



ANNUAL CONSOLIDATED ACTIVITY REPORT

31 DECEMBER 2016

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For more information,

please visit: www.chimimport.bg

GENERAL INFORMATION

INTRODUCTION

The present Annual Activity Report of the Group of Chimimport AD presents comments and analyzes of the financial statements and other material data on the financial position and the results of the Company's activity covering the one-year period from 1 January 2016. Until 31 December 2016. The report is prepared in accordance with the requirements of the Accountancy Act, Art. 100n, par. 7 of the Public Offering of Securities Act and Annex 10 to Art. 32, par. 1, item 2, from Ordinance № 2 of 17 September 2003.

More than 70 years "Chimimport" AD is one of the most successful Bulgarian enterprises. It started as a foreign trade company specializing in the marketing of chemical products, today "Chimimport" AD is an established holding company, uniting successful businesses.

The main area of activity of "Chimimport" AD is the acquisition, sale of shares in Bulgarian and foreign companies, restructuring and management of subsidiaries of the portfolio. Subsidiaries occupy leading positions in various economic sectors, which operate:

- banking and finance
- non-life insurance
- life insurance
- Pensions
- air transport and ground activities on servicing and repair of aircraft
- manufacture, production and marketing of petroleum and chemical products and natural gas
- production, processing and trade with cereals and vegetable oils

Each of every 6 700 employees in the structure of "Chimimport" AD contributes to the successful integration of Bulgarian business to European standards. Recent years have strengthened the company as a leader of the "Bulgarian Stock Exchange - Sofia" AD, included in "Premium" segment share, in the indices SOFIX, BGBX40 and BGTR30, which is the result of proper planning of investments and professional actions and efforts of management. The company's activities as a public company is the creation and establishment of effectively functioning corporate governance models to ensure equal treatment and protection of the rights of all shareholders. The common practice is the transparent and fair disclosure of information needed by current shareholders, stakeholders and potential investors.

At this stage the main advantages of "Chimimport" AD are:

- Knowledge of economic and political conditions and resources in Bulgaria, needs and specificities of clients conquered good positions in strategic sectors of the economy;
- Approved management team - the group has a highly motivated team of managers with a vision for the growth of the holding company, with proven skills and experience in management, acquisition and restructuring of companies in both favorable and unfavorable market environment.



IVO KAMENOV
CEO /Chief Executive Officer/

GENERAL INFORMATION

MANAGING BODIES



Members of Supervisory Board :

Chairman of the Supervisory Board
Invest Capital AD

Member of the Supervisory Board
CCB Group EAD

Member of the Supervisory Board
Mariana Bazhdarova.

Members of Managing Board:

Chairman of the Managing Board
Tsvetan Botev

Deputy Chairman of the Managing Board;
Alexander Kerezov

Executive Director and Member of the Managing Board
Ivo Kamenov

Executive Director and Member of the Managing Board
Marin Mitev

Member of the Managing Board
Nikola Mishev

Member of the Managing Board
Mirolyub Panchev

The Company is managed by a two-tier management system.

Boards are:

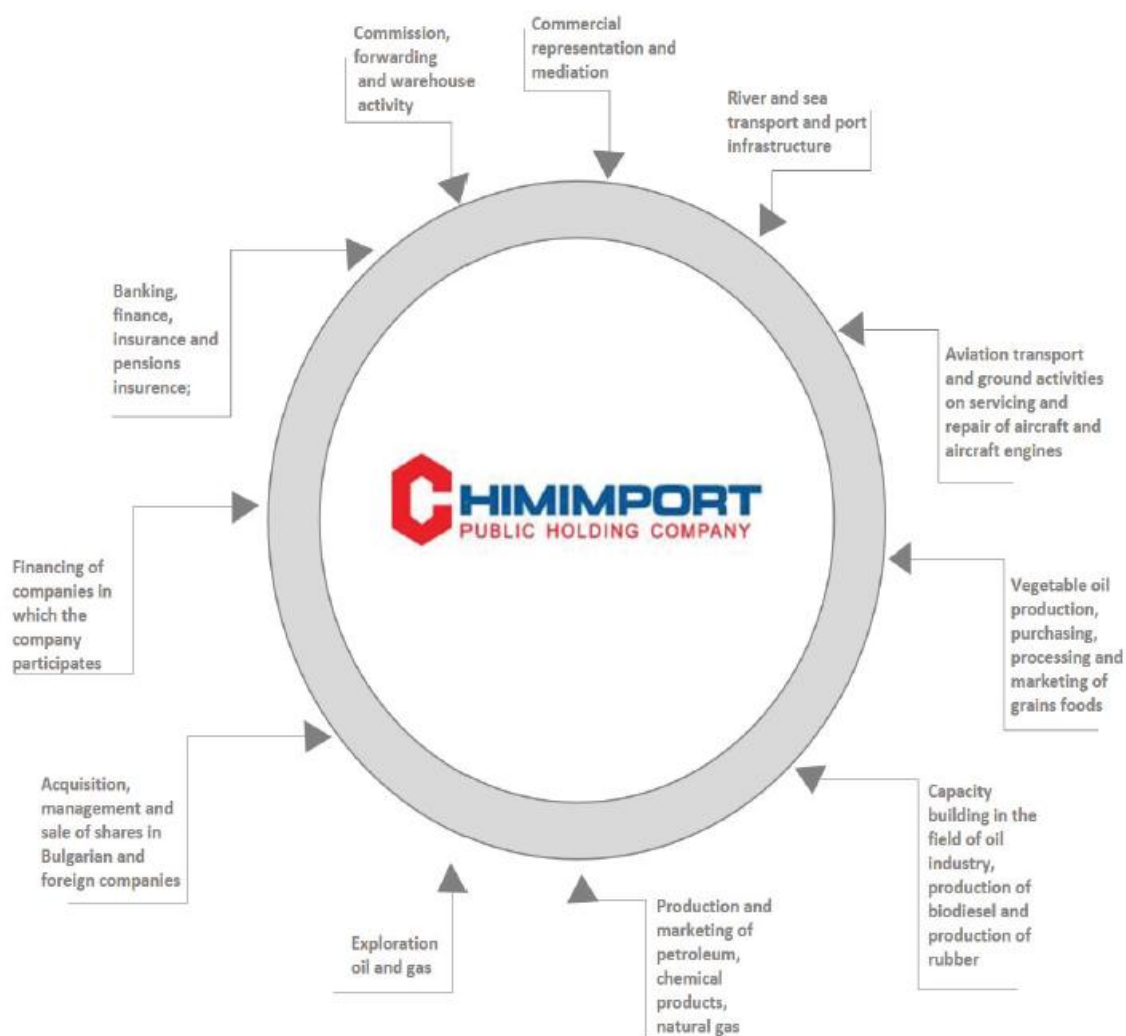
- General Meeting of Shareholders
- Supervisory Board
- Managing Board

“Chimimport” AD is represented by its executive directors Ivo Kamenov and Marin Mitev together and separately.

GENERAL INFORMATION

SCOPE OF ACTIVITY

Chimimport AD develops its activities through its subsidiaries. Its financial position, operating results and prospects are directly dependent on the status, results and prospects of its subsidiaries.



GENERAL INFORMATION

LIST A SUBSIDIARY

Name of the subsidiary	Country of incorporation	Main activities	31.12.2016 Percentage of consolidation	31.12.2016 Nominal percentage	31.12.2015 Percentage of consolidation	31.12.2015 Nominal percentage
Central Cooperative Bank AD	Bulgaria	Finance	79.35%	79.36%	82.60%	82.61%
Central Cooperative Bank AD – Skopje	Macedonia	Finance	72.88%	91.83%	76.63%	91.83%
ZAO Investment Corporate Bank	Russia	Finance	68.46%	86.27%	71.26%	86.27%
CCB Group EAD	Bulgaria	Finance	100.00%	100.00%	100.00%	100.00%
CCB Assets Management EOOD	Bulgaria	Finance	79.35%	100.00%	82.60%	100.00%
ZAD Armeec	Bulgaria	Finance	94.81%	94.81%	94.45%	94.45%
IC AO Armeec	Russia	Finance	-	-	96.34%	100.00%
OOO Itil Med	Russia	Finance	-	-	96.34%	100.00%
ZAED CCB Life	Bulgaria	Finance	100.00%	100.00%	100.00%	100.00%
POAD CCB Sila	Bulgaria	Finance	51.26%	51.26%	51.26%	51.26%
DPF CCB Sila	Bulgaria	Finance	51.26%	51.26%	51.26%	51.26%
UPF CCB Sila	Bulgaria	Finance	51.26%	51.26%	51.26%	51.26%
PPF CCB Sila	Bulgaria	Finance	51.26%	51.26%	51.26%	51.26%
Chimimport Holland B.V.	The Netherlands	Finance	-	-	100.00%	100.00%
Zarneni Hrani Bulgaria AD	Bulgaria	Production, Trade and Services	68.94%	68.94%	68.94%	68.94%

GENERAL INFORMATION

Oil and Gas Exploration and Production AD	Bulgaria	Production, Trade and Services	50.21%	66.18%	50.49%	66.38%
Bulgarska Petrolna Rafinieria EOOD	Bulgaria	Production, Trade and Services	50.21%	100.00%	50.49%	100.00%
Slanchevi Iachi Provadia EOOD	Bulgaria	Production, Trade and Services	68.94%	100.00%	68.94%	100.00%
Asenova Krepost AD	Bulgaria	Production, Trade and Services	48.76%	72.57%	52.84%	76.65%
PDNG Service EOOD	Bulgaria	Production, Trade and Services	50.21%	100.00%	50.49%	100.00%
Izdatelstvo Geologia i Mineralni Resursi OOD	Bulgaria	Production, Trade and Services	35.15%	70.00%	35.34%	70.00%
Bulchimtrade OOD	Bulgaria	Production, Trade and Services	45.50%	66.00%	45.50%	66.00%
Chimoil Trade OOD	Bulgaria	Production, Trade and Services	30.13%	60.00%	41.36%	60.00%
Rubber Trade OOD	Bulgaria	Production, Trade and Services	41.36%	60.00%	41.36%	60.00%
Chimceltex OOD	Bulgaria	Production, Trade and Services	41.45%	60.13%	41.45%	60.13%
Texim Trading OOD	Bulgaria	Production, Trade and Services	35.16%	51.00%	35.16%	51.00%
Chimoil BG EOOD	Bulgaria	Production, Trade, Services	50.49%	100.00%	50.49%	100.00%
Zarneni Hrani Grain AD	Bulgaria	Production, Trade and Services	68.94%	100.00%	68.94%	100.00%
Dializa Bulgaria OOD	Bulgaria	Production, Trade and Services	34.47%	50.00%	34.47%	50.00%
Chimimport Pharma AD	Bulgaria	Production, Trade and Services	46.88%	68.00%	46.88%	68.00%
Nacionalna Stokova Borsa AD	Bulgaria	Production, Trade and Services	75.00%	75.00%	75.00%	75.00%
Asela AD	Bulgaria	Production, Trade and Services	27.16%	51.39%	27.16%	51.39%
AK Plastic OOD	Bulgaria	Production, Trade and Services	52.31%	99.00%	52.31%	99.00%

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Prime Lega Consult OOD	Bulgaria	Production, Trade and Services	70.00%	70.00%	70.00%	70.00%
AH HGH Consult OOD	Bulgaria	Production, Trade and Services	59.34%	59.34%	59.34%	59.34%
Omega Finance OOD	Bulgaria	Production, Trade and Services	96.00%	96.00%	96.00%	96.00%
IT Systems Consult EOOD	Bulgaria	Production, Trade and Services	68.94%	100.00%	68.94%	100.00%
Technocapital AD	Bulgaria	Production, Trade and Services	86.40%	90.00%	86.40%	90.00%
Bulgarian Shipping Company EAD	Bulgaria	Sea and River Transport	100.00%	100.00%	100.00%	100.00%
Parahodstvo Bulgarsko Rečno Plavane AD	Bulgaria	Sea and River Transport	81.91%	81.91%	80.71%	80.71%
Port Balchik AD	Bulgaria	Sea and River Transport	77.88%	100.00%	77.88%	100.00%
Port Lesport AD	Bulgaria	Sea and River Transport	99.00%	99.00%	99.00%	99.00%
Lesport Project Management EOOD	Bulgaria	Sea and River Transport	99.00%	100.00%	99.00%	100.00%
MAYAK KM AD	Bulgaria	Sea and River Transport	76.07%	94.25%	76.07%	94.25%
Bulgarian Logistic Company EOOD	Bulgaria	Sea and River Transport	100.00%	100.00%	100.00%	100.00%
Port Pristis OOD	Bulgaria	Sea and River Transport	44.39%	55.00%	44.39%	55.00%
Portstroi Invest EOOD	Bulgaria	Sea and River Transport	100.00%	100.00%	100.00%	100.00%
Port Invest EOOD	Bulgaria	Sea and River Transport	80.71%	100.00%	80.71%	100.00%
Blue See horizon corp.	Seychelles	Sea and River Transport	80.71%	100.00%	80.71%	100.00%

GENERAL INFORMATION

Interlihter EOOD	Slovakia	Sea and River Transport	80.71%	100.00%	80.71%	100.00%
Bulgarian Aviation Group EAD	Bulgaria	Aviation Transport	100.00%	100.00%	100.00%	100.00%
Bulgaria Air AD	Bulgaria	Aviation Transport	99.99%	99.99%	99.99%	99.99%
Bulgaria Air Maintenance EOOD	Bulgaria	Aviation Transport	100.00%	100.00%	100.00%	100.00%
Bulgaria Air Technique EOOD	Bulgaria	Aviation Transport	99.99%	100.00%	99.99%	100.00%
Airport Consult EOOD	Bulgaria	Aviation Transport	100.00%	100.00%	100.00%	100.00%
Trans intercar EOOD	Bulgaria	Vehicle Transport	100.00%	100.00%	100.00%	100.00%
Energoproekt AD	Bulgaria	Construction and engineering	83.25%	83.25%	83.20%	83.20%
Energoproekt Utilities OOD	Bulgaria	Construction and engineering	42.46%	51.00%	42.43%	51.00%
Bulchimex GmbH	Germany	Real-Estate	100.00%	100.00%	100.00%	100.00%
Golf Shabla AD	Bulgaria	Real Estate	32.64%	65.00%	32.82%	65.00%
Sporten Complex Varna AD	Bulgaria	Real Estate	65.00%	65.00%	65.00%	65.00%
Sporten management AD	Bulgaria	Real Estate	65.00%	100.00%	65.00%	100.00%
TI AD	Bulgaria	Real Estate	87.66%	87.66%	87.66%	87.66%
Sitnyakovo Project Estate EOOD	Bulgaria	Real Estate	50.49%	100.00%	-	-

The Group includes non-controlling interest (NCI), broken down by segments as follows:

GENERAL INFORMATION

Name segment	Accumulated non controlling interest	
	2016 BGN '000	2015 BGN '000
Finance sector	69 925	69 759
Production, trade and services	139 757	126 945
Transport	21 819	15 764
Real Estate	28 244	25 588
Construction and engineering	1 425	1 027
TOTAL	261 170	239 083

In 2016 dividends paid to non-controlling interest amount to BGN 2 343 thousand (2015: BGN 2 945).

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Appendix № 10 to Art. 32, par. 1, of the Ordinance № 2 / 17.09.2003

- Information regarding the value and the quality of the general categories of goods, products and/or provided services including their contribution to the issuer's revenue from sales and the changes occurred in the current financial year.

Due to the specific nature of the activity of the issuer - holding activity, the main revenues of the company are both income from operating activities and financial, formed by positive differences from operations with financial instruments, interest income and dividends. Operating revenues are mainly related to investment property, services and others.

Changes in Profit and Income from Non-Financial Activities of Segment Group

Business Segments	Production, Trade and Services BGN '000	Financial Sector BGN '000	Transport Sector BGN '000	Real estate BGN '000	Construction and Engineering sector BGN '000
31 December 2016 Share of the single segment in the Group's profit	5,17%	93,06%	0,30%	(0,62%)	2,09%
31 December 2015 Share of the single segment in the Group's profit	(2,65%)	72,13%	11,67%	18,04%	0,81%

The Finance segment has the biggest share of the Group's net profit in 2016.

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Information on revenue broken down by category of activity, internal and external markets.

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31.12.2016	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	-	-	-	-	331 226
Inter-segment insurance income	-	5 036	-	-	-	(5 036)	-
Total insurance income	-	336 302	-	-	-	(5 036)	331 226
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
Total 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/ (expenses)	(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 expense	(938)	(7 288)	(519)	19	(192)	-	(8 918)
Net profit for the year	4 352	78 369	253	(520)	1 762	(18 332)	65 884

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

- Information regarding the income, distributed in separate activity category, internal and external markets, as well as information on the rendering of services, reflecting the degree of dependency for each customer. In case the percentage of any of the customers exceeds 10% of the sales revenue or expenses, information should be provided for each person individually, the client's contribution to sale or purchases and its relationship with the issuer.

Income and expenses structure

Income from non-financial activities	2016 BGN '000	2015 BGN '000	Change
Income from the sale of plane tickets	245 910	252 279	-2.52%
Income from sale of finished goods	51 731	60 472	-14.45%
Income from services rendered	67 774	72 709	-6.79%
Income from sale of trading goods	65 025	86 196	-24.56%
Other	45 373	57 030	-20.44%
Total	475 813	528 686	-10.00%

Expenses for non-financial activities	2016 BGN '000	2015 BGN '000	Change
Hired services expense	(201 822)	(201 253)	0.28%
Cost of materials	(95 578)	(111 807)	-14.52%
Cost of goods sold	(61 322)	(83 039)	-26.15%
Employee benefits expense	(36 034)	(37 081)	-2.82%
Depreciation and Amortization	(21 737)	(32 385)	-32.88%
Changes in inventories of finished goods and work in progress	1 081	(342)	-416.08%
Other	(26 706)	(6 020)	343.62%
Total	(442 118)	(471 927)	-6.32%

Gain / (Loss) from change in fair value of investment property	2016 BGN '000	2015 BGN '000	Change
Gain on change in fair value of investment properties	6 256	3 020	107.15%
Loss from change in fair value of investment properties	(2 662)	(4 231)	-37.08%
Net effect of changes in fair value of investment properties	3 594	1 211	196.78%

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Interest income by types of sources:	2016 BGN '000	2015 BGN '000	Change
Legal entities	131 067	135 120	-3.00%
Government securities	39 545	39 919	-0.94%
Banks	3 952	2 117	86.68%
Individuals	32 725	36 331	-9.93%
Other	1 554	1 846	-15.82%
Profit from sale of non-current assets	2016 BGN '000	2015 BGN '000	Change
Revenue from sale of non-current assets	41 089	62 926	-34.70%
Carrying amount of sold non-current assets	(34 022)	(43 647)	-22.05%
Total	7 067	19 279	-63.34%
Insurance income	2016 BGN '000	2015 BGN '000	Change
Insurance premium income	181 024	236 102	-23.33%
Income from reinsurance operations	136 309	87 548	55.70%
Regression income	9 937	13 252	-25.02%
Other insurance income	3 996	24 868	-83.93%
Total	331 266	361 770	-8.4%
Insurance expense	2016 BGN '000	2015 '000 BGN	Change
Net change in insurance reserves set aside	(1 354)	(29 086)	-95.3%
Indemnities paid off	(108 745)	(135 981)	-20.03%
Reinsurance expenses	(131 939)	(61 212)	115.54%
Acquisition expenses	(38 754)	(47 549)	-18.50%
Liquidation of damages expenses	(5 231)	(5 889)	-11.17%
Other insurance expenses	(13 532)	(35 961)	-62.37%
Total	(299 555)	(315 678)	-5. 1%
Total	208 843	215 333	-3.01%
Interest expenses by depositors:	2016 BGN '000	2015 BGN '000	Change
Legal entities	(15 525)	(33 033)	-53.00%
Individuals	(29 891)	(65 546)	-54.40%
Banks	(7 148)	(3 130)	128.37%
Other	(1 572)	(1 756)	-10.48%
Total	(54 136)	(103 465)	-47.68%

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Gains from transactions with financial instruments	2016 BGN '000	2015 BGN '000	Change
Gains from transactions with securities and investments	504 696	490 465	2.91%
Income from financial instruments dividends	2 912	13 853	-78.98%
Other	-	31	-100.00%
Total	507 608	504 318	0.65%

Losses from transactions with financial instruments	2016 BGN '000	2015 BGN '000	Change
Losses from transactions with securities and investments	(440 520)	(442 336)	-0.41%
Other	-	(52)	-100.00%
Total	(440 520)	(443 388)	-0.65%

Administrative expenses	2016 BGN '000	2015 BGN '000	Change
Employee benefits expense	(74 422)	(80 069)	-7.05%
Hired services expense	(67 240)	(62 589)	7.43%
Depreciation and Amortization	(14 077)	(57 375)	-75.46%
Cost of materials	(6 230)	(7 209)	-13.58%
Other	(79 295)	(43 880)	80.71%
Total	(241 264)	(251 122)	-3.93%

Employee benefits expense	2016 BGN '000	2015 BGN '000	Change
Wages	(94 265)	(100 066)	-5.80%
Social security expenses	(16 191)	(17 084)	-5.23%
Total	(110 465)	(117 150)	-5.71%

Other financial income, net	2016 BGN '000	2015 BGN '000	Change
Fees and commissions income, net	58 827	41 368	42.20%
Net result from foreign exchange differences	13 061	18 418	-29.09%
Other financial (expenses)/income	(6 094)	5 729	-206.37%
Total	65 794	65 515	0.43%

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

	2016	2015	Change
	BGN '000	BGN '000	
Fees and commissions income			
Bank transfers in Bulgaria and abroad	24 146	23 210	4.03%
Servicing of deposit accounts	14 879	10 427	42.70%
Servicing loans	3 038	2 087	45.57%
Servicing commitments and contingencies	1 548	1 811	-14.52%
Other fees and commissions income, different from banks	14 019	351	3894.02%
Other income	11 023	12 915	-14.65%
Total fees and commissions income	68 653	50 801	35.14%
	2016	2015	Change
	BGN '000	BGN '000	
Fees and commissions expense			
Bank transfers in Bulgaria and abroad	(7 739)	(7 057)	9.66%
Servicing accounts	(404)	(446)	-9.42%
Release of precious parcels	(319)	(275)	16.00%
Transactions with securities	(70)	(96)	-27.08%
Other fees and commissions expenses, different from banks	(180)	-	100%
Other expenses	(1 114)	(1 559)	-28.54%
Total fees and commissions expenses	(9 826)	(9 433)	4.17%

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

- **Research and development**

- In 2016 the Company has not performed any action on research and development.

- **Information regarding conclusion of major deals or such of a significant importance for the activity of the issuer**

- The Group does not have large deals for the period under Art. 114, para 1 of Public Offering of Securities Act.

- **Information regarding the transactions between the issuer and its related parties in 2016, the proposals for concluding such deals, as well as deals not related to the main activity, including the amount of the transactions, the relationship between the parties and any other information, needed for valuation of the impact on the financial statement of the issuer**

The related parties of the Group include the parent company, its subsidiaries, the key management personnel and other parties, described below.

Unless particularly stated, transactions with related parties were not performed under special conditions and no assurance were issued or received.

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

Transactions with key management personnel	2016 BGN '000	2015 BGN '000
Short-term wages:		
- Salaries, including bonuses	(956)	(1 544)
- Social security costs	(19)	(19)
- Group car allowance	-	(2)
Total short-term benefits	(975)	(1 565)
Related party balances at year-end:	2016 BGN '000	2015 BGN '000
Non-current		
Receivables from:		
- owners	3 056	4 207
- associates	2 317	1 096
- joint ventures	40	39
- other related parties under common control	3 334	6 432
Total non-current receivables from related parties	8 747	11 774
Current	2016 BGN '000	2015 BGN '000
Receivables from:		
- owners	37 827	182 7
- associates	834	3 271
- joint ventures	698	525
- other related parties under common control	25 784	28 056
Total current receivables from related parties	65 143	214 749

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Non-current Payables to:	2016 BGN '000	2015 BGN '000
- owners	10	38
- associates	2 934	2 663
- joint ventures	130	145
- other related parties under common control	1 419	761
Total non-current payables to related parties	4 493	3 607

Current Payables to:	2016 BGN '000	2015 BGN '000
- owners	580	759
- associates	13 914	11 609
- joint ventures	3	-
- other related parties under common control	3 195	3 849
Total current payables to related parties	17 692	16 217

- Information regarding unusual events and indices for the issuer that has a significant influence on its activity and realized income and expenses; valuation of this influence on the financial results for the current year.

No unusual events for the issuer that might have a significant impact on its activities occurred in 2016

- Information regarding off-balance transactions

As at 31 December 2016 and 2015 the Group has entered into granting bank loans to customers, which future utilization depends on whether the lessees fulfil certain requirements, including no overdue loans, granting collateral with certain quality and liquidity, etc

The contingent liabilities related to the bank activity of the Group are as follows:

	2016 BGN '000	2015 BGN '000
Bank guarantees in: BGN	41 058	51 176
Bank guarantees in: foreign currency	15 765	31 006
Irrevocable commitments	118 784	123 909
Other contingent liabilities	134	329
Total contingent liabilities	175 741	206 420

As at the date of preparation of the financial statements, the Group has a legal dispute with Sofia Airport EAD in connection with an Act establishing public state receivables on airport charges. The group appealed the issued act.

Under a concession contract of "Port Terminal Lom" - part of a public transport port of Lom, the Group should maintain fixed bank guarantees.

- bank guarantee for good performance to guarantee the investment program in the amount of BGN 282 issued by Eurobank Bulgaria AD with a validity date 31.10.2017

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

- A bank guarantee: for good performance guarantee fulfillment of obligations under a contract in the amount of BGN 449 thousand, issued by DSK Bank EAD with a validity date 31.10.2017
- A bank guarantee for customs purposes to cover the duties and other state receivables of goods stored in a customs warehouse at BGN 50 thousand issued by CCB AD

Under an agreement to take credit commitments with Unicredit Bulbank AD, the Group established the first pledge on agricultural production, on claims arising from contracts, orders and invoices for realization of agricultural production, as well as all claims by all accounts the Group in the Bank

The Group has a guarantee issued from "Eurobank EFG Bulgaria" AD amounting to BGN 2 600 thousand in favor of the Customs Agency valid until April 5, 2017

- **Information regarding the shares of the issuer, its major domestic and foreign investments (in securities, financial instruments, intangible assets and real estate), as well as investments in equity securities outside its economic group and the source of financing.**

- Information regarding changes in non-current and current investments of the Group:

Changes occurred in investment in subsidiaries and Changes in controlling shares

Acquisition of Sitniakovo Project Estate EOOD

In 2016, the Group has set up a new subsidiary with a name Sitniakovo Project Estate EOOD. The capital of the newly created company amounts to BGN 6 515 thousand and is formed by an in-kind contribution of real estate

Acquisition of non-controlling interest in Energoproekt AD

In 2016, the Group acquired additional equity in the amount 0.05% in its subsidiary Energoproekt AD for the amount of BGN 2 thousand, thereby increasing its controlling interest of 83.25% (consolidation).

Acquisition of non-controlling interest in Parahodstvo Bulgarsko Rechno Plavane AD

In 2016, the Group acquired additional equity in the amount 1.20% in its subsidiary Parahodstvo Bulgarsko Rechno Plavane AD amount of BGN 285 thousand, thus increasing its controlling interest to 81.91% (consolidation).

Acquisition of non-controlling interest in ZAD Armeec

In 2016, the Group acquired additional equity in the amount 0.36% in its subsidiary ZAD Armeec amount of BGN 505 thousand, thus increasing its controlling interest to 94.81% (consolidation).

Sale of controlling interests in Asenova Krepost AD

In 2016, the Group sold equity in the amount of 4.08% in its subsidiary Asenova Krepost AD for a cash consideration of BGN 1 246 thousand, thus reducing its controlling interest of 48.76% (Consolidation).

Sale of controlling interests in Oil and Gas Exploration and Production AD

In 2016, the Group sold additional equity in the amount of 0.20% in its subsidiary Oil and Gas Exploration and Production AD for a cash amount of BGN 205 thousand, thus reducing its controlling interest of 50.29% (Consolidation).

Sale of controlling interests in Central Cooperative Bank AD

In 2016, the Group sold additional equity in the amount of 3.35% in its subsidiary Central Cooperative Bank AD for a cash amount of BGN 5,701 thousand, thus reducing its controlling interest of 79.35% (consolidation) .

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Transfer of controlling interests IC OAO Itil Armeec и OOO Itil Med

In 2016, the Group transfer the control of IC OAO Itil Armeec и OOO Itil Med and reclassifies its investment, considering its future plans and contracts as financial asset.

Sale of controlling interests in Globul Invest Holding B.V

In 2016, the Group sold the whole interests in Globul Invest Holding B.V.

- Investments accounted for using the equity method

Investments in associates

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

	2016	Share	2015	Share
	BGN '000	%	BGN '000	%
Lufthansa Technik Sofia OOD	6 777	24.90%	5 666	24.90%
Swissport Bulgaria AD	4 959	49.00%	4 253	49.00%
Silver Wings Bulgaria OOD	4 817	42.50%	3 967	42.50%
Amadeus Bulgaria OOD	3 182	45.00%	3 168	45.00%
VTC AD	3 214	41.00%	2 544	41.00%
Dobrich fair AD	745	39.98%	741	39.98%
Kavarna Gas OOD	464	35.00%	463	35.00%
Total	24 158		20 802	

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

The financial information about the associates can be summarized as follows :

	2016	2015
	BGN '000	BGN '000
Assets	102 985	100 825
Liabilities	(49 632)	(52 436)
Revenues	136 388	126 905
Profit for the period	9 179	8 677
Profit attributable to the Group	3 183	3 044

In 2016, the Group received dividends from its associate companies amounting to BGN 1 810 thousand.

Investments in joint ventures

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

Name	2016	Share	2015	Share
	BGN '000	%	BGN '000	%
Nuance BG AD	1 310	50.00%	1 036	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
Total	6 317		6 043	

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The investment in the joint venture is presented in the financial statements of the Group using the equity method. Associates have a reporting date as at 31 December. The financial information about the joint venture can be summarized as follows:

	2016 BGN '000	2015 BGN '000
Assets	28 520	28 989
Liabilities	(24 690)	(26 577)
Revenues	50 072	43 850
Loss for the period	2 706	(5 026)
Loss attributable to the Group	1 353	(2 513)
Recognized share of the loss, attributable to the Group	274	-

The Group has no contingent liabilities or other commitments in relation to the associated company.

For the reporting period, the Group's share in the profits of joint ventures is recognized after deducting unrecognized losses from previous periods

- Information on the loan agreements concluded by the issuer, its subsidiary or its Parent company in their capacity as borrowers / lenders.

Financial liabilities	Current		Non-current	
	2016 BGN '000	2015 BGN '000	2016 BGN '000	2015 BGN '000
Financial liabilities, fair value				
Derivatives, held-for-trading	209	578	-	-
Financial liabilities, depreciated cost				
Liabilities to depositors	3 633 088	3 462 081	998 430	835 887
Liabilities for dividends	6 506	14 257	-	6 912
Bonds and debenture loan	2 895	8 169	34 587	171 848
Bank loans	67 239	55 846	83 278	94 243
Other borrowings	31 268	40 629	3 520	4 382
Deposits from banks	8 359	6 433	-	-
Cession liabilities	18 591	11 395	4 206	8 412
Liabilities under repurchase agreements	17 409	9 014	-	-
Total carrying amount	3 785 564	3 608 402	1 124 021	1 121 684

Liabilities to depositors, long-term and short-term.

Analysis by term and type of currency:	2016	2015
	BGN '000	BGN '000
Demand deposits		
in BGN	859 988	785 829
in foreign currency	198 787	202 511
	1 058 775	988 340
Term deposits		
in BGN	1 200 103	1 095 773
in foreign currency	1 027 929	999 855
	2 228 032	2 095 628
Savings accounts		
in BGN	903 673	803 246

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in foreign currency	431 666	398 914
	1 335 339	1 202 160
Other deposits		
in BGN	8 513	8 718
in foreign currency	859	3 122
	9 372	11 840
Total liabilities to depositors	4 631 518	4 297 968

Total liabilities to other depositors

	2016 BGN '000	2015 'BGN '000
Individual deposits		
in BGN	2 125 862	1 938 074
in foreign currency	1 373 184	1 327 658
	3 499 046	3 265 732
Legal entities deposits		
in BGN	833 515	745 899
in foreign currency	282 685	273 208
	1 116 200	1 019 107
Deposits of other institutions		
in BGN	13 381	8 718
in foreign currency	2 891	4 411
	16 272	13 129
Total liabilities to depositors	4 631 518	4 297 968

Dividend liabilities

Финансови задължения	Current		Non-current	
	2016 BGN '000	2015 BGN '000	2016 BGN '000	2015 BGN '000
Dividend liabilities	6 506	14 257	-	6 912

Dividend obligations of the Group are due to the issued in 2009 mandatory convertible preferred shares by 9% guaranteed fixed annual dividend. On 15 June 2016 all preferred shares of the Company are mandatory converted into ordinary shares in accordance with the terms of the prospectus for their issue. The carrying amount of BG 6 506 thousand represent the due residual value of guaranteed dividend for the period 01 January 2016 – 15 June 2016, which will be paid in 2017 after it is approved by the general meeting of Chimimport.

When converted, the preferred shareholders are considered ordinary shareholders at the date they are registered as such by the Central Depository.

In 2016 and 2015 Chimimport AD distributed to its shareholders, holders of preferred shares, guaranteed dividend in the amount of BGN 17 736 thousand (2015: BGN 17 693 thousand) or BGN 0.1998 per a privileged share.

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Bonds and debenture loans

Bonds and debenture loans, received by the Group, relate to the following entities

	Current		Non-current	
	2016 BGN '000	2015 BGN '000	2016 BGN '000	2015 BGN '000
Bonds and debenture loans	2 895	8 169	34 587	171 848
Total	2 895	8 169	34 587	171 848

The carrying amount of the bond issue at 31 December 2016 is BGN 37 482 thousand (2015 BGN 180 017 thousand) is calculate as using the effective interest

Bank loans

The Bank loans of the Group comprise loans, granted by Bulgarian commercial banks, designated for financing investment projects of the Group, as well as, for refinancing the current operating activity of the Group. Bank loans are classified according to their contracted maturity date.

	Current		Non-current	
	2016 BGN'000	2015 BGN'000	2016 BGN'000	2015 BGN'000
Bank loans	67 239	55 846	83 278	94 243

Long-term bank loans

	2016 BGN'000	2015 BGN'000
Revolving and investment bank credits	83 278	94 243

Investment loans

The Group has received the following investment loans as with the following terms and conditions:

- The Group is party to a contract for an investment bank loan signed on 23 December 2016 and repayment term is until 31 December 2025 in accordance with the repayment schedule. The annual interest is formed by the sum of the monthly SOFIBOR and a margin of 3 %. The loan is secured by corporate guarantee issued by a foreign legal entity.
- Investment loan from 30.01.2015 and repayment term until 30.04.2023 in accordance with the repayment schedule. The loan is secured by real estate. The annual interest rate is in the amount of base interest rate index, bonuses and allowances for regular debt (3M SOFIBOR) 4.9%.
- The Group has received a loan from a commercial bank with repayment term until 21 December 2020 and interest rate three months Sofibor + 6% of margin. As as collateral the Group has provided Dumb dry cargo barge BRP 19003 (owned by the Group) and tangible fixed assets purchased with funds from the loan. A
- The Group is party to a contract for an investment bank loan, signed on 21 June 2013, maturing on 22 May 2023. Payments are made in BGN and the interest on the loan is at the rate of three month SOFIBOR plus 3 bonus points, but not less than 6.5%. The loan is secured by real estate mortgage, pledge of fixed assets by the Law on Pledges.
- The Group is party to a contract for an investment loan, signed on 4 December 2015 for the purchase of extrusion plant for production of film sleeve for small containers. The annual interest is formed by the sum

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of the monthly SOFIBOR and a margin of 4.8%, but not less than 5.5%. The deadline for the loan repayment on 01/05/2019. The loan is secured by pledged property, plant and equipment.

Revolving loans

The Group has received the following revolving loans as with the following terms and conditions:

- The Group has obtained bank loan to provide working capital for a period of return respectively on 01 February 2021 with The annual interest rates on the contracts is 4.2 % on the used portion of the loan. The loan repayment period on 02.01.2021 was covered by a contract for pledge of making third party lease of "Hangar with lightweight construction (HOK)" and connecting corridor, located in the town. Sofia Slatina, Sofia Airport

Short-term bank loans

	2016 BGN'000	2015 BGN'000
Short-term revolving and investment bank credits	67 239	55 846

Investment Loans

Liabilities of the Group as at 31 December 2016 comprise the following loans bank investment loan

- The Group is party to a contract for an investment bank loan signed on 23 December 2016 and repayment term is until 31 December 2025 in accordance with the repayment schedule. The annual interest is formed by the sum of the monthly SOFIBOR and a margin of 3 %. The loan is secured by corporate guarantee issued by a foreign legal entity.

Revolving Credits

The Group has entered into an agreement for a revolving credit

- The Group was granted a bank loan on 5 October 2011 with maturity date 5 October 2016 The interest rate equals 1-month SOFIBOR plus 4.00% premium as the interest cannot be less than 8.50% and greater than 10.00%.
- The Group was granted a bank loan to provide working capital with maturity date 31 August 2017. The interest rate is 4.20%. The loan is secured by pledged receivables on current accounts.
- The Group was granted a bank loan to provide working capital with maturity date 31 August 2017. The interest rate is 4.20%. The loan is secured by pledged goods with carrying amount as at 31 December 2016.
- The Group was granted a bank loan to provide working capital with maturity date 30 May 2017. The interest rate is 4.20%. The loan is secured by pledged goods and a pledge of public procurement contract receivables for the provision of air tickets
- The Group has received a loan from a commercial bank with repayment term until 21 December 2020 and interest rate three months Sofibor + 6% of margin. As collateral the Group has provided Dumb dry cargo barge BRP 19003 (owned by the Group) and tangible fixed assets purchased with funds from the loan.
- The Group has concluded two contracts for a revolving credit with commercial banks on 16 November 2006 and 29 August 2008 with maturity dates, 28 August 2017 for both contracts. The interest rate on those three loans is 6-month EURIBOR plus 0.875% premium.
- The Group has concluded a contract for a revolving credit with commercial banks on 28 January 2008 with maturity date 25 September 2017. The interest rate on those three loans is 1-month SOFIBOR plus 6% premium.

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Other borrowings

	Current		Non-current	
	2016 BGN'000	2015 BGN'000	2016 BGN'000	2015 BGN'000
Other borrowings	31 268	40 629	3 520	4 382

Other non-current borrowings

	2016 BGN'000	2015 BGN'000
Financing from State Agricultural Fund	2 245	40
Long term borrowings	1 275	4 342
Total	3 520	4 382

Other non-current borrowings are received under annual interest rates from 3% to 8% depending on the contract period, received from third parties. The long-term borrowings are not secured. Payments are concluded in the currency, in which they were granted.

On 05 June 2013, after the successful entry into service of the Station for Geophysical Studies in Oil and Gas Drilling at the Base in Montana, the Group completed the final stage of the project financed by the Ministry of Economy and Energy under the Operational Program "Development of the Competitiveness of the Bulgarian Economy 2007-2013".

On 25.06.2014 the Group completed "Safes Trud" Project of the Operational Program "Human Resources Development". The project was implemented during the period: 25.06.2013 - 25.06.2014.

Other current borrowings

	2016 BGN'000	2015 BGN'000
Current borrowings	31 021	40 564
Financing from State Agricultural Fund	247	65
Total	31 268	40 629

Other current borrowings are received under annual interest rates from 3% to 8% depending on the contracted period. The period of repayment is on demand by the Group. The loans are not pledged with any collateral. The fair value of the loans is not separately determined as the management considers that the carrying amount of the loans is a reasonable approximation of their fair value.

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Insurance contracts liabilities

	2016 BGN'000	2015 BGN'000
Insurance liabilities	9 037	11 376
Reinsurance liabilities	16 654	25 276
Transactions with Guarantee fund	28	731
Total	25 719	37 383

Derivatives, held-for-trading

As at 31 December 2016 derivatives, held-for-trading, amounting to BGN 209 thousand (2015: BGN 578 thousand), are presented at fair value and include purchase and sales of currency, securities, forward contracts, and currency swaps on the open market.

Deposits from Banks

	Current	
	2016 BGN'000	2015 BGN'000
Demand deposits – local banks		
in BGN	325	1 159
in foreign currency	4 812	1 603
Demand deposits from foreign banks in foreign currency	1 224	1 637
Demand deposits from local banks in BGN	325	2034
Term deposits from foreign banks in foreign currency	1 673	-
	8 359	6 433

Payables under repurchase agreements of securities

As at 31 December 2016 the Group has signed agreements with a repurchase clause of securities with Bulgarian companies totaling BGN 17 409 (2015: BGN 9 017 thousand), including accrued interest liabilities on them. The Group has secured this liability with a pledge of Bulgarian government securities with a nominal value of EUR 13 500 thousand. The maturity of these agreements is until the end of 2017.

Leases

Finance leases as lessee

The Group has entered into finance leases as a lessee to acquire machinery and equipment such as ships, cars, industrial machinery and computer equipment. Assets are included in the consolidated statement of financial position in "Property, Plant and Equipment" (see note **Грешка! Източникът на препратката не е намерен.**). Net book value of assets acquired under finance leases amounted to BGN 19 387 thousand (2015: BGN 20 575 thousand).

Finance lease liabilities are secured by the related assets held under finance lease arrangements.

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Future minimum finance lease payments at the end of each reporting period under review are as follows.

31 December 2016	Within 1 year	1 to 5 years	Total
	BGN '000	BGN '000	BGN '000
Lease payments	1 506	3 846	5 352
Finance charges	(151)	(264)	(415)
Net present values	1 355	3 582	4 937

31 December 2015 r.	Within 1 year	1 to 5 years	Total
	BGN '000	BGN '000	BGN '000
Lease payments	2 015	5 354	7 369
Finance charges	(206)	(444)	(650)
Net present values	1 809	4 910	6 719

The lease agreements include fixed lease payments and purchase option in the last year of the lease term. The agreements are non-cancellable but do not contain any further restrictions. No contingent rents were recognized as an expense and no sublease income is expected to be received as all assets are used exclusively by the Group.

Operating leases as lessee

The Group's future minimum operating lease payments are as follows:

	Within 1 year	1 to 5 years	After 5 Years	Total
	BGN '000	BGN '000	BGN '000	BGN '000
31 December 2016	49 175	122 729	27 761	199 665
31 December 2015	52 050	150 689	48 860	251 599

Lease payments recognized as an expense during the period amount to BGN 51 134 thousands (2015: BGN 64 443 thousand).

Significant to the Group operating leases are related to hiring airplanes and real estate.

At the date of preparation of this consolidated financial statements, the Group is a lessee under operating leases on 5 aircraft Airbus type and 4 Embraer type. The Group's operating lease contracts do not contain conditional lease clauses. None of the operating lease contracts include a purchase option, an increase clause, or dividend restrictions, further lease or additional debt.

The Group is party to operating leases of a massive office building located in the center of Sofia, which will be used as the headquarters Central Cooperative Bank. The Group is a party to operating leases of fourteen massive office buildings located in several major cities across the country that is used for bank branches. Rights to use the buildings are set up for a period up to 2020 and 2026

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Operating lease agreements do not contain provisions for contingent payments or purchase.

Operating leases as lessor

In 2016 and 2015 the Group allows for the lease of airplanes to other companies under operating leases. Revenues from leasing of airplanes rent in 2016 amounted to BGN 9 286 thousand (2015: BGN 23 674 thousand).

In 2015 and 2016 the Group leases real estate of property, plant and equipment, and investment properties under operating leases.

Rental income for 2016 amounting to BGN 6 019 thousand (2015: BGN 2 903 thousand).

Costs incurred in operating the investment properties are amounted to BGN 724 thousand (2015: BGN 563) and are recognized in the consolidated statement of profit and loss and other comprehensive income.

Future minimum lease payments are as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	After 5 years	
	BGN '000	BGN '000	BGN '000	BGN '000
31 December 2016	6 848	53 239	33 268	93 355
31 December 2015	9 317	45 140	40 853	95 310

For operating leases, the Group does not contain any contingent rent clauses. None of the operating lease agreements contains an option to renew or purchase or escalation clauses or restrictions regarding dividends, further leasing or additional debt.

- **Information regarding the resources from the issuance of securities during the reporting period**

- During the reporting period the issuer did not increase its capital.

- **Information about changes during the reporting period in the key management principles of the issuer and its economic group.**

- In 2016 no changes have been made to the issuer's key management principles.

- **Information on changes in management and supervisory bodies during the reporting financial year**

- During the reporting period there were no changes in the number and persons participating in the Management and Supervisory Board of Chimimport AD.

- **Analysis of the relationship between the financial result in the financial statements and the previously forecasted results**

- In 2015 the Company has not published any forecasts of the financial result for the 2016. All publicly announced targets and objectives of the Group were accomplished.

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The Chimimport Group's companies have not published any forecasts for the results of the current financial year, with the exception of Assenova Krepost AD, which reported on the basis of the fourth quarter non-performing production forecast at the amount of BGN 2 653 thousand.

- **Analysis and valuation of the financial resources management policy, including the ability to cover debt payments, subsequent threats and precautions that have been taken or are to be taken by the issuer for their avoidance.**

The parent company successfully manages its financial resources and serves its duties properly and in a timely manner.

- **Assessment of the possibilities for realization of the investment intentions with indication of the amount of available funds and reflection of possible changes in the structure of financing of this activity.**

In the conditions of financial and economic crisis, the parent company, through its subsidiary Zarneni Hrani Bulgaria, carries out a serious revaluation of its investment intentions.

The factory for processing plant oils in Provadia passed the "load tests" successfully and has a permit for operation from the State Acceptance Commission. At present, the parent company has commissioned international auditing companies to present the plant in search of a potential strategic investor to jointly exploit it. This step is dictated by the insecure internal market, easier access to international markets and currency risk hedging.

- **Information about the main characteristics applied by the issuer in the process of preparing financial statements, internal control system and risk management.**

- The main features of the internal control system and risk management are detailed on page 57 and 59 of this Report.

- **Post balance sheet events**

- There are no significant events after the balance sheet date.

- **Information about the amount of remuneration, rewards and / or benefits of each of the members of the management and control bodies for the financial year, paid by the issuer and its subsidiaries, regardless of whether they have been included in the expenses of the issuer or arise from the distribution profits, including:**

The key management personnel of the Parent company includes the members of the Management Board and the Supervisory Board. The remuneration of key management personnel consists of current salaries and wages as follows

	2016	2015
	BGN'000	BGN'000
Short-term employee benefits::		
Salaries, including bonuses	(956)	(1 544)
Social security expenses	(19)	(19)
Company car allowance	-	(2)
Total remunerations	(975)	(1 565)

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- **Information about the issuer's shares held by the members of the management and supervisory bodies**

According to a reference from the Central Depository issued as at 31 December 2016, the members of the Managing and Supervisory Board own the following number of shares:

Members of the Managing Board:

IVO KAMENOV	495 880	0,21%
ALEXANDER KEREZOV	160 000 бп.	0,07%
MIROLYUB IVANOV	89 066 бп.	0,04%
NIKOLA MISHEV	36 790 бп.	0,02%
MARIN MITEV	26 533 бп.	0,01%

Members of the Supervisory Board:

INVEST CAPITAL AD	175 002 247 бп.	73,03%
CCB GROUP EAD	1 863 605 бп.	0,78%
MARIANA BAZHDAROVA	199 бп.	0,00%

The Issuer did not provide options on its securities as well as special rights of ownership on the part of the members of the Management Board.



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- Information about participation of Members of Supervisory and Managing Board in other trade companies as general partners, as owners' of more than 25 % in other companies' shares, as managers of other companies and as members of other companies' Supervisory, Managing Boards and Boards of, in accordance with Art. 247 of Commercial act.

Ivo Kamenov Georgiev – Executive director, Member of Supervisory and Managing Board of Chimimport AD:

-Manager / Executive Director: Executive Director of: Chimimport AD, UIC 000627519 –Sofia; Invest Capital AD, UIC 831541734 – Sofia;
- Member of the Managing Board of: Chimimport AD, UIC 000627519 – Sofia; CCB Group EAD, UIC 121749139 – Sofia- member of the Supervisory Board of CCB AD, UIC 831447150, - Sofia;
- Member of the Board of directors of: Invest Capital AD, UIC 831541734 – Sofia;;
-Owner of more than 25% of the shares of: Varnenska Konsultantska Kompania OOD, ID: 103060548 - Varna; Invest Capital Management OOD, UIC 103045368 - Varna;

Mariana Angelova Bazhdarova - Member of Supervisory Board of Chimimport AD:

- does not participate in the management of other companies or cooperatives as a procurator, manager or board member under art. 247 of Commercial act.
- owns directly more than 25 per cent of the capital of other companies as follows: MB CONSULT COMMERCE, UIC 203 868 694 - Sofia;

Marin Velikov Mitev – Executive Director, Member of Supervisory and Managing Board of Chimimport AD

- Manager/ Executive director of: Chimimport AD, UIC 000627519 – Sofia, Invest Capital AD, UIC 831541734 – Sofia; Sporten complex Varna AD, UIC 103941472 – Varna; Golf Shabla AD, UIC 124712625 – Shabla; Marin Mitev – Project Management, UIC 103326073. .
- Member of the Supervisory Board of: CCB AD, UIC 831447150; CCB Group EAD, ID121749139 - Sofia.
- Manager/ Executive director of: Chimimport AD, UIC 000627519 – Sofia;
-Member of the Board of directors of Invest Capital AD, UIC 831541734 – Sofia;Sporten complex Varna AD, UIC 103941472 – Varna; Golf Shabla AD, UIC 124712625; Varna-plod AD UIC 103106697, Varna
- Owner of more than 25% of the shares of: Varnenska Konsultantska Kompania OOD, ID: 103060548 - Varna; Invest Capital Management OOD, UIC 103045368 - Varna; Marin Mitev – Project Management, ID 103326073;



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Tsvetan Tsankov Botev - Chairman of the Managing Board of Chimimport AD

- Manager/ Executive director of: Chimimport Pharma AD, UIC 131181471 – Sofia; Bulchimtrade OOD, UIC 200477808 – Sofia; Chimoil Trade OOD – in liquidation; Chimimport-Biopharm Engineering AD UIC 131071224 – Sofia;
- Vice chairman of the Managing Board of CCB AD, UIC 831447150; Member of the Managing Board of Chimimport AD, UIC 000627519 – Sofia.
- Member of the Board of Directors of: Chimimport Pharma AD, UIC 131181471 – Sofia; Petrochim Trade EAD, UIC 130535554 – Sofia.
- Does not own direct investment of more than 25 % of the share capital of other companies

Alexander Dimitrov Kerezov - Deputy Chairman and member of the Managing Board of Chimimport AD

- Manager/ Executive director: Zyrneni Hrani Bulgaria AD, ID: 175410085 – Sofia ; Manager of AH HGH Consult OOD, UIC 130452457, Manager of Protect Art OOD, UIC 203844348,
- Member of the Managing Board of: Chimimport AD, UIC 000627519 ZAD Armeec, UIC 121076907; PBRP AD, UIC 827183719; CCB Group EAD, UIC 121749139; Zyrneni Hrani Bulgaria AD, UIC 175410085; Asenova Krepost AD, UIC 112012041, Bulgarian Airways Group EAD, UIC 131085074;
- member of the Supervisory Board of CCB Sila AD, UIC 825240908 – Sofia
- owner of more than 25 % of the share capital of other of: Protect Art OOD, UIC 203844348,

Nikola Peev Mishev - member of the Managing Board of Chimimport AD

- Manager/ Executive director: Petrochim Trade EAD, ID: 130535554 – Sofia; Chimsnab Trade OOD, ID: 131388356 – Sofia; Rubber Trade OOD, ID: 130430425 – Sofia; Pamporovo Property EOOD, ID: 200886790 – Asenovgrad; Bulchimtrade OOD, ID: 200477808 – Sofia; Chimceltex OOD, ID: 130434434 – Sofia; Asenova Krepost AD, ID: 115012041 – Asenovgrad;
- member of other companies' Board of Directors: : Petrochim Trade EAD, ID: 130535554 – Sofia; Asela AD, ID: 115023575 – Asenovgrad;;
- member of other companies' Managing Board: Zyrneni Hrani Bulgaria AD, ID: 175410085 – Sofia; Asenova Krepost AD, ID: 115012041 – Asenovgrad;;
- member of the Supervisory Board: Armeec Insurance JSC, UIC 121076907
- does not own direct investment of more than 25 % of the share capital of other companies.



Mirolyub Pantchev Ivanov - member of the Managing Board of Chimimport AD

- Manager/ Executive director of Omega Finance OOD, UIC 831385114 – Sofia; Prime Lega Consult OOD, UIC 130993620 – Sofia; CCB Real Estate Fond REIT, UIC 131550406 – Sofia, Capital Invest EAD, UIC 121878333 – Sofia, Invest Capital Asset Management EAD, UIC 200775128 – Sofia
- member of other companies' Managing Board: PDNG AD, ID: 824033568 – Sofia; Zyrneni Hrani Bulgaria AD, ID: 175410085 – Sofia ZAD Armeec", UIC 121076907
- member of other companies' Board of directors: Bulgarian Shipping Company EAD, ID: 175389730 – Sofia; Natsionalna stokova borsa AD, ID: 115223519 – Plovdiv; Capital Invest EAD, ID: 121878333 – Sofia; Invest Capital EAD, ID: 200775128 – Sofia; Invest Capital Asset Management EAD. UIC 200775128, Sofia
- member of the Supervisory Board of CCB Sila AD, UIC 825240908 – Sofia
- member of the Supervisory Board of CCB Sila AD, UIC 825240908 – Sofia
- does not own direct investment of more than 25 % of the share capital of other companies

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

- Information regarding the Group's agreements (including post balance sheet period), that may cause changes in the relative number of the shares and bonds, owned by the current shareholders and bondholders

There is no information regarding the Company's agreements (including post balance sheet period), that may cause changes in the relative number of the shares and bonds, owned by the current shareholders and bondholders.

- Information regarding pending suits, administrative or arbitration proceedings, relating to issuer's liabilities or receivables amounting to a minimum of 10% from the owner's equity. If the total amount of the liabilities or the receivables from all pending suits and proceedings exceed 10% of the owner's equity, the information is presented individually for each case.

The Group has not registered any pending court, administrative or arbitration proceedings, related to receivables or liabilities that together or apart exceed 10% of the owner's equity.

Categories of financial assets and liabilities

The carrying amount of the Group's financial assets and liabilities, can be presented in the following categories:

Financial assets	2016 BGN'000	2015 BGN'000
Financial assets held to maturity		
- Debentures	30 188	764 011
Financial assets available for sale:		
- Securities and debentures	674 083	268 032
Financial assets held for trading (carried at fair value through profit or loss):		
- Non-derivative financial assets securities and debentures	1 345 724	1 241 646
- Derivatives	21	491
Total Financial assets	1 345 745	1 242 137
Loans and receivables	203 816	204 005
- Trade and other receivables	2 825 968	2 602 355
- Receivables on loans provided	73 890	226 523
- Receivables from related parties	1 767 126	1 229 113
- Cash and cash equivalents	4 870 800	4 261 996
Total Loans and receivables	6 920 816	6 536 176

INFORMATION ACCORDING TO ORDINANCE №2 / 17.09.2003

Financial liabilities	2016	2015
	BGN'000	BGN'000
Financial liabilities, measured at amortized cost:		
-liabilities to depositors	4 631 518	4 297 968
- loans	222 787	375 117
- dividend obligations	6 506	21 169
- bank deposits	8 359	6 433
- cession payables	22 797	19 807
- obligations under repo agreements	17 409	9 014
- finance lease obligations	4 937	6 719
-trade and other payables	167 993	216 295
- related parties payables	22 185	19 824
Total	5 104 491	4 972 346
Derivatives designated as hedging instruments in cash flow (at fair value):		
Derivatives	209	578
Total	5 104 700	4 972 924

GENERAL RISKS AND UNCERTAINTIES

GENERAL RISK AND UCERTAINTIES

- **Financial instruments risk**

Risk management objectives and policies

Due to the use of financial instruments and as a result of its operating and investment activities, the Group is exposed to various risks – insurance risks, market risk, foreign currency risk, interest risk, as well as price risk. The Group's risk management is coordinated by the Managing board, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to risks. Long-term financial investments are managed to generate lasting returns.

The Group is exposed to different types of risk with regards to its financial instruments. For more information on financial assets and liabilities by category of the Group. The most significant financial risks to which the Group is exposed to are described below.

Insurance risk

The insurance risk is the risk of occurrence of insured event, where the damage cost and the indemnity owed exceeds the set-aside insurance reserves.

This depends on the frequency of the occurring insurance events, the type of the insurance portfolio and the size of the indemnities. The diversity of the insurance portfolio and the probability theory are of major importance for the mitigation of this risk.

The Group is exposed mainly to the following risks:

- Risk, related to the profitability of the investments – risk of loss when the profitability of the investment is different from what is expected.
- Risk, related to the expenses – risk of loss when the expenses are different from what is expected;

The Group is aiming at relatively steady allocation of the insurance contracts. It also seeks to analyse the different types of insurance risks, which is included in the general conditions. By means of variable methods of assessment and control, the director of Internal Control department is making regularly assessments of the risks and scrutinizes the accumulation of insured amounts by groups of clients and regions. The risk management is performed by the Internal Control department in collaboration with actuaries and the management of the Group.

The positive financial result of the Group depends on primary factors such as the quota for damages, the quota for expenses and income from investments.

Reinsurance strategy

The Group reinsures part of its risks with the purpose of controlling its exposition to losses and protection of its capital resources. All contracts for facultative reinsurance are preliminary approved by the management. Before signing a reinsurance contract, the Group analyses the credit rating of the respective reinsurer. Only the ones with high credit rating are being chosen.

The Group periodically analyses the current financial position of the reinsurers, which the Group has reinsurance engagements with.

The Group enters reinsurance engagements with different reinsurers with high credit ratings, to control the exposure to losses caused by the insurance event.

GENERAL RISKS AND UNCERTAINTIES

Damages settlement procedure

The damages table and namely the percentage of the damages quota ensures the opportunity for more precise information about the risk development during the reporting periods:

:

Types of insurances	2016	2016	2015	2015
	Damages, quota, gross	Damages, quota, net	Damages, quota, gross	Damages, quota, net
	%	%	%	%
Accident insurance	3%	4%	58%	55%
Including obligatory accident insurance of the passengers in the public transport	2%	2%	2%	3%
Casco	54%	57%	59%	60%
Insurance of rail vehicles	0%	0%	0%	0%
Casco of aircrafts	2%	-18%	-6%	-29%
Casco of vessels	20%	27%	29%	40%
Cargo insurance during transportation	45%	45%	47%	62%
Fire and natural calamities insurance	41%	20%	15%	21%
Property damage insurance	55%	60%	59%	50%
Insurance associated with the ownership and usage of motor vehicles, including:	118%	124%	94%	16%
Third-party vehicle insurance	120%	127%	96%	20%
"Green Card" insurance	95%	80%	31%	-194%
-Third-party boarder insurance	111%	29%	-42%	-246%
Third-party carrier insurance	-8%	-8%	30%	30%
Third-party aviation insurance	2%	65%	0%	15%
Third party vessels insurance	277%	167%	-122%	-61%
General third-party insurance	-20%	-51%	-22%	-26%
Credit insurance	1%	1%	-6%	-6%
Insurance against financial losses	-2%	-2%	-18%	-18%
Travel assistance	51%	51%	48%	48%
Total	65%	60%	63%	45%

Comparing annual net damages quota - for 2016 and 2015 it appears that there is an increase in Third-party vehicle insurance.

The following table shows the paid indemnities, classified by type and group of insurances:

Type of insurance	BGN	Number	Average	Average	Average	Average
			indemnity 2016	indemnity 2015	indemnity 2014	indemnity 2013
Accident insurance	1 266 506	2 046	619	813	516	461
Casco	69 875 648	88 937	786	890	958	749
Casco of aircrafts	76 134	4	19 033	26 013	184 805	85 859
Casco of vessels	128 402	13	9 877	10 367	6 173	8 289
Cargo insurance during transportation	181 836	58	3 135	7 332	2 602	2 601
Fire and Natural calamities insurance	2 900 475	1 855	1 564	1 362	1 509	2 668
Property damage insurance	1 016 434	70	14 520	20 745	18 840	8 040

GENERAL RISKS AND UNCERTAINTIES

Insurance associated with the ownership and usage of motor vehicles, including:	30 118 399	9 640	3 124	2 240	2 080	2 241
Third-party aviation insurance	14 735	2	7 368	787	977	2 051
Third party vessels insurance	324	1	324	2 175	-	-
General third-party insurance	76 894	39	1 972	11 223	41 920	12 783
Credit insurance	3 665	1	3 665	4 308	10 956	9 754
Guarantees insurance	-	-	-	-	-	-
Insurance against financial losses	-	-	-	11 388	6 212	-
Travel assistance	1 438 352	2 358	610	722	725	727
Total	107 097 804	105 024	1 020	1 044	1 140	948

The table below presents the development of the reserve for unsettled insurance claims from prior periods so it can be compared to the reserve, disclosed in the current consolidated financial statements. The reserves for the upcoming payments, included in the statement of financial position, and an assessment of the general risks are also stated.

	Year the insurance event occurred						Общо
	2016	2015	2014	2013	2012	2011	
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
At the end of the period	54 258	55 656	76 769	47 874	52 711	42 654	329 923
1 year later	-	31 777	49 366	20 408	25 093	17 472	144 117
2 years later	-	-	10 976	5 779	5 528	4 142	26 425
3 years later	-	-	-	4 503	1 626	3 034	9 162
4 years later	-	-	-	-	1 783	2 157	3 939
5 years later	-	-	-	-	-	2 340	2 340
Cumulative payments, current	54 258	87 434	137 111	78 563	86 741	71 799	515 907
General assessment of the indemnities	98 494	104 227	151 407	83 311	89 663	71 799	598 900
As at 31 December							
Payments:							
Assessment:	44 235	16 793	14 296	4 748	2 922	-	82 993
Actual	90 003	32 788	20 682	9 652	8 598	4 120	165 843

The presented table shows that the reserves for unsettled payments are adequate as at the end of 2015.

- **Currency risk**

Currency risk is the potential for a loss for the Group as a result of exchange rate changes.

Group's policy regarding other than banking activities

Most of the Group's transactions are carried out in Bulgarian leva. Exposures to currency exchange rates arise from the Group's overseas transactions, mainly denominated in US-Dollars.

GENERAL RISKS AND UNCERTAINTIES

The Group's long-term commercial liabilities and financial lease liabilities carried out in US Dollars are related to purchases of aircrafts. These liabilities are recorded at their amortized cost.

The Group has short- and long-term loans in US-Dollars. These receivables are classified as loans and receivables.

Group's foreign transactions, denominated in Euro, do not expose the Group to foreign currency risk due to the fact that under the conditions of the Currency Board Act, the Bulgarian Lev (BGN) is fixed to the Euro.

In order for the foreign currency risk to be decreased, the non-BGN cash flows are monitored by the Group. Generally, the Group has different procedures for risk management for the short-term (due within 6 months) and long-term non-BGN cash flows.

Group's policies regarding the banking activities

In the Republic of Bulgaria the rate of the Bulgarian Lev (BGN) to the Euro (EUR) is fixed under the Currency Board. The long position in Euro of the Bulgarian bank does not carry any risk for the Group.

The foreign currency positions include mainly assets and liabilities, denominated in Macedonian dinars, and Russian Rubles.

The currency structure of the financial assets and liabilities at their carrying amount as at 31 December 2016 is as follows:

	BGN	EUR	USD	Other	Total
FINANCIAL ASSETS					
Placements with, and advances to, banks	17 013	33 896	151 320	54 127	256 356
Receivables under repurchase agreements	149 637	49 621	-	-	199 258
Financial asset held-for-trading	100 352	15 164	43	14	115 573
Loans and advances to customers, net	1 244 255	899 103	12 451	177 160	2 332 969
Available-for-sale financial assets	150 855	506 401	6 933	762	664 951
Held-to-maturity financial assets	-	-	-	30 188	30 188
TOTAL ASSETS	1 662 112	1 504 185	170 747	262 251	3 599 295
FINANCIAL LIABILITIES					
Deposits from banks	485	2 607	4 371	912	8 375
Bank loans	-	-	-	246	246
Obligations under repo agreements	3 014 378	1 221 840	229 334	224 235	4 689 787
Liabilities to other depositors	39	-	-	778	817
Other attracted funds	-	70 126	-	-	70 126
Subordinated liabilities	2	831	180	192	1 205
TOTAL LIABILITIES	3 014 904	1 295 404	233 884	226 363	4 770 556
NET POSITION	(1 352 792)	208 781	(63 137)	35 888	(1 171 260)

GENERAL RISKS AND UNCERTAINTIES

The currency structure of the financial assets and liabilities at their carrying amount as at 31 December 2015 is as follows:

	BGN	EUR	USD	Other	Total
FINANCIAL ASSETS					
Placements with, and advances to, banks	21 149	34 786	102 803	32 634	191 372
Receivables under repurchase agreements	124 021	28 427	-	-	152 448
Financial asset held-for-trading	124 526	77 613	462	65	202 666
Loans and advances to customers, net	1 096 956	943 097	43 256	150 515	2 233 824
Available-for-sale financial assets	114 227	84 945	3 803	1 417	204 392
Held-to-maturity financial assets	54 645	591 697	-	65 047	711 389
TOTAL ASSETS	1 535 524	1 760 565	150 324	249 678	3 696 091
FINANCIAL LIABILITIES					
Deposits from banks	1 672	3 655	443	-	5 770
Bank loans	-	-	-	276	276
Obligations under repo agreements	-	9 000	-	-	9 000
Liabilities to other depositors	2 748 543	1 217 717	220 881	195 768	4 382 909
Other attracted funds	105	-	-	776	881
Subordinated liabilities	-	18 585	-	-	18 585
TOTAL LIABILITIES	2 750 320	1 248 957	221 324	196 820	4 416 264
NET POSITION	(1 214 796)	511 608	(71 000)	52 858	(720 173)

- Interest rate sensitivity

Group's policy regarding other than banking activities

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. As at 31 December 2016, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. All other financial assets and financial liabilities of the Company are at fixed interest rates.

The following table illustrates the sensitivity of the annual net financial result after tax and equity to a reasonably possible change in interest rates on loans with a floating rate based on: 1-week SOFIBOR, amounting to +/- 2.81%, 1-month SOFIBOR, amounting to +/- 3.82% (2015: 1.23%), 3-month SOFIBOR, amounting to +/- 4.24% (2015: 4.91%) and a floating rate based on 1-month EURIBOR, amounting to +/- 4.95% (2015: 5.33%), 12-month EURIBOR, amounting to +/- 3.34% (2015: 6.34%). These changes are considered to be reasonably possible based on observation of current market conditions. Calculations are based on the change in the average market interest rate and the financial instruments held by the Group at the end of the reporting period that are sensitive to interest rate changes. All other parameters are taken to be constant.

GENERAL RISKS AND UNCERTAINTIES

31 December 2016	Net financial result		Equity	
	Increase of the interest rate	Decrease of the interest rate	Increase of the interest rate	Decrease of the interest rate
1W SOFIBOR	(4)	4	(4)	4
1M SOFIBOR	(5)	5	(5)	5
3M SOFIBOR	(32)	32	(32)	32
1M EURIBOR	(1)	1	(1)	1
12M EURIBOR	(1)	1	(1)	1

31 December 2015	Net financial result		Equity	
	Increase of the interest rate	Decrease of the interest rate	Increase of the interest rate	Decrease of the interest rate
1M SOFIBOR	(3)	3	(3)	3
3M SOFIBOR	(16)	16	(16)	16
1M EURIBOR	(1)	1	(1)	1
12M EURIBOR	(4)	4	(4)	4

Group's policy regarding banking activities

Regarding the Group's banking activities interest risk is the probability of potential changes of the net interest income or the net interest margin, resulting from changes of the general market interest rates. The Group's interest risk management is aiming at minimizing the risk of a decrease of the net interest income, due to the changes in the interest rates.

For measurement and evaluation the interest rate risk the Group applies the method of the GAP analysis. (GAP/ imbalance analysis). It identifies the sensitivity of the expected revenue and expenses, in relation to the interest rate.

The method of the GAP analysis determines the Group's position, totally and the separate types of financial assets and liabilities, in relation to expected changes of the interest rates and the impact of this change over the net interest income. It facilitates the assets' and the liabilities' management and it is an instrument for providing sufficient and stable net interest profitability.

The Group's imbalance between the interest bearing assets and liabilities as at 31 December 2016 is negative, amounting to BGN 1 353 477 thousand. The GAP coefficient, as an indicator for this imbalance, compared to the total income generating assets of the bank of the Group (interest bearing assets and equity instruments) is minus 37,42%.

GENERAL RISKS AND UNCERTAINTIES

	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
INTEREST BEARING ASSETS						
Placements with, and advances to banks	256 356	-	-	-	-	256 356
Receivables under repurchase agreements	73 275	41 626	84 357	-	-	199 258
Financial assets held-for-trade	1 719	-	1 954	12 266	-	15 939
Loans and advances to customers, net	111 294	132 755	313 798	1 124 173	650 949	2 332 969
Financial assets held-for-trade	762	5 815	84 381	76 399	413 806	581 163
Financial assets held-to-maturity	14 553	5 699	9 936	-	-	30 188
INTEREST-BEARING ASSETS	457 960	185 895	494 426	1 212 838	1 064 755	3 415 874
INTEREST-BEARING LIABILITIES						
Deposits from banks	8 375	-	-	-	-	8 375
Bank loans	8	-	20	218	-	246
Liabilities to other depositors	2 054 276	410 658	1 147 977	1 075 417	1 459	4 689 787
Other attracted funds	4	21	14	778	-	817
Shares Issues	-	-	-	-	70 126	70 126
INTEREST-BEARING LIABILITIES	2 062 663	410 679	1 148 011	1 076 413	71 585	4 769 351
IMBALANCE BETWEEN INTEREST BEARING ASSETS AND LIABILITIES, NET						
	(1 604 703)	(224 784)	(653 585)	136 425	993 170	(1 353 477)

The Group is exposed to a reduction of the interest income when the interest rates rise, as the Group holds a negative imbalance. The imbalance impact, as at 31 December 2016, over the net interest income, assuming an increase of 2% of the interest rates for one year is a reduction of the net interest income amounting to BGN 2 099 thousand (2015: BGN 1 966 thousand).

The Group's imbalance between the interest bearing assets and liabilities as at 31 December 2015 is negative, amounting to BGN 900 854 thousand. The GAP coefficient, as an indicator for this imbalance, compared to the total income generating assets of the bank of the Group (interest bearing assets and equity instruments) is minus 20.52%

	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
INTEREST-BEARING ASSETS						
Placements with, and advances to banks	186 103	269	-	5 000	-	191 372
Receivables under repurchase agreements	48 297	49 152	54 999	-	-	152 448
Financial assets held-for-trade	3 554	-	-	12 657	86 971	103 182
Loans and advances to customers, net	185 561	54 906	317 974	597 648	1 077 735	2 233 824
Financial assets held-for-trade	1 417	16 062	34 145	41 122	31 606	124 352
Financial assets held-to-maturity	17 571	-	47 476	90 841	555 501	711 389
INTEREST-BEARING ASSETS	442 503	120 389	454 594	747 268	1 751 813	3 516 567

GENERAL RISKS AND UNCERTAINTIES

INTEREST-BEARING LIABILITIES						
Deposits from banks	5 502	268	-	-	-	5 770
Bank loans	10	2	20	244	-	276
Obligations under repo agreements	9 000	-	-	-	-	9 000
Liabilities to other depositors	2 040 915	389 670	1 109 744	832 470	10 110	4 382 909
Other attracted funds	4	8	53	816	-	881
Shares Issued	-	-	-	18 585	-	18 585
INTEREST-BEARING LIABILITIES	2 055 431	389 948	1 109 817	852 115	10 110	4 417 421
IMBALANCE BETWEEN INTEREST BEARING ASSETS AND LIABILITIES, NET						
	(1 612 928)	(269 559)	(655 223)	(104 847)	1 741 703	(900 854)

- **Credit risk sensitivity**

Group's policy regarding other than banking activities

Credit risk is the risk that counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	2016	2015
	BGN'000	BGN'000
Financial assets – carrying amounts		
Non-current financial assets	2 452 621	2 592 660
Related parties receivables	8 747	11 774
Current financial assets	2 423 363	2 347 993
Related parties receivables	65 143	214 749
Cash and cash equivalents	1 767 126	1 229 113
Trade and other receivables	203 816	139 887
Carrying amount	6 920 816	6 536 176

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Trade receivables consist of a large number of customers in different industries and geographical areas. Based on historical indicators, the management considers that the trade receivables that are not past due are of good credit quality.

The credit risk related to cash and cash equivalents and financial market funds is considered immaterial as the contracting parties are banks with good reputation and good credit rating.

The carrying amounts presented above represent the maximum exposure to credit risk the Group might experience, regarding these financial instruments.

GENERAL RISKS AND UNCERTAINTIES

- **Group's policy regarding banking activities**

The credit risk represents the probability of losses, due to the inability of the counterparty to meet its liabilities in time.

The Group manages its credit risk sensitivity both for the bank and commercial portfolio.

The Group applies individual credit policies for the different business segments.

The Group structures the credit risk as it sets limits for the credit risk as a maximum exposure to one debtor, to a group of related parties, to geographic regions and the different business sectors, bearing common risk. The limits define the risk appetite and risk tolerance for credit risk and the planned allocation of capital, required for its coverage. In order to reduce the credit risk, in compliance with the internal credit rules, the approach for calculation of capital requirements and the current banking legislation, corresponding securities and guarantees are required.

The cash and bank accounts in the Central bank, amounting to BGN 1 355 760 thousand do not carry any credit risk for the Group, due to their nature and the ability of the Group to dispose of them.

The placements and advances to banks with book value BGN 260 590 thousand are mainly deposits in first-class international and Bulgarian financial institutions with maturity up to 7 days. The placements and advances to banks with book value BGN 260 590 thousand are mainly deposits in first-class international and Bulgarian financial institutions with maturity up to 7 days. These financial assets bear certain credit risk, whose maximum exposure according to the Group's policy may be 20%, 50% or 100%, depending on the qualitative characteristics of financial institutions. As at 31 December 2016 the lump sum of this risk amounts to BGN 51 894 thousand. As at 31 December 2016 the provisions for coverage of losses from impairments of the placements and advances to banks amount to BGN 4 234 thousand.

The receivables under repurchase agreements, amounting to BGN 199 258 thousand carries credit risk to the Group, which is dependent on the credit risk of the collateral. One part of receivables amounting to BGN 70 624 thousand, does not carry any credit risk to the Group, as they are secured by the Bulgarian government securities. The remaining receivables amounting to BGN 128 634 thousand carry credit risk 100% to the Group, as they are secured by corporate securities.

The held-for-trading financial assets, amounting to BGN 115 573 thousand carry mainly market risk to the Group, which is analyzed in the notes, related to the market risk.

The equity instruments held-for-sale, amounting to BGN 84 551 thousand, are shares in financial and non-financial companies as well as shares in mutual funds, that carry credit risk, whose maximum exposure percentage is 100%. As at 31 December 2016 the provisions for coverage of losses from impairment of the held-for-sale equity instruments, amount to BGN 1 thousand.

The debentures held-for-sale and issued by the Republic of Bulgaria in the amount of BGN 427 890 thousand do not bear credit risk for the Group due to their guarantee by the Republic of Bulgaria. The debentures held-for-sale and issued by other european countries in the amount of BGN 109 922 thousand expose the Group to credit risk to the issuer.

The debentures held-for-sale and issued by local and foreign companies, amounting to BGN 42 589 thousand, bear credit risk, whose maximum exposure is 100% or BGN 42 589 thousand.

The debentures held to maturity and issued by the National Bank of the Republic of Macedonia in the amount of BGN 14 553 thousand and by the Republic of Macedonia in the amount of BGN 15 635 thousand expose the Group to credit risk to the issuer.

Loans and advances to customers with carrying value amounting to BGN 2 425 400 thousand bear credit risk for the Group. For determining the amount of exposure of the Group to this risk, an analysis of individual risk for the Group

GENERAL RISKS AND UNCERTAINTIES

is performed, resulting from any particular exposure, the Group applies the criteria for evaluation and classification of risk exposures compliance with the banking legislation of the Republic of Bulgaria, Macedonia, the Russian Federation and IFRS. According to these criteria, and the analysis performed the maximum exposure of the Group to credit risk amounts to BGN 1 881 690 thousand. In order to minimize the credit risk detailed lending process procedures on the analysis of the economic viability of each project, the types of collateral acceptable to the Group controls on the use of funds allocated and administration associated with that activity are applied.

The Group maintains relation to total capital adequacy above the regulatory requirements, mainly as a measure against the risk of concentrations. Adoption and control limits for credit risk limit concentrations of risk exposures by geographic areas, industries, business segments and groups of loans, presenting joint risk.

The Group has adopted a methodology for calculating the provision for impairment of loans and advances to customers according to the IFRS.

As of 31 December 2016 the amount of the Group's formed provisions to cover impairment losses on loans and advances amounts to BGN 92 431 thousand.

- **Quality of the credit portfolio**

Classes of financial assets as at 31 December 2016:

Debt	Granted loans			Unutilized engagement	Given guarantees			
	Group	Amount BGN '000	Share %		Provisions BGN '000	Amount BGN '000	Amount BGN '000	Share %
Serviced		2 202 896	90.83%	13 849	97 289	64 773	99.91%	47
Not serviced		222 504	9.17%	78 582	403	61	0.09%	-
Total		2 425 400	100%	92 431	97 692	64 834	100	47

Classes of financial assets as at 31 December 2015:

Debt	Granted loans			Unutilized engagement	Given guarantees			
	Group	Amount BGN '000	Share %		Provisions BGN '000	Amount BGN '000	Amount BGN '000	Share %
Serviced		2 031 091	88.59	7 456	89 760	85 443	99.93	31
Not serviced		261 448	11.41	51 259	11 646	61	0.07	-
Total		2 292 539	100	58 715		85 504	100	31

GENERAL RISKS AND UNCERTAINTIES

Loans granted by the Group can be summarized in the following table:

Name of the group	31 December 2016		31 December 2015		Loans to banks and receivables under repurchase agreements
	Loans, granted to non –financial clients		Loans, granted to non –financial clients		
	BGN '000	%	BGN '000	%	
Not outstanding and not impaired	1 942 272	80.08	199 258	41.17	152 448
Outstanding but not impaired	133 981	5.52	-	43.06	-
Impaired on individual base	349 147	14.40	-	15.77	-
Total	2 425 400		199 258		152 448
Set-aside provisions	(92 431)		-	(58 715)	-
Net loans	2 332 969		199 258		152 448

As at 31 December 2016 and 2015 the predominant share of the loans, represented as outstanding but not impaired, are loans, for which a 30-day delay in payment is allowed. The Group considers that such incidental delays are not indication for impairment of these loans.

Loans and advances, which are not outstanding and not impaired, are presented in the following table:

	2016 BGN '000	2015 BGN '000
Individuals		
Credit cards and overdrafts	19 959	21 311
Consumer loans	272 720	190 106
Mortgage loans	146 402	82 952
Corporate clients	1 503 192	649 568
Total	1 942 273	943 937

The value of the outstanding loans that are not impaired is presented in the table below. These loans are not impaired, as the delays are accidental and of up to a 30-day period, which does not necessitate their impairment.

GENERAL RISKS AND UNCERTAINTIES

	2016 BGN '000	2015 BGN '000
Individuals		
Credit cards and overdrafts	11 839	12 042
Consumer loans	31 583	32 810
Mortgage loans	15 143	18 976
Corporate clients	75 416	923 245
Total	133 981	987 073

The book value of the loans, with accrued provision on an individual basis as at 31 December 2016 and 2015 is BGN 349 147 thousand and BGN 361 529 thousand. These amounts do not include cash flows from the collaterals of these loans.

31 December 2016	Book value BGN '000	Impairment BGN '000	Total: BGN '000
Consumer loans	43 286	10 109	33 177
Mortgage loans	39 379	105	39 274
Mortgage loans	266 482	58 859	135 094
Total	349 147	69 073	207 545

31 December 2015	Book value BGN '000	Impairment BGN '000	Total: BGN '000
Consumer loans	41 395	5 570	35 825
Mortgage loans	30 756	76	30 680
Mortgage loans	289 378	33 799	199 407
Total	361 529	39 445	265 912

The amount of net exposure for 2016 and 2015 for the five largest loans and advances to clients is BGN thousand and BGN 339 487 thousand respectively, which represents 13.65% for 2016 and 14.20% for 2016 of the credits and advances to clients of the Group.

GENERAL RISKS AND UNCERTAINTIES

Business segment, classification group and delays of payments as at 31 December 2016:

Segment	Amount Group	Number of transaction	Delay of payments					Unutilized engagement
			Debt	Principal	Interest	Court receivables	Provisions	
Small								
	Serviced	97 321	594 977	1 064	321	-	2 428	50 946
	Not-services	5 408	41 493	2 761	2 089	16 124	17 661	296
Total		99 729	636 470	3 825	2 410	16 124	20 089	51 242
Corporate								
	Serviced		1 594					
		1 387	993	6 044	3 044	-	11 421	45 764
	Not-services	227	181 011	44 068	10 405	55 782	60 921	107
Total			1 776					
		1 614	004	50 112	13 449	55 782	72 342	45 871
Budget	Serviced	7	12 926	-	-	-	-	557
	Not-services	-	-	-	-	-	-	-
Total		7	12 926	-	-	-	-	557
	Total Portfolio	101	2 425					
		350	400	53 937	15 859	71 906	92 431	97 670

Business segment, classification group and delays of payments as at 31 December 2015:

Segment	Amount Group	Number of transaction	Delay of payments					
			Debt	Principal	Interest	Number of transaction	Debt	Principal
Small								
	Serviced	87 999	436 966	841	361	-	2 771	46 586
	Not-services	6 153	41 749	2 786	1 716	15 851	14 569	277
Total		94 152	478 715	3 627	2 076	15 851	17 340	46 863
Corporate								
	Serviced		1 579					
		1 214	868	41 462	14 804	-	4 685	43 077
	Not-services	232	219 699	27 502	6 220	41 501	36 690	11 369
Total			1 799					
		1 446	567	68 964	21 024	41 501	41 375	54 446
Budget	Serviced	9	14 257	-	-	-	-	78
	Not-services	-	-	-	-	-	-	-
Total		9	14 257	-	-	-	-	78
	Total Portfolio	95 607	539	72 591	23 100	57 352	58 715	101 387

GENERAL RISKS AND UNCERTAINTIES

- **Credit exposures with restraining measures**

As exposures with restraining measures the Group accepts credit exposures that have changed the original terms of the contract caused by deterioration in the financial condition of the debtor leading to inability to pay the full amount of the debt on time and other discounts that the bank would not give in other circumstances.

The amendments to the original terms of the contract in connection with the implementation of measures under restraint may include:

- Reduction / removal of the debt or part of it
- Replacement of part of the debt to equity;;
- Refinancing of exposures that the debtor is unable to fulfill under the current contract;;
- When the contract terms include more favorable terms for the repayment of obligations compared with the terms that the Bank would offer other clients with similar risk profile;
- Reduction of the interest rate under the contract, except for the change in the contractual rate of interest arising from changes in market interest rates.

Information on exposures with restraint measures is as follows:

2016	Corporate clients	Individuals
Book value before impairment	150 991	1 423
Impairment	(26 353)	(659)
Net value	124 638	764

2015	Corporate clients	Individuals
Book value before impairment	121 365	1 952
Impairment	(17 974)	(816)
Net value	103 391	1 136

- **Liquidity risk analysis**

Liquidity risk is the risk that the Group cannot meet its liabilities. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash in- and outflows due to day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. The need for cash is compared to the available loans in order to determine shortage or surplus. This analysis determines whether the loans available will be enough to cover the Group's needs for the period.

The Group maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and sale of long-term financial assets.

GENERAL RISKS AND UNCERTAINTIES

As at 31 December 2016 Group's liabilities (including interest payables where applicable) have contractual maturities, summarized below:

	Current		Non-current
	Within 12 Months BGN'000	From 2 to 5 years BGN'000	Within 12 Months BGN'000
Dividend payables	6 506	-	-
Bank and other loans	101 402	121 385	-
Related parties payables	17 692	4 493	-
Financial lease payables	1 506	3 846	-
Liabilities to depositors	3 633 088	991 752	6 678
Bank deposits	8 359	-	-
Obligations under repurchase agreements	17 409	-	-
Cession liabilities	18 591	4 206	-
Trade and other payables	166 137	1 856	-
Derivatives	209	-	-
Total	3 970 899	1 127 538	6 678

As at 31 December 2015 Group's liabilities (including interest payables where applicable) have contractual maturities, summarized below:

	Current		Non-current
	Within 12 Months BGN'000	From 2 to 5 years BGN'000	Within 12 Months BGN'000
Dividend payables	14 257	6 912	-
Bank and other loans	104 644	121 385	149 088
Related parties payables	16 217	3 607	-
Financial lease payables	2 015	5 354	-
Liabilities to depositors	3 462 081	834 797	1 090
Bank deposits	6 433	-	-
Obligations under repurchase agreements	9 014	-	-
Cession liabilities	11 395	8 412	-
Trade and other payables	168 018	48 277	-
Derivatives	578	-	-
Total	3 794 652	1 028 744	150 178

The amounts, reported in this analysis for the maturity of the liabilities represent the nondiscounted cash flows from the contracts, which may differ from the carrying amounts of the liability as at the reporting date. The annual interest payments amount to BGN 11 047 thousand (2015: BGN 3 473 thousand).

GENERAL RISKS AND UNCERTAINTIES

Group's policy regarding banking activities

The Group follows the obligations and restriction arising from the regulations of the banking legislations in counties involved in the management and supervision of bank's liquidity. The Group maintains specialized collective bodies for liquidity's management, which adopt the Group's policy of managing the liquidity risk.

Quantitative measurement of liquidity risk, according to the regulations of the banking legislation is the coefficient of liquid assets, expressing the ratio of liquid assets to borrowing of the Group.

The Group traditionally maintains huge volume of highly liquid assets – cash and cash equivalents on hand and cash in Central Banks, which ensures the Group's smooth addressing of liquid need.

As of 31 December 2015 they cover about 20% of the total assets. As an additional tool for ensuring high liquidity the Group uses resources and advances given to financial institutions.

Essentially, these are deposits in prime foreign and Bulgarian financial institutions with maturity of 7 days. As of 31 December 2015 they cover over 4% of the total assets. Bonds issued by the Republic of Bulgaria, the Russian Soviet Federative Socialist Republic and from National Bank of the Republic of Macedonia, which the Group possesses and has not pledged as a security are about 15% of the Group's assets. Maintaining over 30% of its assets in highly liquid assets, the Group is able to cover all its needs regarding payments on matured financial liabilities.

The allocation of financial liabilities of the Group as of 31 December 2015, according to their residual term is as follows:

	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	Above 5 years	Total
	BGN'000.	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
FINANCIAL LIABILITIES						
Deposits from banks	8 375	-	-	-	-	8 375
Credits from banks	8	-	20	218	-	246
Liabilities to other depositors	2 054 276	410 658	1 147 977	1 075 417	1 459	4 689 787
Other borrowed funds	4	21	14	778	-	817
Issued bonds	-	-	-	-	70 126	70 126
Liabilities provision	-	-	1 205	-	-	1 205
Other liabilities	12 375	-	-	-	-	12 375
FINANCIAL LIABILITIES	2 075 038	410 679	1 149 216	1 076 413	71 585	4 782 931

Financial liabilities of the Group are formed mainly by borrowing from other depositors – deposits of natural persons and legal entities.

GENERAL RISKS AND UNCERTAINTIES

The allocation of financial liabilities of the Group as of 31 December 2015, according to their residual term is as follows:

	Up to 1 month	From 1 to 3months	From 3 months to 1 year	From 1 year to 5 years	Above 5 years	Total
	BGN'000.	BGN'000	BGN'000	BGN'000	BGN'00 0	BGN'000
FINANCIAL LIABILITIES						
Deposits from banks	5 502	268	-	-	-	5 770
Credits from banks	10	2	20	244	-	276
Obligations under repo agreements	9 000	-	-	-	-	9 000
Liabilities to other depositors	2 040 915	389 670	1 109 744	832 470	10 110	4 382 909
Other borrowed funds	4	8	53	816	-	881
Issued bonds	-	-	-	70 055	-	70 055
Other liabilities	9 964	-	-	-	-	9 964
FINANCIAL LIABILITIES	2 065 395	389 948	1 109 817	903 585	10 110	4 478 855

- **Financial assets as means for managing the liquidity risk**

While appraising and managing the liquidity risk the Group measures the expected cash flows from financial instruments, namely the available cash and trade receivables. The available cash resources and trade and other receivables significantly exceed the current needs of cash outflow. According to the concluded agreements all cash flows from trade and other receivables are due within 1 year Fair value measurement

Fair value measurement

- Fair value measurement of financial instruments

Financial assets and liabilities at fair value in the consolidated financial statements of financial position are grouped into three levels according to the fair value hierarchy.

This hierarchy groups is based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
 - Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- and
- Level 3: inputs for the asset that are not based on observable market data.

GENERAL RISKS AND UNCERTAINTIES

A financial asset is classified at the lowest level of significant inputs used in measuring fair value

31 December 2016	Note	Level 1	Level 2	Level 3	Total
		BGN '000	BGN '000	BGN '000	BGN '000
Assets					
Financial assets held for trading	a)	1 135 835	206 180	3 730	1 345 745
Financial assets available for sale	b)	601 171	-	72 912	647 083
Total		1 737 006	206 180	76 642	2 019 828
Liabilities					
Derivatives	c)	-	209	-	209
Total		-	209	-	209

There have been no significant transfers between levels 1 and 2.

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Listed equity instruments

All listed equity investments are denominated in BGN and are publicly traded on the Bulgarian Stock Exchange, Sofia. Fair values have been determined by reference to their quoted bid prices at the reporting date.

b) Non-listed equity instruments

The fair value of these instruments is based on observed rates of recent market transactions with shares of similar companies, adjusted for specific factors.

c) Derivatives

When derivative financial instruments are traded on stock markets or liquid OTC markets, the Group uses the closing prices on the stock markets at the reporting date. When derivative financial instruments are not traded on active markets, the fair value of these contracts is determined by using valuation techniques using observable market data (Level 2).

d) Loans in BGN

The fair value of loans is determined by using valuation techniques.

All significant inputs to the model are based on observable market prices, namely market interest rates on similar loans with similar risk.

GENERAL RISKS AND UNCERTAINTIES

- Fair value measurement of nonfinancial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2016:

31 December 2015	Level 1	Level 2	Level 3	Total
	BGN '000	BGN '000	BGN '000	BGN '000
Investment property:				
- Land, building, machines and equipment	-	-	337 574	337 574

Fair value of the Company's main property assets is estimated based on appraisals performed by independent qualified valuers.

Land, buildings, machines and equipment (Level 3)

The land, buildings, machines and equipment are revaluated on 31 December 2016.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

	Investment properties Land, buildings, machines and equipment BGN '000
Balance at 1 January 2016	302 421
Gains or losses recognised in profit or loss	
- change in fair value of investment property	3 594
Acquisitions and reclassification	45 862
Disposals and reclassification	(14 303)
Balance at 31 December 2016	337 574
Total amount included in Income from non-financial activities as a result of unrealized gains or losses from assets held at the end of the reporting period	3 594

• Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and
- To provide an adequate return to the shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the correlation between capital to net debt.

The Group determines the capital based on the carrying amount of the equity presented in the statement of financial position.

Net debt is calculated as total liabilities less the carrying amount of the cash and cash equivalents.

GENERAL RISKS AND UNCERTAINTIES

Group's goal is to maintain a capital-to-net-debt ratio in a reasonable range, which would ensure relevant and conservative ratio of financing.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The capital for the presented reporting periods is summarized as follows:

	2016	2015
	BGN '000	BGN '000
Shareholders' equity	1 603 160	1 517 135
Equity	1 603 160	1 517 135
Debt	6 305 312	6 027 766
- Cash and cash equivalents	(1 767 126)	(1 229 113)
Net debt	4 538 186	4 798 653
Capital to net debt	1:2.83	1:3.16

The increase in ratio during 2016 is primarily a result of the increase in the Group's net debt due to its bank and other activities. The Group has honored its covenant obligations, including maintaining capital ratios.

CONSOLIDATED DECLARATION OF CORPORATE MANAGEMENT

DECLARATION OF CORPORATE MANAGEMENT

The declaration of corporate management of the Group of Chimimport AD is prepared pursuant the Bulgarian legislation requirements and principles of good corporate management, set out in the National Corporate Governance Code, the Commercial Act (CA), the Public Offering of Securities Act (POCA), the Accountancy Act (AA), the Independent Financial Audit Act (IFAA) and other laws and regulations and internationally recognized standards. The declaration of corporate management is prepared in accordance with the requirements of Article 39 of the Accountancy Act and Article 100n of POCA.

The Corporate Governance Declaration of the Chimimport Group applies to public companies in the Group.

The Individual Corporate Governance Declarations are integral part of the individual company activity reports for 2016 and have been published at 31 March 2017.

1. Information under Article 100m, paragraph 8, subparagraphs 1 and 2 of POCA

Implementation, enforcement and compliance, as appropriate, by Chimimport AD of the principles of the National Corporate Governance Code.

As at 18 January 2008, Chimimport AD embraced the National Corporate Governance Code and conducts its activity in accordance with the set principles and provisions.

In its activities Chimimport AD is governed by the national corporate governance principles recommended for application by the National Committee on Corporate Governance, reflecting the international standards of good corporate governance and best practices. The management of Chimimport AD aims at strengthening the principles of good corporate governance, enhancing the confidence of shareholders, investors and other stakeholders interested in the management and operations of the Company. The management of Chimimport AD considers that the effective application of the good corporate management practices, contribute to sustainable growth and reaching the long-term goals of the Company, and to establish transparent and honest relationships with all stakeholders.

Information on corporate governance practices applied by the issuer in addition to the corporate governance code approved by the Deputy Chairperson or any other corporate governance code

Chimimport AD does not apply other corporate management practices in addition of the National Corporate Governance Code.

Explanation by the issuer as to which parts of the corporate management code, approved by the Deputy Chairperson or any other corporate governance code the issuer does not comply with and to what was the ground for the non-compliance when the issuer opted not to refer to any of the rules of the corporate management code

The basic principle of the National Corporate Governance Code is the principle of “comply or explain”. The Company aims to comply with the recommendations of the Code and in case of deviation, the management provides explanations on the reasons for the non-compliance.

Chimimport AD presents the current information regarding compliance with the Code, and the same will be published on the website of the company.

INFORMATION REGARDING CORPORATE MANAGEMENT

CONSOLIDATED DECLARATION OF CORPORATE MANAGEMENT

Chimimport AD is a listed company with two-tier management system. All members of the Managing Board and the Supervisory Board comply with the legal requirements for their appointment.

The managing bodies of the Company comprise: General meeting of the shareholders, Supervisory Board and Managing Board.

Members of the Supervisory Board:

1. Invest Capital AD
2. CCB Group EAD;
3. Mariana Bazhdarova.

Members of the Managing Board:

1. Alexander Kerezov
2. Ivo Kamenov
3. Marin Mitev
4. Nikola Mishev
5. Miroljub Ivanov
6. Tsvetan Botev

Key functions, responsibilities, structure and competence

The Supervisory Board of Chimimport AD consists of three members. It conducts regular control over the Managing Board, concerning the management of the Company by ensuring that the actions of the MB increase the interest of shareholders and facilitate the application of good corporate governance principles within the Company. The Supervisory Board, if necessary, may take the necessary steps to facilitate their duties through consultations with experts. The Supervisory Board shall appoint and dismiss members of the Managing Board delimiting the powers delegated to them, the application of their powers and the frequency with which they are to report to the SB. The Supervisory Board assesses the overall performance the Company, paying special attention to the information received by the Managing Board and periodically reconciles and analyses the difference between the achievements and goals. The Supervisory Board monitors and controls the process of disclosing information by the Company.

The Supervisory Board has included restrictions in its internal rules on the maximum number of companies in which members of the Managing and the Supervisory Board of Chimimport AD can sit on the managing and supervisory bodies, participation in which is considered acceptable in view of the requirement for effective implementation of obligations as a member of the boards of the Company. The Supervisory Board has set criteria that distinguish participations in other companies, depending on the position held and the time that each of the positions requires for the relevant obligations.

Following the requirements of the POSA and the Statute of the Company, the Supervisory Board, if necessary, reassesses the structure of the Managing Board, the division of duties, powers and the remuneration of each member of the MB. In carrying out its activities, the Supervisory Board members are obliged to perform their duties with due diligence in a manner that reasonably believed is in the interest of all shareholders and by using only information that they reasonably believe is reliable and complete, and show loyalty to the Company under POSA.

The Supervisory Board of the Company is supported by the Audit Committee. The structure and functions of the Committee are set out in the Internal rules of operation of the Audit Committee of Chimimport AD.

The Managing Board of Chimimport AD consists of six members. The competence, rights and obligations of the Managing Board are conducted in accordance with the legal requirements, the requirements of the current Company's Statute and the rules for its operation as approved by the Supervisory Board. The Managing Board reports, on its activities, to the Supervisory Board at least quarterly. The Managing Board shall immediately notify the chairman of the Supervisory Board of any circumstances that are essential for the Company. The Managing Board provides to the Supervisory Board the Annual Financial Statements, the Annual Activity Report and the Independent Auditor's Report, together with proposal for profit distribution, which will be brought to the General Meeting of Shareholders.

CONSOLIDATED DECLARATION OF CORPORATE MANAGEMENT

The Managing Board governs in accordance with the established vision, goals and strategy of Chimimport AD.

The Board members are guided in their activities by the generally accepted principles of integrity and management and professional competence.

Appointment and dismissal of board members

Members of the Supervisory Board are appointed and dismissed by the General Meeting of the Shareholders, in accordance with the Company's Statute.

Members of the Managing Board are appointed by the Supervisory Board, which also determines their remuneration and can dismiss them at any point in time.

Remunerations of the Managing and Supervisory Boards

The General Meeting of the Shareholders has affirmed the remuneration policy of the Managing and Supervisory Boards of the Company, developed by the Supervisory Board.

The remuneration paid to the members of the Managing and Supervisory Boards of the Company, may be permanent (fixed) or variable in the form of premiums, bonuses, retirement benefits and other incentives, based on assessment criteria of the conducted activities. The proportion of the fixed remuneration in the total amount of the remuneration shall allow the implementation of flexible policy by the Company on the variable remuneration of the members of the Managing and Supervisory Boards of the Company. In 2017, the Company shall update the policy with the recommendation of the Code, namely the remuneration of the members of the SB to conform their activities and obligations and not be bound to the results of the Company operations and will present it to the General Meeting of the Shareholders for approval.

The remuneration policy observes the following principles and criteria:

- Consistency of the remunerations with the business goals and development strategy of the Company, the protection of the interests and promotion of the values of Chimimport AD;
- Providing remuneration that allows attraction, retention and motivation of board members with the necessary skills for successful management and development of the Company.
- Excluding discrimination, conflict of interest and unequal treatment of members of the Supervisory Board of the Company in setting and negotiating remunerations;
- Appreciation of the duties and input of each member of the Managing Board in the performance and results of the Company.

The Management discloses the remunerations of the Managing Board in accordance with the legal requirements and Company's policies regularly within the quarterly financial statements. Shareholders are provided easy access to information on remunerations.

Conflict of interest

The members of the Supervisory and Managing Boards avoid any real or potential conflict of interest. Procedures for preventing and detecting conflicts of interest are regulated by the statutes of the Company.

Committees

The Company has set Audit Committee in accordance with the requirements of the Independent Financial Audit Act of public interest companies.

In view of the change in the regulatory framework regarding requirements for Audit Committees, changes in the composition of the committee will be proposed at the next general meeting of the shareholders, as to comply with the new requirements of the IFAA. The Management of the Company will prepare and submit for approval to the General Meeting of Shareholders the statute of the Audit Committee regulating its structure, scope, tasks, operation and reporting procedures consistent with the new requirements of the legislation.

INFORMATION REGARDING CONDUCT OF AUDIT AND INTERNAL CONTROL

CONSOLIDATED DECLARATION OF CORPORATE MANAGEMENT

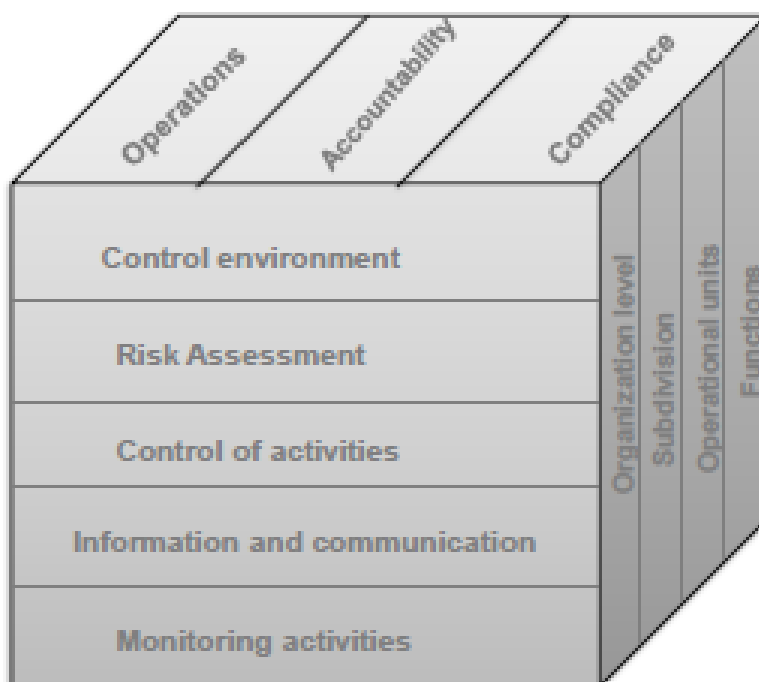
The Companies from the group have developed and implemented internal control system that ensures the proper identification of risks associated with the Company's operations and supports their effective management, and adequate operation of the reporting systems and disclosure of information.

Internal control and risk management are dynamic and iterative processes carried out by management and supervisory bodies designed to provide a reasonable degree of certainty in terms of achieving the organization's objectives in terms of efficiency and effectiveness of operations; Reliability of financial statements; Compliance and enforcement of existing legal and regulatory frameworks.

The main components of internal control systems are:

- Control environment
- Risk Assessment
- Activity control
- Information and communication
- monitoring activities

These components are relevant to the overall organization and to its individual levels and subdivisions, or to individual operational units, functions or other structural elements thereof, and this relationship is represented by the "COSO" Cube¹



One of the main objectives of the internal control and risk management system is to assist the management of the companies and other stakeholders in assessing the reliability of the financial statements of the companies.

The Audit Committees apply the requirements of the Code of Ethics for Professional Accountants on the rotation of registered auditors when drafting proposals and recommendations for the selection of external auditors. They

¹ The Committee of Sponsoring Organizations of the Treadway Commission (COSO) - Basic Concept of Internal Control

CONSOLIDATED DECLARATION OF CORPORATE MANAGEMENT

supervise internal audit activities and monitor the overall relationship with the external auditor, including the nature of the non-audit services provided by the auditor of the company.

Registered auditors are elected by the individual General Meetings of the Shareholders of the various companies to perform an independent financial audit of the annual financial statements of the companies for 2016 in accordance with the requirements of the Independent Financial Audit Act.

The independent financial audit covers procedures to achieve a reasonable level of security:

- compliance with the accounting principles according to the applicable accounting basis;
- whether the accounting policy of the audited entity is appropriate for its operations and is consistent with the applicable accounting and accounting policies used in the industry concerned;
- the consistency of the application of the disclosed accounting policy under the applicable accounting basis;
- the effectiveness of the internal control system limited to the achievement of the audit objectives;
- the process of accounting closure and preparation of the financial statements
- the reliability and user-friendliness of the information presented and disclosed in the financial statements according to the applicable accounting basis.
- the consistency between the information in the financial statements and that in the management report of the audited entity as well as any other information that the management of the entity provides with the audited financial statement

To ensure the effectiveness of the external auditors of Chimimport AD, the Managing Board implements measures to ensure effective implementation of the obligations of auditors of the Company based on the requirements of the Independent Financial Audit Act.

INFORMATION ON PROTECTION OF THE RIGHTS OF SHAREHOLDERS

The management of Chimimport AD guarantees equal treatment of all shareholders of the Company, including minority and international.

The Company applies established rules of the organization and conduct of regular and extraordinary General Meetings of Shareholders.

The protection of shareholders' rights is ensured through:

- facilitation of the shareholders' effective participation in the work of the General Meetings of shareholders through timely disclosure of all materials for the GMS, on the following websites: www.x3news.com, www.investor.bg and www.chimimport.bg.
- transparent procedures regarding organization and conduct of regular and extraordinary General Meetings of Shareholders;
- established procedures on representation of shareholders at the GMS, including templates of letter of attorney both in Bulgarian and English;
- providing opportunity for participation in the profit distributions to the Company, if the General Meeting of Shareholders adopts a specific resolution for dividend distribution;
- implementing a policy to assist shareholders in exercising their rights

INFORMATION ON PROCEDURES FOR DISCLOSURE OF INFORMATION

The Company has adopted rules for internal personnel and internal information, that regulate the obligations, order and responsibility for the public disclosure of inside information for Chimimport AD, prohibit insider trading and

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market manipulation of financial instruments. The public information regarding the activities of Chimimport AD is presented to the Financial Supervisory Commission, the Bulgarian Stock Exchange - Sofia AD and the investing community, distributed through the information agency X3 NEWS - www.x3news.com.

Chimimport AD regularly updates its corporate website www.chimimport.bg both in Bulgarian and English, consistent in structure and volume with the information provided with the recommendations of the National Code and established good practices on systems of disclosure of information.

The website provides general information about the Company and the segments of operations of all companies within the economic group, current data on the financial and economic situation of the Company, including interim and annual financial statements of Chimimport AD on an individual and consolidated basis, as well as information on the Group structure, corporate governance and management of the company, corporate documents prepared and approved by the Managing Board of the Company and the securities issued. All shareholders, investors and interested parties can obtain information about upcoming and already held important corporate events, meetings of the General Meeting of Shareholders and the planned investment policy of the Company.

INFORMATION ABOUT INTERESTED PARTIES AND RECOGNITION OF THEIR RIGHTS AND INTERESTS

The Company has not developed its own rules on accounting for the interests of stakeholders, but for all matters that directly or indirectly affect them, coordination procedures are carried out.

Chimimport AD identifies as stakeholders with respect to its activities all persons who are not shareholders and who have an interest in the economic prosperity of the Company:

- bondholders,
- employees,
- clients,
- suppliers,
- bank – creditors;
- the public, in general.

Within its policy towards stakeholders, the Company complies with the legal requirements and principles of transparency, accountability and business ethics. The Stakeholders are provided with the necessary information about the company's current data of the financial situation and everything that would help correct their orientation and make an informed and reasoned decision.

2.Information under Article 100m, paragraph 8, subparagraph 3 of the POSA

Characteristics of the internal control and risk management systems

Internal control and risk management

The Managing Board is responsible for the internal control and risk management systems and monitors their effectiveness.

These systems are created to manage but cannot fully eliminate the risk from falling behind the set business objectives. They can only provide reasonable, but not absolute assurance on the lack of any substantial inaccuracies or errors. The Managing Board has established an ongoing process for identifying, evaluating and managing significant risks for the Company.

Internal control

Every year, the Company reviews and confirms the degree of compliance with the policies of the National Corporate Governance Code.

All major plans and programs of the Company require approval by the Managing Board.

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There are limits to the authority to ensure that the appropriate approvals are obtained, if the Board is not required to verify the segregation of duties.

Financial policies, controls and procedures are enforced within the Company and are reviewed and updated regularly.

The main activities comprised within the system of internal control of the Company are:

- Control over the functioning of the current reporting and documentation of the Company;
- Maintaining the high competence of personnel with financial and reporting functions;
- Control over the content, accuracy and timeliness of financial statements;
- Completeness of the range and reliability of the financial information system;
- Lawful implementation of tax and social security obligations;
- Protection and preservation of assets;
- Control over disposal of assets and resources.

A system of internal control and risk management operates to ensure the effective functioning of the reporting and disclosure of information. The internal control system is built and functions to identify inherent risks of the company and support their effective management.

The code of conduct of employees of Chimimport AD, determining the required levels of ethics and conduct, is communicated to all employees and any amendments to it are included in the employee training.

Management has overall responsibility of ensuring proper maintenance of accounting data and processes to ensure that financial information is relevant, reliable, consistent with applicable law and the financial statements and management reports are prepared and published by the Company in due course. The Company's management reviews and approves the financial statements to ensure that the financial position and results of the Company are presented fairly and correctly. The financial information, published by the Company is subject for approval by the Supervisory Board.

Annual review of the internal control environment is carried out by the Managing Board, with the assistance of the Audit Committee.

Analysis and risk management

The Managing Board determines the main risks of the Company regularly and monitors throughout the year the measures to address those risks, including through internal control and monitoring. The risk analysis includes business and operational risks, health and safety of employees, financial, market and operational risks, reputation risks, which may affect the Company, as well as specific areas identified in the business plan and the budget process. All significant plans relating to the acquisition of assets or realization of operating income include consideration of relevant risks and appropriate action plans.

Inherently the risk management is a set of processes to identify, assess and control the risks that ensure that the objectives of the Group of Chimimport AD are met and effective management is achieved. Risk management is systematic, structured and in due time and thus facilitates continuous improvement of the organization.

The risk management system comprises the following activities:

- identification of the different groups of risks (indicated in the reports on the activities of the group)
- evaluation and risk analysis (indicated in the reports on the activities of the group)
- monitoring and procedures that will be applied to prevent or reduce the effects of onset risks.

Risk management is part of the internal control system. The goal of management is to detect risks that cast doubt on the functioning of the company, to assess and reduce critical risks. Well-managed risk-taking is a prerequisite for sustainable improvement of the organization. The Company management seeks to develop an active risk

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management by introducing a risk management system and directing efforts to improve it in line with international best practices.

The risk management system defines the duties and responsibilities in the structural divisions of the Company, organization, and procedure for interaction in risk management, analysis, and evaluation of information related to risks, preparing periodic reporting on risk management.

The internal control system and the risk management system are continuously improved following the legislative requirements and best practices. Their goals may be summarized as follows: compliance with the strategies, plans, internal regulations and procedures for the implementation of the activities to ensure effective and efficient operations, reliable financial reporting, storage and protection of assets. Risk management in Chimimport AD is performed by employees at all levels of management and is an integral part of operations and the corporate governance of the Company.

Statement by the directors on the Annual Activity Report and the Financial Statements

Pursuant to the requirements of the Code, the directors confirm their responsibility for preparing the annual activity report and the annual financial statements and consider the Annual Activity Report is transparent, balanced and understandable and provides the necessary information to shareholders, to assess the Company's position and operations, its business model and strategy.

Responsibilities and interaction between the Supervisory Board, the Audit Committee and the external auditor of the Company

As a public company, according to the Independent Financial Audit Act and the National Corporate Governance Code, Chimimport AD has established an Audit Committee, which is responsible for monitoring of the financial reporting and the independent financial audit as well as the effectiveness of the internal audit function and control and risk management systems of the Company.

At the General Meeting of Shareholders held on 01 July 2013, under the proposal of the Managing Board, the shareholders of Chimimport AD elected the following Audit Committee members: Dina Krasteva Paskova - Chairperson, Mariana Zarkova Parvanova and Zornitza Krasimirova Aleksova - members. The structure and functions of the Committee are defined under Article 108, Paragraph 1 of the Independent Financial Audit Act.

The Committee recommends the registered auditor to conduct an independent financial audit of the company and monitor its independence in accordance with the law and the Code of Ethics for Professional Accountants.

The mandate and the number of members of the Audit Committee shall be determined by the General Meeting of Shareholders.

The functions and responsibilities of the Audit Committee are regulated by the Rules of the Audit Committee.

Committee members have unlimited access to the members of the Supervisory Board, the Managing Board and the senior management personnel directly responsible for the activities falling within the scope of the delegated competence of the Committee.

The Audit Committee reports its activity to the General Meeting of Shareholders annually.

The main functions of the Audit Committee include:

- to monitor the financial reporting processes;
- to monitor the effectiveness of internal control systems;
- to monitor the effectiveness of risk management systems;
- to monitor the independent financial audit on the Company;
- to oversee the independence of the registered auditor of the Company in accordance with the IFAA and monitor the provision of ancillary services by the auditor

4. Information in accordance with Article 10, paragraph 1, items "c", "d", "f", "h", and "i" of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004.

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4.1 Information in accordance with Article 10, paragraph 1, item “c” of Directive 2004/25/EC on takeover bids regarding significant direct and indirect shareholdings (including indirect shareholdings through pyram structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC.

In 2016, no changes have been made relating to the acquisition or sale of shares of the Company that reach, exceed or fall below one of the thresholds of 10%, 20%, 1/3, 50% and 2/3 of the voting rights of the Company for the period as defined in Article 85 of Directive 2001/34 / EC.

The share capital of the Company as of 31 December 2016 consists of 239,646,267 ordinary shares with par value of BGN 1 per share. The ordinary shares of the Company are dematerialized, registered and freely transferable and entitle to one (1) vote and liquidation share.

On 15 June 2016, all preferred shares of the Company issued on 12 June 2009, were mandatory converted into ordinary, per the prospectus for the issue.

The list of major shareholders holding more than 5% of the shares of the Company is as follows:

	Ordinary shares As a t 31.12.2016	Ordinary shares As a t 31.12.2015
Invest Capital AD	175 002 247	73.03%
Other legal entities and individuals not exceeding 5%	64 644 020	26.97%
	239 646 267	100.00%

4.2 Information in accordance with Article 10, paragraph 1, item “d” of Directive 2004/25/EC on takeover bids regarding the holders of any securities with special control rights and a description of those right

Chimimport AD has no shareholders with special control rights..

4.3 Information in accordance with Article 10, paragraph 1, item “f” of Directive 2004/25/EC on takeover bids regarding any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company’s cooperation, the financial rights attaching to securities are separated from the holding of securities;

There are no restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company’s cooperation, the financial rights attaching to securities are separated from the holding of securities

4.4 Information in accordance with Article 10, paragraph 1, item “h” of Directive 2004/25/EC on takeover bids regarding the rules governing the appointment and replacement of board members and the amendment of the articles of association;

The management bodies of the Company are:

- General Meeting of the Shareholders;
- Supervisory Board;
- Managing Board.

The General Meeting of the Shareholders elects and dismisses members of the Supervisory Board and determines their compensation and bonuses.

The members of the Managing board are appointed by the Supervisory Board, which can replace them at any time. One individual cannot be both a member of the Managing and Supervisory Board. Members of the Managing Board may bere-elected without limitation.

Members of the Managing Board of “Chimimport” AD are elected only if they meet the following legal requirements:

- be either individuals or legal persons;
- at the moment of election have not been convicted of crimes against property, economy or against the fiscal, tax and

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- insurance authorities of the Republic of Bulgaria or abroad, unless rehabilitated;
- are not members of the managing or supervisory body of a company terminated due to bankruptcy in the past two years preceding the date of the declaration of insolvency, if any unsatisfied creditors remain;

Amendments to the Articles of Association of the Company are approved by General Meeting of the Shareholders.

4.5 Information in accordance with Article 10, paragraph 1, item "i" of Directive 2004/25/EC on takeover bids regarding the powers of board members, and in particular the power to issue or buy back shares;

The amount of capital may be amended in the manner provided by the law and the Statutes of the Company. The decision to amend shall contain all the details required by law.

The decision to increase the capital is taken by the General Meeting of the Shareholders or the Managing Board, within the mandate under Article 17 of the Statute of the Company.

If new shares are sold at a price higher than nominal, their issue price is determined with the decision to increase the capital.

Each shareholder is entitled to acquire part of the new shares, which corresponds to its share capital before the increase, unless that right is limited by law (Article 113, paragraph 2, subparagraph 2 of the Public Offering of Securities Act).

In the event of a capital increase through the capitalization of retained earnings and other assets by issuing new shares, the latter shall be acquired by the shareholders in proportion to shares already owned.

In its decision for capital increase under Article 17, the Managing Board sets the amount and purpose of the increase; the number and type of the new shares, their rights and privileges, deadline and conditions of transfer of rights under § 1, p. 3 of POSA issued against existing shares; the deadline and conditions for subscription of new shares; the amount of the issue price and terms and conditions for its payment; the investment intermediary entrusted with the implementation of the subscription; as well as determines any other terms and conditions provided for in the regulations or necessary to make the corresponding increase in equity.

Capital decrease

The capital reduction is carried out by decision of the General Meeting of Shareholders by decreasing the nominal value of shares or through cancellation of shares.

Cancellation of shares shall be allowed only through the purchase of company's own shares under the conditions and according to the Commercial Code.

4. Composition and functions of the administrative, management and supervisory bodies

The Supervisory Board of Chimimport consists of 3 members who are elected by the General Meeting of the Shareholders for a term of five years.

The Supervisory Board performs its activities in conformity with the Statute of Chimimport AD and the Internal rules of the Supervisory Board.

The Managing Board of Chimimport AD consists of six members who are elected by the Supervisory Board for a term of five years.

The Managing Board performs its activities in conformity with the Statute of Chimimport AD and the Internal rules of the Managing Board.

In carrying out their duties and responsibilities the members of the Managing and Supervisory Boards are governed by the legal requirements, by-laws of the Company and the standards of integrity and competence.

The Managing Board:

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- governs and represents Chimimport AD;
- manages the operating activities of the Company;
- approves plans and programs for the Company's activities;
- approves the organizational and managerial structure of the Company;
- approves decisions that are not in the express competence of the General Meeting of the Shareholders and the Supervisory Board;
- decides on capital increase or decrease under the Articles of Association;

The Managing Board, with the approval of the Supervisory Board:

- approves and proposes for approval to the General Meeting of Shareholders the annual financial statements and the activity report of the Company;
- based on the financial performance of the Company at the end of the reporting year, makes a proposal on the appropriation of the profit

Members of the Managing Board are guided in their activities by the generally accepted principles of integrity and management and professional competence.

Members of the Supervisory and Managing Board apply the principle of avoidance and prevention of actual or potential conflict of interest. Any conflict of interest should be disclosed to the Supervisory Board. Members of the Managing Board should inform the Supervisory Board about whether directly, indirectly or on behalf of third parties have a significant interest in any transactions or matters that have a direct impact on the Company.

5. Description of the diversity policy

The Company does not apply diversity policy in terms of administrative, management and supervisory bodies of the Company in connection with aspects such as age, sex or education, and professional experience.

ANNUAL REPORT ON PAYMENTS TO GOVERNMENTS

Exploration and Production of Oil and Gas AD carries out activities in the mining industry and according to Art. 53 of the Accountancy Act has the obligation to prepare and publish a report on payments to governments along with its activity report.

The main activity of Exploration and Production of Oil and Gas AD is based on concession rights granted by the state under 13 concession agreements.

According to the contracts, Exploration and Production of Oil and Gas AD is obliged to make concession payments (concession remunerations) every six months on the basis of realized quantities of crude oil and natural gas, the payment being due until the end of the month following the respective semester.

In 2016 Exploration and Production of Oil and Gas AD has paid concession remuneration to the Ministry of Energy as follows:

- ✓ Regarding H2 2015 – BGN 797 502;
- ✓ Regarding H1 2016 – BGN 661 233;

These amounts are inclusive of value added tax and represent the payments made by Exploration and Production of Oil and Gas AD in 2016, which differ from the accrued amounts for the concessionary expense.

As of 31.12.2016, Exploration and Production of Oil and Gas AD carries out exploration activities of oil and gas on the basis of permits for exploration of underground resources issued by the Council of Ministers and concluded search and research contracts in Block 1-12 Knezha and Block 1-17 Ovcha mogila.

For the granted exploration rights in the blocks, Exploration and Production of Oil and Gas AD pays an annual area fee calculated according to Decree of the Council of Ministers № 284 / 17.10.2011, effective 25.10.2011 (Decree of the Council of Ministers No. 125/1999 - 25.10.2011) on the basis of the actual area used.

By Supplementary Agreement No 1 dated 04.04.2016 on the basis of Decision No 655/2008, Decision No 177/2010, Decision No 398 / 12.06.2014 and Decision №790 / 12.10.2015 of the Ministers Council of the Republic of Bulgaria, the term of the contract for exploration of crude oil and natural gas in the area of "Block 1-12 Knezha" is extended by 2 years, as of 21.06.2015.

In 2016, on the basis of the additional agreement signed, Exploration and Production of Oil and Gas AD has paid an area fee for Unit 1-12 Knezha of the Ministry of Energy as follows:

- ✓ For the period 21.06.2015 – 20.06.2016 – BGN 62 600.
- ✓ For the period 21.06.2016 – 20.06.2017 – BGN 62 600.

In 2016, Exploration and Production of Oil and Gas AD has paid corporate income tax at the amount of BGN 288,572 and taxes on expenses at the amount of BGN 11,534 under the annual tax return under Article 92 of the CITA for 2015.

**MANAGING BOARD
OF CHIMIMPORT AD
SOFIA
2 May 2017**

CONTACT US

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Медии за разкриване на информация
www.x3news.com

All current shareholders, interested persons/stakeholders and potential investors may receive the necessary information related to the activities of the company and its financial results at the following address:

2 "Stefan Karadja" Str., Sofia 1000, every Friday from 13.00 till 17.00.



FOR ADDITIONAL INFORMATION
PLEASE VISIT OUR WEBSITE

www.chimimport.bg



USEFUL LINKS

Financial Supervision Commission
<http://www.fsc.bg/>

Bulgarian Stock Exchange
<http://www.bse-sofia.bg/>

Central Depository
<http://www.csd-bg.bg/>

Bulgarian National Bank
<http://www.bnb.bg/>

Privatization Agency
<http://www.priv.government.bg/>



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