



RoE	9.52%	P/E	5.77
RoA	1.25%	P/Assets	0.07
		P/B	0.52

Stock Price of Central Cooperative Bank



- Central Cooperative Bank (4CF) was one of the fast growing financial institutions before the credit crisis. Since the beginning of 2008 the growth rate of assets decreased substantially. Bulgarian banks froze their plans for expansion and tightened the credit conditions. CCB was not exception but as the bank is part of the fast growing group of Chimimport it managed to continue to increase its assets.

- The cost-cutting and the halted branch expansion improved the profit margins of CCB during the first quarter of 2009. However, the financial result during the second quarter was very weak and only the gains from operations with securities prevented a huge decline during the seasonally profitless period for the bank. The last reporting period showed the return toward gains from banking operations while the operations with financial instruments posted only BGN 0.88 million profit for the quarter. However, 65% of the year-to-date profit before taxes was due to the trading with financial instruments.

- The net profit for the quarter improved as compared to the previous three months but stay lower to the same period of the last year. The quarterly profit was BGN 2.72 million or 14.4% lower than year ago.

- Impairments from bad loans were BGN 0.67 million from the beginning of 2009. This was significantly lower than the average for the large commercial banks in Bulgaria. Credits are growing faster than the assets, respectively 12.5% and 9% from the beginning of the year.

- We regard the quarterly report of CCB as neutral as the bank didn't posted significant deviation from the last year results. Our only concern is the quality of the credit portfolio and the eventual increase of impairments for non-performing loans. The position is trading at low multiples and the valuation is reflecting the fundamentals and the high liquidity of the stock. It is currently testing the uptrend from late-February and the next level of support stands around BGN 1.10. CCB's decline was accompanied by heavy volumes. The position is liquid and volatile. It is probably the best vehicle for short-term trading when the market find support and start to move higher.



CENTRAL COOPERATIVE BANK 3Q 2009 Report

6 November 2009

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Outperform	More than 5% higher as compared to SOFIX and BG40 performance
Market Perform	Market performance, +/-5% as compared to SOFIX and BG40
Underperform	More than 5% lower as compared to SOFIX and BG40 performance

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