

Interim Consolidated Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

30 June 2019



Contents

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

Interim condensed consolidated statement of financial position

	Notes	30.06.2019 BGN'000	31.12.2018 BGN'000
Assets			
Property, plant and equipment	10	413 581	420 897
Investment property		419 942	422 174
Goodwill		28 425	28 425
Other intangible assets		153 195	157 731
Deferred tax assets		7 387	8 035
Investments accounted for using the equity method	8	36 506	35 126
Loans and receivables to bank customers	11	2 448 452	2 417 517
Equity instruments at fair value through profit or loss	11	1 781 598	1 685 078
Debt instruments at fair value through other comprehensive income	11	447 769	422 916
Equity instruments at fair value through other comprehensive income	11	58 675	70 983
Other financial assets	12	1 162 277	1 105 426
Receivables from insurance and reinsurance contracts		61 549	51 071
Reinsurance assets		93 817	87 218
Tax receivables		1 682	1 854
Other receivables		95 981	93 471
Inventories		55 083	45 923
Cash and cash equivalents		2 081 143	2 045 224
Total assets		9 347 062	9 099 069

Prepared by:  /A. Kerezov/

Executive director:  /I. Kamenov/

Date: 29 August 2019



Interim condensed consolidated statement of financial position (continued)

	Notes	30.06.2019 BGN'000	31.12.2018 BGN'000
Equity and liabilities			
Equity			
Share capital	13	226 954	227 191
Share premium		247 286	247 070
Other reserves		168 715	145 477
Retained earnings		710 728	660 715
Profit for the period		56 237	70 309
Equity attributed to the shareholders of parent company		1 409 920	1 350 762
Non-controlling interests		279 594	293 931
Total equity		1 689 514	1 644 693
Liabilities			
Liabilities to depositors	14	5 336 854	5 259 602
Other financial liabilities	14	490 914	502 819
Payables to secured persons		1 381 132	1 295 894
Pension and other employee obligations		16 592	18 478
Deferred tax liabilities		37 785	23 841
Insurance technical reserves		284 256	269 782
Liabilities to insurance and reinsurance contracts		28 490	28 490
Finance lease liabilities		4 331	5 349
Tax liabilities		4 783	4 530
Other liabilities		72 411	45 591
Total liabilities		7 657 548	7 454 376
Total equity, reserves and liabilities		9 347 062	9 099 069

Prepared by: 

/A. Kerezov/

Executive director: 

/I. Kamenov/

Date: 29 August 2019

Interim condensed consolidated statement of comprehensive income

Notes	For 6 months to 30.06.2019 BGN'000	For 3 months to 30.06.2019 BGN'000	For 6 months to 30.06.2018 BGN'000	For 3 months to 30.06.2018 BGN'000
Income from non-financial activities	204 007	116 993	196 674	106 768
Change in the fair value of investment property	10	10	-	-
Gain on sale of non-current assets	407	407	192	178
Net result from non-financial activities	204 424	117 410	196 866	106 946
Insurance income	240 544	80 387	233 087	79 745
Insurance expense	(226 994)	(75 171)	(223 863)	(75 266)
Net insurance result	13 550	5 216	9 224	4 480
Interest income	95 290	49 093	91 616	46 137
Interest expense	(13 969)	(7 995)	(18 695)	(10 108)
Net interest income	81 321	41 098	72 921	36 029
Net result from transactions with financial instruments	204 007	116 993	196 674	106 768
Net result from transactions with financial instruments	67 948	26 970	28 888	4 559
Other non - financial and administrative expenses	(287 952)	(164 233)	(279 395)	(149 790)
Share of profit from equity accounted investments	1 378	1 008	1 681	1 410
Other financial income	28 982	12 239	39 107	27 843
Allocation of income to secured persons	(38 894)	(16 990)	(435)	(5 899)
Profit before tax	70 757	22 718	68 857	25 578
Tax expense, revenue	15 (5 958)	(2 541)	(5 447)	(1 035)
Net profit for the period	64 799	20 177	63 410	24 543
Other comprehensive income				
Revaluation of obligations under defined benefit plans, net	4 519	1 928	(1 988)	(1 259)
Total comprehensive income	69 318	22 105	61 422	23 284
Profit for the year attributable to:				
the shareholders of Chimimport AD	56 237	15 814	53 503	21 094
non-controlling interests	8 562	4 363	9 907	3 449
Total comprehensive income attributable to:				
the shareholders of Chimimport AD	59 717	17 299	51 950	20 111
non-controlling interests	9 601	4 806	9 472	3 173
Basic earnings per share in BGN	16 0,25	0,07	0,24	0,10

Prepared by: 
/A. Kerezov/

Executive director: 
/I. Kamenov/

Date: 29 August 2019

Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000

	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2019	227 191	247 070	145 477	731 024	1 350 762	293 931	1 644 693
Increase in share capital and reserves resulting from change in own shares held by subsidiaries	(237)	216	-	-	(21)	-	(21)
Business combinations	-	-	(6 244)	5 706	(538)	(20 909)	(21 447)
Dividends	-	-	-	-	-	(3 029)	(3 029)
Transactions with owners	(237)	216	(6 244)	5 706	(538)	(23 938)	(24 497)
Profit for the period	-	-	-	56 237	56 237	8 562	64 799
Other comprehensive loss	-	-	3 480	-	3 480	1 039	4 519
Total comprehensive income for the year	-	-	3 480	56 237	59 717	9 601	69 318
Transfer of retained earnings to other reserves	-	-	26 002	(26 002)	-	-	-
Balance at 30 June 2019	226 954	247 286	168 715	766 965	1 409 920	279 594	1 689 514

Prepared by: _____

/A. Kerezov/

Date: 29 August 2019



Executive director: _____

/I. Kamenov/

Interim condensed consolidated statement of changes in equity

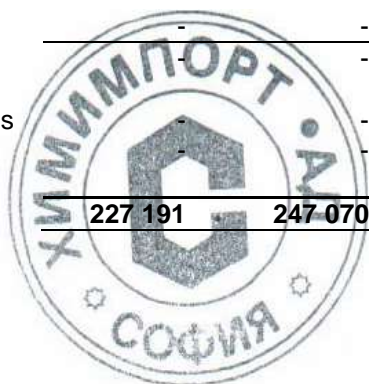
All amounts are presented in BGN'000

	Equity attributable to the shareholders of Chimimport AD					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2018	227 236	247 129	124 926	806 551	1 405 842	282 955	1 688 797
Adjustments from the adoption of IFRS 9 and other adjustments	-	-	(7 047)	(79 447)	(86 494)	(16 686)	(103 180)
Balance at 1 January 2018 (restated)	227 236	247 129	117 879	727 104	1 319 348	266 269	1 585 617
Increase in share capital and reserves resulting from change in own shares held by subsidiaries	(45)	(59)	-	-	(104)	-	(104)
Business combinations	-	-	(4 442)	(16 325)	(20 767)	16 793	(3 974)
Dividends	-	-	-	(14 313)	(14 313)	(2 430)	(16 743)
Transactions with owners	(45)	(59)	(4 442)	(30 638)	(35 184)	14 363	(20 821)
Profit for the year	-	-	-	70 309	70 309	14 043	84 352
Other comprehensive loss	-	-	(3 711)	-	(3 711)	(744)	(4 455)
Total comprehensive income for the year	-	-	(3 711)	70 309	66 598	13 299	79 897
Transfer of retained earnings to other reserves	-	-	36 641	(36 641)	-	-	-
Change in specialized reserves	-	-	(890)	890	-	-	-
Balance at 31 December 2018	227 191	247 070	145 477	731 024	1 350 762	293 931	1 644 693

Prepared by:

/A. Kerezov/

Date: 29 August 2019



Executive director:

/I. Kamenov/

Interim condensed consolidated statement of cash flows

	30.06.2019	30.06.2018
	BGN'000	BGN'000
Proceeds from short-term loans	9 653	13 134
Payments for short-term loans	(12 084)	(11 275)
Proceeds from sale of short-term financial assets	246 366	200 850
Purchase of short-term financial assets	(267 870)	(283 387)
Cash receipt from customers	161 019	220 803
Cash paid to suppliers	(140 442)	(225 145)
Proceeds from secured persons	80 916	73 589
Payments to secured persons	(30 108)	(13 338)
Payments to employees and social security institutions	(45 802)	(58 314)
Cash receipts from banking operations	24 306 080	22 371 923
Cash paid for banking operations	(24 285 063)	(22 326 794)
Cash receipts from insurance operations	108 902	103 716
Cash paid for insurance operations	(87 188)	(64 912)
Income taxes paid	(2 860)	(3 266)
Other cash inflows/(outflows)	3 228	(2 101)
Net cash flow from operating activities	44 747	(4 517)
Investing activities		
Sale of subsidiaries, net of cash	-	2 170
Dividends received	577	163
Sale of property, plant and equipment	833	17
Purchase of property, plant and equipment	(2 174)	(5 385)
Purchase of intangible assets	(55)	(1 635)
Sale of investment property	531	6 591
Purchase of investment property	(804)	(14 019)
Sale of non-current financial assets	203 369	333 359
Purchase of non-current financial assets	(241 435)	(452 758)
Interest payments received	22 561	20 465
Proceeds from loans granted	1 301	1 308
Payments for loans granted	(1 170)	(24 136)
Other cash (outflows)/inflows	(5 325)	8 795
Net cash flow from investing activities	(21 791)	(125 065)
Financing activities		
Purchase of own shares	(21)	(99)
Proceeds from loans received	27 971	(38 093)
Payments for loans received	(18 642)	29 226
Interest paid	(1 512)	(1 789)
Payments for finance leases	(51)	(657)
Other cash inflows/(outflows)	5 084	(1 543)
Net cash flow from financing activities	12 829	(12 955)
Net change in cash and cash equivalents	35 785	(142 537)
Cash and cash equivalents, beginning of year	2 045 224	2 204 904
Exchange profit on cash and cash equivalents	134	420
Cash and cash equivalents, end of the period	2 081 143	2 062 787

Prepared by:  _____
I.A. Kerezov/

Executive director:  _____
I. Kamenov/

Date: 29 August 2019

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 30 June 2019 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 2018, 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 2018.

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 2018.

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 2018. 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 2018.

5. New standards, amendments and interpretations to existing standards that are effective for annual periods beginning on or after 1 January 2018

A list of the changes in the standards is provided below:

- IFRS 9 “Financial Instruments” (amended) – Prepayment features with negative compensation, effective from 1 January 2019, adopted by the EU
- IFRS 16 “Leases” effective from 1 January 2019, adopted by the EU

6. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2018 and have not been applied early by the Company. They are not expected to have a material impact on the Company’s financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement.

A list of the changes in the standards is provided below:

- IFRS 14 “Regulatory deferral accounts” effective from 1 January 2016, not yet adopted by the EU
- FRS 17 “Insurance Contracts” effective from 1 January 2021, not yet adopted by the EU
- IAS 19 “Employee benefits” (amended) – Plan amendment, curtailment or settlement - effective from 1 January 2019, not yet adopted by the EU
- IAS 28 “Investments in associates and joint ventures” (amended) – Long-term interests in associates and joint ventures effective from 1 January 2019, not yet adopted by the EU
- IFRIC 23 “Uncertainty over income tax treatments” effective from 1 January 2019, not yet adopted by the EU
- Annual Improvements to IFRSs 2015-2017 effective from 1 January 2019, not yet adopted by the EU

7. 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.

8. Investments accounted for using equity method

8.1. Investments in associates

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

Name	30.06.2019 BGN'000	Share %	31.12.2018 BGN'000	Share %
Lufthansa Technik Sofia OOD	9 551	24.90%	8 945	24.90%
Swissport Bulgaria	6 144	49.00%	5 671	49.00%
Silver Wings Bulgaria Ltd.	5 395	42.50%	5 170	42.50%
Amadeus Bulgaria OOD	3 496	44.99%	3 294	44.99%
VTC AD	4 034	41.00%	4 034	41.00%
Kavarna Gas OOD	592	35.00%	552	35.00%
Port Ppristis OOD	19	19.00%	19	19.00%
	29 231		27 685	

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 30 June 2019.

8.2. Investments in joint ventures

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

Name	30.06.2019 BGN'000	Share %	31.12.2018 BGN'000	Share %
Nuance BG AD	2 266	50.00%	2 434	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	7 275		7 441	

9. 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, engineering and real estate sector

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

Operating segments
30 June 2019

	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	36 889	13 542	148 823	5 847	(1 094)	204 007
Change in fair value of investment property	-	10	-	-	-	10
Gain on sale of non-current assets	(3)	-	420	-	(10)	407
Inter-segment income from non-financial activities	4 614	1 171	821	210	(6 816)	-
Total income from non-financial activities	41 500	14 723	150 064	6 057	(7 920)	204 424
Insurance income from external customers	-	240 544	-	-	-	240 544
Inter-segment insurance income	-	2 567	-	-	(2 567)	-
Total insurance income	-	243 111	-	-	(2 567)	240 544
Result from insurance	-	15 513	-	-	(1 963)	13 550
Interest income	3 250	97 594	398	205	(6 157)	95 290
Interest expenses	(3 591)	(12 410)	(2 778)	(1 347)	6 157	(13 969)
Result from interest	(341)	85 184	(2 380)	(1 142)	-	81 321
Gains from transactions with financial instruments	1 783	69 429	2 177	-	(5 441)	67 948
Other non - financial and administrative expenses	(38 492)	(109 642)	(145 998)	(4 207)	10 387	(287 952)
Net result from equity accounted investments in associates	20	-	1 358	-	-	1 378
Other financial income/ expense	(215)	34 045	(479)	(13)	(4 356)	28 982
Profit for allocating insurance batches	-	(38 894)	-	-	-	(38 894)
Profit for the period before tax	4 255	70 358	4 742	695	(9 293)	70 757
Tax expenses	(453)	(5 505)	-	-	-	(5 958)
Net profit for the period	3 802	64 853	4 742	695	(9 293)	64 799

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate and engineering Sector	Elimination	Consolidated
30 June 2019	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	691 011	9 796 110	787 933	300 915	(2 265 413)	9 310 556
Equity accounted investments in associates	3 819	-	23 494	-	9 193	36 506
Total consolidated assets	694 830	9 796 110	811 427	300 915	(2 256 220)	9 347 062
Liabilities of the segment	234 993	7 568 941	381 934	124 936	(653 256)	7 657 548
Total consolidated liabilities	234 993	7 568 941	381 934	124 936	(653 256)	7 657 548

Chimimport AD
Interim Condensed Consolidated Financial Statements
30 June 2019

15



Operating segment	Production, trade and services BGN'000	Finance BGN'000	Transport BGN'000	Real estate and engineering BGN'000	Eliminations BGN'000	Consolidated BGN'000
30.06.2019						
Income from non-financial activities from external customers	44 637	11 242	139 859	4 095	(3 159)	196 674
Change in fair value of investment property	-	-	-	-	-	-
Gain from sale of non-current assets	13	76	156	1	(54)	192
Inter-segment income from non-financial activities	4 584	408	1 329	181	(6 502)	-
Total income from non-financial activities	49 234	11 726	141 344	4 277	(9 715)	196 866
Insurance income from external customers	-	233 087	-	-	-	233 087
Inter-segment insurance income	-	2 227	-	-	(2 227)	-
Total insurance income	-	235 314	-	-	(2 227)	233 087
Result from insurance	-	10 701	-	-	(1 477)	9 224
Interest income	2 941	93 361	466	395	(5 547)	91 616
Interest expenses	(3 730)	(16 222)	(2 826)	(1 463)	5 546	(18 695)
Result from interest	(789)	77 139	(2 360)	(1 068)	(1)	72 921
Result from transactions with financial instruments, net	4 681	31 839	3 288	699	(11 619)	28 888
Other operating and administrative expenses	(45 717)	(98 489)	(139 861)	(3 695)	8 367	(279 395)
Net result from equity accounted investments in associates	42	-	1 639	-	-	1 681
Other financial income/ (expenses)	(2 532)	37 299	1 594	(16)	2 762	39 107
Profit for allocating insurance batches	-	(435)	-	-	-	(435)
Profit for the period before tax	4 919	69 780	5 644	197	(11 683)	68 857
Tax expense	(486)	(4 948)	-	(13)	-	(5 447)
Net profit for the year	4 433	64 832	5 644	184	(11 683)	63 410

Chimimport AD
Interim Condensed Consolidated Financial Statements
30 June 2019



Operating segments 31 December 2018	Production, trade and services BGN'000	Finance BGN'000	Transport BGN'000	Real estate and engineering BGN'000	Eliminations BGN'000	Consolidated BGN'000
Assets of the segment	649 562	9 521 296	767 905	291 768	(2 166 588)	9 063 943
Equity accounted investments	3 819	-	23 494	-	7 813	35 126
Total consolidated assets	653 381	9 521 296	791 399	291 768	(2 158 775)	9 099 069
Liabilities of the segment	215 237	7 385 436	366 097	124 860	(637 254)	7 454 376
Total consolidated liabilities	215 237	7 385 436	366 097	124 860	(637 254)	7 454 376



10. 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 March 31, 2019. 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
2019									
Balance at 1 January 2019	51 543	139 880	184 325	85 637	125 760	26 830	77 035	40 461	731 471
Additions:									
-business combinations	4	1 409	2 598	450	419	1 055	41	2 741	8 717
Disposals									
- separately disposed		(34)	(225)	(168)	(955)	-	(1)	(2 256)	(3 639)
Balance at 30 June 2019	51 547	141 255	186 698	85 919	125 224	27 885	77 075	40 946	736 549
Depreciation									
Balance at 1 January 2019	-	(28 637)	(122 671)	(34 680)	(58 574)	(25 715)	(40 297)	-	(310 574)
Business combinations	-	(123)	(42)	(135)	-	-	-	-	(300)
Disposals	-	19	191	168	801	-	2	-	1 181
Depreciation	-	(2 421)	(5 588)	(750)	(1 817)	(844)	(1 855)	-	(13 275)
Balance at 30 June 2019	-	(31 162)	(128 110)	(35 397)	(59 590)	(26 559)	(42 150)	-	(322 968)
Carrying amount at 30 June 2019	51 547	110 093	58 588	50 522	65 634	1 326	34 925	40 946	413 581



- as at 31 December 2018
2018

	Land	Building	Plant and equipment	Equipment and spare parts	Vehicles	Improvement on leased assets	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2018	51 382	132 104	182 354	85 229	125 850	24 368	74 401	40 731	716 419
Additions:									
- separately acquired	-	-	82	-	73	-	17	321	493
- reclassification	166	8 299	6 834	1 183	5 887	2 478	2 712	17 606	45 165
Disposals									
- separately disposed	(5)	(523)	(4 763)	(774)	(3 164)	(16)	(95)	(18 197)	(27 537)
- business combinations	-	-	(182)	(1)	(2 886)	-	-	-	(3 069)
Balance at 31 December 2018	51 543	139 880	184 325	85 637	125 760	26 830	77 035	40 461	731 471
Depreciation									
Balance at 1 January 2018	-	(24 873)	(117 446)	(33 741)	(55 439)	(24 164)	(37 578)	-	(293 241)
Additions - business combinations	-	-	(75)	-	(62)	-	(17)	-	(154)
Disposals - business combinations	-	-	142	1	340	-	-	-	483
Disposals	-	133	4 705	570	2 120	19	94	-	7 641
Depreciation for the period	-	(3 897)	(9 997)	(1 510)	(5 533)	(1 570)	(2 796)	-	(25 303)
Balance at 31 December 2018	-	(28 637)	(122 671)	(34 680)	(58 574)	(25 715)	(40 297)	-	(310 574)
Carrying amount at 31 December 2018	51 543	111 243	61 654	50 957	67 186	1 115	36 738	40 461	420 897

11. Financial assets

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

	30.06.2019	31.12.2018
	BGN '000	BGN '000
Loans and advances to bank customers	2 448 452	2 417 517
Financial assets at fair value through profit or loss	1 781 598	1 685 078
Debt instruments measured at fair value through other comprehensive income	447 769	422 916
Equity instruments measured at fair value through other comprehensive income	58 675	70 983
	4 736 494	4 596 494

12. Other financial assets at amortized cost

Amounts recognized in the consolidated statement of financial position are attributable to other financial assets measured at amortized cost are as follows:

	30.06.2019	31.12.2018
	BGN '000	BGN '000
Loans granted	394 364	363 099
Receivables under repurchase agreements	347 758	297 105
Debt instruments measured at amortized cost	272 552	302 516
Receivables from related parties	57 871	50 215
Trade receivables	118 814	96 620
Other	30 267	75 249
Less impairment	(59 349)	(79 378)
	1 162 277	1 105 426

13. Share capital

The share capital of Chimimport as at 30 June 2019 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 12 691 734 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.

	30.06.2019	31.12.2018
Shares issued and fully paid:		
- beginning of the year	227 191 647	227 235 748
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	(237 114)	(44 101)
Shares issued and fully paid as at period end	226 954 533	227 191 647

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

	30.06.2019	30.06.2019	31.12.2018	31.12.2018
	Number of ordinary shares	%	Number of ordinary shares	%
Invest Capital AD	173 487 247	72.39 %	174 847 247	72.96 %
Other legal entities and private individuals	66 159 020	27.61 %	64 799 020	27.04 %
	239 646 267	100.00 %	239 646 267	100.00 %
Shares of the Group, acquired by subsidiaries				

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2018 and 2019 amounts to 5% and the tax is deducted from the gross amount of dividends.

14. Borrowings

Borrowings include financial liabilities as follows:

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Financial liabilities at fair value:		
Derivatives, held-for-trading	-	1 272
Financial liabilities measured at amortized cost:		
Liabilities to depositors	5 336 854	5 259 602
Bonds and debenture loan	45 504	45 178
Bank loans	176 993	189 200
Other borrowings	13 090	25 523
Deposits from banks	14 113	14 452
Cession liabilities	39 491	39 852
Liabilities under repurchase agreements	14 705	13 559
Trade obligations	132 093	121 400
Payables to related parties	54 952	52 383
Total carrying amount	5 827 795	5 762 421

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%

15. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2019 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2018 was 10%).

16. 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:

	30.06.2019	30.06.2018
Profit attributable to the shareholders (BGN)	56 237 000	53 503 000
Weighted average number of outstanding shares	226 954 533	227 191 508
Basic earnings per share (BGN per share)	0.25	0.24

17. Related party transactions

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

17.1. Transaction with owners

Sale of goods and services, interest income and other income	30.06.2019	30.06.2018
	BGN'000	BGN'000
<i>- interest income</i>		
Owners	74	163
<i>- sale of services and others</i>		
Owners	6	6
Purchase of goods and services, interest expense and other expense		
<i>- purchase of services</i>		
Owners	-	-
<i>- interest expense</i>		
Owners		

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

Sale of goods and services, interest income and other income	30.06.2019	30.06.2018
	BGN'000	BGN'000
<i>- sale of finished goods</i>		
- enterprises accounted using the equity method	373	392
- other related parties	484	177
 <i>- sale of goods</i>		
- enterprises accounted using the equity method	294	212
- other related parties	160	489
 <i>- sale of services</i>		
- enterprises accounted using the equity method	4 953	3 117
- other related parties	406	1 039
 <i>- interest income</i>		
- enterprises accounted using the equity method	184	162
- other related parties	279	315
 <i>- other income</i>		
- enterprises accounted using the equity method	32	170
- other related parties	48	43
 Purchase of services and interest expense	30.06.2019	30.06.2018
	BGN'000	BGN'000
 <i>- purchase of services</i>		
- enterprises accounted using the equity method	(6 125)	(6 624)
- other related parties	(1 832)	(2 119)
 <i>- interest expense and other expenses</i>		
- enterprises accounted using the equity method	-	(1)
- other related parties joint ventures	(11)	(26)

17.3. 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:

	30.06.2019	30.06.2018
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(84)	(484)
Social security costs	(12)	(8)
Total:	(96)	(492)

18. Related party balances

	30.06.2019	31.12.2018
	BGN'000	BGN'000
Non-current receivables from:		
<i>-owners</i>	-	47
<i>-associated parties</i>	362	2 339
<i>-joint- ventures</i>	37	38
<i>- other related parties</i>	7 158	4 032
Total	7 557	6 456

Current receivables from:		
<i>-owners</i>	26 000	26 473
<i>- associates</i>	868	6 423
<i>-joint- ventures</i>	5 895	7 082
<i>- other related parties</i>	17 551	3 781
Total	50 314	43 759

	30.06.2019	30.06.2018
	BGN'000	BGN'000
Non-current payables to:		
<i>-owners</i>	-	-
<i>- associates and joint ventures</i>	3 092	2 864
<i>-joint- ventures</i>	226	422
<i>- other related parties</i>	3 459	2 312
Total	6 777	5 598

Current payables to:		
<i>-owners</i>	18 891	22 170
<i>- associates</i>	10 536	8 602
<i>-joint- ventures</i>	74	43
<i>- other related parties</i>	18 647	15 970
Total	48 148	46 785

19. Post - reporting date events

No significant events occurred after the reporting date.

After the reporting date until date of preparation of the current financial statement the following events have occurred that are important for the development of the Group of Chimimport AD:

On 26th of July, 2019 Central cooperative bank successfully finished the comprehensive assessment (CA), comprising an asset quality review (AQR) and a stress test, conducted by the European Central Bank in the context of Bulgaria's request for establishing close cooperation between the ECB and the BNB in response to the Republic of Bulgaria intentions to join the ERM II.

In November 2018 – July 2019 European Central Bank conducted Asset quality review and Stress test of several banks in Bulgaria. The AQR and the Stress test were conducted under the Asset Quality Review Phase 2 Manual and 2018 EU-Wide Stress Test Methodological note, applied commonly in European Union supervisory exercises and the results of the banks are directly comparable.

In July 2019 Central cooperative bank AD successfully completed 2018 BG CAST. The conducted AQR and Stress test, without any doubt concluded the adequate governance of CCB, successfully meeting the ECB requirements. The CCB fully loaded CET1 ratio at the end of the 3-year horizon of the Stress test is 17.54% in the Base scenario and 7.97% in the Adverse scenario.

The CCB results are far above the ECB minimal capital thresholds and no need of applying any capital measures was identified.

At a Regular General Meeting of Chimimport AD held on 23 August 2019, was taken a decision to pay dividend of BGN 0.063 per share..

20. Autorization of the interim condensed financial statements

The interim condensed consolidated financial statements as of 30 June 2019 (including comparatives) were approved for issue by the Managing board on 29 August 2019.