

Interim Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

31 December 2017



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Interim condensed consolidated statement of financial position

	Notes	31.12.2017 BGN'000	31.12.2016 BGN'000
Assets			
Non-current assets			
Property, plant and equipment	7	431 877	450 202
Investment property		406 684	337 574
Investments accounted for using the equity method	5	34 274	30 475
Goodwill		32 767	33 042
Other intangible assets		171 586	172 032
Long-term financial assets	8	2 627 300	2 452 621
Long-term related party receivables	15	12 178	8 747
Other long-term receivables		1 887	1 890
Deferred tax assets		3 854	5 009
Non-current assets		3 722 407	3 491 592
Current assets			
Inventories		47 645	47 434
Short-term financial assets	9	2 375 958	2 423 363
Related party receivables	15	43 258	65 143
Trade receivables		98 857	90 204
Tax receivables		1 788	1 380
Other receivables		177 065	166 660
Receivables from insurance and reinsurance contracts		43 235	47 373
Reinsurance assets		82 423	76 829
Cash and cash equivalents		2 232 057	1 767 126
Current assets		5 102 286	4 685 512
Assets classified as held for sale		-	7 384
Total assets		8 824 693	8 184 488

Prepared by: _____

/A. Kerezov/



Executive director: _____

/I. Kamenov/

Date: 28 February 2018

The accompanying notes on pages from 9 to 23 form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position (continued)

	Notes	31.12.2017 BGN'000	31.12.2016 BGN'000
Equity and liabilities			
Equity			
Share capital	10	227 232	226 914
Share premium		247 046	246 838
Other reserves		121 507	85 174
Retained earnings		741 232	731 056
Profit for the period		68 992	52 008
Equity attributed to the shareholders of parent company		1 406 009	1 341 990
Non-controlling interests		273 825	261 170
Total equity		1 679 834	1 603 160
Specialized reserves		278 501	276 016
Liabilities			
Non-current liabilities			
Long-term financial liabilities	11	1 245 745	1 124 021
Payables to secured persons		1 195 555	1 057 762
Long-term trade payables		47 495	36 490
Long-term related party payables	15	4 314	4 493
Finance lease liabilities		2 800	3 582
Pension and other employee obligations		2 524	2 766
Other liabilities		4 474	1 856
Provisions		598	598
Deferred tax liabilities		23 777	30 626
Non-current liabilities		2 527 282	2 262 194
Current liabilities			
Short-term financial liabilities	11	4 114 791	3 785 564
Trade payables		91 937	115 966
Short-term related party payables	15	31 413	17 692
Finance lease liabilities		1 120	1 355
Liabilities to insurance and reinsurance contracts		26 179	25 719
Pension and other employee obligations		14 470	13 107
Tax liabilities		8 240	12 071
Other liabilities		50 926	71 644
Current liabilities		4 339 076	4 043 118
Total liabilities		6 866 358	6 305 312
Total equity, reserves and liabilities		8 824 693	8 184 488

Prepared by:


/A. Kerezov/

Date: 28 February 2018



Executive director:


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Interim condensed consolidated statement of comprehensive income

	Notes	
	31.12.2017 BGN'000	31.12.2016 BGN'000
Income from non-financial activities	430 719	475 813
Expenses for non-financial activities	(392 298)	(442 118)
Change in fair value of investment property	3 999	3 594
Gain on sale of non-current assets	2 154	7 067
Net result from non-financial activities	44 574	44 356
Insurance income	349 693	331 266
Insurance expense	(317 129)	(299 555)
Net insurance result	32 564	31 711
Interest income	200 677	208 843
Interest expense	(39 182)	(54 136)
Net interest income	161 495	154 707
Gains from transactions with financial instruments	521 496	507 608
Losses from transactions with financial instruments	(433 699)	(440 520)
Net result from transactions with financial instruments	87 797	67 088
Administrative expenses	(237 428)	(241 264)
Share of profit from equity accounted investments	5 586	3 457
Other financial income	37 199	65 794
Allocation of income to secured persons	(45 021)	(51 047)
Profit before tax	86 766	74 802
Tax expense, revenue	12 (226)	(8 918)
Net profit for the period	86 540	65 884
Other comprehensive income		
Revaluation of obligations under defined benefit plans, net	-	(6)
Gains from financial assets	7 199	12 093
Total comprehensive income	93 739	77 971
Profit for the year attributable to:		
the shareholders of Chimimport AD	68 992	52 008
non-controlling interests	17 548	13 876
Total comprehensive income attributable to:		
the shareholders of Chimimport AD	73 711	62 000
non-controlling interests	20 028	15 971
Basic earnings per share in BGN	13 0.30	0.27
Diluted earnings per share in BGN	13 -	0.22

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Date: 28 February 2018

The accompanying notes on pages from 9 to 23 form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity


All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2017	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160
Increase/Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	318	208			526	-	526
Business combinations			6 230	(4 171)	2 059	(7 373)	(5 314)
Dividends	-	-	-	(12 277)	(12 277)	-	(12 277)
Transactions with owners	318	208	6 230	(16 448)	(9 692)	(7 373)	(17 065)
Profit for the period, ended at 31 December 2017	-	-	-	68 992	68 992	17 548	86 540
Other comprehensive income	-	-	4 719	-	4 719	2 480	7 199
Total comprehensive income for the period	-	-	4 719	68 992	73 711	20 028	93 739
Transfer of retained earnings to other reserves	-	-	25 384	(25 384)	-	-	-
Balance at 31 December 2017	227 232	247 046	121 507	810 224	1 406 009	273 825	1 679 834

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Date: 28 February 2018

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000

	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2016	225 092	218 469	71 581	762 910	1 278 052	239 083	1 517 135
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	1 822	28 369	-	-	30 191	-	30 191
Business combinations	-	-	(1 936)	(19 059)	(20 995)	8 459	(12 536)
Dividends	-	-	-	(7 258)	(7 258)	(2 343)	(9 601)
Transactions with owners	1 822	28 369	(1 936)	(26 317)	1 938	6 116	8 054
Profit for the year	-	-	-	52 008	52 008	13 876	65 884
Other comprehensive income	-	-	9 992	-	9 992	2 095	12 087
Total comprehensive income for the year	-	-	9 992	52 008	62 000	15 971	77 971
Transfer of retained earnings to other reserves	-	-	5 537	(5 537)	-	-	-
Balance at 31 December 2016	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160

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Executive director:


/I. Kamenov/

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Interim condensed consolidated statement of cash flows

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Proceeds from short-term loans	52 965	96 266
Payments for short-term loans	(35 968)	(104 066)
Proceeds from sale of short-term financial assets	585 084	847 848
Purchase of short-term financial assets	(691 075)	(851 825)
Cash receipt from customers	421 137	485 020
Cash paid to suppliers	(371 572)	(438 931)
Proceeds from secured persons	136 733	127 795
Payments to secured persons	(24 584)	(29 428)
Payments to employees and social security institutions	(117 439)	(116 540)
Cash receipts from banking operations	43 758 713	40 863 859
Cash paid for banking operations	(43 334 756)	(40 485 492)
Cash receipts from insurance operations	187 858	189 908
Cash paid for insurance operations	(162 800)	(166 944)
Income taxes paid	(2 168)	(2 447)
Other cash inflows/(outflows)	4 625	(304)
Net cash flow from operating activities	406 753	414 719
Investing activities		
Sale of subsidiaries, net of cash	-	3 000
Dividends received	12 558	2 375
Sale of property, plant and equipment	1 921	10 601
Purchase of property, plant and equipment	(7 362)	(28 014)
Sale of of intangible assets	(37)	-
Purchase of intangible assets	9 709	(2 235)
Sale of investment property		10 054
Purchase of investment property	(71 192)	(38 221)
Sale of non-current financial assets	543 806	465 724
Purchase of non-current financial assets	(470 273)	(248 169)
Interest payments received	51 107	53 787
Proceeds from loans granted	65 987	38 044
Payments for loans granted	(12 480)	(81 468)
Other cash (outflows) inflows	(258)	(76 539)
Net cash flow from investing activities	123 486	108 939
Financing activities		
Dividends paid on preference shares	(5 557)	(5 380)
Purchase of own shares	(689)	2 861
Proceeds from loans received	33 128	89 899
Payments for loans received	(72 815)	(60 608)
Interest paid	(9 861)	(11 047)
Payments for finance leases	(1 386)	(1 786)
Other cash (outflows) inflows	(5 323)	(363)
Net cash flow from financing activities	(62 503)	13 576
Net change in cash and cash equivalents	467 736	537 234
Cash and cash equivalents, beginning of year	1 767 126	1 229 113
Exchange profit on cash and cash equivalents	(2 805)	779
Cash and cash equivalents, end of the period	2 232 057	1 767 126

Prepared by: _____

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Date: 28 February 2018



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The accompanying notes on pages from 9 to 23 form an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria. The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006. Chimimport AD (The Group) includes the parent company and all subsidiaries.

The Group is engaged in the following business activities:

- Acquisition, management and sale of shares in Bulgarian and foreign companies;
- Financing of companies in which interest is held;
- Bank services, finance, insurance and pension insurance;
- Securitization of real estate and receivables;
- Extraction of oil and natural gas;
- Construction of output capacity in the area of oil-processing industry, production of biodiesel and production of rubber items;
- Production and trading with oil and chemical products;
- Production of vegetable oil, purchasing, processing and trading with grain foods;
- Aviation transport and ground activities on servicing and repairing of aircrafts and aircraft engines;
- River and sea transport and port infrastructure;
- Commercial agency and brokerage;
- Commission, forwarding and warehouse activity.

2. Basis for the preparation of the interim condensed financial statements

These interim condensed consolidated financial statements as of 31 December 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU). Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 "Consolidated Financial Statements".

Elements of the interim consolidated financial statement of the Group are in the currency of the primary economic environment in which the Group companies carry out their activities ("functional currency"). The interim consolidated financial statements are presented in BGN, which is the functional currency of the parent-company. This is the functional currency of the parent company and subsidiaries, exception from the subsidiaries operating in the Netherlands, Germany, and Slovakia, whose functional currency is the euro, the subsidiaries operating in Macedonia, whose functional currency is the Macedonian denar and subsidiaries operating in Russia, whose functional currency is the Russian ruble. The currency of the Group is the BGN.

The interim condensed consolidated financial statements are presented in Bulgarian leva (BGN), which is also the functional currency of the Company. All amounts are presented in thousand Bulgarian leva (BGN'000) unless otherwise stated.

The interim condensed consolidated financial statements are prepared under the going concern principle.

3. Accounting policies and significant changes during the period

3.1. Accounting policy

These interim condensed consolidated financial statements (the interim consolidated financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2016.

3.2. Estimates

When preparing the interim condensed consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2016.

3.3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2016. There have been no changes in the risk management policies since year end.

4. Significant events and transactions during the reporting period

In general the Group condition is stable, in spite the current economic environment and has enough capital and liquidity to proceed with its operational activities and debt.

5. Investments accounted for using equity method

5.1. Investments in associates

The Group owns shares in the share capital of the following associated companies:

Name	31.12.2017 BGN'000	Share %	31.12.2016 BGN'000	Share %
Lufthansa Technik Sofia OOD	8 268	24.90%	6 777	24.90%
VTC AD	3 497	41.00%	3 214	41.00%
Amadeus Bulgaria OOD	3 339	45.00%	3 182	45.00%
Silver Wings Bulgaria Ltd.	5 135	42.50%	4 817	42.50%
Swissport Bulgaria	5 257	49.00%	4 959	49.00%
Dobrich fair AD	755	39.98%	745	39.98%
Kavarna Gas OOD	497	35.00%	464	35.00%
	26 748		24 158	

Investments in associates are presented in the interim condensed consolidated financial statements of the Group using the equity method. Associates have a reporting date as at 31 December 2017.

5.2. Investments in joint ventures

The Group holds shares in the capital of these joint ventures:

Name	31.12.2017 BGN '000	Share %	31.12.2016 BGN '000	Share %
Nuance BG AD	2 519	50.00%	1 310	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	<u>7 526</u>		<u>6 317</u>	

6. Segment reporting

The management responsible for making the business decisions determines the business segments on the grounds of the types of activities, the main products and services rendered by the Group. The activities of the Group are analyzed as a whole of business segments that may vary depending on the nature and development of a certain segment by considering the influence of the risk factors, cash flows, products and market requirements.

Each business segment is managed separately as long as it requires different technologies and resources or marketing approaches. The adoption of IFRS 8 had no influence on the identification of the main business segments of the Group in comparison with those determined in the last consolidated financial statements.

According to IFRS 8 the profits reported by segments are based on the information used for the needs of the internal management reporting and is regularly reviewed from those responsible for the business decisions.

According to IFRS 8 the Group applies the same evaluation policy as in the last consolidated financial statements.

The operating segments of the Group are as follows:

- Production, trade and services
- Finance sector
- Transport sector
- Real estate sector
- Construction and engineering sector

Information about the operating segments of the Group is summarized as follows:



Operating segments 31 December 2017	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	99 112	23 851	308 373	613	944	(2 174)	430 719
Change in fair value of investment property	-	1 790	-	-	-	2 209	3 999
Gain from sale of non-current assets	(146)	29	230	2 059	9	(27)	2 154
Inter-segment income from non-financial activities	8 051	816	3 695	606	1 258	(14 426)	-
Total income from non-financial activities	107 017	26 486	312 298	3 278	2 211	(14 418)	436 872
Result from non-financial activities	9 225	26 486	4 544	1 725	585	2 009	44 574
Insurance income from external customers	-	349 693	-	-	-	-	349 693
Inter-segment insurance income	-	3 726	-	-	-	(3 726)	-
Total insurance income	-	353 419	-	-	-	(3 726)	349 693
Result from insurance	-	35 055	-	-	-	(2 491)	32 564
Interest income	6 329	207 646	1 958	695	138	(16 089)	200 677
Interest expenses	(6 864)	(38 865)	(8 460)	(356)	(388)	15 751	(39 182)
Result from interest	(535)	168 781	(6 502)	339	(250)	(338)	161 495
Gains from transactions with financial instruments	5 542	520 201	13 536	-	1	(17 784)	521 496
Result from transactions with financial instruments	5 458	96 769	13 521	-	1	(27 952)	87 797
Administrative expenses	(5 037)	(229 061)	(10 282)	-	-	6 952	(237 428)
Net result from equity accounted investments in associates	43	-	5 543	-	-	-	5 586
Other financial income/ expense	(536)	41 842	(3 235)	(2)	(51)	(819)	37 199
Profit for allocating insurance batches	-	(45 021)	-	-	-	-	(45 021)
Profit for the period before tax	8 618	94 851	3 589	2 062	285	(22 639)	86 766
Tax expenses	(852)	271	579	(223)	(1)	-	(226)
Net profit for the period	7 766	95 122	4 168	1 839	284	(22 639)	86 540



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 December 2017	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	675 886	9 248 524	929 033	103 815	15 314	(2 182 153)	8 790 419
Equity accounted investments in associates	3 944	-	23 475	-	2	6 853	34 274
Total consolidated assets	679 830	9 248 524	952 508	103 815	15 316	(2 175 300)	8 824 693
Specialized reserves	-	278 501	-	-	-		278 501
Liabilities of the segment	236 626	6 831 466	421 988	29 279	8 624	(661 625)	6 866 358
Total consolidated liabilities	236 626	6 831 466	421 988	29 279	8 624	(661 625)	6 866 358



Operating segments 31 December 2016	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	126 528	18 979	315 486	697	14 543	(420)	475 813
Change in fair value of investment property	-	(82)	-	-	-	3 676	3 594
Gain from sale of non-current assets	(383)	2 544	62	164	6 470	(1 790)	7 067
Inter-segment income from non-financial activities	12 061	2 220	3 783	65	1 763	(19 892)	-
Total income from non-financial activities	138 206	23 661	319 331	926	22 776	(18 426)	486 474
Result from non-financial activities	11 380	23 661	8 340	(922)	2 494	(597)	44 356
Insurance income from external customers	-	331 266	-	-	-	-	331 266
Inter-segment insurance income	-	5 036	-	-	-	(5 036)	-
Total insurance income	-	336 302	-	-	-	(5 036)	331 266
Result from insurance	-	36 371	-	-	-	(4 660)	31 711
Interest income	6 422	217 100	2 076	460	150	(17 365)	208 843
Interest expenses	(8 201)	(55 233)	(7 370)	(79)	(618)	17 365	(54 136)
Result from interest	(1 779)	161 867	(5 294)	381	(468)	-	154 707
Gains from transactions with financial instruments	3 062	522 929	2 648	-	-	(21 031)	507 608
Result from transactions with financial instruments	3 036	80 816	2 646	-	-	(19 410)	67 088
Administrative expenses	(6 371)	(232 340)	(9 131)	-	-	6 578	(241 264)
Net result from equity accounted investments in associates	5	-	3 452	-	-	-	3 457
Other financial income/ expense	(981)	66 329	759	2	(72)	(243)	65 794
Profit for allocating insurance batches	-	(51 047)	-	-	-	-	(51 047)
Profit for the period before tax	5 290	85 657	772	(539)	1 954	(18 332)	74 802
Tax expenses	(938)	(7 288)	(519)	19	(192)	-	(8 918)
Net profit for the period	4 352	78 369	253	(520)	1 762	(18 332)	65 884



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 December 2016	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	705 220	8 573 450	883 660	76 606	24 320	(2 109 243)	8 154 013
Equity accounted investments in associates	4 027	10	23 351	-	-	3 087	30 475
Total consolidated assets	709 247	8 573 460	907 011	76 606	24 320	(2 106 156)	8 184 488
Specialized reserves	-	276 016	-	-	-	-	276 016
Liabilities of the segment	244 985	6 262 283	371 992	6 426	18 042	(598 416)	6 305 312
Total consolidated liabilities	244 985	6 262 283	371 992	6 426	18 042	(598 416)	6 305 312

The decrease in the results of the Group 's insurance business is the effect of maintaining larger technical reserves.

The Group reports a decrease in the operating results of the aviation sector due mainly to the aggressive infiltration of Low-cost companies on the Bulgarian market as well as the unfavorable weather conditions in Moscow during the summer months of 2017 leading to delays and respectively high penalties paid by the Group.

In October 2017 the Group entered into lease agreements for the rent of Provadia factory, with two of the leading companies on the Bulgarian fuel and oil production market, which will lead to a significant increase in the results of production, trade and services sector



7. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. presented in the consolidated interim financial statements as at December 31, 2017. Their carrying amount can be analyzed as follows:

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN' 000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2017	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	723 841
Additions:									
- separately acquired	-	9 150	8 286	732	4 127	881	43	7 808	31 027
Disposals									
- separately disposed	(1 049)	(1 795)	(3 876)	(333)	(3 659)	-	(40)	(17 433)	(28 185)
Balance at 31 December 2017	51 602	132 124	180 476	85 388	128 627	24 368	73 465	50 633	726 683
Depreciation									
Balance at 1 January 2017	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	(273 639)
Disposals depreciation	-	444	2 436	162	1 194	-	38	-	4 274
Depreciation	-	(3 810)	(9 734)	(1 571)	(4 735)	(1 545)	(4 046)	-	(25 441)
Balance at 31 December 2017	-	(25 287)	(116 374)	(33 741)	(55 663)	(24 166)	(39 575)	-	(294 806)
Carrying amount at 31 December 2017	51 602	106 837	64 102	51 647	72 964	202	33 890	50 633	431 877



- as at 31 December 2016

	Land	Building	Machines	Equipment	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2016	60 243	93 717	179 443	82 107	132 098	22 140	71 577	84 723	726 048
Additions:									
- separately acquired	3 114	38 295	1 802	3 086	5 200	1 035	52	22 697	75 281
- reclassified	-	-	200	-	1	390	2 508	-	3 099
Disposals									
- separately disposed	(10 701)	(6 409)	(5 279)	(204)	(8 947)	(78)	(336)	(39 795)	(71 749)
- business combinations	(5)	(834)	(100)	-	(193)	-	(339)	-	(1 471)
- reclassified	-	-	-	-	-	-	-	(7 367)	(7 367)
Balance at 31 December 2016	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	723 841
Depreciation									
Balance at 1 January 2016	-	(19 068)	(104 706)	(29 338)	(50 426)	(20 848)	(33 215)	-	(257 601)
Business combinations	-	635	425		137		91		1 288
Disposal depreciation - reclassified	-	269	3 072	13	4 214	78	337		7 983
Depreciation	-	(3 757)	(7 867)	(3 007)	(6 047)	(1 851)	(2 780)	-	(25 309)
Balance at 31 December 2016	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	(273 639)
Carrying amount at 31 December 2016	52 651	102 848	66 990	52 657	76 037	866	37 895	60 258	450 202

8. Long-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	31.12.2017	31.12.2016
	BGN '000	BGN '000
Financial assets at fair value through profit or loss	14 778	13 184
Held-to-maturity financial assets	-	-
Loans and receivables	2 093 653	1 980 609
Available-for-sale financial assets	579 401	525 167
	2 687 832	2 518 960
Impairment	(60 532)	(66 339)
	2 627 300	2 452 621

9. Short-term financial assets

Financial assets, recognized in the interim condensed consolidated statement of financial position, include the following financial asset categories:

	31.12.2017	31.12.2016
	BGN '000	BGN '000
Financial assets at fair value through profit or loss	1 397 705	1 332 561
Held-to-maturity financial assets	36 470	30 188
Loans and receivables	926 297	942 034
Held for sale financial assets	80 070	148 916
	2 440 542	2 453 699
Impairment	(64 584)	(30 336)
	2 375 958	2 423 363

10. Share capital

The share capital of Chimimport as at 31 December 2017 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 405 220 ordinary shares acquired by companies of Chimimport Group. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	31.12.2017	31.12.2016
Shares issued and fully paid:		
- beginning of the year	226 914 228	225 092 055
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	318 009	1 822 173
Shares issued and fully paid as at period end	227 232 237	226 914 228

All privilege shares, issued on 12 June 2009, were converted into ordinary shares on 15 June 2016, as per the Memorandum:

The list of principle shareholders, holding shares /ordinary and preferred/ of the capital of Chimimport AD is presented as follows:

	31.12.2017	31.12.2017	31.12.2016	31.12.2016
	Number of ordinary shares	%	Number of ordinary shares	%
Invest Capital AD	174 847 247	72.96%	175 002 247	73.03%
Other legal entities and private individuals	64 799 020	26.97%	64 644 020	26.97%
	239 646 267	100.00%	239 646 267	100.00%

Shares of the Group, acquired by subsidiaries

CCB Group AD	(1 296 605)	0.54%	(1 863 605)	0.78%
ZAD Armeec	(3 236 507)	1.35%	(3 211 507)	1.34%
CCB AD	-	-	(192 620)	0.08%
POAD CCB Sila	(7 872 107)	3.28%	(7 464 307)	3.11%
Trans Intercar EAD	(5 300)	0.00%	-	-
	(12 410 519)	5.17%	(12 732 039)	5.31%
Net number of shares	227 235 748		226 914 228	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2016 and 2017 amounts to 5% and the tax is deducted from the gross amount of dividends.

11. Borrowings

Borrowings include financial liabilities as follows:

	Current		Non-current	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	BGN'000	BGN'000	BGN'000	BGN'000
Financial liabilities measured at amortized cost:				
Liabilities to depositors	3 982 023	3 633 088	1 072 305	998 430
Liabilities for dividends	-	6 506	-	-
Bonds and debenture loan	2 558	2 895	29 792	34 587
Bank loans	61 373	67 239	120 419	83 278
Other borrowings	30 293	31 268	5 235	3 520
Derivatives, held-for-trading	-	209	-	-
Deposits from banks	7 048	8 359	-	-
Cession liabilities	15 447	18 591	17 994	4 206
Liabilities under repurchase agreements	16 049	17 409	-	-
Total carrying amount	4 114 791	3 785 564	1 245 745	1 124 021

During the period the Group of Chimimport received borrowings other than borrowings from banking activities under long-term and short-term loans agreements for cash at interest rates between 3% - 8%

12. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2017 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2016 was 10%).

13. Earnings per shares

The basic earnings per share have been calculated using the net results attributable to shareholders of the Company as the numerator.

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders, as at 31 December 2017, is:

	31 December 2017	31 December 2016
Profit attributable to the shareholders (BGN)	68 992 000	52 008 000
Weighted average number of outstanding shares	227 232 247	189 239 232
Basic earnings per share (BGN per share)	0.30	0.27

The weighted average number of shares /ordinary and preferred/, used in calculating the diluted basic earnings per share, as well as the net profit, adjusted with dividend expense, attributable to shareholders, is as follows:

	31 December 2016
Net profit, attributable to shareholders of the Group, adjusted with dividend expense (BGN)	53 933 269
Weighted average number of shares	226 010 630
Basic earnings per share (BGN per share)	0.22

14. Related party transactions

The Group's related parties include its owners, associates and key management personnel.

14.1. Transaction with owners

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Sale of goods and services, interest income and other income		
- <i>interest income</i>		
Owners	752	2 296
- sale of services and others		
Owners	17	17
Purchase of goods and services, interest expense and other expense		
- purchase of services		
Owners	(43)	(300)
- <i>interest expense</i>		
Owners	-	(1)

14.2. Transaction with associates and other related parties under common control

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Sale of goods and services, interest income and other income		
- <i>sale of finished goods</i>		
- associated parties	614	571
- other related parties	400	408

Sale of goods and services, interest income and other income	31.12.2017	31.12.2016
	BGN'000	BGN'000
<i>- sale of goods</i>		
- associated parties	364	351
- other related parties	952	1 483
<i>- sale of services</i>		
- associated parties	5 694	5 470
- joint ventures	63	23
- other related parties	172	2 240
<i>- interest income</i>		
- associated parties	60	33
- joint ventures	450	25
- other related parties	1 713	2 478
<i>- other income</i>		
- associated parties	68	32
- other related parties	-	19
Purchase of services and interest expense	31.12.2017	31.12.2016
	BGN'000	BGN'000
<i>- purchase of services</i>		
- associated parties	(12 631)	(15 633)
- joint ventures	(825)	-
- other related parties	(6 955)	(6 326)
<i>- interest expense and other expenses</i>		
- associated parties	(7)	(10)
- joint ventures	-	-
- other related parties joint ventures	(38)	(42)

14.3. Transaction with key management personnel

Key management of the Group includes members of the Managing Board and Supervisory Board. Key management personnel remuneration includes the following expenses:

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(1 201)	(956)
Social security costs	(20)	(19)
Group car allowance	-	-
Total:	(1 221)	(975)

15. Related party balances

	31.12.2017	31.12.2016
	BGN'000	BGN'000
Non-current receivables from:		
-owners	-	3 056
-associated parties	2 295	2 317
-joint- ventures	3 301	40
- other related parties	6 582	3 334
Total	12 178	8 747
Current receivables from:		
-owners	28 442	37 827
- associates	230	834
-joint- ventures	3 558	698
- other related parties	11 028	25 784
Total	43 258	65 143
	31.12.2017	31.12.2016
	BGN'000	BGN'000
Non-current payables to:		
-owners	-	10
- associates and joint ventures	2 798	2 934
-joint- ventures	379	130
- other related parties	1 137	1 419
Total	4 314	4 493
Current payables to:		
-owners	9 389	580
- associates	12 616	13 914
-joint- ventures	262	3
- other related parties	9 146	3 195
Total	31 413	17 692

16. Post - reporting date events

No significant events occurred after the reporting date.

17. Autorization of the interim condensed financial statements

The interim condensed consolidated financial statements as of 31 December 2017 (including comparatives) were approved for issue by the Managing board on 28 February 2018.