

CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014

All amounts are in thousand Bulgarian Levs

	As at 31.03.2014	As at 31.12.2013
ASSETS		
Cash and balances with the Central Bank	935,438	974,682
Placements with and advances to banks	234,648	262,819
Receivables under repurchase agreements	51,958	48,664
Financial assets held for trading	252,943	132,039
Loans and advances to customers, net	1,909,337	1,860,852
Other assets	65,385	60,681
Financial assets available for sale	208,664	215,196
Financial assets held to maturity	259,252	283,551
Fixed assets	124,856	123,904
Good will	6,517	6,517
Non-current assets held for sale	6,330	6,934
TOTAL ASSETS	4,055,328	3,975,839
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits from banks	17,067	20,706
Loans from banks	9,411	7,811
Amounts owed to other depositors	3,562,275	3,481,436
Other attracted funds	1,020	1,068
Issued bonds	70,646	69,897
Other liabilities	17,516	19,017
TOTAL LIABILITIES	3,677,935	3,599,935
SHAREHOLDERS' EQUITY		
Issued capital	113,154	113,154
Premium reserve	79,444	79,444
Reserves, including retained earnings	167,937	156,781
Revaluation reserve	797	303
Current year profit	2,166	10,865
Total shareholders' equity of the shareholders of the mother Bank	363,498	360,547
Non-control participation	13,895	15,357
TOTAL SHAREHOLDERS' EQUITY	377,393	375,904
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	4,055,328	3,975,839
Commitments and contingencies	176,968	173,253

George Konstantinov
Executive Director

Yordan Hristov
Chief accountant

Tihomir Atanasov
Procurator



CENTRAL COOPERATIVE BANK AD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS OF 31 MARCH 2014

All amounts are in thousand Bulgarian Levs

	As at 31.03.2014	As at 31.03.2013
Interest income	39,461	41,331
Interest expenses	(28,346)	(25,413)
Net interest income	<u>11,115</u>	<u>15,918</u>
Fees and commissions income	10,416	9,670
Fees and commissions expenses	(1,513)	(1,332)
Net fees and commissions income	<u>8,903</u>	<u>8,338</u>
Gains from transactions with securities, net	2,648	(1,637)
Foreign exchange rate gains, net	126	4,818
Other operating income, net	583	653
Operating expenses	(20,918)	(23,292)
Impairment and uncollectability income (expenses), net	775	(2,452)
Expenses for devaluation of non-current assets	(761)	-
Profit for the period before taxes	<u>2,471</u>	<u>2,346</u>
Taxes	(421)	(544)
PROFIT FOR THE PERIOD	<u><u>2,050</u></u>	<u><u>1,802</u></u>
Revaluation of financial assets held for sale	510	(998)
Foreign exchange differences from converting the statements from overseas business	-	(82)
Revaluation of non-current assets, held for sale	12	-
Other comprehensive income after taxes	<u>522</u>	<u>(1,080)</u>
TOTAL COMPREHENSIVE INCOME AFTER TAXES	<u><u>2,572</u></u>	<u><u>772</u></u>
Share of the profit for non-control participation	(116)	(47)
Share of the profit for the mother Bank	2,166	1,849
Share of the total comprehensive income for non- control participation	(112)	(51)
Share of the total comprehensive income for the mother Bank	2,684	823
Earnings per share for the shareholders of the mother Bank (in BGN)	0.02	0.02

George Konstantinov
Executive Director

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CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 MARCH 2014

All amounts are in thousand Bulgarian Levs

	As at 31.03.2014	As at 31.03.2013
Cash flows from operating activities:		
Profit before taxes	2,471	2,346
Depreciation and amortization	2,315	2,432
Income tax paid	(112)	(450)
Unrealized losses/(gains) from revaluation of financial assets held for trading	(2,785)	(655)
Unrealized losses/(gains) from revaluation of financial assets, recorded at fair value in the profit or loss	-	(128)
Increase (decrease) of provisions for liabilities and loans impairment allowances	(775)	2,452
Devaluation of non-current assets	761	-
Other adjustments	(28)	-
Net cash flows before working capital changes	1,847	5,997
Change in operating assets:		
(Increase) / decrease in placements with, and advances to, banks with maturities above 90 days	(1,355)	(602)
(Increase) / decrease in receivables under repurchase agreements	(3,294)	(2,087)
(Increase) / decrease in financial assets held for trading	(118,119)	(36,348)
(Increase) / decrease in financial assets recorded at fair value in the profit or loss	-	1,574
(Increase) / decrease in loans and advances to customers	(47,710)	(15,747)
(Increase) / decrease in other assets	(4,704)	(1,373)
(Increase) / decrease in non-current assets held for sale	604	476
	(174,578)	(54,107)
Change in operating liabilities:		
Increase / (decrease) in deposits from banks	(3,639)	28,217
Increase / (decrease) in loans from banks	1,600	(35,972)
Increase / (decrease) in liabilities under repurchase agreements	-	44,920
Increase / (decrease) in liabilities to other depositors	80,839	(24,613)
Increase / (decrease) in other attracted funds	(48)	(138)
Increase / (decrease) in subordinated debt	-	506
Increase / (decrease) in other liabilities	1,501	(3,468)
	80,253	9,452
NET CASH FLOWS FROM OPERATING ACTIVITIES	(92,478)	(38,658)
Cash flows from investing activities		
(Acquisitions) / sale of property, plant, and equipment, net	(3,267)	(10,064)
(Acquisitions) / sale of financial assets available for sale, net	7,042	(28,666)
(Acquisitions) / sale of financial assets held to maturity, net	24,299	30,171
NET CASH FLOWS USED IN INVESTING ACTIVITIES	28,074	(8,559)
Cash flows from financing activity		
Issue of share capital	-	-
Increase (decrease) in issued bonds	749	-
NET CASH FLOW FROM FINANCING ACTIVITY	749	-
INCREASE IN CASH AND CASH EQUIVALENTS, NET	(63,655)	(47,217)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,232,790	1,097,609
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,169,135	1,050,392

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CENTRAL COOPERATIVE BANK AD
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 31 MARCH 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 31 March 2013	-	-	-	-	1,849	(47)	1,802
Other comprehensive income for the period ended 31 March 2013	-	-	(82)	(994)	-	(4)	(1,080)
Other movements	-	-	61	-	-	44	105
BALANCE AS OF 31 MARCH 2013	113,154	79,444	156,650	489	1,849	15,023	366,609
BALANCE AS OF 31 MARCH 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 31 March 2014	-	-	-	-	2,166	(116)	2,050
Other comprehensive income for the period ended 31 March 2014	-	-	-	520	-	2	522
Other movements	-	-	291	(26)	-	(1,348)	(1,083)
BALANCE AS OF 31 MARCH 2014	113,154	79,444	167,937	797	2,166	13,895	377,393

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EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST 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 "IC Bank", Kazan, the Republic of Tatarstan, Russian Federation (subsidiary) as a single reporting unit (the Group).

1. Information about the accounting policy

During the first 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 first 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 first 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 first 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 first 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 first 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 first 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 31.03.2014 increased compared to 31.12.2013 and reach BGN 4 055 328 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 31.03.2014 comes only from income and expenses, concerning the ordinary activity of the Group.

In the first 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 31 March 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 first 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 31 March 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 first quarter of 2014 there is no change in the shareholder participation of the mother Bank in the capital of the subsidiary ZAO "IC Bank", Kazan, the Republic of Tatarstan, Russian Federation, as a result of which as at 31 March 2014 Central Cooperative Bank AD, Sofia has 16 497 905 ordinary shares in the capital of ZAO AKB "IC Bank", Kazan, the Republic of Tatarstan, Russian Federation, which is 56.20 % of the capital of the subsidiary.

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

During the first 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 first quarter of 2014 the Group did not accrue or pay dividend to its shareholders.

6. Events after the statements date

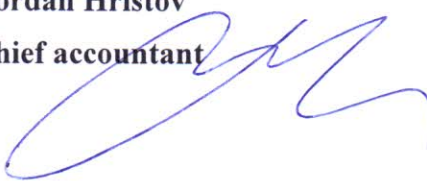
After the end of the first quarter of 2014 no events have occurred, which have a significant impact on the future development of the Group.

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

During the first quarter of 2014 compared to 31.12.2013 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 and commitments under concluded contracts for the granting of loans.


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