

Interim Consolidated Activity Report  
Interim Condensed Consolidated Financial  
Statements

**CHIMIMPORT AD**

31 December 2018



# Contents

	<b>Page</b>
<b>Interim condensed consolidated statement of financial position</b>	<b>2</b>
<b>Interim condensed consolidated statement of comprehensive income</b>	<b>4</b>
<b>Interim condensed consolidated statement of changes in equity</b>	<b>5</b>
<b>Interim condensed consolidated statement of cash flows</b>	<b>8</b>
<b>Notes to the interim condensed consolidated financial statements</b>	<b>9</b>

## Interim condensed consolidated statement of financial position

	Notes	31.12.2018 BGN'000	31.12.2017 BGN'000
<b>Assets</b>			
Property, plant and equipment	9	420 217	423 178
Investment property		418 645	405 502
Goodwill		32 013	32 307
Other intangible assets		156 920	171 741
Deferred tax assets		5 897	6 720
Investments accounted for using the equity method	7	34 120	34 420
Loans and receivables to bank customers		2 416 344	2 319 809
Equity instruments at fair value through profit or loss		1 620 590	1 430 323
Debt instruments at fair value through other comprehensive income		432 666	-
Equity instruments at fair value through other comprehensive income		157 907	-
Held for sale financial assets		-	664 195
Held-to-maturity financial assets		-	36 469
Other financial assets		1 108 016	766 481
Receivables from insurance and reinsurance contracts		51 947	43 645
Reinsurance assets		85 644	81 280
Tax receivables		1 580	1 756
Other receivables		110 644	175 411
Inventories		46 057	47 175
Cash and cash equivalents		2 066 567	2 204 904
<b>Total assets</b>		<b>9 165 774</b>	<b>8 845 316</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezov*

Date: 28 February 2019



Executive director: \_\_\_\_\_

*I. Kamenov*

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

## Interim condensed consolidated statement of financial position (continued)

	Notes	31.12.2018 BGN'000	31.12.2017 BGN'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	227 191	227 236
Share premium		247 070	247 129
Other reserves		149 027	118 444
Retained earnings		671 094	735 323
Profit for the period		68 127	68 370
<b>Equity attributed to the shareholders of parent company</b>		<b>1 362 509</b>	<b>1 396 502</b>
Non-controlling interests		289 243	276 746
<b>Total equity</b>		<b>1 651 752</b>	<b>1 673 248</b>
<b>Liabilities</b>			
Liabilities to depositors	13	5 279 027	5 052 941
Other financial liabilities	13	518 612	512 615
Payables to secured persons		1 310 196	1 195 555
Pension and other employee obligations		18 316	18 211
Deferred tax liabilities		31 071	28 210
Liabilities to insurance and reinsurance contracts		298 394	303 874
Finance lease liabilities		5 817	3 939
Tax liabilities		3 453	6 489
Other liabilities		49 136	50 234
<b>Total liabilities</b>		<b>7 514 022</b>	<b>7 172 068</b>
<b>Total equity, reserves and liabilities</b>		<b>9 165 774</b>	<b>8 845 316</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezov*

Date: 28 February 2019



Executive director: \_\_\_\_\_

*I.I. Kamenov*

## Interim condensed consolidated statement of comprehensive income

	Notes	31.12.2018 BGN'000	31.12.2017 BGN'000
Income from non-financial activities		442 571	433 039
Change in fair value of investment property		1 873	2 108
Gain on sale of non-current assets		1 106	(6 133)
<b>Net result from non-financial activities</b>		<b>445 550</b>	<b>429 014</b>
Insurance income		377 504	352 019
Insurance expense		(350 279)	(318 475)
<b>Net insurance result</b>		<b>27 225</b>	<b>33 544</b>
Interest income		189 278	199 468
Interest expense		(34 879)	(39 189)
<b>Net interest income</b>		<b>154 399</b>	<b>160 279</b>
<b>Net result from transactions with financial instruments</b>		<b>15 212</b>	<b>100 721</b>
Other non - financial and administrative expenses		(621 323)	(635 834)
Share of profit from equity accounted investments		5 265	5 741
Other financial income		74 787	36 451
Allocation of income to secured persons		(10 544)	(45 021)
<b>Profit before tax</b>		<b>90 571</b>	<b>84 895</b>
Tax expense, revenue	14	(7 848)	771
<b>Net profit for the period</b>		<b>82 723</b>	<b>85 666</b>
<b>Other comprehensive income</b>			
Revaluation of obligations under defined benefit plans, net		(1 782)	6 245
<b>Total comprehensive income</b>		<b>80 941</b>	<b>91 911</b>
<b>Profit for the year attributable to:</b>			
the shareholders of Chimimport AD		68 127	68 370
non-controlling interests		14 596	17 296
<b>Total comprehensive income attributable to:</b>			
the shareholders of Chimimport AD		66 781	72 617
non-controlling interests		14 160	19 294
<b>Basic earnings per share in BGN</b>	15	<b>0,30</b>	<b>0,30</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezovi*



Executive director: \_\_\_\_\_

*I. Kamenov*

**Date: 28 February 2019**

## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
<b>Balance at 1 January 2018</b>	227 236	247 129	118 444	803 693	1 396 502	276 746	1 673 248
Effect of initial application of IFRS 9							
<b>Balance at 01 January 2018 (recalculated)</b>	-	-	-	(86 160)	(86 160)	(12 873)	(99 033)
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	227 236	247 129	118 444	717 533	1 310 342	263 873	1 574 215
Business combinations	(45)	(59)	-	-	(104)	-	(104)
Dividends	-	-	(4 712)	4 515	(197)	13 209	13 012
<b>Transactions with owners</b>	-	-	-	(14 313)	(14 313)	(1 999)	(16 312)
	<b>(45)</b>	<b>(59)</b>	<b>(4 712)</b>	<b>(9 798)</b>	<b>(14 614)</b>	<b>11 210</b>	<b>(3 404)</b>
Profit for the period, ended at 31 December 2018	-	-	-	68 127	68 127	14 596	82 723
Other comprehensive income	-	-	(1 346)	-	(1 346)	(436)	(1 782)
<b>Total comprehensive income for the period</b>	-	-	(1 346)	68 127	66 781	14 160	80 941
Transfer of retained earnings to other reserves	-	-	36 641	(36 641)	-	-	-
<b>Balance at 31 December 2018</b>	<b>227 191</b>	<b>247 070</b>	<b>149 027</b>	<b>739 221</b>	<b>1 359 785</b>	<b>289 243</b>	<b>1 651 752</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezov/*

Date: 28 February 2019



Executive director: \_\_\_\_\_

*I. Kamenov/*

## Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD					Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	226 914	246 838	85 174	783 064	1 341 990	261 170	1 603 160
<b>Balance at 1 January 2017</b>							
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	322	291	-	-	613	-	613
Business combinations			3 639	(10 749)	(7 110)	134	(6 976)
Dividends	-	-	-	(11 608)	(11 608)	(3 852)	(15 460)
<b>Transactions with owners</b>	<b>322</b>	<b>291</b>	<b>3 639</b>	<b>(22 357)</b>	<b>(18 105)</b>	<b>(3 718)</b>	<b>(21 823)</b>
Profit for the year at 31 December 2017	-	-	-	68 370	68 370	17 296	85 666
Other comprehensive income	-	-	4 247	-	4 247	1 998	6 245
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4 247</b>	<b>68 370</b>	<b>72 617</b>	<b>19 294</b>	<b>91 911</b>
Transfer of retained earnings to other reserves	-	-	25 384	(25 384)	-	-	-
<b>Balance at 31 December 2017</b>	<b>227 236</b>	<b>247 129</b>	<b>118 444</b>	<b>803 696</b>	<b>1 396 502</b>	<b>276 746</b>	<b>1 673 248</b>

Prepared by: \_\_\_\_\_

*I.A. Kerezov/*

Date: 28 February 2019



Executive director: \_\_\_\_\_

*I. Kamenov/*

## Interim condensed consolidated statement of cash flows

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Proceeds from short-term loans	44 101	56 758
Payments for short-term loans	(48 623)	(78 951)
Proceeds from sale of short-term financial assets	420 111	229 568
Purchase of short-term financial assets	(575 149)	(239 424)
Cash receipt from customers	425 308	414 620
Cash paid to suppliers	(379 376)	(369 454)
Proceeds from secured persons	146 716	136 737
Payments to secured persons	(37 941)	(23 689)
Payments to employees and social security institutions	(121 105)	(118 139)
Cash receipts from banking operations	47 964 719	43 827 219
Cash paid for banking operations	(47 701 928)	(43 389 214)
Cash receipts from insurance operations	160 198	201 596
Cash paid for insurance operations	(118 134)	(161 068)
Income taxes paid	(9 210)	(2 137)
Other cash outflows	(18 538)	(5 258)
<b>Net cash flow from operating activities</b>	<b>151 149</b>	<b>479 164</b>
<b>Investing activities</b>		
Sale of subsidiaries, net of cash	2 170	-
Dividends received	9 464	2 739
Sale of property, plant and equipment	1 545	3 957
Purchase of property, plant and equipment	(20 138)	(8 484)
Purchase of intangible assets	(2 609)	(1 719)
Sale of investment property	7 723	10 983
Purchase of investment property	(19 070)	(72 035)
Sale of non-current financial assets	560 341	875 880
Purchase of non-current financial assets	(855 716)	(921 175)
Interest payments received	43 617	13 189
Proceeds from loans granted	17 985	52 324
Payments for loans granted	(8 873)	(8 375)
Other cash inflows /(outflows)	5 379	(29 191)
<b>Net cash flow from investing activities</b>	<b>(258 182)</b>	<b>(81 907)</b>
<b>Financing activities</b>		
Paid dividends	(3 269)	(4 860)
(Purchase)/sale of own shares	(104)	613
Proceeds from loans received	49 249	78 766
Payments for loans received	(69 651)	(16 287)
Interest paid	(9 339)	(7 451)
Payments for finance leases	(1 702)	(1 416)
Other cash inflows/(outflows)	2 786	(6 038)
<b>Net cash flow from financing activities</b>	<b>(32 030)</b>	<b>43 327</b>
Net change in cash and cash equivalents	(139 063)	440 584
Cash and cash equivalents, beginning of year	2 204 904	1 767 126
Exchange profit on cash and cash equivalents	726	(2 806)
<b>Cash and cash equivalents, end of the period</b>	<b>2 066 567</b>	<b>2 204 904</b>

Prepared by:

*I.A. Kerezovi*



Executive director:

*I. Kamenov*

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



## Notes to the interim condensed consolidated financial statements

### 1. Nature of operations

Chimimport AD was registered as a joint-stock company at Sofia city court on 24 January 1990. The address of the Company's registered office is 2 St. Karadja Str., Sofia, Bulgaria.

The Company is registered on the Bulgarian Stock Exchange – Sofia on 30 October 2006.

Chimimport AD (The Group) includes the parent company and all subsidiaries.

The Group is engaged in the following business activities:

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

The Company has a two-tier management structure consisting of a Supervisory Board and a Managing Board.

#### **The members of the Supervisory Board are as follows:**

Invest Capital AD  
CCB Group EAD  
Mariana Bazhdarova

#### **The members of the Managing Board are as follows:**

Alexander Kerezov  
Ivo Kamenov  
Marin Mitev  
Nikola Mishev  
Miroliub Ivanov  
Tzvetan Botev

The Company is represented by its executive directors Ivo Kamenov and Marin Mitev, together and separately.

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

These interim condensed consolidated financial statements as of 31 December 2018 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all of the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the European Union (EU). Investments in subsidiaries are accounted for and disclosed in accordance with IFR 10 “Consolidated Financial Statements”.

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

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

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

## **3. Accounting policies and significant changes during the period**

### **3.1. Accounting policy**

These interim condensed consolidated financial statements (the interim consolidated financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2017.

### **3.2. Estimates**

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

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2017.

### 3.3. Financial risk management

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the annual financial statements as at 31 December 2017. There have been no changes in the risk management policies since year end.

### 4. Accounting estimates

For the purpose of preparing these interim condensed financial statements, management has applied accounting estimates and assumptions in the assessment of its assets, liabilities, income and expenses. Actual results may differ from these estimates and management assumptions. Accounting estimates and assumptions applied in this interim condensed financial statements do not differ from the last annual financial statements of the Company as of 31 December 2017.

### 5. Effect of initial application of IFRS 9

Initial Effect from the Application of IFRS 9 "Financial Instruments" IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" and is effective from January 1, 2018. The new standard introduces significant changes in the classification, subsequent measurement, and a new pattern of expected credit losses for impairment financial actives. IFRS 9 also includes a new guidance on hedge accounting.

The management of the company identifies a few areas that are expected to have effect from the application of IFRS 9:

- the classification and measurement of the financial assets of the Company assesses the new criteria that take attention on the agreed cash flows for the assets and the business model under which they are managed. The management holds most of the financial assets to collect the relevant cash flows and estimates the types of cash flows to properly classify the financial assets.

The management of the company expects the majority of held-to-maturity financial assets to continue to be carried at amortized cost.

Position on financial statement	Category of IAS 39	Category of IFRS 9	Business model
Long-term financial assets	Available-for-sale financial instruments	<ul style="list-style-type: none"> <li>- Equity instruments measured at fair value through other comprehensive income</li> <li>- Debt instruments measured at fair value through other comprehensive income</li> <li>- Financial instruments measured at fair value through through profit</li> </ul>	<ul style="list-style-type: none"> <li>- Not applicable</li> <li>- Held for collection and sale</li> <li>- Other, different than held for collection</li> </ul>

			and for sale
Bonds	Investments held to maturity	Debt instruments measured at amortized cost	Held for collection
Receivables from related parties	Credits and receivables	Debt instruments measured at amortized cost	Held for collection
Loans granted	Credits and receivables	Debt instruments measured at amortized cost	Held for collection
Trade payables	Credits and receivables	Debt instruments measured at amortized cost	Held for collection
Cash and cash equivalents	Credits and receivables	Debt instruments measured at amortized cost	Held for collection

All financial assets held by the Company are eligible for payment only for principal and interest.

The main effects that the Company recognizes in the application of IFRS 9 Financial Instruments are related to the application of the effect of the recognition of a credit correction for credit losses accrued in accordance with the requirements of the expected credit loss model. The scope of the model includes debt instruments managed by the company with a business model held for collection.

The Company applies an individual approach to impairment of the borrowed funds, taking into account the respective risks associated with the counterparty.

## 6. Significant events and transactions during the reporting period

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

## 7. Investments accounted for using equity method

### 7.1. Investments in associates

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

Name	31.12.2018 BGN'000	Share %	31.12.2017 BGN'000	Share %
Lufthansa Technik Sofia OOD	8 945	24.90%	8 256	24.90%
VTC AD	3 737	41.00%	3 502	41.00%
Amadeus Bulgaria OOD	3 291	45.00%	3 343	45.00%
Silver Wings Bulgaria Ltd.	5 170	42.50%	5 132	42.50%
Swissport Bulgaria	5 671	49.00%	5 409	49.00%
Dobrich fair AD	-	-	755	39.98%
Kavarna Gas OOD	552	35.00%	496	35.00%
Port Ppristis OOD	23	19.00%	-	-
	<b>27 389</b>		<b>26 893</b>	

Investments in associates are presented in the interim condensed consolidated financial statements of the Group using the equity method. Associates have a reporting date as at 31 December 2018.

## 7.2. Investments in joint ventures

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

<b>Name</b>	<b>31.12.2018</b>	<b>Share</b>	<b>31.12.2017</b>	<b>Share</b>
	<b>BGN '000</b>	<b>%</b>	<b>BGN '000</b>	<b>%</b>
Nuance BG AD	1 724	50.00%	2 520	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	<u><b>6 731</b></u>		<u><b>7 527</b></u>	

## 8. Segment reporting

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

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

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

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

The operating segments of the Group are as follows:

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

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



Operating segments 31 December 2018	Production, trade and services	Financial sector	Transport sector	Real estate and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	86 171	47 478	301 157	11 110	(3 345)	442 571
Change in fair value of investment property	(125)	1 998	-	-	-	1 873
Gain from sale of non-current assets	103	126	1 036	1	(160)	1 106
Inter-segment income from non-financial activities	9 868	2 290	2 774	<b>723</b>	(15 655)	-
<b>Total income from non-financial activities</b>	<b>96 017</b>	<b>51 892</b>	<b>304 967</b>	<b>11 834</b>	<b>(19 160)</b>	<b>445 550</b>
Insurance income from external customers	-	377 504	-	-	-	377 504
Inter-segment insurance income	-	2 993	-	-	(2 993)	-
<b>Total insurance income</b>	<b>-</b>	<b>380 497</b>	<b>-</b>	<b>-</b>	<b>(2 993)</b>	<b>377 504</b>
<b>Result from insurance</b>	<b>-</b>	<b>29 748</b>	<b>-</b>	<b>-</b>	<b>(2 523)</b>	<b>27 225</b>
Interest income	5 374	196 730	1 122	1 300	(15 248)	189 278
Interest expenses	(7 506)	(32 693)	(6 745)	(3 186)	15 251	(34 879)
<b>Result from interest</b>	<b>(2 132)</b>	<b>164 037</b>	<b>(5 623)</b>	<b>(1 886)</b>	<b>3</b>	<b>154 399</b>
<b>Gains from transactions with financial instruments</b>	<b>5 936</b>	<b>24 746</b>	<b>4 906</b>	<b>(307)</b>	<b>(20 069)</b>	<b>15 212</b>
Other non - financial and administrative expenses	(90 595)	(238 373)	(309 770)	(9 046)	26 461	(621 323)
<b>Net result from equity accounted investments in associates</b>	<b>42</b>	<b>-</b>	<b>5 223</b>	<b>-</b>	<b>-</b>	<b>5 265</b>
Other financial income/ expense	(2 666)	73 676	1 275	(173)	2 675	74 787
Profit for allocating insurance batches	-	(10 544)	-	-	-	(10 544)
<b>Profit for the period before tax</b>	<b>6 602</b>	<b>95 182</b>	<b>978</b>	<b>422</b>	<b>(12 613)</b>	<b>90 571</b>
Tax expenses	(191)	(7 443)	(174)	(40)	-	(7 848)
<b>Net profit for the period</b>	<b>6 411</b>	<b>87 739</b>	<b>804</b>	<b>382</b>	<b>(12 613)</b>	<b>82 723</b>



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
31 December 2018	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	643 578	9 549 218	791 465	289 838	(2 142 445)	9 131 654
Equity accounted investments in associates	3 736	-	23 458	-	6 926	34 120
<b>Total consolidated assets</b>	<b>647 314</b>	<b>9 549 218</b>	<b>814 923</b>	<b>289 838</b>	<b>(2 135 519)</b>	<b>9 165 774</b>
Liabilities of the segment	213 391	7 409 226	382 001	124 556	(611 571)	7 517 603
<b>Total consolidated liabilities</b>	<b>213 391</b>	<b>7 409 226</b>	<b>382 001</b>	<b>124 556</b>	<b>(611 571)</b>	<b>7 517 603</b>



Operating segments 31 December 2017	Production, trade and services	Financial sector	Transport sector	Real estate and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	98 365	21 932	308 954	6 685	(2 897)	433 039
Change in fair value of investment property	(52)	2 160	-	-	-	2 108
Gain from sale of non-current assets	(145)	29	(833)	2 135	(7 319)	(6 133)
Inter-segment income from non-financial activities	8 341	816	2 844	<b>1 864</b>	(13 865)	-
<b>Total income from non-financial activities</b>	<b>106 509</b>	<b>24 937</b>	<b>310 965</b>	<b>10 684</b>	<b>(24 081)</b>	<b>429 014</b>
Insurance income from external customers	-	352 019	-	-	-	352 019
Inter-segment insurance income	-	2 059	-	-	(2 059)	-
<b>Total insurance income</b>	<b>-</b>	<b>354 078</b>	<b>-</b>	<b>-</b>	<b>(2 059)</b>	<b>352 019</b>
<b>Result from insurance</b>	<b>-</b>	<b>34 881</b>	<b>-</b>	<b>-</b>	<b>(1 337)</b>	<b>33 544</b>
Interest income	6 600	206 500	1 957	882	(16 471)	199 468
Interest expenses	(8 275)	(38 049)	(7 495)	(1 736)	16 366	(39 189)
<b>Result from interest</b>	<b>(1 675)</b>	<b>168 451</b>	<b>(5 538)</b>	<b>(854)</b>	<b>(105)</b>	<b>160 279</b>
<b>Gains from transactions with financial instruments</b>	<b>5 667</b>	<b>102 883</b>	<b>13 522</b>	<b>1</b>	<b>(21 352)</b>	<b>100 721</b>
Other non - financial and administrative expenses	(103 445)	(228 383)	(320 132)	(6 494)	22 620	(635 834)
<b>Net result from equity accounted investments in associates</b>	<b>42</b>	<b>-</b>	<b>5 699</b>	<b>-</b>	<b>-</b>	<b>5 741</b>
Other financial income/ expense	(421)	41 659	(2 526)	(262)	(1 999)	36 451
Profit for allocating insurance batches	-	(45 021)	-	-	-	(45 021)
<b>Profit for the period before tax</b>	<b>6 677</b>	<b>99 407</b>	<b>1 990</b>	<b>3 075</b>	<b>(26 254)</b>	<b>84 895</b>
Tax expenses	(521)	266	1 356	(361)	31	771
<b>Net profit for the period</b>	<b>6 156</b>	<b>99 673</b>	<b>3 346</b>	<b>2 714</b>	<b>(26 223)</b>	<b>85 666</b>



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
31 December 2017	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	720 205	9 283 949	788 38	298 625	(2 280 271)	8 810 896
Equity accounted investments in associates	4 027	-	23 475	2	6 916	30 881
<b>Total consolidated assets</b>	<b>724 232</b>	<b>9 283 949</b>	<b>811 863</b>	<b>298 627</b>	<b>(2 273 355)</b>	<b>8 845 316</b>
Liabilities of the segment	258 129	7 166 214	370 833	129 003	(752 111)	7 172 068
<b>Total consolidated liabilities</b>	<b>258 129</b>	<b>7 166 214</b>	<b>370 833</b>	<b>129 003</b>	<b>(752 111)</b>	<b>7 172 068</b>



### 9. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. presented in the consolidated interim financial statements as at December 31, 2018. Their carrying amount can be analyzed as follows:

	Land	Building	Machines	Equipment and spare parts	Vehicles	Repairs	Others	Advances and assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2018	51 382	132 104	182 354	85 229	125 850	24 368	74 401	40 731	<b>716 419</b>
Additions:									
-business combinations	-	-	82	-	73	-	17	321	<b>493</b>
- separately acquired	166	8 309	6 766	954	5 775	2 478	2 381	17 434	<b>44 263</b>
- reclassified									
Disposals	(5)	(537)	(4 756)	(694)	(3 163)	(16)	-	(18 208)	<b>(27 379)</b>
- separately disposed	-	-	(182)	(1)	(2 886)	-	-	-	<b>(3 069)</b>
Balance at 31 December 2018	51 543	139 876	184 264	85 488	125 649	26 830	76 799	40 278	<b>730 727</b>
<b>Depreciation</b>									
Balance at 1 January 2018	-	(24 873)	(117 446)	(33 741)	(55 439)	(24 164)	(37 578)	-	<b>(293 241)</b>
Business combinations	-	-	(75)	-	(62)	-	(17)	-	<b>(154)</b>
Disposal Business combinations	-	-	142	1	340	-	-	-	<b>483</b>
Disposal depreciation	-	144	4 699	570	2 119	19	94	-	<b>7 645</b>
Depreciation	-	(3 809)	(9 953)	(1 510)	(5 582)	(1 590)	(2 799)	-	<b>(25 243)</b>
Balance at 31 December 2018	-	(28 538)	(122 633)	(34 680)	(58 624)	(25 735)	(40 300)	-	<b>(310 510)</b>
<b>Carrying amount at 31 December 2018</b>	<b>51 543</b>	<b>111 338</b>	<b>61 631</b>	<b>50 808</b>	<b>67 025</b>	<b>1 095</b>	<b>36 499</b>	<b>40 278</b>	<b>420 217</b>

- as at 31 December 2017

	Land	Building	Machines	Equipment	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
<b>Balance at 1 January 2017</b>	52 651	124 769	176 066	84 989	128 159	23 487	73 462	60 258	<b>723 841</b>
Additions:									
- separately acquired	-	9 155	8 298	821	4 263	881	1 608	9 027	<b>34 053</b>
- reclassified	-	3 556	-	-	-	-	-	-	<b>3 556</b>
Disposals									
- separately disposed	(1 050)	(1 796)	(1 997)	(581)	(4 470)	-	(660)	(23 366)	<b>(33 920)</b>
- business combinations	-	-	-	-	(2 102)	-	-	(5 188)	<b>(7 290)</b>
- reclassified	(219)	(3 580)	(13)	-	-	-	(9)	-	<b>(3 821)</b>
<b>Balance at 31 December 2017</b>	<b>51 382</b>	<b>132 104</b>	<b>182 354</b>	<b>85 229</b>	<b>125 850</b>	<b>24 368</b>	<b>74 401</b>	<b>40 731</b>	<b>716 419</b>
<b>Depreciation</b>									
<b>Balance at 1 January 2017</b>	-	(21 921)	(109 076)	(32 332)	(52 122)	(22 621)	(35 567)	-	<b>(273 639)</b>
Business combinations	-	201	-	-	-	-	-	-	<b>201</b>
Disposal depreciation - reclassified	-	456	1 697	162	1 619	-	393	-	<b>4 327</b>
Depreciation	-	(3 609)	(10 067)	(1 571)	(4 936)	(1 543)	(2 404)	-	<b>(24 130)</b>
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>(24 873)</b>	<b>(117 446)</b>	<b>(33 741)</b>	<b>(55 439)</b>	<b>(24 164)</b>	<b>(37 578)</b>	<b>-</b>	<b>(293 241)</b>
<b>Carrying amount at 31 December 2017</b>	<b>51 382</b>	<b>107 231</b>	<b>64 908</b>	<b>51 488</b>	<b>70 411</b>	<b>204</b>	<b>36 823</b>	<b>40 731</b>	<b>423 178</b>

## 10. Financial assets

Amounts recognized in the interim condensed consolidated statement of financial position are attributable to the following categories of financial assets:

	Current		Non-current	
	31.12.2018 BGN '000	31.12.2017 BGN '000	31.12.2018 BGN '000	31.12.2017 BGN '000
Loans and advances to bank customers	288 279	463 493	2 128 065	1 856 316
Financial assets at fair value through profit or loss	1 616 026	1 425 759	4 564	4 564
Debt instruments measured at fair value through other comprehensive income	53 022	-	379 644	-
Equity instruments measured at fair value through other comprehensive income	767	-	157 140	-
Available-for-sale financial assets	-	83 856	-	580 339
Held-to-maturity financial assets	-	36 469	-	-
	<b>1 958 094</b>	<b>2 009 577</b>	<b>2 669 413</b>	<b>2 441 219</b>

## 11. Short-term financial assets

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

	Current		Non-current	
	31.12.2018 BGN '000	31.12.2017 BGN '000	31.12.2018 BGN '000	31.12.2017 BGN '000
Loans granted to non-bank customers	107 068	140 313	143 035	164 901
Debt instruments at amortized cost	50 754	-	270 755	-
Receivables under repurchase agreements of the Securities	301 011	237 959	-	-
Claims on cessions	47 586	37 667	-	-



Receivables from related parties	66 288	68 920	3 755	8 758
Trade and other receivables	116 994	102 302	-	-
Short-term deposits	-	5 661	-	-
Other / Assets under contracts/	770	-	-	-
	<b>690 471</b>	<b>592 822</b>	<b>417 545</b>	<b>173 659</b>

## 12. Share capital

The share capital of Chimimport as at 31 December 2018 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 454 620 ordinary shares acquired by companies of Chimimport Group. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

Shares issued and fully paid:	<b>31.12.2018</b>	<b>31.12.2017</b>
- beginning of the year	227 235 748	226 914 228
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	(44 101)	321 520
<b>Shares issued and fully paid as at period end</b>	<b>227 191 647</b>	<b>227 235 748</b>

All privilege shares, issued on 12 June 2009, were converted into ordinary shares on 15 June 2016, according to the prospectus for their issue.

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

	<b>31.12.2018</b>	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2017</b>
	<b>Number of ordinary shares</b>	<b>%</b>	<b>Number of ordinary shares</b>	<b>%</b>
Invest Capital AD	174 847 247	72.96%	174 847 247	72.96%
Other legal entities and private individuals	64 799 020	27.04%	64 799 020	27.04%
	<b>239 646 267</b>	<b>100.00%</b>	<b>239 646 267</b>	<b>100.00%</b>
<b>Shares of the Group, acquired by subsidiaries</b>				
CCB Group AD	(1 296 606)	0.54%	(1 296 606)	0.54%
ZAD Armeec	(3 236 507)	1.35%	(3 236 507)	1.35%
POAD CCB Sila	(7 919 307)	3.30%	(7 872 107)	3.29%
Trans Intercar EAD	(2 200)	-	(5 300)	-
	<b>(12 454 620)</b>	<b>5.20%</b>	<b>(12 410 519)</b>	<b>5.17%</b>
<b>Net number of shares</b>	<b>227 191 647</b>		<b>227 235 748</b>	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2017 and 2018 amounts to 5% and the tax is deducted from the gross amount of dividends.

### 13. Borrowings

Borrowings include financial liabilities as follows:

	Current		Non-current	
	31.12.2018 BGN'000	31.12.2017 BGN'000	31.12.2018 BGN'000	31.12.2017 BGN'000
Financial liabilities at fair value:				
Derivatives, held-for-trading		-	-	3 396
Financial liabilities measured at amortized cost:				
Liabilities to depositors	3 902 463	3 980 628	1 376 564	1 072 313
Bonds and debenture loan	2 488	12 558	42 690	29 792
Bank loans	72 766	61 119	116 281	120 332
Other borrowings	16 721	21 830	5 081	18 848
Derivatives, held-for-trading	-	-	-	-
Deposits from banks	14 452	7 048	-	-
Cession liabilities	12 888	17 536	17 955	18 018
Liabilities under repurchase agreements	13 559	15 433	-	-
Trade obligations	108 554	97 372	47 703	47 599
Payables to related parties	47 230	37 419	244	4 315
<b>Total carrying amount</b>	<b>4 191 121</b>	<b>4 250 943</b>	<b>1 606 518</b>	<b>1 314 613</b>

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

### 14. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2018 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2017 was 10%).

### 15. Earnings per shares

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

The weighted average number of shares (ordinary and preferred) used for the calculation of basic earnings per share as well as the net profit less the dividend expense to be distributed are as follows:

	31.12.2018	31.12.2017
Profit attributable to the shareholders (BGN)	68 127 000	68 370 000
Weighted average number of outstanding shares	227 191 647	227 101 090
<b>Basic earnings per share (BGN per share)</b>	<b>0.30</b>	<b>0.30</b>

## 16. Related party transactions

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

### 16.1. Transaction with owners

Sale of goods and services, interest income and other income	31.12.2018	31.12.2017
	BGN'000	BGN'000
<i>- interest income</i>		
Owners	237	752
<i>- sale of services and others</i>		
Owners	10	10
<b>Purchase of goods and services, interest expense and other expense</b>		
<i>- purchase of services</i>		
Owners	-	(193)
<i>- interest expense</i>		
Owners	(10)	(1)

### 16.2. Transaction with associates and other related parties under common control

Sale of goods and services, interest income and other income	31.12.2018	31.12.2017
	BGN'000	BGN'000
<i>- sale of finished goods</i>		
- enterprises accounted using the equity method	780	614
- other related parties	343	400
<i>- sale of goods</i>		
- enterprises accounted using the equity method	420	102

<b>Sale of goods and services, interest income and other income</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
- other related parties	1 106	1 214
<i>- sale of services</i>		
- enterprises accounted using the equity method	8 232	5 205
- other related parties	2 498	2 075
<i>- interest income</i>		
- enterprises accounted using the equity method	303	480
- other related parties	221	1 741
<i>- other income</i>		
- enterprises accounted using the equity method	72	82
- other related parties	38	92
<b>Purchase of services and interest expense</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<i>- purchase of services</i>		
- enterprises accounted using the equity method	(13 310)	(12 616)
- other related parties	(6 175)	(5 892)
<i>- interest expense and other expenses</i>		
- enterprises accounted using the equity method	(29)	(6)
- other related parties joint ventures	(41)	(39)



### 16.3. Transaction with key management personnel

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

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
Short-term employee benefits:		
Salaries, including bonuses	(565)	(1 201)
Social security costs	(28)	(20)
<b>Total:</b>	<b>(593)</b>	<b>(1 221)</b>

### 17. Related party balances

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Non-current receivables from:</b>		
-owners	47	-
-associated parties	402	2 295
-joint- ventures	37	3 266
- other related parties	3 269	3 197
<b>Total</b>	<b>3 755</b>	<b>8 758</b>

<b>Current receivables from:</b>		
-owners	21 877	28 362
- associates	803	580
-joint- ventures	89	3 446
- other related parties	43 519	36 532
<b>Total</b>	<b>66 288</b>	<b>68 920</b>

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>BGN'000</b>	<b>BGN'000</b>
<b>Non-current payables to:</b>		
-owners	-	-
- associates and joint ventures	-	1 043
-joint- ventures	-	379
- other related parties	244	2 893
<b>Total</b>	<b>244</b>	<b>4 315</b>

<b>Current payables to:</b>		
-owners	17 064	8 894
- associates	8 007	12 164
-joint- ventures	1	262
- other related parties	22 158	16 099
<b>Total</b>	<b>47 230</b>	<b>37 419</b>

#### **18. Post - reporting date events**

No significant events occurred after the reporting date.

#### **19. Autorization of the interim condensed financial statements**

The interim condensed consolidated financial statements as of 31 December 2018 (including comparatives) were approved for issue by the Managing board on 28 February 2019.