

Interim Activity Report
Interim Condensed Consolidated Financial
Statements

CHIMIMPORT AD

31 December 2016



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	7
Notes to the interim condensed consolidated financial statements	8

Interim condensed consolidated statement of financial position

	Notes	31.12.2016 BGN'000	31.12.2015 BGN'000
Assets			
Non-current assets			
Property, plant and equipment	7	464 152	468 447
Investment property		316 658	302 421
Investments accounted for using the equity method	5	31 260	26 845
Goodwill		33 042	33 317
Other intangible assets		172 343	193 822
Long-term financial assets	8	2 465 028	2 592 660
Long-term related party receivables	15	8 747	11 774
Other long-term receivables		4 095	4 094
Deferred tax assets		5 030	5 640
Non-current assets		3 500 355	3 639 020
Current assets			
Inventories		36 072	51 184
Short-term financial assets	9	2 396 617	2 347 993
Related party receivables	15	67 444	214 749
Trade receivables		111 217	100 485
Tax receivables		1 485	3 197
Other receivables		176 267	176 760
Reinsurance assets		93 050	72 959
Cash and cash equivalents		1 769 337	1 229 113
Current assets		4 651 489	4 196 440
Assets classified as held for sale		18 825	3 594
Total assets		8 170 669	7 839 054

Prepared by: _____

/A. Kerezov/



Executive director: _____

/I. Kamenov/

Date: 28 February 2017

Interim condensed consolidated statement of financial position (continued)

	Notes	31.12.2016 BGN'000	31.12.2015 BGN'000
Equity and liabilities			
Equity			
Share capital	10	226 914	225 092
Share premium		246 838	218 469
Other reserves		71 843	71 581
Retained earnings		732 288	704 427
Profit for the period		51 834	58 483
Equity attributed to the shareholders of parent company		1 329 717	1 278 052
Non-controlling interests		249 910	239 083
Total equity		1 579 627	1 517 135
Specialized reserves		276 025	294 405
Liabilities			
Non-current liabilities			
Long-term financial liabilities	11	1 115 510	1 121 684
Payables to secured persons		1 057 762	940 121
Long-term trade payables		35 948	42 876
Long-term related party payables	15	4 494	3 607
Finance lease liabilities		3 568	4 910
Pension and other employee obligations		4 217	2 728
Other liabilities		1 856	5 401
Provisions		598	598
Deferred tax liabilities		29 690	27 612
Non-current liabilities		2 253 643	2 149 537
Current liabilities			
Short-term financial liabilities	11	3 828 319	3 645 785
Trade payables		131 722	137 813
Short-term related party payables	15	17 543	16 217
Finance lease liabilities		1 370	1 809
Pension and other employee obligations		11 119	12 277
Tax liabilities		10 409	6 986
Other liabilities		60 892	57 090
Current liabilities		4 061 374	3 877 977
Total liabilities		6 315 017	6 027 514
Total equity, reserves and liabilities		8 170 669	7 839 054

Prepared by: _____

/A. Kerezov/

Executive director: _____

/I. Kamenov/

Date: 28 February 2017



Interim condensed consolidated statement of comprehensive income

	Notes	
	31.12.2016	31.12.2015
	BGN'000	BGN'000
Income from non-financial activities	473 776	528 686
Expenses for non-financial activities	(441 456)	(471 927)
Change in fair value of investment property	2 318	(1 211)
Gain on sale of non-current assets	8 342	19 279
Net result from non-financial activities	42 980	74 827
Insurance income	598 169	615 036
Insurance expense	(566 942)	(568 944)
Net insurance result	31 227	46 092
Interest income	207 529	215 333
Interest expense	(55 619)	(103 465)
Net interest income	151 910	111 868
Gains from transactions with financial instruments	506 765	504 318
Losses from transactions with financial instruments	(440 502)	(443 388)
Net result from transactions with financial instruments	66 263	60 930
Administrative expenses	(238 488)	(251 122)
Share of profit from equity accounted investments	4 245	3 044
Other financial income	66 996	65 515
Allocation of income to secured persons	(51 047)	(41 957)
Profit before tax	74 086	69 197
Tax expense	12 (8 429)	(2 091)
Net profit for the period	65 657	67 106
Other comprehensive income		
Revaluation of obligations under defined benefit plans, net		(266)
Gains from financial assets	(5 249)	9 997
Total comprehensive income	60 408	76 837
Profit for the year attributable to:		
the shareholders of Chimimport AD	51 834	58 483
non-controlling interests	13 823	8 623
Total comprehensive income attributable to:		
the shareholders of Chimimport AD	47 504	65 144
non-controlling interests	12 904	11 693
Basic earnings per share in BGN	13 0,23	0,41
Diluted earnings per share in BGN	13 -	0,27

Prepared by: _____

/A. Kerezov/

Executive director: _____

/I. Kamenov/

Date: 28 February 2017



Interim condensed consolidated statement of changes in equity

All amounts are presented in BGN'000	Equity attributable to the shareholders of Chimimport AD				Total	Non-controlling interest	Total equity
	Share capital	Share premium	Other reserves	Retained earnings			
Balance at 1 January 2016	225 092	218 469	71 581	762 910	1 278 052	239 083	1 517 135
Increase/Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	1 822	28 369	-	-	30 191	-	30 191
Business combinations	-	-	(945)	(10 775)	(11 720)	(2 077)	(13 797)
Dividends	-	-	-	(14 310)	(14 310)	-	(14 310)
Transactions with owners	(1 822)	28 369	(945)	(25 085)	4 161	(2 077)	2 084
Profit for the period, ended at 31 December 2016	-	-	-	51 843	51 843	13 823	65 657
Other comprehensive income	-	-	(4 330)	-	(4 330)	(919)	(5 249)
Total comprehensive income for the period	-	-	(4 330)	51 843	47 504	12 904	60 408
Transfer of retained earnings to other reserves	-	-	5 537	(5 537)	-	-	-
Balance at 31 December 2016	226 914	246 838	71 843	784 122	1 329 717	249 910	1 579 627

Prepared by: _____

/A. Kerezov/

Date: 28 February 2017

Executive director: _____


/I. Kamenov/



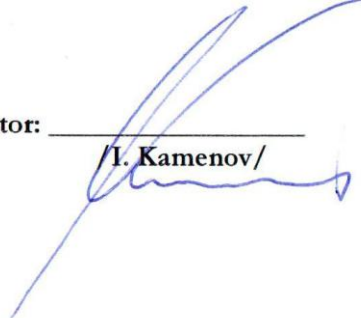
Interim condensed consolidated statement of changes in equity

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		
Balance at 1 January 2015	227 384	219 182	68 238	788 788	1 303 592	232 945	1 536 537
Decrease in share capital and reserves resulting from purchase of treasury shares by subsidiaries	(2 292)	(713)	-	-	(3 005)	-	(3 005)
Business combinations	-	-	(9 311)	7 180	(2 131)	(2 610)	(4 741)
Dividends	-	-	-	-	-	(2 945)	(2 945)
Transactions with owners	(2 292)	(713)	(9 311)	7 180	(5 136)	(5 555)	(10 691)
Profit for the year	-	-	-	58 483	58 483	8 623	67 106
Other comprehensive income	-	-	6 661	-	6 661	3 070	9 731
Total comprehensive income for the year	-	-	6 661	58 483	65 144	11 693	76 837
Transfer of retained earnings to other reserves	-	-	5 993	(5 993)	-	-	-
Share on changes in the investments accounted on the equity method	-	-	-	(85 548)	(85 548)	-	(85 548)
Balance at 31 December 2015	225 092	218 469	71 581	762 910	1 278 052	239 083	1 517 135

Prepared by: 
/A. Kerezov/


Date: 28 February 2017

Executive director: 
/I. Kamenov/



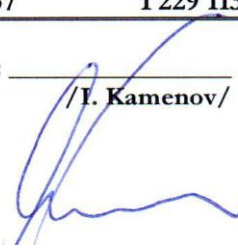
Interim condensed consolidated statement of cash flows

	31.12.2016	30.12.2015
	BGN'000	BGN'000
Proceeds from short-term loans	96 266	119 119
Payments for short-term loans	(99 413)	(70 394)
Proceeds from sale of short-term financial assets	847 850	489 314
Purchase of short-term financial assets	(851 825)	(589 001)
Cash receipt from customers	472 962	508 402
Cash paid to suppliers	(412 905)	(433 240)
Proceeds from secured persons	127 795	128 982
Payments to secured persons	(45 909)	(23 108)
Payments to employees and social security institutions	(91 909)	(113 927)
Cash receipts from banking operations	40 863 858	42 528 120
Cash paid for banking operations	(40 487 751)	(42 341 482)
Cash receipts from insurance operations	290 240	256 686
Cash paid for insurance operations	(328 542)	(190 306)
Income taxes paid	(2 453)	(3 182)
Other cash inflows/(outflows)	(2 927)	(52 102)
Net cash flow from operating activities	375 337	213 881
Investing activities		
Dividends received	1 700	4 909
Sale of property, plant and equipment	3 805	20 152
Purchase of property, plant and equipment	(29 169)	(52 757)
Sale of of intangible assets	7	20
Purchase of intangible assets	(1 820)	(1 720)
Sale of investment property	10 047	19 286
Purchase of investment property	(29 826)	(8 617)
Sale of non-current financial assets	465 724	1 043 093
Purchase of non-current financial assets	(252 770)	(1 483 301)
Interest payments received	54 477	46 848
Proceeds from loans granted	56 562	45 413
Payments for loans granted	(87 930)	(29 446)
Other cash outflows	(26 312)	(31 754)
Net cash flow from investing activities	164 495	(427 874)
Financing activities		
Payments for dividends on preferred shares	(4 861)	(1 825)
Purchase of own shares	(69)	(1 228)
Proceeds from loans received	74 917	32 127
Payments for loans received	(58 237)	(71 783)
Interest paid	(9 394)	(3 473)
Payments for finance leases	(1 819)	(4 009)
Other cash(outflows) inflows	(917)	8 892
Net cash flow from financing activities	(380)	(41 299)
Net change in cash and cash equivalents	540 224	(255 292)
Cash and cash equivalents, beginning of year	1 229 113	1 480 670
Exchange profit on cash and cash equivalents	772	3 735
Cash and cash equivalents, end of the period	1 769 337	1 229 113

Prepared by: 
/A. Kerezov/

Date: 28 February 2017



Executive director: 
/I. Kamenov/

Notes to the interim condensed consolidated financial statements

1. Nature of operations

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

The Group is engaged in the following business activities:

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

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

These interim condensed consolidated financial statements as of 30 June 2016 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 2015, 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.

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

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 2015:

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 2015.

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 2015. There have been no changes in the risk management policies since year end.

4. Significant events and transactions during the reporting period

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

5. Investments accounted for using equity method

5.1. Investments in associates

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

Name	31.12.2016 BGN'000	Share %	31.12.2015 BGN'000	Share %
Lufthansa Technik Sofia OOD	6 777	24.90%	5 666	24.90%
VTC AD	3 223	41.00%	2 544	41.00%
Amadeus Bulgaria OOD	3 182	45.00%	3 168	45.00%
Silver Wings Bulgaria Ltd.	4 641	42.50%	3 967	42.50%
Swissport Bulgaria	4 748	49.00%	4 253	49.00%
Dobrich fair AD	754	39.98%	741	39.98%
Kavarna Gas OOD	464	35.00%	463	35.00%
Fraport TSAM AD	-	-	-	0.00%
	<u>23 780</u>		<u>20 802</u>	

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

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 2016.

5.2. Investments in joint ventures

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

Name	31.12.2016 BGN '000	Share %	31.12.2015 BGN '000	Share %
Nuance BG AD	2 473	50.00%	1 036	50.00%
Varna ferry OOD	5 007	50.00%	5 007	50.00%
	<u>7 480</u>		<u>6 043</u>	

6. Segment reporting

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

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

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

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

The operating segments of the Group are as follows:

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

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



Operating segments 31 December 2016	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	125 919	17 785	313 755	613	14 770	934	473 776
Change in fair value of investment property	-	1 727	-	-	-	591	2 318
Gain from sale of non-current assets	(383)	1 221	2 662	163	6 470	(1 791)	8 342
Inter-segment income from non-financial activities	12 179	2 350	4 983	66	1 763	(21 341)	-
Total income from non-financial activities	137 715	23 083	321 400	842	23 003	(21 607)	484 436
Result from non-financial activities	10 256	23 083	10 158	(589)	2 708	(2 636)	42 980
Insurance income from external customers	-	598 169	-	-	-	-	598 169
Inter-segment insurance income	-	5 036	-	-	-	(5 036)	-
Total insurance income	-	603 205	-	-	-	(5 036)	598 169
Result from insurance	-	35 588	-	-	-	(4 361)	31 227
Interest income	6 375	215 741	2 076	460	150	(17 273)	207 529
Interest expenses	(8 199)	(55 214)	(8 760)	(70)	(649)	17 273	(55 619)
Result from interest	(1 824)	160 527	(6 684)	390	(499)	-	151 910
Gains from transactions with financial instruments	3 062	525 596	2 647	-	-	(24 540)	506 765
Total Gains from transactions with financial instruments	3 062	525 596	2 647	-	-	(24 540)	506 765
Result from transactions with financial instruments	3 036	83 437	2 645	-	-	(22 855)	66 263
Administrative expenses	(5 338)	(230 454)	(9 098)	-	-	6 402	(238 488)
Net result from equity accounted investments in associates	5	-	4 240	-	-	-	4 245
Other financial income/ expense	(970)	67 610	935	(219)	(71)	(289)	66 996
Profit for allocating insurance batches	-	(51 047)	-	-	-	-	(51 047)
Profit for the period before tax	5 165	88 744	2 196	(418)	2 138	(23 739)	74 086
Tax expenses	(712)	(7 813)	(212)	-	-	308	(8 429)
Net profit for the period	4 453	80 931	1 984	(418)	2 138	(23 431)	65 657

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.



Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 December 2016	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	683 887	8 597 732	886 141	76 484	24 531	(2 129 366)	8 139 409
Equity accounted investments in associates	4 027	10	23 348	-	2	3 873	31 260
Total consolidated assets	687 914	8 597 742	909 489	76 484	24 533	(2 125 493)	8 170 669
Specialized reserves	-	276 025	-	-	-	-	276 025
Liabilities of the segment	223 341	6 282 217	375 284	6 871	17 849	(593 221)	6 312 341
Total consolidated liabilities	223 341	6 282 217	375 284	6 871	17 849	(593 221)	6 312 341

Operating segments	Production, trade and services	Financial sector	Transport sector	Real estate Sector	Construction and engineering sector	Elimination	Consolidated
31 December 2015	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Assets of the segment	704 519	8 533 953	859 804	65 630	19 334	(2 371 031)	7 812 209
Equity accounted investments in associates	4 027	10	23 178	5	2	(377)	26 845
Total consolidated assets	708 546	8 533 963	882 982	65 635	19 336	(2 371 408)	7 839 054
Specialized reserves	-	294 405	-	-	-	-	294 405
Liabilities of the segment	239 761	6 210 999	343 379	3 724	14 790	(785 139)	6 027 514
Total consolidated liabilities	239 761	6 210 999	343 379	3 724	14 790	(785 139)	6 027 514

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.



Operating segments 31 December 2015	Production, trade and services	Financial sector	Transport sector	Real estate sector	Construction and engineering sector	Elimination	Consolidated
	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000	BGN '000
Income from non-financial activities from external customers	138 920	22 290	343 537	337	21 981	1 621	528 686
Change in fair value of investment property	(4 203)	152	-	-	934	1 906	(1 211)
Gain from sale of non-current assets	2 595	46	398	17 283	-	(1 043)	19 279
Inter-segment income from non-financial activities	10 685	2 103	6 192	-	1 762	(20 742)	-
Total income from non-financial activities	147 997	24 591	350 127	17 620	24 677	(18 258)	546 754
Result from non-financial activities	12 078	24 591	11 595	15 518	1 143	9 902	74 827
Insurance income from external customers	-	615 036	-	-	-	-	615 036
Inter-segment insurance income	-	6 732	-	-	-	(6 732)	-
Total insurance income	-	621 768	-	-	-	(6 732)	615 036
Result from insurance	-	51 861	-	-	-	(5 769)	46 092
Interest income	5 977	241 256	4 199	471	141	(36 711)	215 333
Interest expenses	(10 141)	(118 226)	(11 151)	(71)	(587)	36 711	(103 465)
Result from interest	(4 164)	123 030	(6 952)	400	(446)	-	111 868
Gains from transactions with financial instruments	6 727	499 352	11 226	-	55	(13 042)	504 318
Result from transactions with financial instruments	(1 542)	61 859	10 327	-	55	(9 769)	60 930
Administrative expenses	(8 958)	(240 944)	(9 440)	-	-	8 220	(251 122)
Net result from equity accounted investments in associates	60	-	2 984	-	-	-	3 044
Other financial income/ expense	(736)	80 930	165	(28)	(37)	(14 779)	65 515
Profit for allocating insurance batches	-	(41 957)	-	-	-	-	(41 957)
Profit for the period before tax	(3 262)	59 370	8 679	15 890	715	(12 195)	69 197
Tax expenses	1 164	(2 179)	574	(1 586)	(73)	9	(2 091)
Net profit for the period	(2 098)	57 191	9 253	14 304	642	(12 186)	67 106

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.



7. Property, plant and equipment

Property, plant and equipment of the Group include land, buildings, plant and equipment, vehicles, repairs of rented fixed assets, assets in process of acquisition, etc. presented in the consolidated interim financial statements as at December 31, 2016. 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 2016	60 260	94 418	111 546	127 534	134 148	20 053	95 164	84 318	727 441
Additions:									
- separately acquired	98	6 661	6 944	25 724	2 630	1 426	4 827	31 058	79 368
- reclassified	(5)	(834)	(100)	-	(193)		339		-
Disposals									-
- separately disposed	(7 882)	(5 737)	(4 732)	(436)	(8 205)	-	(376)	(37 427)	(64 795)
Balance at 31 December 2016	52 471	94 508	113 658	152 822	128 380	21 479	99 954	77 949	741 221
Depreciation									
Balance at 1 January 2016	-	(19 647)	(89 611)	(24 686)	(52 138)	(19 069)	(53 843)	-	(258 994)
Disposals	-	874	3 236	293	4 210	-	467	-	9 080
Depreciation	-	(3 900)	(8 617)	(3 639)	(6 453)	(1 943)	(2 603)	-	(27 155)
Balance at 31 December 2016	-	(22 673)	(94 992)	(28 032)	(54 381)	(21 012)	(55 979)	-	(277 069)
Carrying amount at 31 December 2016	52 471	71 835	18 666	124 790	73 999	467	43 975	77 949	464 152

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.



- as at 31 December 2015

	Land	Building	Machines	Equipment	Vehicles	Repairs	Others	Assets in process of acquisition	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at 1 January 2015	59 712	65 258	105 665	125 934	123 147	17 810	89 952	82 718	670 196
Additions:									
- business combinations	-	-	-	-	38 505	-	-	-	38 505
- separately acquired	3 599	30 394	13 755	2 004	8 748	2 243	6 244	60 937	127 924
- reclassified	(10)	(182)	-	-	-	-	-	-	(192)
Disposals									
- separately disposed	(3 041)	(1 052)	(7 874)	(404)	(36 252)	-	(1 032)	(59 337)	(108 992)
Balance at 31 December 2015	60 260	94 418	111 546	127 534	134 148	20 053	95 164	84 318	727 441
Depreciation									
Balance at 1 January 2015	-	(20 101)	(84 333)	(23 094)	(63 106)	(17 416)	(49 967)	-	(258 017)
Business combinations	-	(8)	(1 017)	-	(220)	-	(97)	-	(1 342)
Disposal depreciation - reclassified	-	189	-	-	-	-	-	-	189
Disposal	-	368	4 106	138	18 111	-	475	-	23 198
Depreciation	-	(95)	(8 367)	(1 730)	(6 923)	(1 653)	(4 254)	-	(23 022)
Balance at 31 December 2015	-	(19 647)	(89 611)	(24 686)	(52 138)	(19 069)	(53 843)	-	(258 994)
Carrying amount at 31 December 2015	60 260	74 771	21 935	102 848	82 010	984	41 321	84 318	468 447

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

8. Long-term financial assets

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

	31.12.2016	31.12.2015
	BGN '000	BGN '000
Financial assets at fair value through profit or loss	54 058	6 856
Held-to-maturity financial assets	-	646 342
Loans and receivables	1 979 510	1 802 753
Available-for-sale financial assets	497 799	177 429
	2 531 367	2 633 380
Impairment	(66 339)	(40 720)
	2 465 028	2 592 660

9. Short-term financial assets

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

	31.12.2016	31.12.2015
	BGN '000	BGN '000
Financial assets at fair value through profit or loss	1 289 169	1 235 281
Held-to-maturity financial assets	30 188	117 669
Loans and receivables	919 987	862 382
Held for sale financial assets	142 523	90 603
Receivables on insurance and reinsurance contracts	45 086	64 118
	2 426 953	2 370 053
Impairment	(30 336)	(22 060)
	2 396 617	2 347 993

10. Share capital

The share capital of Chimimport as at 31 December 2016 consists of 239 646 267 ordinary shares with a par value of BGN 1, including 15 036 919 ordinary shares acquired by companies of Chimimport Group. The shares of the Company are ordinary, registered and subject to unrestricted transfers and entitle 1 voting right and liquidation quota.

	31.12.2016	31.12.2015
Shares issued and fully paid:		
- beginning of the year	225 092 055	227 384 284
- treasury shares /ordinary and preferred/, acquired by subsidiaries during the year	1 822 173	(2 292 229)
Shares issued and fully paid as at period end	226 914 228	225 092 055

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

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

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

	31.12.2016	31.12.2016	31.12.2015	31.12.2015
	Number of ordinary shares	%	Number of ordinary shares	%
Invest Capital AD	175 002 247	73.03%	111 439 365	73,86%
Other legal entities and private individuals	64 643 773	26.97%	39 436 231	26,14%
	239 646 267	100.00%	150 875 596	100,00%

Shares of the Group, acquired by subsidiaries

CCB Group AD	(5 160 005)	2,15%	(5 160 005)	3,42%
ZAD Armeec	(3 211 507)	1,34%	(745 400)	0,49%
CCB AD	(188 100)	0,08%	(121 100)	0,08%
POAD CCB Sila	(6 477 307)	2,70%	(609 676)	0,40%
	(15 036 919)	6,27%	(6 636 181)	4,39%
Net number of shares	224 609 348		144 239 415	

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

	31.12.2016	31.12.2016	31.12.2015	31.12.2015
	Number of ordinary shares	%	Number of shares /ordinary and preferred/	%
Invest Capital AD	175 002 247	73.03%	176 830 847	73,79%
Other legal entities and private individuals	64 643 773	26.97%	62 815 420	26,21%
	239 646 267	100.00%	239 646 267	100,00%

Shares of the Group, acquired by subsidiaries

CCB Group AD	(5 160 005)	2,15%	(5 160 005)	2,15%
ZAD Armeec	(3 211 507)	1,34%	(3 745 400)	1,56%
CCB AD	(188 100)	0,08%	(188 100)	0,08%
POAD CCB Sila	(6 477 307)	2,70%	(5 460 707)	2,28%
	(15 036 919)	6,27%	(14 554 212)	6,07%
Net number of shares	224 609 348		225 092 055	

Withholding tax for dividends due from individuals and foreign legal entities, registered in countries that are not members of EU for 2015 and 2016 amounts to 5% and the tax is deducted from the gross amount of dividends.

11. Borrowings

Borrowings include financial liabilities as follows:

	Current		Non-current	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	BGN'000	BGN'000	BGN'000	BGN'000
Financial liabilities measured at amortized cost:				
Liabilities to depositors	3 635 439	3 462 081	998 429	835 887
Liabilities for dividends	6 511	14 257	-	6 912
Bonds and debenture loan	2 629	8 169	20 990	171 848
Bank loans	63 478	55 846	83 157	94 243
Other borrowings	31 520	40 629	4 522	4 382
Insurance contract liabilities	37 244	37 383	-	-
Derivatives, held-for-trading	209	578	-	-
Deposits from banks	8 359	6 433	-	-
Cession liabilities	25 521	11 395	8 412	8 412
Liabilities under repurchase agreements	17 409	9 014	-	-
Total carrying amount	3 828 319	3 645 785	1 115 510	1 121 684

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 4% - 11%

12. Income tax expenses

Recognized tax expenses are based on management's best estimate of the expected annual tax rate. The tax rate, valid for 2016 is 10% corporate tax (the expected annual tax rate for the period ended on 31 December 2015 was 10%).

13. Earnings per shares

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

The weighted average number of outstanding shares used for basic earnings per share as well as profit attributable to shareholders, as at 31 December 2016, is:

	31 December 2016
Profit attributable to the shareholders (BGN)	51 834 000
Weighted average number of outstanding shares	226 914 228
Basic earnings per share (BGN per share)	0.23

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

The weighted average number of shares outstanding ordinary and ordinary and preferred, used for the calculation of basic and diluted earnings per share as well as the net profit decreased by the dividend liabilities attributable to shareholders are as follows:

	As at 31.12.2015	
	Basic earnings per share	Diluted earnings per share
Net profit, attributable to shareholders, adjusted with dividend expense (BGN)	58 483 000	61 724 800
Weighted average number of shares	144 282 279	225 636 294
Diluted earnings per share (BGN per share)	0.41	0.27

14. Related party transactions

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

14.1. Transaction with owners

	31.12.2016	31.12.2015
	BGN'000	BGN'000
Sale of goods and services, interest income and other income		
- <i>interest income</i>		
Oweners	2 229	5 763
- sale of services and others		
Oweners	21	-
Purchase of goods and services, interest expense and other expense		
- purchase of services		
Oweners	(300)	(100)
- <i>interest expense</i>		
Oweners	(1)	(10)

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

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

Sale of goods and services, interest income and other income	31.12.2016	31.12.2015
	BGN'000	BGN'000
<i>- sale of finished goods</i>		
- associated parties	571	859
- other related parties	400	478
<i>- sale of goods</i>		
- associated parties	351	272
- other related parties	1 482	1 550
<i>- sale of services</i>		
- associated parties	5 307	4 726
- other related parties	2 138	2 176
<i>- interest income</i>		
- associated parties	-	38
- joint ventures	33	202
- other related parties	2 520	2 332
<i>- other income</i>		
- associated parties	32	627
- other related parties	19	25
 Purchase of services and interest expense	 31.12.2016	 31.12.2015
	BGN'000	BGN'000
<i>- purchase of services</i>		
- associated parties	(15 696)	(16 961)
- other related parties	(6 326)	(6 043)
<i>- interest expense and other expenses</i>		
- associated parties	(10)	-
- other related parties joint ventures	(4 453)	(97)

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

14.3. Transaction with key management personnel

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

	31.12.2016	31.12.2015
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries, including bonuses	(956)	(1 544)
Social security costs	(19)	(19)
Group car allowance	-	(2)
Total:	(975)	(1 565)

15. Related party balances

	31.12.2016	31.12.2015
	BGN'000	BGN'000
Non-current receivables from:		
-owners	3 056	4 207
-associated parties	2 317	1 096
-joint-ventures	40	39
- other related parties	3 334	6 432
Total	8 747	11 774

Current receivables from:		
-owners	33 586	182 897
- associates	351	3 271
-joint-ventures	698	525
- other related parties	32 809	28 056
Total	67 444	214 749

	31.12.2016	31.12.2015
	BGN'000	BGN'000
Non-current payables to:		
-owners	10	38
- associates and joint ventures	2 091	2 663
-joint-ventures	130	145
- other related parties	2 263	761
Total	4 494	3 607

Current payables to:		
-owners	580	759
- associates	11 122	11 609
-joint-ventures	-	-
- other related parties	5 841	3 849
Total	17 543	16 217

The accompanying notes on pages from 8 to 22 form an integral part of the interim condensed consolidated financial statements.

16. Post - reporting date events

No significant events occurred after the reporting date.

17. Autorization of the interim condensed financial statements

The interim condensed consolidated financial statements as of 31 December 2016 (including comparatives) were approved for issue by the Managing board on 28 February 2017.