordinated debt", which reflects the obtained by the mother bank subordinated term debt at the amount of BGN 45 000 000 (forty-five million). The total assets in the report on the financial condition of the Group as at 31.12.2012 increased compared to 31.12.2011, whereas the increase is by 15.20%. The increase in total assets of the Group is mainly due to the increase in the attracted funds as deposits from non—financial institutions and other clients. 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 31.12.2012 comes only from income and expenses, concerning the ordinary activity of the Group.

In the fourth quarter of 2012 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 December 2012 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 fourth quarter of 2012 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 December 2012 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 fourth quarter of 2012 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 December 2012 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 fourth quarter of 2012 the Group does not have any issued, repurchased or repaid debt and capital securities.

5. Information about the accrued /paid / dividends.

During the fourth quarter of 2012 the Group did not accrue and did not pay dividends to its shareholders.

6. Events after the statements date

After the end of the fourth quarter of 2012 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 fourth quarter of 2012 compared to 31.12.2011 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 a decrease in liabilities amount compared to 31.12.2011, whereas the decrease concerns provided by the Bank guarantees and commitments under concluded contracts for the granting of loans.

Ivaylo Donchev
Executive Director

Yordan Hristov
Chief accountant

George Konstantinov
Procurement

