

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

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

Re: Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 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 unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2019, containing:

1. Financial statements as at 31.03.2019 as per Art. 100o, para. 4(1) with relation to Art. 100o<sup>1</sup>, Para. 7 of POSA;
2. Notes to the financial statements as at 31.03.2019;
3. Interim activity report under Art. 100o, para. 4(2) with relation to Art. 100o<sup>1</sup>, Para. 7 of POSA;
4. Declaration under Art. 100o, para. 4(3) with relation to Art. 100o<sup>1</sup>, 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)*

Svetozar Popov  
Executive Director  
Member of the MB

*(signed)*

Chavdar Zlatev  
Executive Director  
Member of the MB

First Investment Bank AD

**Stand-alone statement of the financial position as at 31 March 2019**

unaudited

*in BGN '000*

|  | <b>31.03.2019</b> | <b>31.12.2018</b> |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Cash and balances with Central Banks                         | 1 664 356         | 1 615 646         |
| Investments in securities                                    | 641 621           | 681 464           |
| Loans and advances to banks and other financial institutions | 72 193            | 125 472           |
| Loans and advances to customers                              | 5 659 283         | 5 525 957         |
| Property and equipment                                       | 82 584            | 80 627            |
| Intangible assets  | 12 617            | 13 339            |
| Derivatives held for risk management                         | 2 447             | 905               |
| Current tax assets   | 605               | 605               |
| Repossessed assets   | 800 803           | 804 707           |
| Investment Property  | 242 558           | 242 558           |
| Investments in subsidiaries                                  | 36 179            | 36 179            |
| Other assets   | 106 310           | 110 378           |
| <b>TOTAL ASSETS</b>  | <b>9 321 556</b>  | <b>9 237 837</b>  |
| <b>LIABILITIES AND CAPITAL</b>                               |                   |                   |
| Due to banks   | 8 765             | 17 243            |
| Due to other customers                                       | 8 130 932         | 8 021 439         |
| Liabilities evidenced by paper                               | 115 103           | 118 156           |
| Hybrid debt  | 214 428           | 208 786           |
| Derivatives held for risk management                         | -                 | 88                |
| Deferred tax liability                                       | 3 641             | 1 696             |
| Current tax liabilities                                      | 95                | -                 |
| Other liabilities  | 18 962            | 57 516            |
| <b>TOTAL LIABILITIES</b>                                     | <b>8 491 926</b>  | <b>8 424 924</b>  |
| 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             | 11 662            | 10 881            |
| Revaluation reserve on property                              | 4 500             | 4 500             |
| Other reserves and retained earnings                         | 566 607           | 550 671           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                            | <b>829 630</b>    | <b>812 913</b>    |
| <b>TOTAL LIABILITIES AND GROUP EQUITY</b>                    | <b>9 321 556</b>  | <b>9 237 837</b>  |

SVETOZAR POPOV  
Executive Director

CHAVDAR ZLATEV  
Executive Director

JIVKO TODOROV  
Chief Financial Officer

First Investment Bank AD

**Individual statement of profit or loss and of other comprehensive income for the year ended 31 March 2019**

unaudited

*in BGN '000*

|  | three months<br>ended on<br>31/03/2019 | three months<br>ended on<br>31/03/2018 |
|--|--|--|
| Interest income  | 74 161                                 | 78 013                                 |
| Interest expense   | (14 843)                               | (16 077)                               |
| <b>Net interest income</b>   | <b>59 318</b>                          | <b>61 936</b>                          |
| Fee and commission income  | 28 725                                 | 27 143                                 |
| Fee and commission expense   | (5 962)                                | (4 735)                                |
| <b>Net fee and commission income</b>                               | <b>22 763</b>                          | <b>22 408</b>                          |
| Net trading income   | 3 700                                  | 2 526                                  |
| Other net operating income   | 3 098                                  | 3 631                                  |
| <b>TOTAL INCOME FROM BANKING OPERATIONS</b>                        | <b>88 879</b>                          | <b>90 501</b>                          |
| Administrative expenses  | (51 926)                               | (47 422)                               |
| Allowance for impairment   | (12 434)                               | (22 211)                               |
| Other expenses, net  | (6 630)                                | (7 855)                                |
| <b>PROFIT BEFORE TAX</b>   | <b>17 889</b>                          | <b>13 013</b>                          |
| Income tax expense   | (1 953)                                | 9 046                                  |
| <b>NET PROFIT</b>  | <b>15 936</b>                          | <b>22 059</b>                          |
| <b>Other comprehensive income for the period</b>                   |  |  |
| <b>Items which should or may be reclassified as profit or loss</b> |  |  |
| Revaluation reserve of investments in securities                   | 781                                    | 9 046                                  |
| <b>Total other comprehensive income</b>                            | <b>781</b>                             | <b>9 046</b>                           |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                  | <b>16 717</b>                          | <b>31 105</b>                          |

SVETOZAR POPOV  
Executive Director

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Executive Director

JIVKO TODOROV  
Chief Financial Officer

First Investment Bank AD

**Stand-alone statement of changes in equity for the three months ended 31 March 2019**

unaudited

*in BGN '000*

|   | Issued share<br>capital | Share premium | Other reserves and<br>retained earnings | Revaluation reserve of<br>investments in<br>securities | Revaluation<br>reserve on<br>property | Statutory<br>reserve | Total          |
|---|-------------------------|---------------|---|--|---------------------------------------|----------------------|----------------|
| <b>Balance at 01 January 2018</b>   | <b>110 000</b>          | <b>97 000</b> | <b>658 399</b>                          | <b>19 524</b>  | <b>4 500</b>                          | <b>39 861</b>        | <b>929 284</b> |
| <b>Initial application of IFRS 9</b>  |                         |               |   |  |                                       |                      |                |
| 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)  | -                                     | -                    | -              |
| <b>Change in balances as at 1 January 2018</b>  | <b>110 000</b>          | <b>97 000</b> | <b>386 533</b>                          | <b>14 620</b>  | <b>4 500</b>                          | <b>39 861</b>        | <b>652 514</b> |
| <b>Total comprehensive income for the period</b>  |                         |               |   |  |                                       |                      |                |
| Net profit for the year ended 31 December 2018  | -                       | -             | 164 138                                 | -  | -                                     | -                    | 164 138        |
| <b>Other comprehensive income for the period</b>  |                         |               |   |  |                                       |                      |                |
| Revaluation reserve of investments in securities  | -                       | -             | -                                       | (3 739)  | -                                     | -                    | (3 739)        |
| <b>Balance as at 31 December 2018</b>   | <b>110 000</b>          | <b>97 000</b> | <b>550 671</b>                          | <b>10 881</b>  | <b>4 500</b>                          | <b>39 861</b>        | <b>812 913</b> |
| <b>Total comprehensive income for the period</b>  |                         |               |   |  |                                       |                      |                |
| Net profit for the three months ended on 31/03/2019   | -                       | -             | 15 936                                  | -  | -                                     | -                    | 15 936         |
| <b>Other comprehensive income for the period</b>  |                         |               |   |  |                                       |                      |                |
| Revaluation reserve of investments in securities  | -                       | -             | -                                       | 781  | -                                     | -                    | 781            |
| <b>Balance as at 31 March 2019</b>  | <b>110 000</b>          | <b>97 000</b> | <b>566 607</b>                          | <b>11 662</b>  | <b>4 500</b>                          | <b>39 861</b>        | <b>829 630</b> |

SVETOZAR POPOV  
Executive Director

JIVKO TODOROV  
Chief Financial Officer

CHAVDAR ZLATEV  
Executive Director

## Stand-alone statement of cash flows for the three months ended 31 March 2019

in BGN '000

|  | three months ended<br>on 31 March 2019 | three months ended<br>on 31 March 2018 |
|--|--|--|
| <b>Net cash flow from operating activities</b>                             |  |  |
| Net profit   | 15 936                                 | 22 059                                 |
| <b>Adjustment for non-cash items</b>                                       |  |  |
| Allowance for impairment   | 12 434                                 | 22 211                                 |
| Net interest income  | (59 318)                               | (61 936)                               |
| Depreciation and amortization  | 3 612                                  | 3 564                                  |
| Tax expense  | 1 953                                  | (9 046)                                |
| Loss from sale and write-off of tangible and intangible fixed assets, net  | (1)                                    | -                                      |
| (Profit) from sale of other assets, net                                    | (566)                                  | (163)                                  |
|  | <b>(25 950)</b>                        | <b>(23 311)</b>                        |
| <b>Change in operating assets</b>  |  |  |
| Decrease in financial assets at fair value through profit or loss          | (178)                                  | 1 683                                  |
| (Increase) in financial assets at fair value in other comprehensive income | 38 385                                 | (33 061)                               |
| (Increase) in loans and advances to banks and financial institutions       | (8 003)                                | (469)                                  |
| (Increase) in loans to customers   | (138 842)                              | (125 866)                              |
| (Increase)/decrease in other assets  | 2 526                                  | 11 422                                 |
|  | <b>(106 112)</b>                       | <b>(146 291)</b>                       |
| <b>Change in operating liabilities</b>                                     |  |  |
| Increase in due to banks   | (8 478)                                | 1 921                                  |
| (Decrease) in amounts owed to other depositors                             | 108 811                                | (99 114)                               |
| Net (decrease) in other liabilities  | (39 966)                               | (8 770)                                |
|  | <b>60 367</b>                          | <b>(105 963)</b>                       |
| Interest received  | 68 340                                 | 77 007                                 |
| Interest paid  | (8 497)                                | (20 118)                               |
| Dividends received   | 13                                     | 10                                     |
| Tax on profit, paid  | -                                      | (2 118)                                |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>                             | <b>(11 839)</b>                        | <b>(220 784)</b>                       |
| <b>Cash flow from investing activities</b>                                 |  |  |
| (Purchase) of tangible and intangible fixed assets                         | (4 848)                                | (3 267)                                |
| Sale of tangible and intangible fixed assets                               | 2                                      | 1                                      |
| Sale of other assets   | 7 163                                  | 3 375                                  |
| Decrease in investments  | (9)                                    | 1                                      |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>                             | <b>2 308</b>                           | <b>110</b>                             |
| <b>Financing activities</b>  |  |  |
| Increase in borrowings   | (3 075)                                | 5 805                                  |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>                             | <b>(3 075)</b>                         | <b>5 805</b>                           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                | <b>(12 606)</b>                        | <b>(214 869)</b>                       |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>                | <b>1 728 774</b>                       | <b>1 467 355</b>                       |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>                      | <b>1 716 168</b>                       | <b>1 252 486</b>                       |

SVETOZAR POPOV  
Executive Director

CHAVDAR ZLATEV  
Executive Director

JIVKO TODOROV  
Chief financial officer

|                       |              |                              |             |
|-----------------------|--------------|------------------------------|-------------|
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| Bank                  | FINV9150     | Първа инвестиционна банка АД |             |
| Reporting date        | 31.3.2019    |                              |             |
| Basis for application | индивидуална |                              |             |
| Accounting standard   | IFRS         | Reporting currency           | in BGN '000 |

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

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**1.1 Assets**

|     |  | References  | Breakdown<br>in table | Carrying amount                       |
|-----|--|---|-----------------------|---------------------------------------|
|     |  |   |                       | part 1, paragraph 27 of<br>Appendix V |
|     |  |   |                       | 010                                   |
| 010 | <b>Cash and cash balances with central banks and other deposits payable on demand</b>                | Para. 54 (i) of IAS 1   |                       | <b>1 671 650</b>                      |
| 020 | Cash   | part 2, paragraph 1 of Appendix V   |                       | 162 061                               |
| 030 | Cash balances with central banks   | part 2, paragraph 1 of Appendix V   |                       | 1 272 245                             |
| 040 | Other deposits payable on demand   | part 2, paragraph 1 of Appendix V   | 5                     | 237 344                               |
| 050 | <b>Financial assets held for trading</b>   | Supplement A to IFRS 9  |                       | <b>7 098</b>                          |
| 060 | Derivatives  | Supplement A to IFRS 9  | 10                    | 0                                     |
| 070 | Equity   | Para. 11 of IAS 32  | 4                     | 4 558                                 |
| 080 | Debt securities  | part 1, paragraph 31 of Appendix V  | 4                     | 2 540                                 |
| 090 | Loans and advances   | part 1, paragraph 32 of Appendix V  | 4                     | 0                                     |
| 096 | <b>Non-tradable financial assets mandatorily reported at fair value through profit or loss</b>       | Para. 8 (a)(ii) of IFRS 7; IFRS 9.4.1.4   | 4                     | <b>17 689</b>                         |
| 097 | Equity   | Para. 11 of IAS 32  | 4                     | 17 689                                |
| 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 | <b>Financial assets at fair value through profit or loss</b>   | Para. 8 (a)(i) of IFRS 7; IFRS 9.4.1.5  | 4                     | <b>0</b>                              |
| 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 | <b>Financial assets at fair value through other comprehensive income</b>                             | Para. 8 (h) of IFRS 7; IFRS 9.4.1.2A  | 4                     | <b>616 077</b>                        |
| 142 | Equity   | Para. 11 of IAS 32  | 4                     | 0                                     |
| 143 | Debt securities  | part 1, paragraph 31 of Appendix V  | 4                     | 616 077                               |
| 144 | Loans and advances   | part 1, paragraph 32 of Appendix V  | 4                     | 0                                     |
| 181 | <b>Financial assets at amortised cost</b>  | Para. 8 (f) of IFRS 7; IFRS 9.4.1.2   | 4                     | <b>5 724 939</b>                      |
| 182 | Debt securities  | part 1, paragraph 31 of Appendix V  | 4                     | 757                                   |
| 183 | Loans and advances   | part 1, paragraph 32 of Appendix V  | 4                     | 5 724 182                             |
| 240 | <b>Derivatives - hedge accounting</b>  | IFRS 9.6.2.1, part 1, paragraph 22 of Appendix V                                  | 11                    | <b>0</b>                              |
| 250 | <b>Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk</b> | Para. 89A (a) of IAS 39, IFRS 9.6.5.8   |                       | <b>0</b>                              |
| 260 | <b>Investments in a subsidiary, jointly-controlled entity or associate</b>                           | Para. 54 (e) of IAS 1; part 1, paragraph 21 and part 2, paragraph 4 of Appendix V | 40                    | <b>36 179</b>                         |
| 270 | <b>Tangible assets</b>   |   |                       | <b>325 142</b>                        |
| 280 | Property, Plant and Equipment  | Para. 6 of IAS 16; Para. 54 (a) of IAS 1  | 21, 42                | 82 584                                |
| 290 | Investment Property  | Para. 5 of IAS 40; Para. 54 (b) of IAS 1  | 21, 42                | 242 558                               |
| 300 | <b>Intangible assets</b>   | Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575                        |                       | <b>12 617</b>                         |
| 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                | 12 617                                |
| 330 | <b>Tax assets</b>  | Para. 54 (n)-(o) of IAS 1   |                       | <b>605</b>                            |
| 340 | Current tax assets   | Para. 54(n) of IAS 1; Para. 5 of IAS 12   |                       | 605                                   |
| 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 | <b>Other assets</b>  | part 2, paragraph 5 of Appendix V   |                       | <b>909 560</b>                        |
| 370 | <b>Non-current assets and disposal groups classified as held for sale</b>                            | Para. 54, (j) of IAS 1; Para. 38 of IFRS 5; part 2, item 7 of Appendix V          |                       | <b>0</b>                              |
| 380 | <b>TOTAL ASSETS</b>  | Para. 9, (a), IN 6 of IAS 1   |                       | <b>9 321 556</b>                      |

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ANNEX III

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|                       |              |                                |
|-----------------------|--------------|--------------------------------|
| Bank                  | FINV9150     | Първа инвестиционна банка АД   |
| Reporting date        | 31.3.2019    |                                |
| Basis for application | индивидуална |                                |
| Accounting standard   | IFRS         | Reporting currency in BGN '000 |

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

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**1.2 Liabilities**

|     |  | References  | Breakdown in table | Carrying amount                           |
|-----|--|---|--------------------|---|
|     |  |   |                    | part 1, paragraph 27 of Appendix V<br>010 |
| 010 | <b>Financial liabilities held for trading</b>  | Para. 8, (e)(ii) of IFRS 7; BA Para. 6 of IFRS 9                                    | 8                  | <b>0</b>                                  |
| 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 | <b>Financial liabilities at fair value through profit or loss</b>                                    | Para. 8 (e)(i) of IFRS 7; IFRS 9.4.2.2  | 8                  | <b>0</b>                                  |
| 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 | <b>Financial liabilities at amortised cost</b>   | Para. 8 (g) of IFRS 7; IFRS 9.4.2.1   | 8                  | <b>8 469 228</b>                          |
| 120 | Deposits   | Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V          | 8                  | 8 213 250                                 |
| 130 | Issued debt securities   | part 1, paragraph 37 of Appendix V  | 8                  | 214 428                                   |
| 140 | Other financial liabilities  | part 1, paragraph 38-41 of Appendix V   | 8                  | 41 550                                    |
| 150 | <b>Derivatives - hedge accounting</b>  | IFRS 9.6.2.1, part 1, paragraph 26 of Appendix V                                    | 11                 | <b>0</b>                                  |
| 160 | <b>Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk</b> | Para. 89A (b) of IAS 39, IFRS 9.6.5.8   |                    | <b>0</b>                                  |
| 170 | <b>Provisions</b>  | Para. 10 of IAS 37; Para. 54 (l) of IAS 1   | 43                 | <b>3 071</b>                              |
| 180 | Pensions and other obligations to pay defined post-employment benefits                               | Para. 63 of IFRS 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 IFRS 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<br>12<br>43      | 2 337                                     |
| 230 | Other provisions   | Para. 14 of IAS 37  | 43                 | 0   |
| 240 | <b>Tax liabilities</b>   | Para. 54 (n)-(o) of IAS 1   |                    | <b>3 735</b>                              |
| 250 | Current tax liabilities  | Para. 54(n) of IAS 1; Para. 5 of IAS 12   |                    | 95  |
| 260 | Deferred tax liabilities   | Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575     |                    | 3 640                                     |
| 270 | <b>Share capital payable upon request</b>  | IAS 32, Illustrative example 33; IFRIC 2; part 2, paragraph 12 of Appendix V        |                    | <b>0</b>                                  |
| 280 | <b>Other liabilities</b>   | part 2, paragraph 13 of Appendix V  |                    | <b>15 892</b>                             |
| 290 | <b>Liabilities in disposal groups classified as held for sale</b>                                    | Para. 54, (p) of IAS 1; Para. 38 of IFRS 5; part 2, paragraph 14 of Appendix V      |                    | <b>0</b>                                  |
| 300 | <b>TOTAL LIABILITIES</b>   | Para. 9, (b), IN 6 of IAS 1   |                    | <b>8 491 926</b>                          |

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ANNEX III

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|                       |              |                                |
|-----------------------|--------------|--------------------------------|
| Bank                  | FINV9150     | Първа инвестиционна банка АД   |
| Reporting date        | 31.3.2019    |                                |
| Basis for application | индивидуална |                                |
| Accounting standard   | IFRS         | Reporting currency in BGN '000 |

**1.1. Balance sheet [statement of financial position]**

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**1.3 Total own funds**

|     |   | References   | Breakdown<br>in table | Carrying amount |
|-----|---|--|-----------------------|-----------------|
|     |   |  |                       | 010             |
| 010 | <b>Equity</b>   | Para. 54(s) of IAS 1; Para. 22 of DOB  | 46                    | <b>110 000</b>  |
| 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 | <b>Premium reserves</b>   | Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575   | 46                    | <b>97 000</b>   |
| 050 | <b>Issued capital instruments other than share capital</b>  | part 2, paragraphs 18-19 of Appendix V   | 46                    | <b>0</b>        |
| 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 | <b>Other own funds</b>  | Para. 10 of IFRS 2; part 2, paragraph 20 of Appendix V   |                       | <b>0</b>        |
| 090 | <b>Accumulated other comprehensive income</b>   | Art. 4, para. 1, item 100 of Reg 575   | 46                    | <b>16 162</b>   |
| 095 | Items which cannot be reclassified as profit or loss  | Para. 89A (a) of IAS 1   |                       | 4 500           |
| 100 | <i>Tangible assets</i>  | Paras. 39 -41 of IAS 16  |                       | 4 500           |
| 110 | <i>Intangible assets</i>  | Paras. 85-87 of IAS 38   |                       | 0               |
| 120 | <i>Actuarial gains or (-) losses on defined benefit plans</i>   | Para. 7, NI 6 of IAS 1; Para. 120(c) of IAS 19   |                       | 0               |
| 122 | <i>Non-current assets and disposal groups classified as held for sale</i>   | Para. 38, IN example 12 of IFRS 5  |                       | 0               |
| 124 | <i>Share of the other comprehensive income of subsidiaries, associates and joint ventures</i>                           | NI 6 of IAS1, paragraph 10 of IAS 28   |                       | 0               |
| 320 | <i>Changes in fair value of capital instruments at fair value in other comprehensive income</i>                         | 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 | <i>Inefficiency of hedging in fair value hedging of capital instruments at fair value in other comprehensive income</i> | 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 | <i>Changes in fair value of capital instruments at fair value in other comprehensive income [hedged position]</i>       | IFRS 9 5.7.5 and 6.5.8(b); part 2, paragraph 22 of Appendix V  |                       | 0               |
| 350 | <i>Changes in fair value of capital instruments at fair value in other comprehensive income [hedging instrument]</i>    | 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 | <i>Changes in fair value of financial liabilities at fair value in profit or loss due to changes in credit risk</i>     | 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   |                       | 11 662          |
| 130 | <i>Hedges of net investments in foreign operations [effective portion]</i>  | 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 | <i>Currency exchange</i>  | Para. 52 (b) of IFRC 21; Paras. 32, 38-49 of IAS 21  |                       | 0               |
| 150 | <i>Derivatives from hedging Cash flow hedges [effective portion]</i>  | 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 | <i>Changes in fair value of debt instruments at fair value in other comprehensive income</i>                            | Para. 7 (da) of IAS 1; IFRS 9.4.1.2A and 5.7.10; part 2, paragraph 26 of Appendix V  |                       | 11 662          |



BG  
ANNEX III

|     |  |   |    |                  |
|-----|--|---|----|------------------|
| 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 | <b>Retained earnings</b>   | <i>Art. 4, para. 1, item 123 of Reg 575</i>   |    | <b>156 619</b>   |
| 200 | <b>Revaluation reserve</b>   | <i>Para. 30, D5-D8 of IFRS 1; part 2, item 28 of Appendix V</i>   |    | <b>0</b>         |
| 210 | <b>Other reserves</b>  | <i>Para. 54 of IAS 1; Para. 78 (e) of IAS 1</i>   |    | <b>433 912</b>   |
| 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>   |    | 433 912          |
| 240 | <b>(-) Repurchased own shares</b>  | <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 | <b>0</b>         |
| 250 | <b>Profit or loss attributable to the owners of the parent company</b>   | <i>Para. 81B (b)(ii) of IAS 1</i>   | 2  | <b>15 937</b>    |
| 260 | <b>(-) Interim dividends</b>   | <i>Para. 11 of IAS 32</i>   |    | <b>0</b>         |
| 270 | <b>Minority interests [Non-controlling interests]</b>  | <i>Para. 54 (r) of IAS 1</i>  |    | <b>0</b>         |
| 280 | Accumulated other comprehensive income   | <i>Art. 4, para. 1, item 100 of Reg 575</i>   | 46 | 0                |
| 290 | Other items  |   | 46 | 0                |
| 300 | <b>TOTAL SHAREHOLDERS' EQUITY</b>  | <i>Para. 9 (c), IN 6 of IAS 1</i>   | 46 | <b>829 630</b>   |
| 310 | <b>TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES</b>  | <i>IN 6 of IAS 1</i>  |    | <b>9 321 556</b> |

SVETOSAR POPOV  
Executive Director

CHAVDAR ZLATEV  
Executive Director

JIVKO TODOROV  
Chief Financial Officer

ver2.7

|                       |              |                                |
|-----------------------|--------------|--------------------------------|
| Bank                  | FINV9150     | Първа инвестиционна банка АД   |
| Reporting date        | 31.3.2019    |                                |
| Basis for application | индивидуална |                                |
| Accounting standard   | IFRS         | Reporting currency in BGN '000 |

**2. Profit and Loss Account**

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|     |  | References  | Breakdown in table | Current period |
|-----|--|---|--------------------|----------------|
|     |  |   |                    | 010            |
| 010 | <b>Interest income</b>   | Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V   | 16                 | <b>74 161</b>  |
| 020 | Financial assets held for trading  | Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 33, 34 of Appendix V            |                    | 4              |
| 025 | Non-tradable financial assets mandatorily reported at fair value through profit or loss  | Para. 20, (a)(i), Para. B5, (e) of IFRC 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 IFRC 7   |                    | 0              |
| 041 | Financial assets at fair value through other comprehensive income  | Para. 20(b) of IFRC 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A  |                    | 3 631          |
| 051 | Financial assets at amortised cost   | Para. 20(b) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2   |                    | 70 518         |
| 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 | <b>(Interest expense)</b>  | Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V   | 16                 | <b>14 843</b>  |
| 100 | (Financial liabilities held for trading)   | Para. 20, (a)(i), Para. B5, (e) of IFRC 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 IFRC 7   |                    | 0              |
| 120 | (Financial liabilities at amortised cost)  | Para. 20(b) of IFRC 7; IFRS 9.5.7.2   |                    | 14 083         |
| 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  |                    | 1              |
| 145 | (Interest expense on assets)   | IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V  |                    | 759            |
| 150 | <b>(Expense for share capital payable upon request)</b>  | IFRIC 2, item 11  |                    | <b>0</b>       |
| 160 | <b>Dividend income</b>   | part 2, paragraph 40 of Appendix V  | 31                 | <b>13</b>      |
| 170 | Financial assets held for trading  | Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 40 of Appendix V                |                    | 0              |
| 175 | Non-tradable financial assets mandatorily reported at fair value through profit or loss  | Para. 20, (a)(i), Para. B5, (e) of IFRC 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V |                    | 13             |
| 191 | Financial assets at fair value through other comprehensive income  | Para. 20, (a)(ii) of IFRC 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 | <b>Fee and commission income</b>   | Para. 20 (c) of IFRS 7  | 22                 | <b>28 725</b>  |
| 210 | <b>(Fee and commission expense)</b>  | Para. 20 (c) of IFRS 7  | 22                 | <b>5 962</b>   |
| 220 | <b>Net profits or (-) losses from write-off of financial assets and liabilities which are not accounted at fair value through profit or loss</b> | part 2, paragraph 45 of Appendix V  | 16                 | <b>739</b>     |
| 231 | Financial assets at fair value through other comprehensive income  | IFRS 9.4.12A; IFRS 9.5.7.10-11  |                    | 553            |
| 241 | Financial assets at amortised cost   | Para. 20(B)(v) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2  |                    | 186            |
| 260 | Financial liabilities at amortised cost  | Para. 8 (a)(v) of IFRC 7; IFRS 9.5.7.2  |                    | 0              |
| 270 | Other  |   |                    | 0              |
| 280 | <b>Net profits or (-) losses from financial assets and liabilities held for trading</b>  | Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V                  | 16                 | <b>-16</b>     |
| 287 | <b>Net profits or (-) losses from non-tradable financial assets and liabilities mandatorily reported at fair value through profit or loss</b>    | Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 46 of Appendix V                      |                    | <b>0</b>       |
| 290 | <b>Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss</b>                                      | Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 44 of Appendix V                      | 16, 45             | <b>0</b>       |
| 300 | <b>Net profits or (-) losses from hedge accounting</b>   | part 2, paragraph 47 of Appendix V  | 16                 | <b>0</b>       |
| 310 | <b>Net profits or (-) losses from exchange rate differences</b>  | Para. 28 and Para 52 (a) of IAS 21  |                    | <b>3 716</b>   |

|     |   |  |               |               |
|-----|---|--|---------------|---------------|
| 330 | <b>Net profits or (-) losses from write-off of non-financial assets</b>   | <i>Para. 34 of IAS 1; part 2, paragraph 48 of Appendix V</i>   | 45            | <b>515</b>    |
| 340 | <b>Other operating income</b>   | <i>part 2, paragraphs 314-316 of Appendix V</i>  | 45            | <b>3 242</b>  |
| 350 | <b>(Other operating expense)</b>  | <i>part 2, paragraphs 314-316 of Appendix V</i>  | 45            | <b>8 041</b>  |
| 355 | <b>TOTAL NET OPERATING INCOME</b>   |  |               | <b>82 249</b> |
| 360 | <b>(Administrative expenses)</b>  |  |               | <b>48 314</b> |
| 370 | (Personnel costs)   | <i>Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1</i>   | 44            | 16 026        |
| 380 | (Other administrative expenses)   |  |               | 32 288        |
| 390 | <b>(Amortisation)</b>   | <i>Paras. 102, 104 of IAS 1</i>  |               | <b>3 612</b>  |
| 400 | (Property, Plant and Equipment)   | <i>Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16</i>  |               | 2 728         |
| 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>  |               | 884           |
| 425 | <b>Net profits or (-) losses from modification</b>  | <i>IFRS 9.5.4.3, supplement A to IFRS 9, part 2, paragraph 49 of Appendix V</i>                            |               | <b>0</b>      |
| 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 | <b>(Provisions or (-) reversed provisions)</b>  | <i>Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1</i>  | 9<br>12<br>43 | <b>1 324</b>  |
| 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>                   |               | 1 324         |
| 450 | (Other provisions)  |  |               | 0             |
| 460 | <b>(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)</b>                                 | <i>Para. 20, (a)(viii) of IFRS 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V</i>                     | 12            | <b>11 110</b> |
| 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            | 11 110        |
| 510 | <b>(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)</b>   | <i>Paras. 40-43 of IAS 28</i>  | 16            | <b>0</b>      |
| 520 | <b>(Impairment or (-) reversed impairment of non-financial assets)</b>  | <i>Para. 126(a)-(b) of IAS 36</i>  | 16            | <b>0</b>      |
| 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 | <b>Negative goodwill in profit or loss</b>  | <i>B64, (n)(i) to IFRS 3</i>   |               | <b>0</b>      |
| 590 | <b>Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method</b>                        | <i>part 2, paragraph 54 of Appendix V</i>  |               | <b>0</b>      |
| 600 | <b>Profit or (-) loss from non-current assets and disposal groups classified as held for sale, which do not meet the requirements for discontinued operations</b> | <i>Para. 37 of IFRS 5, part 2, paragraph 55 of Appendix V</i>  |               | <b>0</b>      |
| 610 | <b>PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS</b>  | <i>Para. 102, IN 6 of IAS 1; Para. 33 A of IFRS 5</i>  |               | <b>17 889</b> |
| 620 | <b>(Tax expense or (-) income relating to the profit or loss from current operations)</b>   | <i>Para. 8, (d) of IAS 1; Para. 77 of IAS 12</i>   |               | <b>1 952</b>  |
| 630 | <b>PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS</b>   | <i>IN 6 of IAS 1</i>   |               | <b>15 937</b> |
| 640 | <b>Profit or (-) loss after tax from discontinued operations</b>  | <i>Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRS 5; part 2, paragraph 56 of Appendix V</i> |               | <b>0</b>      |
| 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 | <b>PROFIT OR (-) LOSS FOR THE YEAR</b>  | <i>Para. 81A (a) of IAS 1</i>  |               | <b>15 937</b> |
| 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>  |               | 15 937        |

SVETOZAR POPOV  
Executive Director

CHAVDAR ZLATEV  
Executive Director

JIVKO TODOROV  
Chief Financial Officer

*This document was prepared in compliance with the requirements of Art. 100o, Para. 4(4) of the Law on the Public Offering of Securities, in form and in accordance with Art. 33, Para. 1(3) 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 31 March 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 Kremikovtsi 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.

EXECUTIVE DIRECTOR:  
(signed)  
SVETOZAR POPOV

EXECUTIVE DIRECTOR:  
(signed)  
CHAVDAR ZLATEV

CHIEF FINANCIAL OFFICER  
(signed)  
JIVKO TODOROV

**INTERIM REPORT  
ON THE ACTIVITY OF FIRST INVESTMENT BANK AD  
as at 31 March 2019**

**(consolidated)**

**prepared under Art. 100o, para. 4(2) with relation to Art. 100o<sup>1</sup>, Para. 7 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 fourth 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 31 March 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.

*Review of the activities of First Investment Bank AD as at 31 December 2019 on consolidated (unaudited) basis*

- *Balance sheet as at 31 December 2019.*

The balance sheet assets of the Group as at 31.03.2019 reached BGN 9,322 million, showing growth by BGN 84 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 01.03.2019 the deposits from other customers amounted to BGN 8,131 million, with growth of BGN 109 mln. for the period; for this indicator the Bank also retains its position as one of the leading banks in Bulgaria. As at 31 March 2019 the accounting equity amounted to BGN 830 million net. Receivables from clients amounted to BGN 5,659 million book value, an increase for the Q1 2019 by BGN 133 million.

- *Consolidated profit for Q1 2019 (unconsolidated)*

The net profit of the Group for Q1 2019 amounted to BGN 15,936 thousand, an increase by BGN 6,123 thousand less in comparison to the same period in 2018. The profit before tax for Q1 2019 is BGN 17,889 thousand, which is with BGN 4,876 thousand more comparison to the same period in 2018.

The total revenue from banking operations for the period amounted to BGN 88,879 thousand. The net interest income amounted to BGN 59,319 thousand, and the net income from fees and commissions – to BGN 22,763 thousand.

- *Capital resources*

The capital adequacy ratio of First Investment Bank AD as at 31 March 2019 reached 15,62 %. The Tier 1 capital adequacy was 15,62 %, and the tier one ratio was 12,73 %. 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 31 March 2019 reached 226,06 % and the net stable funding ratio is 133,84 %, showing a stable liquidity position

- *A total of 154 branches and offices throughout the country*

As at 31 March 2019, First Investment Bank AD had a total of 154 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 31 December 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  
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.

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

*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 March 2017, with the exception of the disclosed effect from the application of IFRS 9.*

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



There is no changes in the economic group during the period.

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 31 December 2019</i> |                     | <i>at 31 March 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 31 December 2019</i> |                     | <i>at 31 March 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 31 December 2019</i> |                     | <i>at 31 March 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 31 March 2019 no events have occurred beyond the ordinary activity of the Bank.*

**INFORMATION AS AT 31 March 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 31.03.2019, 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)  
Svetozar Popov  
Executive Director  
MB Member

(signed)  
Chavdar Zlatev  
Executive Director  
MB Member

(signed)  
Jivko Todorov  
Chief Financial Officer  
MB Member

## DECLARATION

### under Art. 100o, para. 4(3) with relation to Art. 100o<sup>1</sup>, Para. 7 of the Public Offering of Securities Act (POSA)

The undersigned Svetozar Popov, Executive Director and member of the Managing Board of First Investment Bank AD, Chavdar Zlatev, Executive Director and member of the Managing Board of First Investment Bank AD, and Jivko Todorov, Chief Financial Officer of First Investment Bank AD, hereby declare that to the best of our knowledge:

- the financial statements (unconsolidated) of First Investment Bank AD as at 31 March 2019, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit of First Investment Bank AD and the consolidated entities;
- the interim report on the activities of First Investment Bank AD as at 31 March 2019 contains a fair review of the information under Art. 100o, para. 4(2) of the Public Offering of Securities Act.

*(signed)*  
Svetozar Popov  
Executive Director  
MB Member

*(signed)*  
Chavdar Zlatev  
Executive Director  
MB Member

*(signed)*  
Jivko Todorov  
Chief Financial Officer

30 April 2019