

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

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

Cc:
The public via *x3news*

29 January 2021

Re: Unconsolidated (individual) financial statements of First Investment Bank AD as at 31 December 2020

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 (individual) financial statements of First Investment Bank AD as at 31 December 2020, containing:

1. Financial statements as at 31.12.2020 as per Art. 100o, para. 4(1) and with relation to Art. 100o¹, para. 7 of POSA;
2. Notes to the financial statements as at 31.12.2020;
3. Interim activity report under Art. 100o, para. 4(2) and with relation to Art. 100o¹, para. 7 of POSA;
4. Declaration under Art. 100o, para. 4(3) and 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)

Nikola Bakalov
Chief Executive Officer
MB Chairperson

(signed)

Svetozar Popov
Executive Director
Member of the MB

FIRST INVESTMENT BANK AD

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

December 2020

unaudited

in BGN '000

	2020	2019
Interest income	292 160	289 867
Interest expense	(59 511)	(59 171)
Net interest income	232 649	230 696
Fee and commission income	116 250	126 389
Fee and commission expense	(20 401)	(23 159)
Net fee and commission income	95 849	103 230
Net trading income	11 991	14 929
Other net operating income	10 344	71 930
TOTAL INCOME FROM BANKING OPERATIONS	350 833	420 785
Administrative expenses	(181 811)	(209 157)
Allowance for impairment	(93 660)	(117 490)
Other income/(expenses), net	(31 750)	49 997
PROFIT BEFORE TAX	43 612	144 135
Income tax expense	(4 703)	(14 914)
NET PROFIT	38 909	129 221
Other comprehensive income for the period		
Items which should or may be reclassified as profit or loss		
Revaluation reserve of investments in securities	3 701	931
Total other comprehensive income	3 701	931
TOTAL COMPREHENSIVE INCOME	42 610	130 152

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

RALITSA BOGOEVA
Executive Director

CHAVDAR ZLATEV
Executive Director

YANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Stand-alone statement of the financial position as at 31 December 2020

unaudited

in BGN '000

	31.12.2020	31.12.2019
ASSETS		
Cash and balances with Central Banks	2 011 659	1 998 543
Investments in securities	1 132 106	843 378
Loans and advances to banks and other financial institutions	106 085	79 576
Loans and advances to customers	6 038 889	5 776 915
Property and equipment	72 972	77 407
Intangible assets	14 678	11 406
Derivatives held for risk management	5 110	814
Current tax assets	-	-
Repossessed assets	706 042	708 428
Investment Property	414 021	410 511
Investments in subsidiaries	44 872	43 872
Rights of use assets	138 713	144 270
Other assets	97 721	104 911
TOTAL ASSETS	10 782 868	10 200 031
LIABILITIES AND CAPITAL		
Due to banks	14 340	25 048
Due to other customers	9 051 318	8 684 001
Liabilities evidenced by paper	104 151	109 723
Hybrid debt	267 579	267 615
Derivatives held for risk management	410	361
Deferred tax liability	21 289	16 488
Current tax liabilities	12	26
Lease liabilities	138 713	144 270
Other liabilities	7 279	9 434
TOTAL LIABILITIES	9 605 091	9 256 966
Issued share capital	149 085	110 000
Share premium	250 017	97 000
Statutory reserve	39 861	39 861
Revaluation reserve of investments in securities	15 513	11 812
Revaluation reserve on property	4 500	4 500
Other reserves and retained earnings	718 801	679 892
TOTAL SHAREHOLDERS' EQUITY	1 177 777	943 065
TOTAL LIABILITIES AND GROUP EQUITY	10 782 868	10 200 031

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Chief Financial Officer

Individual statement of cash flows for the year ended 31 December 2020
 unaudited

in BGN '000

	2020	2019
Net cash flow from operating activities		
Net profit	38 909	129 221
Adjustment for non-cash items		
Allowance for impairment	93 660	117 490
Net interest income	(232 649)	(230 696)
Depreciation and amortization	12 435	13 844
Tax expense	4 703	14 914
(Profit) from sale and write-off of tangible and intangible fixed assets, net	(71)	(358)
(Profit) from sale and write-off of other assets, net	(1 179)	(1 201)
(Positive) revaluation of investment property	(2 312)	(72 940)
	(86 504)	(29 726)
Change in operating assets		
Decrease in financial assets at fair value through profit or loss	1 289	(246 126)
(Increase)/decrease in financial assets at fair value in other comprehensive income	(97 962)	90 327
(Increase)/decrease in loans and advances to banks and financial institutions	1 062	(25 313)
(Increase) in loans to customers	(344 016)	(402 329)
(Increase)/decrease in other assets	8 451	(25 426)
	(431 176)	(608 867)
Change in operating liabilities		
Increase/(decrease) in deposits from banks	(10 708)	7 805
Increase in amounts owed to other depositors	375 720	662 970
Net (decrease) in other liabilities	(7 812)	(16 514)
	357 200	654 261
Interest received	268 560	307 968
Interest paid	(67 717)	(59 222)
Dividends received	374	5 678
(Paid)/refunded profit tax	(314)	404
NET CASH FLOW FROM OPERATING ACTIVITIES	40 423	270 496
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(11 333)	(11 708)
Sale of tangible and intangible fixed assets	132	817
Sale of other assets	13 496	14 143
(Increase) of investments	(188 276)	(12 093)
NET CASH FLOW FROM INVESTING ACTIVITIES	(185 981)	(8 841)
Financing activities		
(Decrease) in borrowings	(5 805)	(8 636)
Increase in subordinated liabilities	-	58 675
Capital increase through newly issued shares	39 085	-
Increase of share premium reserve of newly issued shares	153 017	-
NET CASH FLOW FROM FINANCING ACTIVITIES	186 297	50 039
NET INCREASE IN CASH AND CASH EQUIVALENTS	40 739	311 694
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2 040 468	1 728 774
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2 081 207	2 040 468

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FIRST INVESTMENT BANK AD

Individual statement of shareholders' equity for the year ended 31 December 2020

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 2019	110 000	97 000	550 671	10 881	4 500	39 861	812 913
Total comprehensive income for the period							
Net profit for the year ended 31 December 2019	-	-	129 221	-	-	-	129 221
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	931	-	-	931
Balance as at 31 December 2019	110 000	97 000	679 892	11 812	4 500	39 861	943 065
Total comprehensive income for the period							
Net profit for the year ended 31 December 2020	-	-	38 909	-	-	-	38 909
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	3 701	-	-	3 701
Share capital increase							
Capital increase through newly issued shares	39 085	-	-	-	-	-	39 085
Share premium reserve of newly issued shares	-	156 339	-	-	-	-	156 339
Decrease of premium reserve related to capital issue expenses	-	(3 322)	-	-	-	-	(3 322)
Balance as at 31 December 2020	149 085	250 017	718 801	15 513	4 500	39 861	1 177 777

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**ADDENDUM TO THE UNAUDITED STAND-ALONE INTERIM FINANCIAL STATEMENTS OF
FIRST INVESTMENT BANK AD
AS AT 31/12/2020**

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. Finance

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 2020

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

- 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 adoption of these amendments to the existing standards has not led to any changes in the Bank's accounting policies.

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 2019 r.

(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.

(ii) 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) Derecognition

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 a 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 31 December 2020 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;

(ii) 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).

(iii) 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.

<i>in BGN '000</i>	Bulgarian operations		Foreign operations		Total	
	2020	2019	2020	2019	2020	2019
Interest income	292,081	289,662	79	205	292,160	289,867
Interest expense	(59,500)	(59,154)	(11)	(17)	(59,511)	(59,171)
Net interest income	232,581	230,508	68	188	232,649	230,696
Fee and commission income	111,824	123,601	4,426	2,788	116,250	126,389
Fee and commission expense	(20,373)	(23,116)	(28)	(43)	(20,401)	(23,159)
Net fee and commission income	91,451	100,485	4,398	2,745	95,849	103,230
Net trading income	10,526	13,645	1,465	1,284	11,991	14,929
Administrative expenses	(179,184)	(207,386)	(2,627)	(1,771)	(181,811)	(209,157)
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Assets	10,756,461	10,181,802	26,407	18,229	10,782,868	10,200,031
Liabilities	9,239,215	8,980,876	365,876	276,090	9,605,091	9,256,966

The table below shows assets and liabilities and income and expense by business segments as at 31/12/2020.

	Assets	Liabilities	Net interest income	Net fee and commission income	Net trading income	Other net operating income
Corporate customers	3,227,904	1,028,587	78,157	22,924	-	162
Small and medium enterprises	793,674	602,268	28,792	16,979	-	8
Retail Banking	2,017,311	7,420,463	136,442	55,515	-	89
Treasury	3,254,960	88,492	806	1,000	11,991	3,771
Other	1,489,019	465,281	(11,548)	(569)	-	6,314
Total	10,782,868	9,605,091	232,649	95,849	11,991	10,344

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 a 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

31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,320	259,557	14	263,891
Financial assets at fair value through other comprehensive income	644,374	24,011	-	668,385
Derivatives held for risk management	724	3,976	-	4,700
Total	649,418	287,544	14	936,976

In BGN '000

31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	6,936	258,605	14	265,555
Financial assets at fair value through other comprehensive income	539,591	26,227	-	565,818
Derivatives held for risk management	814	(361)	-	453
Total	547,341	284,471	14	831,826

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

31 December 2020	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	2,011,659	-	2,011,659	2,011,659
Financial assets at amortised cost	207,740	-	-	207,740	199,830
Loans and advances to banks and other financial institutions	-	106,085	-	106,085	106,085
Loans and advances to customers	-	1,055,845	5,105,857	6,161,702	6,038,889
Total	207,740	3,173,589	5,105,857	8,487,186	8,356,463
Liabilities					
Due to banks	-	14,340	-	14,340	14,340
Due to other customers	-	4,865,931	4,191,036	9,056,967	9,051,318
Liabilities evidenced by paper	-	104,165	-	104,165	104,151
Hybrid debt	-	267,579	-	267,579	267,579
Total	-	5,252,015	4,191,036	9,443,051	9,437,388

In BGN '000

31 December 2019	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,998,543	-	1,998,543	1,998,543
Financial assets at amortised cost	12,121	-	-	12,121	12,005
Loans and advances to banks and other financial institutions	-	79,576	-	79,576	79,576
Loans and advances to customers	-	1,090,179	4,880,830	5,971,009	5,776,915
Total	12,121	3,168,298	4,880,830	8,061,249	7,867,039
Liabilities					
Due to banks	-	25,048	-	25,048	25,048
Due to other customers	-	4,132,480	4,556,909	8,689,389	8,684,001
Liabilities evidenced by paper	-	109,714	-	109,714	109,723
Hybrid debt	-	267,615	-	267,615	267,615
Total	-	4,534,857	4,556,909	9,091,766	9,086,387

5. Net interest income

<i>in thousands of BGN</i>	2020	2019
Interest income		
Accounts with and placements to banks and financial institutions	511	1,437
Revenue from interest on liabilities	-	9
Retail Banking	119,267	114,894
Corporate customers	113,755	123,142
Small and medium enterprises	34,428	34,759
Microlending	7,176	7,200
Debt instruments	17,023	8,426
	292,160	289,867
Interest expense		
Deposits from banks	(9)	(70)
Deposits from other customers	(26,352)	(31,666)
Liabilities evidenced by paper	(786)	(829)
Hybrid debt	(27,541)	(23,038)
Interest on assets cost	(4,798)	(3,551)
Lease agreements and other	(25)	(17)
	(59,511)	(59,171)
Net interest income	232,649	230,696

6. Net fee and commission income

<i>in thousands of BGN</i>	2020	2019
Fee and commission income		
Letters of credit and guarantees	2,381	3,508
Payment operations	18,936	23,209
Customer accounts	32,744	31,214
Card services	31,339	33,522
Other	30,850	34,936
	116,250	126,389
Fee and commission expense		
Letters of credit and guarantees	(462)	(660)
Payment systems	(2,315)	(2,922)
Card services	(14,090)	(15,616)
Other	(3,534)	(3,961)
	(20,401)	(23,159)
Net fee and commission income	95,849	103,230

7. Net trading income

<i>in thousands of BGN</i>	2020	2019
Net trading income arises from:		
- Debt instruments	(52)	(82)
- Equities	(121)	30
- Foreign exchange rate fluctuations	12,164	14,981
Net trading income	11,991	14,929

8. Other net operating income

<i>In BGN '000</i>	2020	2019
Other net operating income arising from:		
- net income/(expense) from transactions and revaluation of gold and precious metals	574	788
Rental income	5,740	5,542
- Debt instruments	1,583	5,495
- Equities	2,188	4,344
- income from management of assigned receivables	162	54,643
- Gain on administration of loans acquired through business combination	97	1,118
Other net operating income	10,344	71,930

9. Administrative expenses

<i>in thousands of BGN</i>	2020	2019
General and administrative expenses comprise:		
- Personnel cost	61,877	66,553
Amortization of equipment and tangible fixed assets	12,435	13,844
Rights of use assets	33,347	32,263
- Advertising	9,307	12,976
-Telecommunication, software and other computer maintenance	11,931	11663
- Other expenses for external services	52,914	71,858
Administrative expenses	181,811	209,157

10. Allowance for impairment

<i>in thousands of BGN</i>	2020	2019
Write-downs		
Loans and advances to customers	(148,899)	(198,674)
Investments in subsidiaries	-	-
Off balance sheet commitments	(490)	(694)
Securities	-	(779)
Reversal of write-downs		
Loans and advances to customers	55,375	81,652
Off balance sheet commitments	354	1,005
Impairment cost, net	(93,660)	(117,490)

10a. Other income/(expenses), net

<i>in thousands of BGN</i>	2020	2019
Proceeds from the sale and write-off of assets acquired as collateral	1,547	1,500
Revaluation of investment property	2,312	72,940
Profit/(loss) from sale of investment property	(368)	31
Dividend income	374	5,678
Cost of guarantee schemes	(34,608)	(31,828)
(Expense)/reversal of expense for provisions for pending court cases	(69)	(228)
Other income, net	(938)	1,904
Total	(31,750)	49,997

11. Cash and balances with Central Banks

<i>in thousands of BGN</i>	2020	2019
Cash on hand		
- in BGN	135,249	149,515
- in foreign currency	40,692	45,328
Balances with Central Banks	1,620,906	1,718,780
Current accounts and amounts with foreign banks	214,812	84,920
Total	2,011,659	1,998,543

12. Investments in securities

<i>In BGN '000</i>	2020	2019
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	258,766	194,315
- denominated in foreign currencies	180,725	162,966
Foreign governments	404,728	196,767
Corporates	236,484	236,485
Foreign banks	24,011	26,227
Other issuers – equity instruments	27,392	26,618
Total	1,132,106	843,378
Of which:		
at fair value through other comprehensive income	668,385	565,818
at amortised cost	199,830	12,005
at fair value through profit and loss	263,891	265,555
Total	1,132,106	843,378

13. Loans and advances to banks and other financial institutions

(a) Analysis by type

<i>in thousands of BGN</i>	2020	2019
Placements with banks	34,094	45,313
Receivables under resale agreements	-	5,416
Other	71,991	28,847
Total	106,085	79,576

(b) Geographical analysis

<i>in thousands of BGN</i>	2020	2019
Domestic banks and financial institutions	39,570	13,613
Foreign banks and other financial institutions	66,515	65,963
Total	106,085	79,576

14. Loans and advances to customers

in thousands of BGN

			31/12/2020
	Gross value	Allowance for impairment	Amortised cost
Retail Banking			
- Consumer loans	913,328	(64,665)	848,663
- Mortgage loans	877,319	(15,641)	861,678
- Credit cards	161,131	(22,898)	138,233
- Other programmes and collateralised financing	5,098	-	5,098
Small and medium enterprises	805,982	(12,308)	793,674
Microlending	167,154	(3,515)	163,639
Corporate customers	3,619,756	(391,852)	3,227,904
<i>Including receivables from financial lease</i>	<i>395,970</i>	<i>(807)</i>	<i>395,163</i>
Total	6,549,768	(510,879)	6,038,889

In BGN '000

			31/12/2019
	Gross value	Allowance for impairment	Amortised cost
Retail Banking			
- Consumer loans	845,305	(39,031)	806,274
- Mortgage loans	823,239	(14,882)	808,357
- Credit cards	176,309	(16,195)	160,114
- Other programmes and collateralised financing	5,098	-	5,098
Small and medium enterprises	768,701	(11,156)	757,545
Microlending	163,102	(2,923)	160,179
Corporate customers	3,494,654	(415,306)	3,079,348
<i>Including receivables from financial lease</i>	<i>379,350</i>	<i>(834)</i>	<i>378,516</i>
Total	6,276,408	(499,493)	5,776,915

(a) Movement in impairment allowances

in BGN '000

Balance as at 01 January 2020	499,493
Additional allowances	148,899
Amounts released	(55,375)
Write-offs	(80,582)
Other	(1,556)
Balance as at 31 December 2020	510,879

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

	31/12/2020		31/12/2019	
	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)	4,053,162	12,184	3,652,415	10,808
Exposures with significant increase of credit risk after the initial recognition (phase 2)	1,001,689	59,623	1,103,288	58,159
Non-performing (impaired) exposures (phase 3)	1,494,917	439,072	1,520,705	430,526
Total	6,549,768	510,879	6,276,408	499,493

31 December 2020

Class of exposure	Gross amount of loans and advances to customers	Allowance for impairment	<i>in thousands of BGN</i>
			Carrying amount of loans and advances to customers
Performing			
Collectively impaired	5,054,851	(71,807)	4,983,044
Nonperforming			
Collectively impaired	251,862	(108,117)	143,745
Individually impaired	1,243,055	(330,955)	912,100
Total	6,549,768	(510,879)	6,038,889

31 December 2019

Class of exposure	Gross amount of loans and advances to customers	Allowance for impairment	<i>in thousands of BGN</i>
			Carrying amount of loans and advances to customers
Performing			
Collectively impaired	4,755,703	(68,967)	4,686,736
Nonperforming			
Collectively impaired	218,841	(73,351)	145,490
Individually impaired	1,301,864	(357,175)	944,689
Total	6,276,408	(499,493)	5,776,915

As at 31 December 2020 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 777,984 thousand (31 December 2019: BGN 752,708 thousand)

15. Property and equipment

<i>in BGN '000</i>	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Construction	Leasehold Improvements	Total
At 01 January 2020	22,208	138,341	6,575	14,463	65,393	246,980
Additions	-	251	-	10,920	67	11,238
Disposals	-	(3,181)	-	56%	(1,388)	(4,625)
Transfers	-	3,495	57	(9,013)	125	(5,336)
At 31 December 2020	22,208	138,906	6,632	16,314	64,197	248,257
Amortisation						
At 01 January 2020	5,278	117,598	6,314	-	40,383	169,573
Accrued during the year	807	6,672	120	-	2,677	10,276
On disposals	-	(3,176)	-	-	(1,388)	(4,564)
At 31 December 2020	6,085	121,094	6,434	-	41,672	175,285
Carrying amount						
At 01 January 2020	16,930	20,743	261	14,463	25,010	77,407
At 31 December 2020	16,123	17,812	198	16,314	22,525	72,972

16. Intangible assets

<i>in thousands of BGN</i>	Software and licences	Total
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At 01 January 2020	40,157	40,157
Additions	95	95
Disposals	(1)	(1)
Transfers	5,336	5,336
At 31 December 2020	45,587	45,587
Amortisation		
At 01 January 2020	28,751	28,751
Accrued during the year	2,159	2,159
On disposals	(1)	(1)
At 31 December 2020	30,909	30,909
Carrying amount		
At 01 January 2020	11,406	11,406
At 31 December 2020	14,678	14,678

17. Repossessed assets

<i>in thousands of BGN</i>	2020	2019
Land	467,564	464,714
Buildings	204,079	207,447
Machines, plant and vehicles	33,594	35,467
Fixtures and fittings	805	800
Total	706,042	708,428

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.

18. Investment Property

in thousands of BGN

Balance as at 01 January 2020	410,511
Incomings for the period	10
Transferred from repossessed assets	2,315
Revaluation of investment property to the fair value recognised at transfer	2,312
Write-offs upon sale	(1,127)
Balance as at 31 December 2020	414,021

19. Investments in subsidiaries

Investments in subsidiaries are as follows:

in thousands of BGN

31/12/2020

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%	7,743	-	7,743
Turnaround Management EOOD	100%	-	-	-
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
Myfin EOOD	100%	1,000	-	1,000
Total		45,050	(178)	44,872

In BGN '000

31/12/2019

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
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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%	7,743	-	7,743
Turnaround Management EOOD	100%	-	-	-
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
Total		44,050	(178)	43,872

20. Right of use assets

In BGN '000

01 January 2020	144,270
Amortisation	(33,347)
Effect from change in lease conditions and expectations of lease duration	27,790
At 31 December 2020	138,713
Lease liabilities	
01 January 2020	144,270
Lease payments	(33,347)
Effect from change in lease conditions and expectations of lease duration	27,790
At 31 December 2020	138,713

21. Other assets

in thousands of BGN

	2020	2019
Deferred expense	10,646	10,540
Gold	2,598	5,479
Other assets	84,477	88,892
Total	97,721	104,911

22. Due to banks

in thousands of BGN

	2020	2019
Term deposits	-	2,086
Payable on demand	14,340	22,962
Total	14,340	25,048

23. Due to other customers

in thousands of BGN

	2020	2019
Retail customers		
- current accounts	1,819,473	1,448,789
- term and savings deposits	5,055,784	5,275,148
Businesses and public institutions		
- current accounts	1,660,701	1,511,780
- term deposits	515,360	448,284
Total	9,051,318	8,684,001

24. Liabilities evidenced by paper

in thousands of BGN

	2020	2019
Acceptances under letters of credit	6,776	10,164
Debt related to agreements for full swap of profitability	73,742	73,750
Financing from financial institutions	23,633	25,809

Total	104,151	109,723
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Financing from financial institutions through extension of loan facilities can be analysed as follows:

in thousands of BGN

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2020
European Investment Fund – JEREMIE 2	0 % - 1.136%	30/09/2025	4,244
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	16,137
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	3,252
Total			23,633

In BGN '000

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2019
State Fund Agriculture	2%	13.01.2020 - 15.02.2020	3
European Investment Fund – JEREMIE 2	0 % - 1.218%	30/09/2025	7,419
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	16,137
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	2,250
Total			25,809

25. Hybrid debt

in thousands of BGN

	Principal amount	Amortised cost as at 31 December 2020
Hybrid debt with principal EUR 40 mio	78,233	84,910
Hybrid debt with principal EUR 60 mio	117,350	123,840
Hybrid debt with principal EUR 30 mio	58,675	58,829
Total	254,258	267,579

In BGN '000

	Principal amount	Amortised cost as at 31 December 2019
Hybrid debt with principal EUR 40 mio	78,233	84,929
Hybrid debt with principal EUR 60 mio	117,350	123,857
Hybrid debt with principal EUR 30 mio	58,675	58,829
Total	254,258	267,615

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

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

26. Other liabilities

in thousands of BGN

	2020	2019
Liabilities to personnel	1,328	3,080
Provisions for pending court cases	1,031	962
Impairment on off balance sheet commitments	838	701
Other payables	4,082	4,691
Total	7,279	9,434

27. Shareholders

The subscription for the public offering of shares of First Investment Bank AD was completed successfully on 3 July 2020. Out of the 40 000 000 ordinary dematerialized shares with nominal

value of BGN 1, and issue value of BGN 5.00 each, a total of 39 084 800 shares were subscribed and paid up.

On 31 July 2020 First Investment Bank's capital increase was registered in the Commercial Register and Register of Non-for-profit Legal Entities. This registration was carried out after the subscription for shares was successfully completed on 03 July 2020 based on the prospectus confirmed by the Financial Supervision Commission.

Thus, the Bank's capital was increased to BGN 149 084 800 by issue of 39 084 800 new ordinary, registered, dematerialized shares, each with one voting right in the general meeting, with nominal value of BGN 1 and issue value of BGN 5. The amount of the capital after the increase was reflected in the By-Laws of First Investment Bank AD after approval granted by the Bulgarian National Bank.

The table below shows those shareholders of the Bank holding shares as at 31/12/2020 together with the number and percentage of total issued shares.

	Number of shares	% of issued share capital
Mr. Ivailo Dimitrov Mutafchiev	46,750,000	31.36
Mr. Tzeko Todorov Minev	46,750,000	31.36
Bulgarian Bank for Development AD	27,350,000	18.35
Valea Foundation	11,734,800	7.87
Other shareholders (shareholders holding shares subject to free trade on the Bulgarian Stock Exchange – Sofia)	16,500,000	11.07
Total	149,084,800	100.0

In 2010, as in the previous year, the Bank did not distribute dividends.

28. Commitments and contingent liabilities

Contingent liabilities

<i>in thousands of BGN</i>	2020	2019
Bank guarantees	179,964	211,649
Unused credit lines	556,694	639,956
Letters of credit	26,227	8,385
Total	762,885	859,990
Impairment on off balance sheet commitments	838	701

29. Related party transactions

Type of related party <i>in BGN '000</i>	Parties that control or manage the Bank		Enterprises under common control	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Loans	1,769	2,327	84,580	20,908
Deposits and loans received:	13,275	11,718	113,352	118,118
Deposits placed	-	-	2,955	18,748
Other receivables	-	-	17,565	16,790
Other borrowings	-	-	100	100
Off-balance sheet commitments issued by the Bank	1,031	975	3,412	4,235

First Investment Bank announces that as at 31/12/2020:

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 repaid or repurchased capital instruments Equity instruments have been issued as disclosed in Note 27.
4. No dividends were accrued or paid.

(signed)

Nikola Bakalov
Executive Director
Chairman of the MB

(signed)

Svetozar Popov
Executive Director
Member of the MB

(signed)

Chavdar Zlatev
Executive Director
Member of the MB

(signed)

Ralitsa Bogoeva
Executive Director
Member of the MB

(signed)

Yanko Karakolev
Chief Financial Officer
Member of the MB

**INTERIM REPORT
ON THE ACTIVITY OF FIRST INVESTMENT BANK AD
as at 31 December 2020**

(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 fourth quarter of 2020 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 June 2020:

1. Information on Fibank's financial results for 2019 was published on 17 January 2020;
2. Notification on changes to the composition of the Managing Board of First Investment Bank – appointment of Nikola Bakalov as member of the Managing Board, Executive Director and Chief Retail Officer of First Investment Bank was published on 20 January 2020;
3. Notification of submission to the Financial Supervision Commission of a prospectus for the offering of new shares was published on 29 January 2020;
4. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2019 were published on 31 January 2020;
5. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Nikola Bakalov was registered in the Commercial Register and Register of NPLE as member of the Managing Board and executive director of First Investment Bank was published on 07 February 2020;
6. Annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2019 were published on 12 February 2020;
7. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2019 were published on 02 March 2020;

8. Public disclosure of inside information pursuant to Art. 17(1) with relation to Art. 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16.04.2014 on market abuse and Art. 114b of the Public Offering of Securities Act (POSA) – stakeholder transaction – was published on 04 March 2020;
9. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 December 2019 were published on 09 March 2020;
10. Notification for including First Investment Bank's net annual profit for 2019 in CET1 was published on 18 March 2020;
11. Notification on changes to the composition of the Managing Board of First Investment Bank – the management contract of Mr Nedelcho Nedelchev as member of the Managing Board and Chief Executive Officer of First Investment Bank has been terminated – was published on 20 March 2020;
12. Notification of registration in the Commercial Register and Register of Non-for-Profit Entities of a new subsidiary of First Investment Bank AD – Myfin EAD – was published on 26 March 2020;
13. Notification regarding submitted application of Ralitsa Bogoeva's nomination as member of the Managing Board and Executive Director of First Investment Bank to the Bulgarian National Bank for approval thereof pursuant to Article 11, Para. 3 of the Law on Credit Institutions was published on 30 March 2020;
14. Notification on changes to the composition of the Managing Board of First Investment Bank – termination of the management contract of Mr. Jivko Todorov as member of the Managing Board and Chief Financial Officer of First Investment Bank – was published on 01 April 2020;
15. Notification regarding submitted application of Ianko Karakolev's nomination as member of the Managing Board and Executive Director of First Investment Bank to the Bulgarian National Bank for approval thereof pursuant to Article 11, Para. 3 of the Law on Credit Institutions was published on 06 April 2020;
16. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Mr. Nedelcho Nedelchev was delisted as a member of the Managing Board and Chief Executive Officer was published on 14 April 2020;
17. Notification on changes in the key parameters of a new issue of shares for capital increase of First Investment Bank's AD via public offering was published on 15 April 2020;

18. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – delisting of Mr Jivko Todorov as a member of the Managing Board of First Investment Bank – was published on 22 April 2020;
19. On 23 April 2020 Fibank published a notification on changes in key parameters of a new issue of shares for capital increase of First Investment Bank AD via public offering, and on the confirmation from the Financial Supervision Commission of the prospectus for public offering of shares;
20. Notification about changes to the composition of the Managing Board of First Investment Bank – appointment of Ralitsa Bogoeva as member of the Managing Board and Executive Director of First Investment Bank was published on 29 April 2020;
21. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 20120 were published on 30 April 2020;
22. Notice under Art. 92a of the Public Offering of Securities Act on the public offering of shares from the capital increase of First Investment Bank AD was published on 04 May 2020;
23. Notification about changes to the composition of the Managing Board of First Investment Bank – appointment of Yanko Karakolev as member of the Managing Board of First Investment Bank – was published on 21 May2020;
24. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – registration of Ralitsa Bogoeva in the Commercial Register and Register of NPLE as member of the Managing Board and executive director of First Investment Bank – was published on 29 May 2020;
25. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2020 were published on 01 June 2020;
26. Notice of extension of the deadline for subscription in the public offering of shares of First Investment Bank in accordance with Article 84(1) of the Public Offering of Securities Act (POSA) was published on 12 June 2020;
27. Notice and materials for the General Meeting of Shareholders of First Investment Bank AD were published on 12 June 2020;
28. Notification on updated version of the English text of the power of attorney for participation in the General Meeting of Shareholders of First Investment Bank was published on 16 June 2020;

29. On 25 June 2020 Fibank published a notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Ianko Karakolev was registered in the Commercial Register and Register of NPLE as member of the Managing Board of First Investment Bank;
30. On 30 June 2020 First Investment Bank AD disclosed information pursuant to Regulation (EU) No. 575/2013;
31. A notification that First Investment Bank AD completed successfully the procedure for its public offering of shares was published on 02.07.2020;
32. The results from the public offering of shares of First Investment Bank were announced on 06.07.2020;
33. Information on the results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 15 July 2020 was published on that same day;
34. The minutes of the regular annual General Meeting of Shareholders of First Investment Bank AD held on 15 July 2020 were published on 17.07.2020;
35. The unconsolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 20120 were published on 30.07.2020;
36. On 31 July 2020 First Investment Bank made a notification regarding the registered capital increase and changes in the By-Laws of First Investment Bank AD pursuant to Art. 100y, Para. 1(1) of the Public Offering of Securities Act (POSA), with relation to the second hypothesis of Para. 2 of said article;
37. On 4 August 2020 First Investment Bank published a notice regarding the end of the subscription and result from the public offering of shares;
38. The consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2020 were published on 31.08.2020;
39. On 25 September 2020 the Bank published a notification about an agreement signed between First Investment Bank and Fitch Ratings for Public Monitored Ratings;
40. On 15 October 2020 the Bank published a notice of admission for trading on a regulated market (Bourse de Luxembourg) of a perpetual bond issued in an initial private offering on 20.12.2019 by First Investment Bank AD, with a total amount of EUR 30 000 000 (thirty million) and ISIN code: BG2100023196;
41. The individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2020 were published on 30.10.2020;

42. First Investment Bank's Ratings from Fitch Ratings were published on 10 November 2020;
43. The consolidated (unaudited) financial statements of First Investment Bank AD as at 31 September 2020 were published on 30.11.2020.

Review of the activities of First Investment Bank AD as at 31 December 2020 on individual (unaudited) basis

- *Balance sheet as at 31 December 2020.*

The balance sheet assets of the Bank as at 31.12.2020 reached BGN 10,783 million, showing an increase by BGN 538 mln against the end of 2019. In terms of assets First Investment Bank AD retains its place among the leading banks in the Bulgarian banking system. As at 31.12.2020 the deposits from other customers amounted to BGN 9,051 million, with net increase of BGN 367 mln for the period; as regards this indicator the Bank also retains its position as one of the leading banks in Bulgaria. As at the end of December 2020 the accounting equity amounted to BGN 1,178 million net, which means growth by BGN 235 mln in 2020, mostly due to the capital increase through newly issued shares, the related premium reserve, and the profit generated. Receivables from clients at 31 December 2020 amounted to BGN 6,039 million book value, an increase against 2019 by BGN 262 mln.

- *Stand-alone profit as at 31 December 2020*

The net profit of the Bank as at 31 December 2020 amounted to BGN 38,909 thousand. The profit before tax for 2020 was BGN 43,612 thousand, the profit before provisions and impairment amounted to BGN 137,272 thousand

The total revenue from banking operations for the year amounted to BGN 350,833 thousand. The net interest income totalled at BGN 232,649 thousand, and the net fee and commission income was BGN 95,849 thousand.

- *Capital resources*

The capital adequacy ratio of First Investment Bank AD as at 31 December 2020 reached 21.79 %. The Tier 1 capital ratio was also 21.79%, while CET1 ratio was 18.19 %. The own funds amounted to BGN 1,538 million. In March 2020, after preliminary permission from BNB, Fibank included in its Common Equity Tier 1 (CET1) the Bank's net annual profit for 2019 in the amount of BGN 129 million. On 30 September 2020, after obtaining permission from the BNB, the Bank included in its CET1 the total issue value of the newly issued shares in the amount of BGN 195 million, consisting of the issue value of BGN 39 million and BGN 156 million premium reserve. As at 31 December 2020 the Bank was in compliance with and above the regulatory capital requirements.

- *Liquidity*

The liquidity coverage ratio of First Investment Bank AD as at 31 December 2020 reached 237.24% and the net stable funding ratio was 134.58 %, showing a stable liquidity position.

- *A total of 134 branches and offices throughout the country*

As at 31 December 2020, First Investment Bank AD had a total of 134 branches and offices in Bulgaria – 47 of them in Sofia and 87 in towns throughout the country. 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 2020
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 are effective for the current period:

- *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 adoption of these new standards and amendments to the existing standards has not led to any changes in the Bank's 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 2019.

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

The following changes in the Bank's economic group occurred as at 31 December 2020:

02.01.2020: change in the management of Medical Centres Fi Health Plovdiv AD – Dimitar Borisov Andonov was delisted as member of the Board of Directors and Executive Director. Alexander Hristov Alexandrov was listed as new member of the Board of Directors, and Milena Hristova Kasapova was listed as Executive Director.

25.03.2020: after BNB issued a license for an e-money company, the Bank's subsidiary MyFin EAD was registered in the Commercial Register and Register of Non-for-profit Legal Entities; the Board of Directors consists of Svetozar Popov, Ralitsa Bogoeva and Lachezar Venkov, who will also be executive director.

By decision of the Managing Board of First Investment Bank as the sole owner of Balkan Financial Services EAD, UIN 201865055, dated 25.06.2020, in accordance

with Article 219, Para. 2, with relation to Art. 221, Para. 1(4), with relation to Art. 65, Para. 3 of the Commerce Act, Sevdalina Vassileva and Jivko Todorov were deregistered as members of the Board of Directors; new members of the Board of Directors were appointed – Nikola Bakalov and Ianko Karakolev. The registration in the Commercial Register and Register of NPLE was made on 02.07.2020.

By decision of the General Meeting of Shareholders of “Medical Centres FiHealth” AD, UIN 201327314, held on 24.06.2020, Ms Milena Kasapova was dismissed as member of the Board of Directors of “Medical Centres FiHealth” AD and a new member was appointed – Ms Dilyana Belkina, with a term in office until 21.06.2022. The registration in the Commercial Register and Register of NPLE was made on 08.07.2020.

By decision of the General Meeting of Shareholders of “Medical Centres FiHealth Plovdiv” AD, UIN 201348289, held on 24.06.2020, Ms Milena Kasapova was dismissed as member of the Board of Directors of “Medical Centres FiHealth Plovdiv” AD; Dr Kostadinka Petleshkova was appointed as a new Board of Directors member with a term in office until 21.06.2022. By decision of the Board of Directors dated 25.06.2020 Dr Petleshkova was appointed as executive director. The registration in the Commercial Register and Register of NPLE was made on 06.07.2020.

By decision of the General Meeting of Shareholders of Fi Health Insurance of 20.07.2020 Chavdar Georgiev Zlatev was dismissed as a member of the Board of Directors and Dr Milena Hristova Kasapova was appointed as independent member of the Board of Directors with a five-year term in office, after approval from the Financial Supervision Commission pursuant to Art. 80, Para. 10, with relation to Para. 12 of the Insurance Code.

By decision of the General Meeting of Shareholders of 22.07.2020 Nikola Bakalov was dismissed as Executive Director of Fi Health Insurance and was elected as deputy chairperson of the Board of Directors of Fi Health Insurance. Milena Kasapova was appointed as the company’s executive director.

- 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 2020.

- 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 September 2020</i>		<i>at 31 December 2020</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	31,36%	No change	
Mr Ivaylo Mutafchiev	46 750 000	31,36%	No change	
Bulgarian Development Bank AD	27 350 000	18,35%	No change	
Valea Foundation	11 734 800	7,87%	No change	

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 September 2020</i>		<i>at 31 December 2020</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Nikola Bakalov	374	0,00	No change	
Chavdar Zlatev	10 523	0,01	21 323	0,01
Ralitsa Bogoeva	0	0,00	No change	
Svetozar Popov	0	0,00	No change	
Ianko Karakolev	12	0,00	No change	
Nadia Koshinska	234	0,00	No change	

<i>Members of the Supervisory Board</i>	<i>at 30 September 2020</i>		<i>at 31 December 2020</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Evgeni Lukanov	337 139	0,23	No change	
Maya Georgieva	11 388	0,01	No change	
Jordan Skortchev	19 125	0,01	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 December 2020 no events have occurred beyond the ordinary activity of the Bank.

**INFORMATION AS AT 31 December 2020
UNDER ART. 33, PARA. 3
OF ORDINANCE No. 2**

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 31.12.2020, 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)
Nikola Bakalov
Chief Executive Officer
Chairman of the Managing Board

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Chavdar Zlatev
Executive Director
MB Member

(signed)
Ralitsa Bogoeva
Executive Director
MB Member

(signed)
Ianko Karakolev
Chief Financial Officer
Member of MB

DECLARATION

under Art. 100o, para. 4(3) and with relation to Art. 100o¹, para. 7 of the Public Offering of Securities Act (POSA) and Art. 33a², para. 2 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

The undersigned Nikola Bakalov, Chief Executive Officer and Chairman of the Managing Board of First Investment Bank AD, Svetozar Popov, Chavdar Zlatev and Ralitsa Bogoeva, Executive Directors and members of the Managing Board of First Investment Bank AD, and Ianko Karakolev, Chief Finance Officer and member of the Managing Board of First Investment Bank AD, hereby declare that to the best of our knowledge:

- the financial statements (individual) of First Investment Bank AD as at 31 December 2020, 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;
- the interim report on the activities of First Investment Bank AD as at 31 December 2020 contains a fair review of the information under Art. 100o, para. 4(2) of the Public Offering of Securities Act.

(signed)
Nikola Bakalov
Chief Executive Officer
Chairman of the Managing Board

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Chavdar Zlatev
Executive Director
MB Member

(signed)
Ralitsa Bogoeva
Executive Director
MB Member

(signed)
Ianko Karakolev
Chief Financial Officer
Member of MB

29 January 2021

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 31 December 2020
and which may have an impact on the price of First Investment Bank shares**

1. Notification with up-to-date information on Fibank's financial results for 2019 – FSC incoming No. 10-05-193/17.01.2020;
2. Notification about changes to the composition of the Managing Board of First Investment Bank – appointment of Nikola Bakalov as member of the Managing Board, Executive Director and Chief Retail Officer of First Investment Bank – FSC incoming No. 10-05-210/20.01.2020;
3. Notification of submission to the Financial Supervision Commission of a prospectus for the offering of new shares– FSC incoming No. 10-05-442/29.01.2020;
4. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2019 – FSC incoming No. 10-05-678/31.01.2020;
5. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Nikola Bakalov was registered in the Commercial Register and Register of NPLE as member of the Managing Board and executive director of First Investment Bank – FSC incoming No. 10-05-784/07.02.2020;
6. Annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2019 – FSC incoming No. 10-05-809/12.02.2020;
7. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2019 – FSC incoming No. 10-05-1104/02.03.2020;
8. Public disclosure of inside information pursuant to Art. 17(1) with relation to Art. 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16.04.2014 on market abuse and Art. 114b of the Public Offering of Securities Act (POSA) – stakeholder transaction – FSC incoming No. 10-05-1118/04.03.2020;
9. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 December 2019 – FSC incoming No. 10-05-1145/09.03.2020;
10. Notification for including First Investment Bank's net annual profit for 2019 in CET1– FSC incoming No. 10-05-1228/18.03.2020;
11. Notification on changes to the composition of the Managing Board of First Investment Bank – the management contract of Mr Nedelcho Nedelchev as member of the Managing Board and

- Chief Executive Officer of First Investment Bank has been terminated – FSC incoming No. 10-05-1264/20.03.2020;
12. Notification of registration in the Commercial Register and Register of Non-for-Profit Entities of a new subsidiary of First Investment Bank AD – Myfin EAD – FSC incoming No. 10-05-1335/26.03.2020;
 13. Notification regarding submitted application of Ralitsa Bogoeva’s nomination as member of the Managing Board and Executive Director of First Investment Bank to the Bulgarian National Bank for approval thereof pursuant to Article 11, Para. 3 of the Law on Credit Institutions – FSC incoming No. 10-05-1456/30.03.2020.
 14. Notification on changes to the composition of the Managing Board of First Investment Bank – the management contract of Mr. Jivko Todorov as member of the Managing Board and Chief Financial Officer of First Investment Bank has been terminated – FSC incoming No. 10-05-1568/01.04.2020;
 15. Notification regarding submitted application of Yanko Karakolev’s nomination as member of the Managing Board and Executive Director of First Investment Bank to the Bulgarian National Bank for approval thereof pursuant to Article 11, Para. 3 of the Law on Credit Institutions – FSC incoming No. 10-05-1626/06.04.2020;
 16. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Mr. Nedelcho Nedelchev was delisted as a member of the Managing Board and Chief Executive Officer of First Investment Bank – FSC incoming No. 10-05-1720/14.04.2020;
 17. Notification on changes in the key parameters of a new issue of shares for capital increase of First Investment Bank’s AD via public offering – FSC incoming No. 10-05-1738/15.04.2020;
 18. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Mr Jivko Todorov was delisted as a member of the Managing Board of First Investment Bank – FSC incoming No. 10-05-1787/22.04.2020;
 19. Notification on changes in the key parameters of a new issue of shares for capital increase of First Investment Bank’s AD via public offering and confirmation from the Financial Supervision Commission of the prospectus for public offering of shares – FSC incoming No. 10-05-1806/23.04.2020;
 20. Notification about changes to the composition of the Managing Board of First Investment Bank – appointment of Ralitsa Bogoeva as member of the Managing Board and Executive Director of First Investment Bank – FSC incoming No. 10-05-1987/29.04.2020;
 21. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 20120– FSC incoming No. 10-05-2055/30.04.2020;
 22. Notice under Art. 92a of the Public Offering of Securities Act on the public offering of shares from the capital increase of First Investment Bank AD – FSC incoming No. 10-05-2101/04.05.2020;

23. Notification about changes to the composition of the Managing Board of First Investment Bank – appointment of Yanko Karakolev as member of the Managing Board of First Investment Bank – FSC incoming No. 10-05-2035/21.05.2020;
24. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Ralitsa Bogoeva was registered in the Commercial Register and Register of NPLE as member of the Managing Board and executive director of First Investment – FSC incoming No. 10-05-2132/29.05.2020;
25. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2020– FSC incoming No. 10-05-2520/01.06.2020;
26. Notice of extension of the deadline for subscription in the public offering of shares in accordance with Article 84(1) of the Public Offering of Securities Act (POSA) – FSC incoming No. 10-05-2651/12.06.2020;
27. Notice and materials for the General Meeting of Shareholders of First Investment Bank AD – FSC incoming No. 10-05-2656/12.06.2020;
28. Notification on updated version of the English text of the power of attorney for participation in the General Meeting of Shareholders of First Investment Bank – FSC incoming No. 10-05-2703/16.06.2020;
29. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding changes in the Managing Board of First Investment Bank AD – Yanko Karakolev was registered in the Commercial Register and Register of NPLE as member of the Managing Board of First Investment Bank – FSC incoming No. 10-05-2846/25.06.2020;
30. Disclosure of information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 – FSC incoming No. 10-05-2932/30.06.2020;
31. Notification of capital increase of First Investment Bank AD – FSC incoming No. 10-05-2996/02.07.2020;
32. Results from the public offering of shares – FSC incoming No. 10-05-2932/06.07.2020;
33. Information on the results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 15 July 2020 – FSC incoming No. 10-05-3210/15.07.2020;
34. Notifications and submission of minutes of the regular annual General Meeting of Shareholders of First Investment Bank AD, held on 15 July 2020 – FSC incoming No. 10-05-3246/17.07.2020;
35. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 20120 – FSC incoming No. 10-05-3629/30.07.2020;
36. Notification regarding the registered capital increase and changes in the By-Laws of First Investment Bank AD (the Bank) pursuant to Art. 100y, Para. 1(1) of the Public Offering of Securities Act (POSA), with relation to the second hypothesis of Para. 2 of said article – FSC incoming No. 10-05-3726/31.07.2020;
37. Notice to end of subscription and result from the public offering of shares – FSC incoming No. 10-05-3819/04.08.2020;

38. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2020 – FSC incoming No. 10-05-4403/31.08.2020;
39. Notification on signed agreement between First Investment Bank and Fitch Ratings for Public Monitored Ratings – FSC incoming No. 5567/25.09.2020;
40. Admission for trading on a regulated market (Bourse de Luxembourg) of a perpetual bond issued in an initial private offering on 20.12.2019 by First Investment Bank AD, with a total amount of EUR 30 000 000 (thirty million) and ISIN code: BG2100023196 – FSC incoming No. 5567/25.09.2020 – FSC incoming No. 10-05-5510/15.10.2020;
41. Individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2020 – FSC incoming No. 10-05-5999/30.10.2020;
42. First Investment Bank's Ratings from Fitch Ratings – FSC incoming No. 10-05-6076/10.11.2020;
43. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 September 2020 – FSC incoming No. 10-05-6422/30.11.2020.

Chief Executive Officer:

(signed)
Nikola Bakalov

Executive Director:

(signed)
Svetozar Popov

Executive Director:

(signed)
Chavdar Zlatev

Executive Director:

(signed)
Ralitsa Bogoeva

Chief Financial Officer

(signed)
Ianko Karakolev

FIRST INVESTMENT BANK AD

Bank **FINV9150** First Investment Bank AD

Reporting date **31.12.2020**

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		2 067 375
020	Cash	part 2, paragraph 1 of Appendix V		175 941
030	Cash balances with central banks	part 2, paragraph 1 of Appendix V		1 620 906
040	Other deposits payable on demand	part 2, paragraph 1 of Appendix V	5	270 528
050	Financial assets held for trading	Supplement A to IFRS 9		4 324
060	Derivatives	Supplement A to IFRS 9	10	0
070	Equity	Para. 11 of IAS 32	4	4 309
080	Debt securities	part 1, paragraph 31 of Appendix V	4	15
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	259 567
097	Equity	Para. 11 of IAS 32	4	23 083
098	Debt securities	part 1, paragraph 31 of Appendix V	4	236 484
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	668 385
142	Equity	Para. 11 of IAS 32	4	0
143	Debt securities	part 1, paragraph 31 of Appendix V	4	668 385
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	6 289 089
182	Debt securities	part 1, paragraph 31 of Appendix V	4	199 830
183	Loans and advances	part 1, paragraph 32 of Appendix V	4	6 089 259
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	44 872
270	Tangible assets			486 993
280	Property, Plant and Equipment	Para. 6 of IAS 16; Para. 54 (a) of IAS 1; Para 47 (a) of IFRS 16	21, 42	72 972
290	Investment Property	Para. 5 of IAS 40; Para. 54 (b) of IAS 1; Para. 48 of IFRS 16	21, 42	414 021
300	Intangible assets	Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575		14 678
310	Goodwill	Para. B67, (d) of IFRS 3; Art. 4, Para. 1, item 113 of Reg 575		0
320	Other intangible assets	Para. 8 and Para. 118 of IAS 38; Para. 47 (a) of IFRS 16	21, 42	14 678
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		947 585
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		10 782 868

FIRST INVESTMENT BANK AD

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2020	
Basis for application	Individual	
Accounting standard	IFRS	

Reporting currency '000

BGN

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

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 IFRS 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 IFRS 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 IFRS 7; IFRS 9.4.2.1	8	9 437 388
120	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	9 139 400
130	Issued debt securities	part 1, paragraph 37 of Appendix V	8	267 579
140	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	30 409
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	1 869
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	1 031
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	838
230	Other provisions	Para. 14 of IAS 37	43	0
240	Tax liabilities	Para. 54 (n)-(o) of IAS 1		21 301
250	Current tax liabilities	Para. 54(n) of IAS 1; Para. 5 of IAS 12		12
260	Deferred tax liabilities	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575		21 289
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		144 533
290	Liabilities in disposal groups classified as held for sale	Para. 54, (p) of IAS 1; Para. 38 of IFRS 5; part 2, paragraph 14 of Appendix V		0
300	TOTAL LIABILITIES	Para. 9, (b), IN 6 of IAS 1		9 605 091

FIRST INVESTMENT BANK AD

Bank **FINV9150**

First Investment Bank AD

Reporting date **31.12.2020**

Basis for application **Individual**

Accounting standard **IFRS**

Reporting currency '000

BGN

1.1. Balance sheet [statement of financial position]

1.3 Total own funds

		References	Breakdown in table	Carrying amount
				010
010	Equity	<i>Para. 54(s) of IAS 1; Para. 22 of DOB</i>	46	149 085
020	Paid up share capital	<i>Para. 78 (e) of IAS 1</i>		149 085
030	Not fully paid-up capital	<i>part 2, paragraph 14 of Appendix V</i>		0
040	Premium reserves	<i>Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575</i>	46	250 017
050	Issued capital instruments other than share capital	<i>part 2, paragraphs 18-19 of Appendix V</i>	46	0
060	Component of the share capital in compound financial instruments	<i>Paras. 28 -29 of IAS 32; part 2, item 18 of Appendix V</i>		0
070	Other issued equity instruments	<i>part 2, paragraph 19 of Appendix V</i>		0
080	Other own funds	<i>Para. 10 of IFRS 2; part 2, paragraph 20 of Appendix V</i>		0
090	Accumulated other comprehensive income	<i>Art. 4, para. 1, item 100 of Reg 575</i>	46	20 013
095	Items which cannot be reclassified as profit or loss	<i>Para. 89A (a) of IAS 1</i>		4 500
100	<i>Tangible assets</i>	<i>Paras. 39 -41 of IAS 16</i>		4 500
110	<i>Intangible assets</i>	<i>Paras. 85-87 of IAS 38</i>		0
120	<i>Actuarial gains or (-) losses on defined benefit plans</i>	<i>Para. 7, NI 6 of IAS 1; Para. 120(c) of IAS 19</i>		0
122	<i>Non-current assets and disposal groups classified as held for sale</i>	<i>Para. 38, IN example 12 of IFRS 5</i>		0
124	<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
320	<i>Changes in fair value of capital instruments at fair value in other comprehensive income</i>	<i>Para. 7 (d) of IAS 1; 5.7.5 and B5.7.1 of IFRC 9; part 2, paragraph 21 of Appendix V</i>		0
330	<i>Inefficiency of hedging in fair value hedging of capital instruments at fair value in other comprehensive income</i>	<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</i>		0
340	<i>Changes in fair value of capital instruments at fair value in other comprehensive income [hedged position]</i>	<i>IFRS 9 5.7.5 and 6.5.8(b); part 2, paragraph 22 of Appendix V</i>		0
350	<i>Changes in fair value of capital instruments at fair value in other comprehensive income [hedging instrument]</i>	<i>Para. 7 (e) of IFRS 1; IFRS 9.5.7.5 and 6.5.8(a); part 2, paragraph 57 of Appendix V</i>		0
360	<i>Changes in fair value of financial liabilities at fair value in profit or loss due to changes in credit risk</i>	<i>Para. 7 (f) of IAS 1; IFRS 9.5.7.7; part 2, paragraph 23 of Appendix V</i>		0
128	Items which can be reclassified as profit or loss	<i>Para. 81A (a)(ii) of IAS 1</i>		15 513
130	<i>Hedges of net investments in foreign operations [effective portion]</i>	<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</i>		0
140	<i>Currency exchange</i>	<i>Para. 52 (b) of IFRC 21; Paras. 32, 38-49 of IAS 21</i>		0
150	<i>Derivatives from hedging Cash flow hedges [effective portion]</i>	<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</i>		0
155	<i>Changes in fair value of debt instruments at fair value in other comprehensive income</i>	<i>Para. 7 (da) of IAS 1; IFRS 9.4.1.2A and 5.7.10; part 2, paragraph 26 of Appendix V</i>		15 513
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>		719 753
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>		719 753
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	38 909
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	1 177 777
310	TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	<i>IN 6 of IAS 1</i>		10 782 868

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

CHAVDAR ZLATEV
Executive Director

RALITSA BOGOEVA
Executive Director

YANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Bank **FINV9150**

First Investment Bank AD

Reporting date **31.12.2020**

Basis for

application **Individual**

Accounting IFRS

standard

Reporting currency '000

BGN

2. Profit and Loss Account

		References	Breakdown in table	Current period
				010
010	Interest income	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	292 160
020	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; part 2, paragraphs 33, 34 of Appendix V		121
025	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRS 7, IFRS 9.5.7.1		11 799
030	Financial assets at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRS 7		0
041	Financial assets at fair value through other comprehensive income	Para. 20(b) of IFRS 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A		4 544
051	Financial assets at amortised cost	Para. 20(b) of IFRS 7; IFRS 9.4.1.2, IFRS 9.5.7.2		275 696
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		0
090	(Interest expense)	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	59 511
100	(Financial liabilities held for trading)	Para. 20, (a)(i), Para. B5, (e) of IFRS 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 IFRS 7		0
120	(Financial liabilities at amortised cost)	Para. 20(b) of IFRS 7; IFRS 9.5.7.2		54 688
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		25
145	(Interest expense on assets)	IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V		4 798
150	(Expense for share capital payable upon request)	IFRIC 2, item 11		0
160	Dividend income	part 2, paragraph 40 of Appendix V	31	374
170	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; part 2, paragraphs 40 of Appendix V		59
175	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V		315
191	Financial assets at fair value through other comprehensive income	Para. 20, (a)(ii) of IFRS 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	116 250
210	(Fee and commission expense)	Para. 20 (c) of IFRS 7	22	20 401
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	1 843
231	Financial assets at fair value through other comprehensive income	IFRS 9.4.12A; IFRS 9.5.7.10-11		1 583
241	Financial assets at amortised cost	Para. 20(B)(v) of IFRS 7; IFRS 9.4.1.2, IFRS 9.5.7.2		260
260	Financial liabilities at amortised cost	Para. 8 (a)(v) of IFRS 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 IFRS 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V	16	-171
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 IFRS 7; IFRS 9.5.7.1, part 2, items 46 of Appendix V		2 188
290	Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss	Para. 20, (a)(i) of IFRS 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		12 162
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	1 347
340	Other operating income	part 2, paragraphs 314-316 of Appendix V	45	11 118
350	(Other operating expense)	part 2, paragraphs 314-316 of Appendix V	45	3 687
355	TOTAL NET OPERATING INCOME			353 672
360	(Administrative expenses)			169 376
370	(Personnel costs)	Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1	44	61 877
380	(Other administrative expenses)		16	107 499
385	(Cash instalments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48 (i) of Appendix V		34 520
390	(Amortisation)	Paras. 102, 104 of IAS 1		12 435
400	(Property, Plant and Equipment)	Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16		10 276
410	(Investment Property)	Para. 104 of IAS 1; Para. 79, (d), (iv) of IAS 40		0
420	(Other intangible assets)	Para. 104 of IAS 1; Para. 118, (e), (vi) of IAS 38		2 159
425	Net profits or (-) losses from modification	IFRS 9.5.4.3, supplement A to IFRS 9, part 2, paragraph 49 of Appendix V		0
426	Financial assets at fair value through other comprehensive income	Paragraph 35J of IFRS 7		0
427	Financial assets at amortised cost	Paragraph 35J of IFRS 7		0
430	(Provisions or (-) reversed provisions)	Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1	9 12 43	205
435	(Undertaken obligations to make payments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48 (i) of Appendix V		0
440	(Commitments and guarantees)	IFRS 9.4.2.1(c), (d); IFRS 9.B2.5; IAS 37; IFRS 4; part 2, para. 50 of Appendix V		136
450	(Other provisions)			69
460	(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)	Para. 20, (a)(viii) of IFRS 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V	12	93 524
481	(Financial assets at fair value through other comprehensive income)	IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8	12	0
491	(Financial assets at amortised cost)	IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8	12	93 524
510	(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)	Paras. 40-43 of IAS 28	16	0
520	(Impairment or (-) reversed impairment of non-financial assets)	Para. 126(a)-(b) of IAS 36	16	0
530	(Property, Plant and Equipment)	Para. 73, (e), (v)-(vii) of IAS 16		0
540	(Investment Property)	Para. 79, (d), (v) of IAS 40		0
550	(Goodwill)	B67, (d), (v) of IFRS 3; Para. 124 of IAS 36		0
560	(Other intangible assets)	Para. 118, (e), (iv)-(v) of IAS 38		0
570	(Other)	Para. 126(a)-(b) of IAS 36		0

		References	Breakdown in table	Current period
				010
580	Negative goodwill in profit or loss	B64, (n)(i) to IFRC 3		0
590	Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	part 2, paragraph 54 of Appendix V		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	Para. 37 of IFRS 5, part 2, paragraph 55 of Appendix V		0
610	PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS	Para. 102, IN 6 of IAS 1; Para. 33 A of IFRC 5		43 612
620	(Tax expense or (-) income relating to the profit or loss from current operations)	Para. 8, (d) of IAS 1; Para. 77 of IAS 12		4 703
630	PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS	IN 6 of IAS 1		38 909
640	Profit or (-) loss after tax from discontinued operations	Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRC 5; part 2, paragraph 56 of Appendix V		0
650	Profit or (-) loss before tax from discontinued operations	Para. 33, (b)(i) of IFRC 5		0
660	(Tax expense or (-) income related to discontinued operations)	Para. 33, (b)(i) and (iv) of IFRC 5		0
670	PROFIT OR (-) LOSS FOR THE YEAR	Para. 81A (a) of IAS 1		38 909
680	Relating to minority interests [non-controlling interests]	Para. 81B (b)(i) of IAS 1		0
690	Attributable to the owners of the parent company	Para. 81B (b)(ii) of IAS 1		38 909

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

CHAVDAR ZLATEV
Executive Director

RALITSA BOGOEVA
Executive Director

YANKO KARAKOLEV
Chief Financial Officer