

## CENTRAL COOPERATIVE BANK AD

SEPARATE 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
<b>ASSETS</b>		
Cash and balances with the Central Bank	677,165	930,904
Placements with and advances to banks	293,523	293,717
Receivables under repurchase agreements	86,309	48,664
Financial assets held for trading	270,938	131,833
Loans and advances to customers, net	1,857,220	1,771,998
Other assets	80,087	57,406
Financial assets available for sale	270,454	206,237
Financial assets held to maturity	128,585	160,252
Investments in subsidiaries	57,809	58,662
Property, plant, and equipment	85,080	82,039
Non-current assets held for sale	4,679	3,521
<b>TOTAL ASSETS</b>	<b>3,811,849</b>	<b>3,745,233</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits from banks	53,108	16,125
Loans from banks	-	7,072
Amounts owed to other depositors	3,283,183	3,278,227
Amounts due under securities repurchase agreements	29,940	-
Other attracted funds	184	290
Issued bonds	72,289	69,897
Other liabilities	10,587	17,303
<b>TOTAL LIABILITIES</b>	<b>3,449,291</b>	<b>3,388,914</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	163,488	153,343
Revaluation reserve	151	233
Current year profit	6,321	10,145
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>362,558</b>	<b>356,319</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,811,849</b>	<b>3,745,233</b>
Commitments and contingencies	167,061	163,478

Sava Stoyanov  
Executive Director

Tihomir Atanasov  
Procurator

Yordan Hristov  
Chief accountant



CENTRAL COOPERATIVE BANK AD

SEPARATE 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	109,378	113,602
Interest expenses	(74,614)	(74,067)
Net interest income	<u>34,764</u>	<u>39,535</u>
Fees and commissions income	30,048	27,452
Fees and commissions expenses	(4,483)	(3,868)
Net fees and commissions income	<u>25,565</u>	<u>23,584</u>
Gains from transactions with securities, net	2,723	(690)
Foreign exchange rate gains, net	4,420	4,707
Other operating income, net	2,457	1,549
Operating expenses	(63,780)	(58,548)
Impairment and uncollectability income (expenses), net	<u>874</u>	<u>(1,709)</u>
Profit for the period before taxes	7,023	8,428
Taxes	(702)	(843)
PROFIT FOR THE PERIOD	<u>6,321</u>	<u>7,585</u>
Earnings per share (in BGN)	0.06	0.07
Other comprehensive income after taxes	(82)	(1,226)
Revaluation of financial assets held for sale	(82)	(1,226)
TOTAL COMPREHENSIVE INCOME AFTER TAXES	<u>6,239</u>	<u>6,359</u>

Sava Stoynov  
Executive Director

Tihomir Atanasov  
Procurator

Yordan Hristov  
Chief accountant



CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF CASH FLOWS  
AS AT 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	7,023	8,428
Depreciation and amortization	5,484	5,587
Paid profit tax	(975)	(978)
Unrealized gains from revaluation of financial assets held for trading	(7,782)	(2,690)
Increase (decrease) of provisions for liabilities and loans impairment allowances	(874)	1,709
Net cash flows before working capital changes	2,876	12,056
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	706	1
(Increase) / decrease in receivables under repurchase agreements	(37,645)	15,976
(Increase) / decrease in financial assets held for trading	(131,323)	(34,072)
(Increase) / decrease in loans and advances to customers	(84,348)	(82,037)
(Increase) / decrease in other assets	(21,555)	(12,912)
(Increase) / decrease in non-current assets held for sale	(1,158)	(783)
	(275,323)	(113,827)
Change in operating liabilities:		
Increase in deposits from banks	36,983	14,814
Increase / (decrease) in loans from banks	(7,072)	(40,937)
Increase in liabilities under repurchase agreements	29,940	-
Increase in liabilities to other depositors	4,956	138,219
Decrease in other attracted funds	(106)	(680)
Increase in subordinated debt	-	1,535
Decrease in other liabilities	(6,716)	(167)
	57,985	112,784
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(214,462)</b>	<b>11,013</b>
Cash flows from investing activities		
(Acquisitions) of property, plant, and equipment, net	(8,525)	(28,032)
(Acquisitions) of financial assets available for sale, net	(64,299)	(29,797)
(Acquisitions) of financial assets held to maturity, net	31,667	12,229
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(41,157)</b>	<b>(45,600)</b>
Cash flows from financing activities		
Increase / (decrease) in the issued bonds	2,392	-
<b>NET CASH FLOW FROM FINANCING ACTIVITY</b>	<b>2,392</b>	<b>-</b>
DECREASE IN CASH AND CASH EQUIVALENTS, NET	(253,227)	(34,587)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,220,877	1,052,161
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	967,650	1,017,574

Sava Stoykov  
Executive Director

Tihomir Atanassov  
Procurator

Yordan Hristov  
Chief accountant



CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF EQUITY CHANGES  
AS AT 30 SEPTEMBER 2014

All amounts are in thousand Bulgarian Levs

	Issued paid in capital	Premium reserve	Reserves, including retained earnings	Revaluation reserve	Profit for the year	Total
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 30 September 2013	-	-	-	-	7,585	7,585
Other comprehensive income for the period ended 30 September 2013	-	-	-	(1,226)	-	(1,226)
BALANCE AS OF 30 SEPTEMBER 2013	<u>113,154</u>	<u>79,444</u>	<u>153,343</u>	<u>67</u>	<u>7,585</u>	<u>353,593</u>
BALANCE AS OF 31 DECEMBER 2013	113,154	79,444	153,343	233	10,145	356,319
Transfer of net profit for the year ended 31 December 2013, to retained earnings	-	-	10,145	-	(10,145)	-
Net profit for the period ended 30 September 2014	-	-	-	-	6,321	6,321
Other comprehensive income for the period ended 30 September 2014	-	-	-	(82)	-	(82)
BALANCE AS OF 30 SEPTEMBER 2014	<u>113,154</u>	<u>79,444</u>	<u>163,488</u>	<u>151</u>	<u>6,321</u>	<u>362,558</u>

Sava Stoynov  
Executive Director

Tihomir Atanasov  
Procurator

Yordan Hristov  
Chief accountant



## **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.