

To:
Financial Supervision Commission
Investment Activity Supervision Department
16 Budapest Str.
Sofia

Cc:
Bulgarian Stock Exchange - Sofia AD
6 Tri Ushi Str.
Sofia

Re: Individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2019

Dear Sirs,

In compliance with the requirements of the Public Offering of Securities Act (POSA) and the regulations for its implementation, in our capacity as public company and issuer of bonds admitted for trading at a regulated market, we hereby submit the individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2019, containing:

1. Financial statements as at 30.09.2019 as per Art. 100o, para. 4(1) with relation to Art. 100o¹, Para. 7 of POSA;
2. Notes to the financial statements as at 30.09.2019;
3. Interim activity report under Art. 100o, para. 4(2) with relation to Art. 100o¹, Para. 7 of POSA;
4. Declaration under Art. 100o, para. 4(3) with relation to Art. 100o¹, Para. 7 of POSA;
5. Information pursuant to Ordinance No 2 of the Financial Supervision Commission on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information.

Sincerely,

(signed)

Nedelcho Nedelchev
Chief Executive Officer
Chair of the MB

(signed)

Svetozar Popov
Executive Director
Member of the MB

FIRST INVESTMENT BANK AD

Individual statement of the financial position as at 30 September 2019

unaudited

in BGN '000

	30.09.2019	31.12.2018
ASSETS		
Cash and balances with Central Banks	1 711 563	1 615 646
Investments in securities	594 911	681 464
Loans and advances to banks and other financial institutions	76 399	125 472
Loans and advances to customers	5 870 513	5 525 957
Property and equipment	79 583	80 627
Intangible assets	11 476	13 339
Derivatives held for risk management	1 188	905
Current tax assets	-	605
Repossessed assets	712 936	804 707
Investment Property	414 709	242 558
Investments in subsidiaries	36 179	36 179
Other assets	116 921	110 378
TOTAL ASSETS	9 626 378	9 237 837
LIABILITIES AND CAPITAL		
Due to banks	9 113	17 243
Due to other customers	8 401 346	8 021 439
Liabilities evidenced by paper	110 508	118 156
Hybrid debt	203 018	208 786
Derivatives held for risk management	-	88
Deferred tax liability	9 350	1 696
Current tax liabilities	245	-
Other liabilities	13 206	57 516
TOTAL LIABILITIES	8 746 786	8 424 924
Issued share capital	110 000	110 000
Share premium	97 000	97 000
Statutory reserve	39 861	39 861
Revaluation reserve of investments in securities	12 822	10 881
Revaluation reserve on property	4 500	4 500
Other reserves and retained earnings	615 409	550 671
TOTAL SHAREHOLDERS' EQUITY	879 592	812 913
TOTAL LIABILITIES AND GROUP EQUITY	9 626 378	9 237 837

(signed)
NEDELCHO NEDELICHEV
Chief Executive Officer

(signed)
SEVDALINA VASSILEVA
Executive Director

(signed)
JIVKO TODOROV
Chief Financial Officer

(signed)
SVETOZAR POPOV
Executive Director

(signed)
CHAVDAR ZLATEV
Executive Director

FIRST INVESTMENT BANK AD

Individual statement of profit or loss and of other comprehensive income for the nine months ended 30 September 2019

unaudited

in BGN '000

	nine months ended 30/09/2019	nine months ended 30/09/2018
Interest income	218 149	235 474
Interest expense	(44 387)	(45 851)
Net interest income	173 762	189 623
Fee and commission income	89 207	84 178
Fee and commission expense	(17 288)	(15 554)
Net fee and commission income	71 919	68 624
Net trading income	11 145	8 461
Other net operating income	10 443	11 918
TOTAL INCOME FROM BANKING OPERATIONS	267 269	278 626
Administrative expenses	(158 246)	(147 940)
Allowance for impairment	(89 185)	(69 386)
Other income/(expenses), net	52 588	(3 340)
PROFIT BEFORE TAX	72 426	57 960
Tax income/(expense)	(7 688)	4 197
NET PROFIT	64 738	62 157
Other comprehensive income for the period		
Items which should or may be reclassified as profit or loss		
Revaluation reserve of investments in securities	1 941	(3 659)
Total other comprehensive income	1 941	(3 659)
TOTAL COMPREHENSIVE INCOME	66 679	58 498

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Executive Director

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CHAVDAR ZLATEV
Executive Director

FIRST INVESTMENT BANK AD

Individual statement of shareholders' equity for the nine months ended 30 September 2019

unaudited

in BGN '000

	Issued share capital	Share premium	Other reserves and retained earnings	Revaluation reserve of investments in securities	Revaluation reserve on property	Statutory reserve	Total
Balance at 01 January 2018	110 000	97 000	658 399	19 524	4 500	39 861	929 284
Initial application of IFRS 9							
Effect from the initial application of IFRS 9 as regards impairment losses	-	-	(276 770)	-	-	-	(276 770)
Effect from the initial application of IFRS 9 as regards the revaluation reserve of investments in securities	-	-	4 904	(4 904)	-	-	-
Change in balances as at 1 January 2018	110 000	97 000	386 533	14 620	4 500	39 861	652 514
Total comprehensive income for the period							
Net profit for the year ended 31 December 2018	-	-	164 138	-	-	-	164 138
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	(3 739)	-	-	(3 739)
Balance as at 31 December 2018	110 000	97 000	550 671	10 881	4 500	39 861	812 913
Total comprehensive income for the period							
Net profit for the nine months ended on 30 September 2019	-	-	64 738	-	-	-	64 738
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	1 941	-	-	1 941
Balance as at 30 September 2019	110 000	97 000	615 409	12 822	4 500	39 861	879 592

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Executive Director

Individual statement of cash flows for the nine months ended 30 September 2019

unaudited

in BGN '000

	Nine months ended 30/09/2019	Nine months ended 30/09/2018
Net cash flow from operating activities		
Net profit	64 738	62 157
Adjustment for non-cash items		
Allowance for impairment	89 185	69 386
Net interest income	(173 762)	(189 623)
Depreciation and amortization	10 495	11 005
Tax expense	7 688	(4 197)
(Profit)/loss from sale and write-off of tangible and intangible fixed assets, net	(141)	1
(Profit) from sale of other assets, net	(1 803)	(5 952)
(Positive) revaluation of investment property	(72 940)	(13 669)
	(76 540)	(70 892)
Change in operating assets		
Decrease in financial assets at fair value through profit or loss	(473)	27 898
(Increase)/decrease in financial assets at fair value in other comprehensive income	99 238	(27 303)
(Increase) in loans and advances to banks and financial institutions	(8 767)	(836)
(Increase) in loans to customers	(445 477)	(522 090)
(Increase) in other assets	(6 820)	1 779
	(362 299)	(520 552)
Change in operating liabilities		
(Decrease) in liabilities to banks	(8 130)	15
Increase in amounts owed to other depositors	377 528	679 314
Net (decrease) in other liabilities	(43 855)	(15 452)
	325 543	663 877
Interest received	219 610	209 802
Interest paid	(47 618)	(65 358)
Dividends received	86	48
(Paid)/refunded profit tax	600	(2 845)
NET CASH FLOW FROM OPERATING ACTIVITIES	59 382	214 080
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(7 702)	(10 956)
Sale of tangible and intangible fixed assets	255	4
Sale of other assets	6 061	22 587
(Increase)/decrease of investments	(12 061)	9 780
NET CASH FLOW FROM INVESTING ACTIVITIES	(13 447)	21 415
Financing activities		
Increase/(decrease) in borrowings	(7 807)	(60)
NET CASH FLOW FROM FINANCING ACTIVITIES	(7 807)	(60)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	38 128	235 435
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	1 728 774	1 467 355
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1 766 902	1 702 790

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JIVKO TODOROV
Chief Financial Officer

**ADDENDUM TO THE UNAUDITED INDIVIDUAL INTERIM FINANCIAL STATEMENTS OF FIRST
INVESTMENT BANK AD
AS AT 30/09/2019**

NOTES

1. Basis of preparation

(a) Statute

First Investment Bank AD (the Bank) was incorporated in 1993 in the Republic of Bulgaria and has its registered office in Sofia, at 37 Dragan Tzankov Blvd.

The Bank has a general banking license issued by the Bulgarian National Bank (BNB) according to which it is allowed to conduct all banking transactions permitted by Bulgarian legislation.

The Bank has foreign operations in Cyprus.

Following the successful Initial Public Offering of new shares at the Bulgarian Stock Exchange – Sofia, on June 13th 2007 the Bank was registered as a public company in the Register of the Financial Supervision Commission pursuant to the provisions of the Law on the Public Offering of Securities.

(b) Statement of compliance

These condensed interim financial statements were drawn up in accordance with IAS 34: Interim Financial Reporting.

(c) Presentation

The financial statements are presented in Bulgarian Leva (BGN) rounded to the nearest thousand.

The financial statements are prepared in accordance with the fair value principle of derivative financial instruments, financial instruments recognised at fair value in profit or loss, as well as assets recognised at fair value in other comprehensive income. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost convention.

The present financial statements of the Bank are not consolidated. These individual financial statements form an integral part of the consolidated financial statements. Information about the basic earnings per share is given in the consolidated financial statements.

(d) New standards, amendments and interpretations effective as of 01 January 2019

The following amendments to existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- IFRS 16 Leases (issued on 13 January 2016), endorsed by the EU on 31 October 2017, published in the Official Journal on 9 November 2017
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017), endorsed by the EU on 22 March 2018, published in the Official Journal on 26 March 2018
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017), effective 1 January 2019;
- IAS 28 Foreign Currency Transactions and Advance Consideration (issued on 12 October 2017), endorsed by the EU on 08 February 2019, published in the Official Journal on 11 February 2019
- Amendments to IAS 19: Prepayment Features with Negative Compensation (issued on 07 February 2018), endorsed by the EU on 13 March 2019, published in the Official Journal on 14 March 2019
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017), endorsed by the EU on 14 March 2019, published in the Official Journal on 15 March 2019

The adoption of these new standards and amendments to the existing standards has not led to any changes in the Bank's accounting policies with the exception of the application of IFRS 16.

IFRS 16 Leases, effective as of 1 January 2019, replaces the instructions to IAS 17 Leases and makes changes to the accounting for leases, especially for lessees.

According to IAS 17 lessees were required to distinguish between finance leases (recognised in the balance sheet) and operating leases (off-balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting lease payments to be made and the right-of-use asset for almost all lease agreements.

IASB envisaged exemptions for short-term leases or leases of low-value assets; these exemptions may only be applied by the lessee.

Lessor accounting remains largely unchanged.

According to IFRS 16, a lease agreement or an agreement containing a lease, is an agreement which grants the right to control the use of an asset over a given period of time against remuneration.

The management is in the process of assessing the effect from application of the standard, but cannot yet provide quantitative information. The following steps have been undertaken:

- All agreements are subjected to comprehensive review in order to assess whether further agreements may be considered as lease agreements pursuant to the new definition of IFRS 16;
- A decision is to be made which transition approach to opt for - either a full or a modified retrospective transition approach (which means that comparative information will not be restated). Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief. The decision which approach to choose is important because it cannot be changed later.
- Current disclosures on financial lease and operating lease agreements are being assessed, since they might be the basis for determining the capitalised amount and may become right-of-use assets.
- It is being determined what accounting simplification is applicable to lease agreements and whether the right to exemption will be used.
- The requirements to the existing IT system are being reviewed;
- the additional required disclosures are being assessed.

Management does not expect a significant effect from application of this standard, since in the analysed rental agreements to which the Bank is a party as a tenant:

- The right to control the asset is not transferred because in practice the Bank's ability to receive substantially all of the economic benefits from use of the asset in practice is limited. In essence, all rental agreements to which the Bank is a party deprive it of the right to sublease the property to third parties.
- In the analysed rental agreements the right to control the use of the asset is not transferred, and the bank is limited in making relevant decisions regarding how to use the rented asset, as it can only make decisions related to the operating use and maintenance of said asset. In essence, as regards all rental agreements, the Bank has no right to change the approved manner of use for the property by making a decision to use it for purposes different from those initially approved. The lessor, on the other hand, being the owner, may at any time change the instructions for use given upon the initial agreement. This in practice deprives the bank as lessee of the full right to control the use of the asset.
- Due to the reasons listed above the Bank assumes that a significant portion of the rental agreements to which the Bank is a party as a lessee do not fall within the scope of the definition for lease.

(e) Documents issued by IASB/IFRICs not yet endorsed by the European Commission

These new or revised standards, new interpretations and amendments to existing standards that at the reporting date are already issued by the International Accounting Standards Board have not yet been endorsed by the EU and therefore are not taken into account by the Bank in preparing these financial statements.

- IFRS 17 Insurance Contracts (issued on 18 May 2017)

- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018), effective 1 January 2020
- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018), effective 1 January 2020.
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018), effective 01 January 2020

2. Significant accounting policies

The accounting policy applied by the Bank in the preparation of these interim condensed financial statements is the same as the one applied in the preparation of the last annual financial statements for the year ended on 31 December 2018, with the exception of the disclosed effect from the application of IFRS 16.

(a) Income recognition

(i) Interest income

Interest income and expense is recognised in the profit or loss as it accrues, taking into account the effective yield of the asset (liability) or an applicable floating rate. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all fees paid or received as well as discount and premiums which are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income is calculated by applying the effective interest rate on the gross value of the financial asset, except for impaired assets for which the effective interest rate is applied to the amortised cost of the financial asset.

(ii) Fees and Commissions

Fee and commission income arises on financial services provided by the Bank and is recognised in profit or loss when the corresponding service is provided.

(iii) Net trading income

Net gains (losses) on financial assets and liabilities held for trading includes those gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading as well as trading income in dealing with foreign currencies and exchange differences from daily revaluation of the net open foreign currency position of the Bank.

(iv) Dividend income

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

(b) Basis of consolidation of subsidiaries

Investments in subsidiaries are stated at cost, minus the accrued impairment.

(c) Foreign currency transactions

(i) Functional and presentation currency

The financial statements are presented in Bulgarian leva, which is the Bank's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Foreign currency differences arising on translation are difference between amortised cost in functional currency in the beginning of

period, adjusted with effective interest and received payments during the period, and amortised cost in foreign currency at the spot exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined.

(iii) Foreign operations

The functional currency of the foreign operations in Cyprus is determined by the management to be the Euro. In determining the functional currency of the foreign operations, the Bank takes into account the fact that they are carried out as an extension of the reporting entity.

(d) Financial assets

(i) Recognition

The Bank recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Bank initially recognizes trade and other receivables on the date of transaction. Advances to customers are recognised when cash is advanced to the borrowers. At initial recognition, the Bank measures all financial assets at fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Bank classifies financial assets in the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. Management determines the classification of investments at initial recognition according to the business model for management of the specific class of financial assets and the contractual features of the cash flows associated with that financial asset.

(ii) Financial assets at amortised cost

Debt instruments held within the Bank's business model whose objective is to hold assets in order to collect contractual cash flows and where the contractual cash flows give rise only to principal and interest payments are recognised at amortised cost. After the initial recognition assets are booked at amortised cost.

Recognition at amortised cost requires application of the effective interest rate method. The amortised cost of a financial asset is the value at which the financial asset was initially recognised, minus the principal repayments plus or minus the amortisation accrued by using the effective interest rate method for each difference between the initial value and the value at the maturity date and minus impairment.

(iii) Financial assets at fair value through other comprehensive income

Debt instruments held within the Bank's business model whose objective is to hold assets in order to collect contractual cash flows or to sell the asset and where the contractual cash flows give rise only to principal and interest payments are recognised at fair value in other comprehensive income. After initial recognition, the asset is measured at fair value with changes in fair value in revaluation reserve of investments in securities (other comprehensive income). When the debt instrument is written off, the profit or loss accrued and recognised in other comprehensive income is transferred to profit or loss.

(iv) Financial assets at fair value through profit or loss

The position contains two categories: financial assets held for trading and financial assets not classified in the above two categories. A financial asset is classified in this category if it was acquired for the purpose of short-term sale or if its contractual characteristics do not meet the requirement for generating payments of only principal and interest. Derivatives are also categorised as held for trading unless they are designated as hedges.

The Bank does not designate any debt instrument as at fair value through profit or loss to remove or significantly reduce an accounting mismatch.

(v) Capital instruments at fair value through other comprehensive income

The Bank may make an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. When the equity instrument is written off, the profit or

loss accrued and recognised in other comprehensive income is directly transferred to other reserves and retained earnings.

(vi) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Bank which holds portfolios of financial assets and financial liabilities is exposed to market risk and credit risk. If the Bank manages these portfolios on the basis of its net exposure either to market risk or credit risk, the fair value is measured on the basis of a price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Write-off

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Bank transfers these rights in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred to the buyer. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Bank enters into transactions whereby it transfers financial assets recognised in its statement of financial position, but retains either all or substantially all risks and rewards of the transferred asset. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised in the statement of financial position (an example of such transactions are repo deals).

In transactions in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers in which, control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with central banks and short-term highly liquid accounts and advances to banks with original maturity of up to three months.

(f) Investments

Investments that the Bank holds for the purpose of short-term profit taking or repurchases are classified as financial assets for trading. Investments in debt instruments held by the Bank as part of a business model for the purpose of collecting contractual cash flows are classified as financial assets at amortised cost. Investments in debt instruments held by the Bank as part of a business model for the purpose of collecting contractual cash flows and sale are classified as financial assets at fair value in other comprehensive income. All other investments, including those whose contractual terms do not meet the requirement for generation of only principal and interest payments are classified as recognised at fair value in profit or loss.

(g) Securities borrowing and lending business and repurchase transactions

(i) Securities borrowing and lending

Investments lent under securities lending arrangements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for assets held for trading or available-for-sale as appropriate. Cash collateral received in respect of securities lent is recognised as liabilities to either banks or customers. Investments borrowed under securities borrowing agreements are not recognised. Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognised on an accrual basis over the period of the transactions and are included in interest income or expense.

(ii) Repurchase agreements

The Bank enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in loans to either banks or customers. The receivables are shown as collateralised by the underlying security. Investments sold under repurchase agreements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale are reported as liabilities to either banks or other customers.

The difference between the purchase (sale) and resell (repurchase) considerations is recognised on an accrual basis over the period of the transaction and is included in interest income (expenses).

(h) Borrowings

Borrowings are recognised initially at 'cost', being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective yield method.

If the Bank purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of a liability and the consideration paid is included in other operating income.

(i) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Bank has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(j) Impairment of financial assets

The Bank recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as loss allowance.

Whether credit risk is significantly increased or not is determined based on the following factors and events for the debtor or the exposure:

- Internal behavioural scoring of natural persons, companies and institutions whose exposures are above the threshold for significance;
- Decrease in credit rating (internal or external) by a given number of notches for companies and institutions whose exposures are above the threshold for significance.
- Delinquencies;
- Other factors.

(k) Property and equipment

Land and buildings are presented in the statement of financial position at their revalued amount which is the fair value of the asset as at the date of revaluation less any subsequent amortisation and depreciation and accumulated impairment losses. All others classes of items of property, plant and equipment are stated in the statement of financial position at their acquisition cost less accumulated depreciation and allowance for impairment.

Depreciation is calculated on a straight line basis at prescribed rates designed to decrease the cost or valuation of fixed assets over their expected useful lives. The annual rates of amortisation are as follows:

Assets	%
• Buildings	3 - 4
• Equipment	10 - 50
• Fixtures and fittings	10 - 15
• Motor vehicles	20
• Leasehold Improvements	2 - 50

Assets are not depreciated until they are brought into use and transferred from assets in the course of construction into the relevant asset category.

(l) Intangible assets

Intangible assets acquired by the Bank are stated at cost, less accumulated amortisation and any impairment losses.

Amortisation is calculated on a straight-line basis over the expected useful life of the asset. The annual rates of amortisation are as follows:

Assets	%
• Licenses and trademarks	14
• Software and licences	8 - 50

(m) Investment Property

Investment property is property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both. The Bank has chosen for its accounting policy to account for investment property using the fair value model and applies this to all its investment property. Investment properties are initially measured at cost and are subsequently measured using the fair value model, and the revaluation income and expense is recognised in the profit for period in which they occurred. The reclassification of repossessed assets reported as inventories into investment properties is possible only where a contract to rent out the respective property has been signed. The fair value of assets constituting investment property was determined by independent property assessors holding recognised professional qualification and recent experience in assessing property with similar location and category, using reliable techniques for determining fair values.

(n) Provisions

A provision is recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and an reliable assessment of the amount due can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Acceptances

An acceptance is created when the Bank agrees to pay, at a stipulated future date, a draft drawn on it for a specified amount. The Bank's acceptances primarily arise from documentary credits stipulating payment to be made a certain number of days after receipt of required documents. The Bank negotiates most acceptances to be settled at a later date following the reimbursement from the customers. Acceptances are accounted for as liabilities evidenced by paper.

(p) Off-balance sheet commitments

In the ordinary course of its business, the Bank enters into off-statement of financial position commitments such as guarantees and letters of credit. The Bank recognizes provision for off-statement of financial position commitments when it has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and when a reliable estimate can be made of the obligation.

(q) Taxation

Tax on the profit for the year comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted by the statement of financial position date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The effect on deferred tax of any changes in tax rates is charged to profit or loss, except to the extent that it relates to items previously recognised either in other comprehensive income or directly in equity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Critical accounting estimates and judgements in applying accounting policies

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information on the valuations and the valuation uncertainty, for which there is a significant risk of change as of 30 September 2019 are stated below and are related to the impairment of financial instruments, income tax and the following notes related to other elements of the financial statements:

- Note 4 - determining of the fair value of the financial instruments through valuation techniques, in which the input data for the financial assets and liabilities are not based on the available market information.
- Note 15 - determining of the fair value of land and buildings through valuation techniques, in which the input data for the assets are not based on available market information;

(i) Assessment of repossessed assets from collaterals

Assets accepted as collateral are recognized at the lower of the cost of acquisition and the net realizable value. When evaluating the net realizable value of the assets the Bank prepares several models for appraisal (e.g. discounted cash flows) and makes comparison to available market data (e.g. similar market transactions, offers from potential buyers).

(ii) Income taxes

The Bank is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different

from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(s) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Government of Bulgaria is responsible for providing pensions in Bulgaria under a defined contribution pension plan. The Bank's contributions to the defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The Bank has an obligation to pay certain amounts to each employee who retires with the Bank in accordance with Art. 222, § 3 of the Labour Code.

According to these regulations in the LC, when a labour contract of a bank's employee, who has acquired a pension right, is ended, the Bank is obliged to pay him compensations amounted to two gross monthly salaries. Where the employee has been with the same employer for the past 10 years, this employee is entitled to a compensation amounting to six gross monthly salaries. As at balance sheet date, the Management of the Bank estimates the approximate amount of the potential expenditures for every employee using the projected unit credit method.

For the last two years the Bank has prepared estimates for the due provisions for pensions and has not identified significant liabilities.

Termination benefits

Termination benefits are recognised as an expense when the Bank is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Bank has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The Bank recognises as a liability the undiscounted amount of the estimated costs related to annual leave expected to be paid in exchange for the employee's service for the period completed.

3. Segment Reporting

Segment information is presented in respect of the Bank's geographical segments. The primary format, geographical segments, is based on the Bank's management and internal reporting structure.

Reporting and measurement of segment assets and liabilities and segment revenues and results is based on the accounting policies set out in the accounting policy notes.

Transactions between segments are conducted on an arm's length basis.

The Bank operates principally in Bulgaria, but also has operations in Cyprus.

In presenting information on the basis of geographical segments, revenue and operating income is allocated after interbranch eliminations based on the location of the Bank branch that generated the revenue. Segment assets and liabilities are allocated after interbranch eliminations based on their geographical location.

	Bulgarian operations		Foreign operations		Total	
	nine months ended 30/09/2019	nine months ended 30/09/2018	nine months ended 30/09/2019	nine months ended 30/09/2018	nine months ended 30/09/2019	nine months ended 30/09/2018
Interest income	217,977	234,831	172	643	218,149	235,474
Interest expense	(44,374)	(45,834)	(13)	(17)	(44,387)	(45,851)
Net interest income	173,603	188,997	159	626	173,762	189,623
Fee and commission income	87,323	82,805	1,884	1,373	89,207	84,178
Fee and commission expense	(17,252)	(15,534)	(36)	(20)	(17,288)	(15,554)
Net fee and commission income	70,071	67,271	1,848	1,353	71,919	68,624
Net trading income	10,134	7,863	1,011	598	11,145	8,461
Administrative expenses	(156,972)	(146,955)	(1,274)	(985)	(158,246)	(147,940)
	30.09.2019	31.12.2018	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Assets	9,618,145	9,229,337	8,233	8,500	9,626,378	9,237,837
Liabilities	8,511,779	8,210,833	235,007	214,091	8,746,786	8,424,924

The table below shows assets and liabilities and income and expense by business segments as at 30 September 2019.

Business	Assets	Liabilities	Interest income	Interest expense	Net fee and commission income	Net trading income	Other net operating income
Corporate customers	3,193,528	912,261	94,222	(721)	16,877	-	120
Small and medium enterprises	791,818	477,443	25,939	(591)	13,875	-	172
Retail Banking	1,885,167	7,011,642	90,070	(22,774)	40,976	-	537
Treasury	2,384,061	82,826	7,918	(2,955)	296	11,145	5,255
Other	1,371,804	262,614	-	(17,346)	(105)	-	4,359
Total	9,626,378	8,746,786	218,149	(44,387)	71,919	11,145	10,443

4. Financial assets and liabilities

Accounting classification and fair values

The Bank's accounting policy on fair value measurements is set out in Note 2(d)(vi).

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs are observable data for a given asset or liability. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Bank determines fair values using other valuation techniques.

Other valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

However, where the Bank measures portfolios of financial assets and financial liabilities on the basis of net exposures, it applies judgement in determining appropriate portfolio level adjustments such as bid-ask spread.

Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factors specific to the portfolio.

For more complex instruments, the Bank uses proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs include certain over the counter derivatives, certain loans and securities for which there is no active market and retained interests in securitisations. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Bank has an established control framework with respect to the measurement of fair values. This framework includes an Risk Management function, which is independent of Treasury division and reports to management, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- proposal of new models and changes to existing models is made by the Risk Analysis and Control Division and approved by the Management Board;
- calibration of models against observed market transactions;
- analysis and investigation of significant daily valuation movements;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month, by Risk Analysis and Control division.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Risk Management division assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Bank for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The tables below set out analysis of financial instruments measured at fair value at the end of the reporting period classified by fair value hierarchy level framework categorising fair value measurement. The amounts are based on the amounts in the statement of financial position.

in thousands of BGN

30 September 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	6,992	18,003	14	25,009
Financial assets at fair value through other comprehensive income	530,007	27,058	-	557,065
Derivatives held for risk management	815	373	-	1,188
Total	537,814	45,434	14	583,262

In BGN '000

31 December 2018

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	7,176	17,488	14	24,678
Financial assets at fair value through other comprehensive income	630,306	25,732	-	656,038
Derivatives held for risk management	905	(88)	-	817
Total	638,387	43,132	14	681,533

The tables below set out analysis of the fair values of financial instruments not recognised at fair value, classified by fair value hierarchy level framework categorising fair value measurement.

in thousands of BGN

30 September 2019	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,711,563	-	1,711,563	1,711,563
Financial assets at amortised cost	12,262	-	-	12,262	12,837
Loans and advances to banks and other financial institutions	-	76,399	-	76,399	76,399
Loans and advances to customers	-	1,223,664	4,796,849	6,020,513	5,870,513
Total	12,262	3,011,626	4,796,849	7,820,737	7,671,312
Liabilities					
Due to banks	-	9,113	-	9,113	9,113
Due to other customers	-	3,829,273	4,579,913	8,409,186	8,401,346
Liabilities evidenced by paper	-	110,504	-	110,504	110,508
Hybrid debt	-	203,018	-	203,018	203,018
Total	-	4,151,908	4,579,913	8,731,821	8,723,985

In BGN '000

31 December 2018	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,615,646	-	1,615,646	1,615,646
Financial assets at amortised cost	-	862	-	862	748
Loans and advances to banks and other financial institutions	-	125,472	-	125,472	125,472
Loans and advances to customers	-	770,242	4,986,901	5,757,143	5,525,957
Total	-	2,512,222	4,986,901	7,499,123	7,267,823
Liabilities					
Due to banks	-	17,243	-	17,243	17,243
Due to other customers	-	3,421,023	4,607,405	8,028,428	8,021,439
Liabilities evidenced by paper	-	118,128	-	118,128	118,156
Hybrid debt	-	208,786	-	208,786	208,786
Total	-	3,765,180	4,607,405	8,372,585	8,365,624

5. Net interest income

in thousands of BGN

	nine months ended 30/09/2019	nine months ended 30/09/2018
Interest income		
Accounts with and placements to banks and financial institutions	1,139	1,133
Revenue from interest on liabilities	8	-
Retail Banking	84,687	87,159
Corporate customers	94,222	110,706
Small and medium enterprises	25,939	22,828
Microlending	5,383	6,497
Debt instruments	6,771	7,151
	218,149	235,474
Interest expense		
Deposits from banks	(63)	-
Deposits from other customers	(24,086)	(26,765)
Liabilities evidenced by paper	(628)	(578)
Hybrid debt	(17,115)	(17,115)
Interest on assets cost	(2,492)	(1,346)
Lease agreements and other	(3)	(47)
	(44,387)	(45,851)
Net interest income	173,762	189,623

6. Net fee and commission income

in thousands of BGN

	nine months ended 30/09/2019	nine months ended 30/09/2018
Fee and commission income		
Letters of credit and guarantees	2,716	2,163
Payment operations	16,833	15,545
Customer accounts	23,170	22,106
Card services	25,652	24,314
Other	20,836	20,050
	89,207	84,178
Fee and commission expense		
Letters of credit and guarantees	(446)	(238)
Payment systems	(2,225)	(1,721)
Card services	(11,374)	(10,589)
Other	(3,243)	(3,006)
	(17,288)	(15,554)
Net fee and commission income	71,919	68,624

7. Net trading income

in thousands of BGN

	nine months ended 30/09/2019	nine months ended 30/09/2018
Net trading income arises from:		
- Debt instruments	(54)	(84)
- Equities	(54)	(87)
- Foreign exchange rate fluctuations	11,145	8,632
	11,145	8,461

8. Other net operating income

In BGN '000

	nine months ended 30/09/2019	nine months ended 30/09/2018
Other net operating income arising from:		
- net income/(expense) from transactions and revaluation of gold and precious metals	280	651
Rental income	4,079	6,576
- Debt instruments	5,368	2,437
- Equities	(113)	-
- income from management of assigned receivables	-	584
- Gain on administration of loans acquired through business combination	829	1,670
Other net operating income	10,443	11,918

9. Administrative expenses

<i>in thousands of BGN</i>	nine months ended 30/09/2019	nine months ended 30/09/2018
General and administrative expenses comprise:		
- Personnel cost	49,392	49,652
- Depreciation and amortisation	10,495	11,005
- Advertising	9,972	10,510
- Building rent expense	26,362	24,613
- Telecommunication, software and other computer maintenance	9,038	8,796
- Other expenses for external services	52,987	43,364
Administrative expenses	158,246	147,940

10. Allowance for impairment

<i>in thousands of BGN</i>	nine months ended 30/09/2019	nine months ended 30/09/2018
Write-downs		
Loans and advances to customers	(124,162)	(141,982)
Investments in subsidiaries	-	(178)
Off balance sheet commitments	(457)	-
Reversal of write-downs		
Loans and advances to customers	34,429	72,774
Off balance sheet commitments	1,005	-
Impairment cost, net	(89,185)	(69,386)

10a. Other income/(expenses), net

<i>in thousands of BGN</i>	nine months ended 30/09/2019	nine months ended 30/09/2018
Income from sale of assets	1,896	5,984
Revaluation of investment property	72,940	13,669
Profit from sale of investment property	28	-
Dividend income	86	48
Cost of guarantee schemes	(23,728)	(24,468)
Other income, net	1,366	1,427
Total	52,588	(3,340)

11. Cash and balances with Central Banks

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Cash on hand		
- in BGN	138,959	123,104
- in foreign currency	42,882	49,041
Balances with Central Banks	1,309,687	1,035,796
Current accounts and amounts with foreign banks	220,035	407,705
Total	1,711,563	1,615,646

12. Investments in securities

<i>In thousands of BGN</i>	30.09.2019	31.12.2018
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	186,657	181,470
- denominated in foreign currencies	101,289	141,419
Foreign governments		
- treasury bills	206,044	247,145
- treasury bonds	50,562	45,813
Corporates	-	17,084
Foreign banks	27,833	26,480
Other issuers – equity instruments	22,526	22,053
Total	594,911	681,464
Of which:		
at fair value through other comprehensive income	557,065	656,038
at amortised cost	12,837	748
at fair value through profit and loss	25,009	24,678
Total	594,911	681,464

13. Loans and advances to banks and other financial institutions

(a) Analysis by type

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Placements with banks	49,229	23,059
Receivables under resale agreements	6,914	4,985
Other	20,256	97,428
Total	76,399	125,472

(b) Geographical analysis

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Domestic banks and financial institutions	11,619	28,901
Foreign banks and other financial institutions	64,780	96,571
Total	76,399	125,472

14. Loans and advances to customers

in thousands of BGN

			30/09/2019
	Gross value	Allowance for impairment	Amortised cost
Retail Banking			
- Consumer loans	838,878	(51,513)	787,365
- Mortgage loans	794,470	(25,757)	768,713
- Credit cards	192,394	(32,129)	160,265
- Other programmes and collateralised financing	5,094	-	5,094
Small and medium enterprises	810,725	(18,907)	791,818
Microlending	169,273	(5,543)	163,730
Corporate customers	3,665,727	(472,199)	3,193,528
Including receivables from financial lease	373,858	(11,043)	362,815
Total	6,476,561	(606,048)	5,870,513

In BGN '000

			31.12.2018 r.
	Gross value	Allowance for impairment	Amortised cost
Retail Banking			
- Consumer loans	734,928	(47,974)	686,954
- Mortgage loans	700,311	(25,061)	675,250
- Credit cards	187,577	(29,900)	157,677
- Other programmes and collateralised financing	6,231	-	6,231
Small and medium enterprises	751,180	(33,507)	717,673
Microlending	139,943	(21,018)	118,925
Corporate customers	3,745,434	(582,187)	3,163,247
Including receivables from financial lease	389,909	(11,480)	378,429
Total	6,265,604	(739,647)	5,525,957

(a) Movement in impairment allowances

in BGN '000

Balance as at 01 January 2019	739,647
Additional allowances	124,162
Amounts released	(34,429)
Write-offs	(224,031)
Effect from change in exchange rates	317
Other	382
Balance as at 30 September 2019	606,048

Distribution of trade receivables and impairment as adjustment for financial assets (receivables from customers) according to the requirements of IFRS9:

	30/09/2019		31/12/2018	
	Gross amount of loans and advances to customers	Allowance for impairment	Gross amount of loans and advances to customers	Allowance for impairment
Exposures without increase of credit risk after the initial recognition (phase 1)	3,909,383	25,340	3,715,064	26,444
Exposures with significant increase of credit risk after the initial recognition (phase 2)	821,665	58,859	1,156,689	89,594
Non-performing (impaired) exposures (phase 3)	1,745,513	521,849	1,393,851	623,609
Total	6,476,561	606,048	6,265,604	739,647

30 September 2019

Class of exposure	<i>in thousands of BGN</i>		
	Gross amount of loans and advances to customers	Allowance for impairment	Carrying amount of loans and advances to customers
Performing			
Collectively impaired	4,731,048	(84,199)	4,646,849
Nonperforming			
Collectively impaired	335,743	(118,199)	217,544
Individually impaired	1,409,770	(403,650)	1,006,120
Total	6,476,561	(606,048)	5,870,513

31 December 2018

Class of exposure	<i>in thousands of BGN</i>		
	Gross amount of loans and advances to customers	Allowance for impairment	Carrying amount of loans and advances to customers
Performing			
Collectively impaired	4,871,753	(116,038)	4,755,715
Nonperforming			
Collectively impaired	351,996	(150,125)	201,871
Individually impaired	1,041,855	(473,484)	568,371
Total	6,265,604	(739,647)	5,525,957

As at 30 September 2019 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 1,030,829 thousand (31 December 2018: BGN 815, 860 thousands)

15. Property and equipment

<i>in BGN '000</i>	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Construction	Leasehold Improvements	Total
Cost						
At 01 January 2019	17,651	140,457	6,575	18,794	66,509	249,986
Additions	-	-	-	7,702	-	7,702
Disposals	(137)	(1,585)	-	(2)	(1,357)	(3,081)
Transfers	-	3,759	-	(5,563)	1,223	(581)
At 30 September 2019	17,514	142,631	6,575	20,931	66,375	254,026
Amortisation						
At 01 January 2019	4,765	118,004	6,080	-	40,510	169,359
Accrued during the year	474	5,559	193	-	1,825	8,051
On disposals	(31)	(1,584)	-	-	(1,352)	(2,967)
At 30 September 2019	5,208	121,979	6,273	-	40,983	174,443
Carrying amount						
At 01 January 2019	12,886	22,453	495	18,794	25,999	80,627
At 30 September 2019	12,306	20,652	302	20,931	25,392	79,583

16. Intangible assets

in thousands of BGN

	Software and licences	Total
Cost		
At 01 January 2019	40,422	40,422
Disposals	-	-
Transfers	581	581
At 30 September 2019	41,003	41,003
Amortisation		
At 01 January 2019	27,083	27,083
Accrued during the year	2,444	2,444
On disposals	-	-
At 30 September 2019	29,527	29,527
Carrying amount		
At 01 January 2019	13,339	13,339
At 30 September 2019	11,476	11,476

16a. Repossessed assets

in thousands of BGN

	30.09.2019	31.12.2018
Land	463,743	478,133
Buildings	213,041	283,933
Machines, plant and vehicles	35,352	41,852
Fixtures and fittings	800	789
Total	712,936	804,707

Repossessed assets acquired as collateral are measured at the lower of cost and net realisable value. The net realizable value of the lands and buildings is approximately equal to their fair value.

16b. Investment Property

in thousands of BGN

Balance as at 01 January 2019	242,558
Incomings for the period	7
Transferred from repossessed assets	99,394
Revaluation of investment property to the fair value recognised at transfer	72,940
Write-offs upon sale	(190)
Balance as at 30 September 2019	414,709

16c. Investments in subsidiaries

Investments in subsidiaries are as follows:

in thousands of BGN

30/09/2019

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
First Investment Finance B.V., Netherlands	100%	3,947	-	3,947
Diners Club Bulgaria AD	94.79%	5,443	-	5,443
First Investment Bank – Albania Sh.a.	100%	23,420	-	23,420
Debita OOD	70%	105	(104)	1
Realtor OOD	51%	77	(74)	3
Fi Health Insurance AD	59.10%	3,315	-	3,315
Balkan Financial Services EAD	100%	50	-	50
Turnaround Management EOOD	100%	-	-	-
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
Total		36,357	(178)	36,179

in BGN '000

31/12/2018

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
First Investment Finance B.V., Netherlands	100%	3,947	-	3,947
Diners Club Bulgaria AD	94.79%	5,443	-	5,443
First Investment Bank – Albania Sh.a.	100%	23,420	-	23,420
Debita OOD	70%	105	(104)	1
Realtor OOD	51%	77	(74)	3
Fi Health Insurance AD	59.10%	3,315	-	3,315
Balkan Financial Services EAD	100%	50	-	50
Turnaround Management EOOD	100%	-	-	-
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
Total		36,357	(178)	36,179

17. Other assets

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Deferred expense	21,187	10,735
Gold	5,276	5,585
Other assets	90,458	94,058
Total	116,921	110,378

18. Due to banks

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Term deposits	2,461	-
Payable on demand	6,652	17,243
Total	9,113	17,243

19. Due to other customers

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Retail customers		
- current accounts	1,327,650	1,204,229
- term and savings deposits	5,221,838	5,188,626
Businesses and public institutions		
- current accounts	1,349,026	1,184,170
- term deposits	502,832	444,414
Total	8,401,346	8,021,439

20. Liabilities evidenced by paper

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Acceptances under letters of credit	11,853	13,553
Debt related to agreements for full swap of profitability	73,713	73,525
Financing from financial institutions	24,942	31,078
Total	110,508	118,156

Financing from financial institutions through extension of loan facilities can be analyzed as follows:

in thousands of BGN

Lender	Interest rate	Maturity	Amortised cost as at 30 September 2019
State Fund Agriculture	2%	20.12.2019 - 15.02.2020	19
European Investment Fund – JEREMIE 2	0 % - 1.286%	30/09/2025	8,786
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	16,137
Total			24,942

In BGN '000

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2018
State Fund Agriculture	2%	20.12.2019 - 15.02.2020	68
European Investment Fund – JEREMIE 2	0 % - 1.312%	30/09/2025	13,674
Bulgarian Bank for Development AD	1% - 3.50%	30.03.2019 - 30.11.2028	17,336
Total			31,078

21. Hybrid debt

in thousands of BGN

	Principal amount	Amortised cost as at 31 September 2019
Hybrid debt with principal EUR 40 mio	78,233	82,414
Hybrid debt with principal EUR 60 mio	117,350	120,604
Total	195,583	203,018

in BGN '000

	Principal amount	Amortised cost as at 31 Dec 2018
Hybrid debt with principal EUR 40 mio	78,233	84,929
Hybrid debt with principal EUR 60 mio	117,350	123,857
Total	195,583	208,786

In March 2011 the Bank issued a hybrid instrument (bond issue) and, after obtaining permission from the Bulgarian National Bank, included it as Tier 1 capital. The Bank placed the bond issue under private subscription with a total nominal value of EUR 20,000 thousand, constituting the first tranche of a bond issue with an envisaged total amount of up to EUR 40,000 thousand. In June 2012 the Bank issued the second tranche of the instrument, also amounting to EUR 20,000 thousand and following permission from the Bulgarian National Bank included in its Tier 1 capital.

In November 2012 the Bank issued a hybrid instrument (bond issue) and, after obtaining permission from the Bulgarian National Bank, included it as Tier 1 capital. The Bank placed the bond issue under private subscription with a total nominal value of EUR 20,000 thousand, constituting the first tranche of a bond issue with an envisaged total amount of up to EUR 60,000 thousand. In November 2013 the Bank issued the second and third tranches of the instrument, amounting to a total of EUR 40,000 thousand and following permission from the Bulgarian National Bank included them in its Tier 1 capital.

The bonds under both instruments are registered, dematerialized, interest-bearing, perpetual, unsecured, freely transferable, non-convertible, deeply subordinated and without incentive to redeem.

The two bond issues were admitted for trading at the Luxembourg Stock Exchange in 2014 based on prospects approved by the Luxembourg Commission de Surveillance du Secteur Financier.

The two hybrid instruments fully comply with the requirements of Regulation 575/2013 and are included in the additional tier 1 capital.

22. Other liabilities

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Liabilities to personnel	2,415	3,096
Provisions for pending court cases	734	734
Impairment on off balance sheet commitments	465	1,012
Other payables	9,592	52,674
Total	13,206	57,516

23. Shareholders

As at 30 September 2019 the registered share capital of the Bank is BGN 110,000,000 divided into 110,000,000 ordinary dematerialized shares with voting rights of BGN 1 par value each. All the shares have been fully paid-up.

The table below shows those shareholders of the Bank holding shares as at 30 September 2019 together with the number and percentage of total issued shares.

	Number of shares	% of issued share capital
Mr. Ivailo Dimitrov Mutafchiev	46,750,000	42.50
Mr. Tzeko Todorov Minev	46,750,000	42.50
Other shareholders (shareholders holding shares subject to free trade on the Bulgarian Stock Exchange – Sofia)	16,500,000	15.00
Total	110,000,000	100.00

In 2019 as in the previous year, the Bank did not distribute dividends.

24. Commitments and contingent liabilities

Contingent liabilities

<i>in thousands of BGN</i>	30.09.2019	31.12.2018
Bank guarantees	204,007	228,705
Unused credit lines	583,789	512,911
Letters of credit	16,983	16,984
Other contingent liabilities	-	-
Total	804,779	758,600
Impairment on off balance sheet commitments	464	1,012

25. Related party transactions

Type of related party	Parties that control or manage the Bank		Enterprises under common control		
	<i>in BGN '000</i>	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Loans		2,029	1,769	20,557	21,915
Deposits and loans received:		11,623	12,862	101,543	111,018
Deposits placed		-	-	17,151	19,704
Other receivables		-	-	18,097	22,146
Other borrowings		-	-	100	100
Off-balance sheet commitments issued by the Bank		1,174	1,283	1,853	3,469

First Investment Bank announces that as at 30/09/2019:

1. There were no unusual (in terms of amount, nature or timing) assets, liabilities, equity, net income and cash flows.
2. There were no unusual changes in contingent assets and liabilities since the last annual financial statements.
3. There were not issued, repaid or repurchased capital instruments.
4. No dividends were accrued or paid.

(signed)

Chief Executive Officer
NEDELCHO NEDELICHEV

(signed)

Executive Director
SVETOZAR POPOV

(signed)

Executive Director
CHAVDAR ZLATEV

(signed)

Executive Director
SEVDALINA VASSILEVA

(signed)

Chief Financial Officer
JIVKO TODOROV

**INTERIM REPORT
ON THE ACTIVITY OF FIRST INVESTMENT BANK AD
as at 30 September 2019**

(individual)

prepared under Art. 100o, para. 4(2) of the Public Offering of Securities Act (POSA) and Art. 33, para. 1(2) and (7) and para. 3 of Ordinance No 2 of the Financial Supervision Commission (FSC) on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information

In the third quarter of 2019 First Investment Bank AD (First Investment Bank AD, the Bank) continued its successful development as an innovative, stable and reliable bank institution.

Highlights in the activity of First Investment Bank AD as at 30 September 2019:

- Notification pursuant to Article 27(2), item 1 of Notification pursuant to Art. 27(2), item 1 of Ordinance No. 2 of the Financial Supervision Commission on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information: a financial lease transaction with an international investor for a significant portion of the site of the former Kremikovtzi steel plant were published at 30.01.2019.
- Non-consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2018 were published at 31.01.2019;
- Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2018 were published at 01.03.2019.
- Annual unconsolidated (audited) financial statements of First Investment Bank AD as at 31 December 2018 were published at 05.04.2019;
- Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 Dec 2018 were published at 30 April 2019;
- Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2019 were published at 30 April 2019;

- Notice and materials for the General Meeting of Shareholders of First Investment Bank AD were published at 17 May 2019;
- Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2019 were published at 30 May 2019;
- Information regarding FIBank's ratings from Fitch Ratings and Moody's Investors Service was disclosed on 05 June 2019;
- Summary results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 19 June 2019 were published on that day;
- The minutes of the regular Annual General Meeting of Shareholders of First Investment Bank AD held on 19 June 2019 and amendments to its By-Laws were published at 21 June 2019;
- On 01 July 2019 First Investment Bank AD disclosed information pursuant to Regulation (EU) No. 575/2013;
- Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2019 were published on 25 July 2019;
- On 26 July 2019 First Investment Bank AD published a notification pursuant to Art. 100y, Para. 1(1) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding amendments to the By-Laws of First Investment Bank AD;
- Information regarding the outcome from the asset quality review and the stress test of Fibank carried out by ECB was disclosed on 26 July 2019;
- Information regarding FIBank's ratings from Moody's Investors Service was disclosed on 01 August 2019;
- Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2019 were published on 30 August 2019.

Review of the activities of First Investment Bank AD as at 30 September 2019 on individual (unaudited) basis

- *Balance sheet as at 30 September 2019.*

The balance sheet assets of the Bank as at 30.09.2019 reached BGN 9,626 million, showing growth by BGN 389 mln against the end of 2018, and thus First Investment Bank AD retains its place among the leading banks in the Bulgarian banking system. As at 30.09.2019 the deposits from other customers amounted to BGN 8,401 million, with growth of BGN 380 mln for the period; for this indicator the Bank also retains its position as one of the leading banks in Bulgaria. As at 30 September 2019 the accounting equity amounted to BGN 880 million net, which indicates growth by BGN 67 mln compared to the end of 2018. Receivables from clients amounted to BGN 5,871 million book value, an increase for the first nine months 2019 by BGN 345 mln.

- *Unconsolidated profit for Q3 2019*

The net profit of the Bank for the first nine months of 2019 amounted to BGN 64,738 thousand, an increase by BGN 2,587 thousand less in comparison to the same period in 2018. The profit before tax for Q3 2019 is BGN 72,426 thousand, which is BGN 14,466 thousand more in comparison to the same period in 2018.

The total revenue from banking operations for the period amounted to BGN 267,269 thousand. The net interest income totalled at BGN 117,762 thousand, and the net income from fees and commissions was BGN 71,919 thousand.

- *Capital resources*

The capital adequacy ratio of First Investment Bank AD as at 30 September 2019 reached 18,01 %. The Tier 1 capital ratio was 18.01%, too, while CET1 ratio was 15.07%. During the period the Bank was in compliance with and significantly above the regulatory capital requirements.

- *Liquidity*

The liquidity coverage ratio of First Investment Bank AD, as at 30 September 2019 reached 215,00 % and the net stable funding ratio is 134,27 %, showing a stable liquidity position

- *A total of 151 branches and offices throughout the country*

As at 30 September 2019, First Investment Bank AD had a total of 151 branches and offices in Bulgaria. The number of outlets reflects the adherence to a policy of synergy and maintaining optimum efficiency in the branch network of the Bank

**INFORMATION AS AT 30 September 2019
UNDER ART. 33, PARA. 1, P. 7
OF ORDINANCE No2**

on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information

- a) information on changes in the accounting policy during the reporting period, the reasons for them, and the way in which they affect the financial results and equity of the issuer

The following amendments to existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- *IFRS 16 Leases (issued on 13 January 2016), endorsed by the EU on 31 October 2017, published in the Official Journal on 9 November 2017*
- *Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017), endorsed by the EU on 22 March 2018, published in the Official Journal on 26 March 2018*
- *IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017), effective 1 January 2019;*
- *IAS 28 Foreign Currency Transactions and Advance Consideration (issued on 12 October 2017), endorsed by the EU on 08 February 2019, published in the Official Journal on 11 February 2019*
- *Amendments to IAS 19: Prepayment Features with Negative Compensation (issued on 07 February 2018), endorsed by the EU on 13 March 2019, published in the Official Journal on 14 March 2019*
- *Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017), endorsed by the EU on 14 March 2019, published in the Official Journal on 15 March 2019*

The adoption of these new standards and amendments to the existing standards has not led to any changes in the Bank's accounting policies with the exception of the application of IFRS 16.

IFRS 16 Leases, effective as of 1 January 2019, replaces the instructions to IAS 17 Leases and makes changes to the accounting for leases, especially for lessees.

According to IAS 17 lessees were required to distinguish between finance leases (recognised in the balance sheet) and operating leases (off-balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting lease payments to be made and the right-of-use asset for almost all lease agreements.

IASB envisaged exemptions for short-term leases or leases of low-value assets; these exemptions may only be applied by the lessee.

Lessor accounting remains largely unchanged.

According to IFRS 16, a lease agreement or an agreement containing a lease, is an agreement which grants the right to control the use of an asset over a given period of time against remuneration.

The management is in the process of assessing the effect from application of the standard, but cannot yet provide quantitative information. The following steps have been undertaken:

- All agreements are subjected to comprehensive review in order to assess whether further agreements may be considered as lease agreements pursuant to the new definition of IFRS 16;
- A decision is to be made which transition approach to opt for - either a full or a modified retrospective transition approach (which means that comparative information will not be restated). Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief. The decision which approach to choose is important because it cannot be changed later.
- Current disclosures on financial lease and operating lease agreements are being assessed, since they might be the basis for determining the capitalised amount and may become right-of-use assets.
- It is being determined what accounting simplification is applicable to lease agreements and whether the right to exemption will be used.
- The requirements to the existing IT system are being reviewed;
- the additional required disclosures are being assessed.
- Management does not expect a significant effect from application of this standard, since in the analysed rental agreements to which the Bank is a party as a tenant:
- The right to control the asset is not transferred because in practice the Bank's ability to receive substantially all of the economic benefits from use of the asset in practice is limited. In essence, all rental agreements to which the Bank is a party deprive it of the right to sublease the property to third parties.
- In the analysed rental agreements, the right to control the use of the asset is not transferred, and the bank is limited in making relevant decisions regarding how to use the rented asset, as it can only make decisions related to the operating use and maintenance of said asset. In essence, as regards all rental agreements, the Bank has no right to change the approved manner of use for the property by making a decision to use it for purposes different from those initially approved. The lessor, on the other hand, being the owner, may at any time change the instructions for use given upon the initial agreement. This in practice deprives the bank as lessee of the full right to control the use of the asset.
- Due to the reasons listed above the Bank assumes that a significant portion of the rental agreements to which the Bank is a party as a lessee do not fall within the scope of the definition for lease.

The accounting policy applied by the Bank in the preparation of these interim condensed financial statements is the same as the one applied in the preparation of the last annual financial statements for the year ended on 31 December 2018, with the exception of the disclosed effect from the application of IFRS 16.

b) information on changes in the economic group of the issuer, if applicable:

In the third quarter of 2019 an increase in the capital of the subsidiary "Balkan Financial Services" EAD with an in-kind contribution from Fibank was filed in the Commercial Register under № 20190808093934 on 08 August 2019 and was entered in the Commercial Register under № 20190814142037 on 14 August 2019.

c) information on the outcome from organizational changes within the issuer, such as restructuring, sale of companies from the economic group, in-kind contributions by the company, renting of property, long-term investments, suspension of operations:

See „b” above.

d) opinion of the managing body regarding the feasibility of the forecasts published for the current financial year, taking into account the results of the current quarter, as well as information about the factors and circumstances that will affect the achievement of the forecast results at least for the next quarter:

No forecasts were published for the results for 2019.

e) information on the persons holding directly or indirectly at least 5 per cent of votes in the General Meeting at the end of the respective quarter, and changes in the votes held by such persons since the end of the previous quarter:

	<i>at 30 June 2019</i>		<i>at 30 September 2019</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Mr Tseko Minev	46 750 000	42,50%	46 750 000	42,50%
Mr Ivaylo Mutafchiev	46 750 000	42,50%	46 750 000	42,50%

f) information about the shares held by the management and supervisory bodies of the issuer at the end of the respective quarter, as well as on the changes which have occurred since the end of the preceding quarter for each person:

<i>Members of the Managing Board</i>	<i>at 30 June 2019</i>		<i>at 30 September 2019</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Nedelcho Nedelchev	350	0,00	No change	
Chavdar Zlatev	523	0,00	No change	
Sevdalina Vasileva	0	0,00	No change	
Svetozar Popov	0	0,00	No change	
Jivko Todorov	0	0,00	No change	
Nadya Koshinska	234	0,00	No change	

<i>Members of the Supervisory Board</i>	<i>at 30 June 2019</i>		<i>at 30 September 2019</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Evgeni Lukanov	337 139	0,31	No change	
Maya Georgieva	11 388	0,01	No change	
Jordan Skortchev	19 125	0,02	No change	
Georgi Mutafchiev	9 454	0,01	No change	
Radka Mineva	-	0,00	No change	
Jyrki Koskelo	-	0,00	No change	

g) Information about pending judicial, administrative or arbitration procedures concerning liabilities or receivables amounting to at least 10 per cent of the equity of the issuer; if the total amount of liabilities or receivables of the issuer in all initiated procedures exceeds 10 per cent of its equity, information shall be presented for each procedure separately:

No events have occurred.

h) information about loans granted by the issuer or any of its subsidiaries, guarantees provided or liabilities assumed to a single entity or its subsidiary, including related parties, indicating

the nature of relations between the issuer and the entity, outstanding principal amount, interest rate, maturity date, initial amount of the liability, term and conditions:

First Investment Bank AD is a public company part of whose main activity is the public attraction of deposits or other repayable funds and granting of loans or other financing. In this sense, for the period until 30 September 2019 no events have occurred beyond the ordinary activity of the Bank.

**INFORMATION AS AT 30 September 2019
UNDER ART. 33, PARA. 3
OF ORDINANCE NO2**

on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information

1. *Transactions between related parties concluded during the reporting period of the current financial year that had significant effect on the financial position or performance of the company in this period:*

First Investment Bank AD enters into transactions with related parties in the ordinary course of its banking business, on terms which would be customary in transactions with unrelated parties. These transactions do not affect the financial condition or performance of First Investment Bank AD.

2. *Changes in transactions concluded with related parties disclosed in the annual report that have significant impact on the financial position or performance of the company during the reporting period of the current financial year.*

As at 30.09.2019, no changes have occurred in transactions concluded with related parties that have significant impact on the financial position or performance of First Investment Bank AD.

(signed)
Nedelcho Nedelchev
Chief Executive Officer
Chair of MB

(signed)
Svetozar Popov
Executive Director
MB Member

(signed)
Chavdar Zlatev
Executive Director
MB Member

(signed)
Sevdalina Vasileva
Executive Director
MB Member

(signed)
Jivko Todorov
Chief Financial Officer
MB Member

This document was prepared in compliance with the requirements of Art. 100o, Para. 4(4) of the Law on the Public Offering of Securities, as per Art. 33, Para. 1, items (3) and (5) of Ordinance No. 2 of the Financial Supervision on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information

**Information on circumstances which occurred by 30 September 2019
and which may have an impact on the price of First Investment Bank shares**

1. Notification pursuant to Article 27(2), item 1 of Notification pursuant to Art. 27(2), item 1 of Ordinance No. 2 of the Financial Supervision Commission on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information: a financial lease transaction with an international investor for a significant portion of the site of the former Kremikovtzi steel plant. – Registered at FSC under incoming No. 10-05- 567/30.01.2019.
2. Non-consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2018 – Registered at FSC under incoming No. 10-05-609/30.01.2019 and No. 10-05-652/31.01.2019;
3. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2018 – Registered at FSC under incoming No. 10-05-1068/01.03.2019.
4. Annual unconsolidated (audited) financial statements of First Investment Bank AD as at 31 December 2018 – Registered at FSC under incoming No. 10-05-1704/05.04.2019;
5. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 Dec 2018 – Registered at FSC under incoming No. 10-05-2367/30.04.2019;
6. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2019 – Registered at FSC under incoming No. 10-05-2424/30.04.2019;
7. Notice and materials for the General Meeting of Shareholders of First Investment Bank AD – Registered at FSC under incoming No. 10-05-2778/17.05.2019;
8. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2019 – Registered at FSC under incoming No. 10-05-3146/30.05.2019;
9. Disclosure of Information regarding First Investment Bank’s ratings from Fitch Ratings and Moody's Investor Services – Registered at FSC under incoming No. 10-05-3242/05.06.2019;
10. Information on the results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 19 June 2019 – Registered at FSC under incoming No. 10-05-3473/19.06.2019;

11. Submission of minutes of the regular Annual General Meeting of Shareholders of First Investment Bank AD held on 21 June 2019 and amendments to the By-Laws of First Investment Bank AD – Registered at FSC under incoming No. 10-05-3528/21.06.2019.
12. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 – Registered at FSC under incoming No. 10-05-3757/01.07.2019;
13. Individual (unaudited) financial statements of First Investment Bank AD as at 30 June 2019 – Registered at FSC under incoming No. 10-05-4138/26.07.2019;
14. Notification pursuant to Art. 100y, Para. 1(2) with relation to Para.2 of the Law on the Public Offering of Securities (LPOS) regarding amendments to the By-Laws of First Investment Bank AD – Registered at FSC under incoming No. 10-05-4167/26.07.2019;
15. Disclosure of information regarding the results of Fibank’s asset quality review and the stress test carried out by ECB – Registered at FSC under incoming No. 10-05-4173/26.07.2019;
16. Disclosure of Information regarding FIBank’s ratings from Moody's Investor Services – Registered at FSC under incoming No. 10-05-4502/01.08.2019;
17. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2019 – Registered at FSC under incoming No. 10-05-4631/16.08.2019.

(signed)
Nedelcho Nedelchev
Chief Executive Officer
Chairperson of MB

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Sevdalina Vassileva
Executive Director
Member of MB

(signed)
Chavdar Zlatev
Executive Director
Member of MB

(signed)
Jivko Todorov
Chief Financial Officer
Member of MB

FIRST INVESTMENT BANK AD

ver2.7

Bank	FINV9150	First Investment Bank AD
Reporting date	30.9.2019	
Basis for application	individual	
Accounting standard	IFRS	Reporting currency in BGN '000

1. 1. Balance sheet [statement of financial position]

c010

1.1 Assets

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V
				010
010	Cash and cash balances with central banks and other deposits payable on demand	Para. 54 (i) of IAS 1		1 720 751
020	Cash	part 2, paragraph 1 of Appendix V		181 842
030	Cash balances with central banks	part 2, paragraph 1 of Appendix V		1 309 687
040	Other deposits payable on demand	part 2, paragraph 1 of Appendix V	5	229 222
050	Financial assets held for trading	Supplement A to IFRS 9		6 996
060	Derivatives	Supplement A to IFRS 9	10	0
070	Equity	Para. 11 of IAS 32	4	4 513
080	Debt securities	part 1, paragraph 31 of Appendix V	4	2 483
090	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
096	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 8 (a)(ii) of IFRS 7; IFRS 9.4.1.4	4	18 013
097	Equity	Para. 11 of IAS 32	4	18 013
098	Debt securities	part 1, paragraph 31 of Appendix V	4	0
099	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
100	Financial assets at fair value through profit or loss	Para. 8 (a)(i) of IFRS 7; IFRS 9.4.1.5	4	0
120	Debt securities	part 1, paragraph 31 of Appendix V	4	0
130	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
141	Financial assets at fair value through other comprehensive income	Para. 8 (h) of IFRS 7; IFRS 9.4.1.2A	4	557 065
142	Equity	Para. 11 of IAS 32	4	0
143	Debt securities	part 1, paragraph 31 of Appendix V	4	557 065
144	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
181	Financial assets at amortised cost	Para. 8 (f) of IFRS 7; IFRS 9.4.1.2	4	5 950 561
182	Debt securities	part 1, paragraph 31 of Appendix V	4	12 837
183	Loans and advances	part 1, paragraph 32 of Appendix V	4	5 937 724
240	Derivatives - hedge accounting	IFRS 9.6.2.1, part 1, paragraph 22 of Appendix V	11	0
250	Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk	Para. 89A (a) of IAS 39, IFRS 9.6.5.8		0
260	Investments in a subsidiary, jointly-controlled entity or associate	Para. 54 (e) of IAS 1; part 1, paragraph 21 and part 2, paragraph 4 of Appendix V	40	36 179
270	Tangible assets			494 292
280	Property, Plant and Equipment	Para. 6 of IAS 16; Para. 54 (a) of IAS 1	21, 42	79 583
290	Investment Property	Para. 5 of IAS 40; Para. 54 (b) of IAS 1	21, 42	414 709
300	Intangible assets	Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575		11 476
310	Goodwill	Para. B67, (d) of IFRS 3; Art. 4, Para. 1, item 113 of Reg 575		0
320	Other intangible assets	Paras. 8, 118 of IAS 38	21, 42	11 476
330	Tax assets	Para. 54 (n)-(o) of IAS 1		0
340	Current tax assets	Para. 54(n) of IAS 1; Para. 5 of IAS 12		0
350	Deferred tax assets	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 106 of Reg 575		0
360	Other assets	part 2, paragraph 5 of Appendix V		831 045
370	Non-current assets and disposal groups classified as held for sale	Para. 54, (j) of IAS 1; Para. 38 of IFRS 5; part 2, item 7 of Appendix V		0
380	TOTAL ASSETS	Para. 9, (a), IN 6 of IAS 1		9 626 378

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ANNEX III

FIRST INVESTMENT BANK AD

Bank	FINV9150	FIRST INVESTMENT BANK AD
Reporting date	30.9.2019	
Basis for application	individual	
Accounting standard	IFRS	Reporting currency in BGN '000

1. 1. Balance sheet [statement of financial position]

c010

1.2 Liabilities

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V 010
010	Financial liabilities held for trading	Para. 8, (e)(ii) of IFRC 7; BA Para. 6 of IFRS 9	8	0
020	Derivatives	supplement A to IFRS 9, IFRS 9.4.2.1(a), BA, paragraph 7(a) of IFRS 9	10	0
030	Short positions	BA, Paragraph 7(b) of IFRS 9	8	0
040	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	0
050	Issued debt securities	part 1, paragraph 37 of Appendix V	8	0
060	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	0
070	Financial liabilities at fair value through profit or loss	Para. 8 (e)(i) of IFRC 7; IFRS 9.4.2.2	8	0
080	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	0
090	Issued debt securities	part 1, paragraph 37 of Appendix V	8	0
100	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	0
110	Financial liabilities at amortised cost	Para. 8 (g) of IFRC 7; IFRS 9.4.2.1	8	8 723 985
120	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	8 484 173
130	Issued debt securities	part 1, paragraph 37 of Appendix V	8	203 018
140	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	36 794
150	Derivatives - hedge accounting	IFRS 9.6.2.1, part 1, paragraph 26 of Appendix V	11	0
160	Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk	Para. 89A (b) of IAS 39, IFRS 9.6.5.8		0
170	Provisions	Para. 10 of IAS 37; Para. 54 (l) of IAS 1	43	1 199
180	Pensions and other obligations to pay defined post-employment benefits	Para. 63 of IFRC 19; Para. 78(d) of IAS 1; part 2, item 9 of Appendix V	43	0
190	Other long-term employee benefits	Para. 153 of IFRC 19; Para. 78(d) of IAS 1; part 2, item 10 of Appendix V	43	0
200	Restructuring	Para. 71 and 84(a) of IAS 37	43	0
210	Pending legal matters and tax-related court cases	IAS 37, addendum B, examples 6 and 10	43	734
220	Commitments and guarantees	IFRS 9.4.2.1(c), (d); 9.5.5; 9.C2.5; IAS 37; IFRS 4; part 2, para. 11 of Appendix V	9 12 43	465
230	Other provisions	Para. 14 of IAS 37	43	0
240	Tax liabilities	Para. 54 (n)-(o) of IAS 1		9 596
250	Current tax liabilities	Para. 54(n) of IAS 1; Para. 5 of IAS 12		246
260	Deferred tax liabilities	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575		9 350
270	Share capital payable upon request	IAS 32, Illustrative example 33; IFRIC 2; part 2, paragraph 12 of Appendix V		0
280	Other liabilities	part 2, paragraph 13 of Appendix V		12 007
290	Liabilities in disposal groups classified as held for sale	Para. 54, (p) of IAS 1; Para. 38 of IFRC 5; part 2, paragraph 14 of Appendix V		0
300	TOTAL LIABILITIES	Para. 9, (b), IN 6 of IAS 1		8 746 787

FIRST INVESTMENT BANK AD

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Bank	FINV9150	First Investment Bank AD
Reporting date	30.9.2019	
Basis for application	individual	
Accounting standard	IFRS	Reporting currency in BGN '000

1. Balance sheet [statement of financial position]

c010

1.3 Total own funds

		References	Breakdown in table	Carrying amount
				010
010	Equity	Para. 54(s) of IAS 1; Para. 22 of DOB	46	110 000
020	Paid up share capital	Para. 78 (e) of IAS 1		110 000
030	Not fully paid-up capital	part 2, paragraph 14 of Appendix V		0
040	Premium reserves	Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575	46	97 000
050	Issued capital instruments other than share capital	part 2, paragraphs 18-19 of Appendix V	46	0
060	Component of the share capital in compound financial instruments	Paras. 28 -29 of IAS 32; part 2, item 18 of Appendix V		0
070	Other issued equity instruments	part 2, paragraph 19 of Appendix V		0
080	Other own funds	Para. 10 of IFRS 2; part 2, paragraph 20 of Appendix V		0
090	Accumulated other comprehensive income	Art. 4, para. 1, item 100 of Reg 575	46	17 322
095	Items which cannot be reclassified as profit or loss	Para. 89A (a) of IAS 1		4 500
100	Tangible assets	Paras. 39 -41 of IAS 16		4 500
110	Intangible assets	Paras. 85-87 of IAS 38		0
120	Actuarial gains or (-) losses on defined benefit plans	Para. 7, NI 6 of IAS 1; Para. 120(c) of IAS 19		0
122	Non-current assets and disposal groups classified as held for sale	Para. 38, IN example 12 of IFRS 5		0
124	Share of the other comprehensive income of subsidiaries, associates and joint ventures	NI 6 of IAS1, paragraph 10 of IAS 28		0
320	Changes in fair value of capital instruments at fair value in other comprehensive income	Para. 7 (d) of IAS 1; 5.7.5 and B5.7.1 of IFRC 9; part 2, paragraph 21 of Appendix V		0
330	Inefficiency of hedging in fair value hedging of capital instruments at fair value in other comprehensive income	Para. 7 (d) of IFRS 1; IFRS 9.5.7.5 and 6.5.3; paragraph 24C of IFRS 7, part 2, paragraph 22 of Appendix V		0
340	Changes in fair value of capital instruments at fair value in other comprehensive income [hedged position]	IFRS 9 5.7.5 and 6.5.8(b); part 2, paragraph 22 of Appendix V		0
350	Changes in fair value of capital instruments at fair value in other comprehensive income [hedging instrument]	Para. 7 (e) of IFRS 1; IFRS 9.5.7.5 and 6.5.8(a); part 2, paragraph 57 of Appendix V		0
360	Changes in fair value of financial liabilities at fair value in profit or loss due to changes in credit risk	Para. 7 (f) of IAS 1; IFRS 9.5.7.7; part 2, paragraph 23 of Appendix V		0
128	Items which can be reclassified as profit or loss	Para. 81A (a)(ii) of IAS 1		12 822
130	Hedges of net investments in foreign operations [effective portion]	IFRS 9.6.5.13(a); Paragraph 24B(b), items ii) and iii) of IFRS 7; Paragraph 24C(b), items i) and iv), and paragraph 24E(a) of IFRS 7; part 2, paragraph 24 of Appendix V		0
140	Currency exchange	Para. 52 (b) of IFRC 21; Paras. 32, 38-49 of IAS 21		0
150	Derivatives from hedging Cash flow hedges [effective portion]	Paragraph 7(e) of IAS 1; paragraph 24B(b), items ii) and iii) of IFRS 7; paragraph 24C(b), item i) and paragraph 24E of IFRS 7; IFRS 9.6.5.11(b); part 2, paragraph 25 of appendix V		0
155	Changes in fair value of debt instruments at fair value in other comprehensive income	Para. 7 (da) of IAS 1; IFRS 9.4.1.2A and 5.7.10; part 2, paragraph 26 of Appendix V		12 822

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165	<i>Hedging instruments [unreported elements]</i>	<i>Paragraph 7, (g) and (h) of IAS 1; IFRS 9 6.5.15 and 6.5.16; Paragraph 24 E, (b) and (c) of IFRS 7, part 2, Paragraph 60 of appendix V</i>		0
170	<i>Non-current assets and disposal groups classified as held for sale</i>	<i>Para. 38, IN example 12 of IFRS 5</i>		0
180	<i>Share of the other comprehensive income of subsidiaries, associates and joint ventures</i>	<i>NI 6 of IAS1, paragraph 10 of IAS 28</i>		0
190	Retained earnings	<i>Art. 4, para. 1, item 123 of Reg 575</i>		0
200	Revaluation reserve	<i>Para. 30, D5-D8 of IFRS 1; part 2, item 28 of Appendix V</i>		0
210	Other reserves	<i>Para. 54 of IAS 1; Para. 78 (e) of IAS 1</i>		590 531
220	Reserves or losses from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	<i>Para. 11 of IAS 28; part 2, item 29 of Appendix V</i>		0
230	Other	<i>part 2, paragraph 29 of Appendix V</i>		590 531
240	(-) Repurchased own shares	<i>Para. 79 (a)(vi) of IAS 1; Paras. 33-34, IE14, IE36 of IAS 32; part 2, paragraph 30 of Appendix V</i>	46	0
250	Profit or loss attributable to the owners of the parent company	<i>Para. 81B (b)(ii) of IAS 1</i>	2	64 738
260	(-) Interim dividends	<i>Para. 11 of IAS 32</i>		0
270	Minority interests [Non-controlling interests]	<i>Para. 54 (r) of IAS 1</i>		0
280	Accumulated other comprehensive income	<i>Art. 4, para. 1, item 100 of Reg 575</i>	46	0
290	Other items		46	0
300	TOTAL SHAREHOLDERS' EQUITY	<i>Para. 9 (c), IN 6 of IAS 1</i>	46	879 591
310	TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	<i>IN 6 of IAS 1</i>		9 626 378

NEDELCHO NEDELICHEV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

SEVDALINA VASSILEVA
Executive Director

CHAVDAR ZLATEV
Executive Director

JIVKO TODOROV
Chief Financial Officer

FIRST INVESTMENT BANK AD

ver2.7

Bank FINV3150

First Investment Bank AD

Reporting date 30.9.2019

Basis for application Individual

Accounting standard IFRS

Reporting currency in BGN '000

2. Profit and Loss Account

c010

		References	Breakdown in table	Current period
				010
010	Interest income	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	218 150
020	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; part 2, paragraphs 33, 34 of Appendix V		64
025	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7, IFRS 9.5.7.1		0
030	Financial assets at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7		0
041	Financial assets at fair value through other comprehensive income	Para. 20(b) of IFRIC 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A		6 672
051	Financial assets at amortised cost	Para. 20(b) of IFRIC 7; IFRS 9.4.1.2, IFRS 9.5.7.2		211 406
070	Derivatives — hedge accounting, interest rate risk	supplement A to IFRS 9, C.6.6.16, part 2, paragraph 35 of Appendix V		0
080	Other assets	part 2, paragraph 36 of Appendix V		0
085	Revenue from interest on liabilities	IFRS 9.5.7.1, part 2, paragraph 37 of Appendix V		8
090	(Interest expense)	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	44 387
100	(Financial liabilities held for trading)	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; part 2, paragraphs 33, 34 of Appendix V		0
110	(Financial liabilities at fair value through profit or loss)	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7		0
120	(Financial liabilities at amortised cost)	Para. 20(b) of IFRIC 7; IFRS 9.5.7.2		41 892
130	(Derivatives — hedge accounting, interest rate risk)	Para. 9 of IAS 39; part 2, paragraph 35 of Appendix V		0
140	(Other liabilities)	part 2, paragraph 38 of Appendix V		3
145	(Interest expense on assets)	IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V		2 492
150	(Expense for share capital payable upon request)	IFRIC 2, item 11		0
160	Dividend income	part 2, paragraph 40 of Appendix V	31	86
170	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; part 2, paragraphs 40 of Appendix V		46
175	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V		40
191	Financial assets at fair value through other comprehensive income	Para. 20, (a)(ii) of IFRIC 7; IFRS 9.4.1.2A, IFRS 9.5.7.1A, part 2, paragraph 41 of Appendix V		0
192	Investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	part 2, paragraph 42 of Appendix V		0
200	Fee and commission income	Para. 20 (c) of IFRS 7	22	89 207
210	(Fee and commission expense)	Para. 20 (c) of IFRS 7	22	17 288
220	Net profits or (-) losses from write-off of financial assets and liabilities which are not accounted at fair value through profit or loss	part 2, paragraph 45 of Appendix V	16	6 083
231	Financial assets at fair value through other comprehensive income	IFRS 9.4.12A; IFRS 9.5.7.10-11		5 255
241	Financial assets at amortised cost	Para. 20(B)(v) of IFRIC 7; IFRS 9.4.1.2, IFRS 9.5.7.2		828
260	Financial liabilities at amortised cost	Para. 8 (a)(v) of IFRIC 7; IFRS 9.5.7.2		0
270	Other			0
280	Net profits or (-) losses from financial assets and liabilities held for trading	Para. 20, (a)(i) of IFRIC 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V	16	0
287	Net profits or (-) losses from non-tradable financial assets and liabilities mandatorily reported at fair value through profit or loss	Para. 20, (a)(i) of IFRIC 7; IFRS 9.5.7.1, part 2, items 46 of Appendix V		0
290	Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss	Para. 20, (a)(i) of IFRIC 7; IFRS 9.5.7.1, part 2, items 44 of Appendix V	16, 45	0
300	Net profits or (-) losses from hedge accounting	part 2, paragraph 47 of Appendix V	16	0
310	Net profits or (-) losses from exchange rate differences	Para. 28 and Para 52 (a) of IAS 21		11 145
330	Net profits or (-) losses from write-off of non-financial assets	Para. 34 of IAS 1; part 2, paragraph 48 of Appendix V	45	1 924
340	Other operating income	part 2, paragraphs 314-316 of Appendix V	45	79 340

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ANNEX III

350	(Other operating expense)	<i>part 2, paragraphs 314-316 of Appendix V</i>	45	24 403
355	TOTAL NET OPERATING INCOME			319 857
360	(Administrative expenses)			147 751
370	(Personnel costs)	<i>Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1</i>	44	49 392
380	(Other administrative expenses)			98 359
390	(Amortisation)	<i>Paras. 102, 104 of IAS 1</i>		10 495
400	(Property, Plant and Equipment)	<i>Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16</i>		8 051
410	(Investment Property)	<i>Para. 104 of IAS 1; Para. 79, (d), (iv) of IAS 40</i>		0
420	(Other intangible assets)	<i>Para. 104 of IAS 1; Para. 118, (e), (vi) of IAS 38</i>		2 444
425	Net profits or (-) losses from modification	<i>IFRS 9.5.4.3, supplement A to IFRS 9, part 2, paragraph 49 of Appendix V</i>		0
426	Financial assets at fair value through other comprehensive income	<i>Paragraph 35J of IFRS 7</i>		0
427	Financial assets at amortised cost	<i>Paragraph 35J of IFRS 7</i>		0
430	(Provisions or (-) reversed provisions)	<i>Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1</i>	9 12 43	-548
440	(Commitments and guarantees)	<i>IFRS 9.4.2.1(c), (d); IFRS 9.B2.5; IAS 37; IFRS 4; part 2, para. 50 of Appendix V</i>		-548
450	(Other provisions)			0
460	(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)	<i>Para. 20, (a)(viii) of IFRS 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V</i>	12	89 733
481	(Financial assets at fair value through other comprehensive income)	<i>IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8</i>	12	0
491	(Financial assets at amortised cost)	<i>IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8</i>	12	89 733
510	(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)	<i>Paras. 40-43 of IAS 28</i>	16	0
520	(Impairment or (-) reversed impairment of non-financial assets)	<i>Para. 126(a)-(b) of IAS 36</i>	16	0
530	(Property, Plant and Equipment)	<i>Para. 73, (e), (v)-(vi) of IAS 16</i>		0
540	(Investment Property)	<i>Para. 79, (d), (v) of IAS 40</i>		0
550	(Goodwill)	<i>B67, (d), (v) of IFRS 3; Para. 124 of IAS 36</i>		0
560	(Other intangible assets)	<i>Para. 118, (e), (iv)-(v) of IAS 38</i>		0
570	(Other)	<i>Para. 126(a)-(b) of IAS 36</i>		0
580	Negative goodwill in profit or loss	<i>B64, (n)(i) to IFRS 3</i>		0
590	Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	<i>part 2, paragraph 54 of Appendix V</i>		0
600	Profit or (-) loss from non-current assets and disposal groups classified as held for sale, which do not meet the requirements for discontinued operations	<i>Para. 37 of IFRS 5, part 2, paragraph 55 of Appendix V</i>		0
610	PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS	<i>Para. 102, IN 6 of IAS 1; Para. 33 A of IFRS 5</i>		72 426
620	(Tax expense or (-) income relating to the profit or loss from current operations)	<i>Para. 8, (d) of IAS 1; Para. 77 of IAS 12</i>		7 688
630	PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS	<i>IN 6 of IAS 1</i>		64 738
640	Profit or (-) loss after tax from discontinued operations	<i>Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRS 5; part 2, paragraph 56 of Appendix V</i>		0
650	Profit or (-) loss before tax from discontinued operations	<i>Para. 33, (b)(i) of IFRS 5</i>		0
660	(Tax expense or (-) income related to discontinued operations)	<i>Para. 33, (b)(i) and (iv) of IFRS 5</i>		0
670	PROFIT OR (-) LOSS FOR THE YEAR	<i>Para. 81A (a) of IAS 1</i>		64 738
680	Relating to minority interests [non-controlling interests]	<i>Para. 81B (b)(i) of IAS 1</i>		0
690	Attributable to the owners of the parent company	<i>Para. 81B (b)(ii) of IAS 1</i>		64 738

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Chief Executive Officer

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Executive Director

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Chief Financial Officer

Fibank profit amounts to BGN 162 million before impairment and taxes

At the end of September 2019 First Investment Bank's net profit amounts to BGN 64.7 million, marking growth by 4.15% (BGN +2.5 million) compared to September 2018. The Bank's assets total at BGN 9.626 billion, increasing by BGN 389 million compared to December 2018. Since the beginning of 2019 the Bank has extended BGN 345 million of new loans, which is an increase by 6.24%. Fibank achieves significant growth in lending to private individuals by 12.95% and in SME (companies with revenues of up to BGN 15 million per year) lending by 10.33%.

At the beginning of 2018 First Investment Bank announced its new strategy focused on SME (companies with revenues of up to BGN 15 million per year) and retail lending. The Bank's results show that this was a step in the right direction – over the past 21 months these portfolios have grown by over 35%. Since the beginning of the year the savings from private individuals and companies have increased by BGN 380 million, and since the implementation of the new strategy – by about BGN 1 billion. The income from banking operations totals at BGN 267 million, and the pre-provisioning profit amounts to BGN 162 million.

During the first half of 2019 six Bulgarian banks (including Fibank) were subjected to comprehensive assessment by the ECB with relation to Bulgaria's request to establish close cooperation with the ECB dated 18.07.2018 and the country's willingness to join the Eurozone "waiting room" (ERM II). First Investment Bank, being the largest Bulgarian-owned bank and the second in terms of lending to Bulgarian business, acted responsible vis-à-vis its customers and shareholders. During the third quarter Fibank reviewed its loan book thoroughly for compliance with the ECB methodology (used for the comprehensive assessment) and the International Financial Reporting Standards (IFRS) (mandatory for implementation in the financial reporting of banks). As a result, at the end of September 2019 additional impairments costs of BGN 66 million (compared to June 2019) were accrued. Thus, the Bank has reflected through its accounting records a more conservative approach to credit risk assessment, in the wake of the asset quality review.

As at 30 September 2019 First Investment Bank complies with all regulatory capital requirements, its overall capital adequacy ratio being 18.01% and its CET1 adequacy ratio – 15.07%.