

CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2014

All amounts are in thousand Bulgarian Levs

	As at 30.06.2014	As at 31.12.2013
ASSETS		
Cash and balances with the Central Bank	668,879	930,904
Placements with and advances to banks	338,111	293,717
Receivables under repurchase agreements	52,060	48,664
Financial assets held for trading	313,898	131,833
Loans and advances to customers, net	1,826,182	1,771,998
Other assets	83,450	57,406
Financial assets available for sale	217,203	206,237
Financial assets held to maturity	131,774	160,252
Investments in subsidiaries	84,599	58,662
Property, plant, and equipment	83,986	82,039
Non-current assets held for sale	3,969	3,521
TOTAL ASSETS	3,804,111	3,745,233
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from banks	29,307	16,125
Loans from banks	7,284	7,072
Amounts owed to other depositors	3,317,980	3,278,227
Other attracted funds	207	290
Issued bonds	71,463	69,897
Other liabilities	16,154	17,303
TOTAL LIABILITIES	3,442,395	3,388,914
SHAREHOLDERS' EQUITY		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	163,488	153,343
Revaluation reserve	1,013	233
Current year profit	4,617	10,145
TOTAL SHAREHOLDERS' EQUITY	361,716	356,319
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,804,111	3,745,233
Commitments and contingencies	149,097	163,478

George Konstantinov
Executive Director

Yordan Hristov
Chief accountant

Tihomir Atanasov
Procurator

CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

AS OF 30 JUNE 2014

All amounts are in thousand Bulgarian Levs

	As at 30.06.2014	As at 30.06.2013
Interest income	72,171	75,983
Interest expenses	(52,000)	(48,948)
Net interest income	<u>20,171</u>	<u>27,035</u>
Fees and commissions income	19,526	17,823
Fees and commissions expenses	(2,786)	(2,456)
Net fees and commissions income	<u>16,740</u>	<u>15,367</u>
Gains from transactions with securities, net	1,996	(1,087)
Foreign exchange rate gains, net	4,522	4,185
Other operating income, net	1,958	1,126
Operating expenses	(41,560)	(38,648)
Impairment and uncollectability income (expenses), net	<u>1,303</u>	<u>(1,516)</u>
Profit for the period before taxes	5,130	6,462
Taxes	(513)	(646)
PROFIT FOR THE PERIOD	<u>4,617</u>	<u>5,816</u>
Earnings per share (in BGN)	0.04	0.05
Other comprehensive income after taxes	<u>780</u>	<u>(908)</u>
Revaluation of financial assets held for sale	<u>780</u>	<u>(908)</u>
TOTAL COMPREHENSIVE INCOME AFTER TAXES	<u>5,397</u>	<u>4,908</u>

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CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2014

All amounts are in thousand Bulgarian Levs

	As at 30.06.2014	As at 30.06.2013
Cash flows from operating activities:		
Profit before taxes	5,130	6,462
Depreciation and amortization	3,707	3,719
Paid profit tax	(650)	(650)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(3,744)	(1,795)
Increase (decrease) of provisions for liabilities and loans impairment allowances	(1,303)	1,516
Net cash flows before working capital changes	3,140	9,252
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	690	(755)
(Increase) / decrease in receivables under repurchase agreements	(3,396)	17,489
(Increase) / decrease in financial assets held for trading	(178,321)	(50,093)
(Increase) / decrease in loans and advances to customers	(52,881)	(68,703)
(Increase) / decrease in other assets	(24,347)	(13,813)
(Increase) / decrease in non-current assets held for sale	(448)	(244)
	(258,703)	(116,119)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	13,182	37,322
Increase / (decrease) in loans from banks	212	(40,937)
Increase / (decrease) in liabilities under repurchase agreements	-	19,500
Increase / (decrease) in liabilities to other depositors	39,753	15,739
Increase / (decrease) in other attracted funds	(83)	(219)
Increase / (decrease) in subordinated debt	-	1,018
Increase / (decrease) in other liabilities	(1,149)	(1,909)
	51,915	30,514
NET CASH FLOWS FROM OPERATING ACTIVITIES	(203,648)	(76,353)
Cash flows from investing activities		
(Acquisitions) of property, plant, and equipment, net	(5,654)	(26,493)
(Acquisitions) of investments in subsidiaries	(25,937)	-
(Acquisitions) of financial assets available for sale, net	(11,746)	(22,714)
(Acquisitions) of financial assets held to maturity, net	28,478	16,655
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(14,859)	(32,552)
Cash flows from financing activities		
Increase / (decrease) in the issued bonds	1,566	-
NET CASH FLOW FROM FINANCING ACTIVITY	1,566	-
DECREASE IN CASH AND CASH EQUIVALENTS, NET	(216,941)	(108,905)
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	1,003,936	943,256

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CENTRAL COOPERATIVE BANK AD

SEPARATE STATEMENT OF EQUITY CHANGES
AS AT 30 JUNE 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 June 2013	-	-	-	-	5,816	5,816
Other comprehensive income for the period ended 30 June 2013	-	-	-	(908)	-	(908)
BALANCE AS OF 30 JUNE 2013	<u>113,154</u>	<u>79,444</u>	<u>153,343</u>	<u>385</u>	<u>5,816</u>	<u>352,142</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 June 2014	-	-	-	-	4,617	4,617
Other comprehensive income for the period ended 30 June 2014	-	-	-	780	-	780
BALANCE AS OF 30 JUNE 2014	<u>113,154</u>	<u>79,444</u>	<u>163,488</u>	<u>1,013</u>	<u>4,617</u>	<u>361,716</u>

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EXPLANATORY NOTES TO THE INTERIM INDIVIDUAL FINANCIAL STATEMENTS FOR THE SECOND QUARTER OF 2014 OF CENTRAL COOPERATIVE BANK AD /THE BANK /

1. Information about the accounting policy

During the second quarter of 2014 the Bank applied the same accounting policy and the same methods of evaluation, as upon the preparation of the annual individual financial statements for 2013.

During the second quarter of 2014 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 second quarter of 2014 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 second quarter of 2014 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 second 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 method and are devaluated under conditions, proving the decrease in the loans value.

During the second quarter of 2014 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 second 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 Bank.

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

During the second quarter of 2014 no extraordinary positions occurred with regard to the assets, liabilities, the shareholders' equity, the income and expenses.

The total assets in the report on the financial condition of the Bank as at 30.06.2014 increased compared to 31.12.2013 and reaches BGN 3 804 111 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 30.06.2014 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 second quarter of 2014 the Bank does not have any issued, repurchased or repaid debt securities of its, as well as issued and repurchased capital securities.

5. Information about the accrued /paid / dividends.

During the second quarter of 2014 the Bank did not accrue or pay any dividends to its shareholders.

6. Events after the statements date

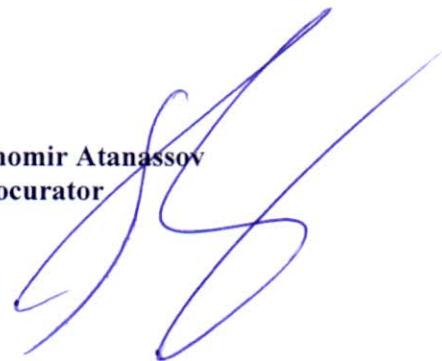
After the end of the second quarter of 2014 no events have occurred, which have a significant impact on the future development of the Bank.

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

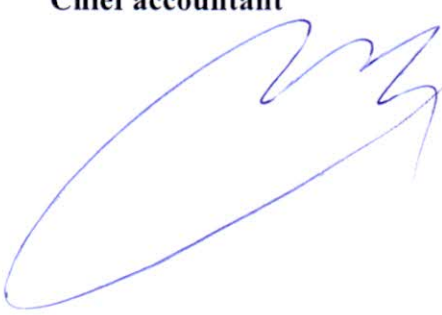
During the second quarter of 2014 compared to 31.12.2013 there are changes in the direction of a increase in the conditional assets of the Bank, concerning the assets provided by the clients as loan collateral. With respect to the conditional liabilities during the period there are changes in the direction of a decrease in liabilities amount compared to 31.12.2013, whereas the decrease concerns provided by the Bank guarantees and commitments under concluded contracts for the granting of loans.



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