

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

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

Re: Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2021.

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 consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2021, containing:

1. Financial statements as at 30.06.2021 as per Art. 100o, para. 2 and para. 4(1) with relation to Art. 100o, para. 5 of POSA;
2. Notes to the financial statements as at 30.06.2021;
3. Interim activity report under Art. 100o, para. 4(2) and with relation to Art. 100o, para. 5 of POSA;
4. Declaration under Art. 100o, para. 4(3) and in connection with Art. 100o, para. 5 of POSA.

Sincerely,

(signed)

Nikola Bakalov
Chief Executive Officer
Chairman of the MB

(signed)

Svetozar Popov
Executive Director
Member of the MB

FIRST INVESTMENT BANK AD

Consolidated statement of shareholders' equity for the six months ended 30/06/2021

unaudited

in BGN '000

	Issued share capital	Share premium	Other reserves and retained earnings	Revaluation reserve on investments in securities	Revaluation reserve on property	Reserve from translation of foreign operations	Statutory reserve	Non-controlling interest	Total
Balance at 01/01/2020	110,000	97,000	704,770	17,776	4,500	2,033	39,865	2,973	978,917
Total comprehensive income for the period									
Net profit for 2020	-	-	44,974	-	-	-	-	543	45,517
Other comprehensive income for the period									
Revaluation reserve on investments in securities	-	-	-	658	-	-	-	-	658
Reserve from translation of foreign operations	-	-	-	-	-	(774)	-	-	(774)
Increase of shareholders' equity									
Increase of shareholders' equity by newly issued shares	39,085	-	-	-	-	-	-	-	39,085
Premium reserve on newly issued shares	-	156,339	-	-	-	-	-	-	156,339
Decrease of premium reserve related to expenses for the issue of shares	-	(3,322)	-	-	-	-	-	-	(3,322)
Balance at 31/12/2020	149 085	250,017	749,744	18,434	4,500	1,259	39,865	3,516	1,216,420
Total comprehensive income for the period									
Net profit for the six months ended on 30/06/2021	-	-	33,048	-	-	-	-	591	33,639
Other comprehensive income for the period									
Revaluation reserve on investments in securities	-	-	-	(2,627)	-	-	-	-	(2,627)
Reserve from translation of foreign operations	-	-	-	-	-	460	-	-	460
Balance at 30/06/2021	149 085	250,017	782,792	15,807	4,500	1,719	39,865	4,107	1,247,892

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

CHAVDAR ZLATEV
Executive Director

RALITSA BOGOEVA
Executive Director

Yanko Karakolev
Chief Financial Officer

Consolidated statement of cash flows for the three months ended 30 June 2021

unaudited

in BGN '000

	Six months ended 30 June 2021	Six months ended 30 June 2020
Net cash flow from operating activities		
Net profit	33,639	26,612
Adjustment for non-cash items		
Allowance for impairment	53,884	36,161
Net interest income	(128,922)	(122,375)
Depreciation and amortization	6,107	6,759
Tax expense	3,998	3,616
(Profit)/loss from sale and write-off of tangible and intangible fixed assets, net	(9)	20
Loss/(Profit) from sale of other assets, net	60	(849)
(Positive) revaluation of investment property	-	(2,312)
	(31,243)	(52,368)
Change in operating assets		
(Increase) of financial assets at fair value through profit or loss	(942)	(546)
(Increase) of financial assets at fair value in other comprehensive income	(217,480)	(65,018)
Decrease/(Increase) in loans and advances to banks and financial institutions	1,635	(1,426)
(Increase) in loans to customers	(235,759)	(199,978)
Net (increase) in other liabilities	(28,422)	(7,577)
	(480,968)	(274,545)
Change in operating liabilities		
Increase/(decrease) in deposits from banks	21,021	(679)
Increase/(decrease) in amounts owed to other depositors	22,911	(181,847)
Net increase/(decrease) in other liabilities	5,328	(10,364)
	49,260	(192,890)
Interest received	190,521	134,399
Interest paid	(39,338)	(32,166)
Dividends received	350	100
Paid profit tax, net	(1,938)	(761)
NET CASH FLOW FROM OPERATING ACTIVITIES	(313,356)	(418,231)
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(3,850)	(6,768)
Sale of tangible and intangible fixed assets	16	32
Sale of other assets	4,639	4,021
(Increase) of investments	(111,768)	(143,499)
NET CASH FLOW FROM INVESTING ACTIVITIES	(110,963)	(146,214)
Financing activities		
Increase/(decrease) in borrowings	18,380	(3,792)
Increase in subordinated liabilities	76	5,672
Increase of shareholders' equity by newly issued shares	-	-
Increase of premium reserve related to the newly issued shares	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	18,456	1,880
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(405,863)	(562,565)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,202,771	2,114,013
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,796,908	1,551,448

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

RALITSA BOGOEVA
Executive Director

CHAVDAR ZLATEV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

	30.06.2021	31.12.2020
ASSETS		
Cash and balances with Central Banks	1,757,738	2,133,197
Investments in securities	1,624,219	1,292,641
Loans and advances to banks and other financial institutions	74,065	106,111
Loans and advances to customers	6,449,643	6,312,887
Property and equipment	75,451	77,026
Intangible assets	15,787	16,443
Derivatives held for risk management	3,877	5,110
Current tax assets	890	283
Reposessed assets	715,864	713,619
Investment Property	413,828	414,021
Right-of-use assets	157,407	154,080
Other assets	137,958	110,002
TOTAL ASSETS	11,426,727	11,335,420
LIABILITIES AND CAPITAL		
Due to banks	23,744	2,747
Due to other customers	9,550,012	9,542,276
Liabilities evidenced by paper	121,866	103,649
Subordinated term debt	9,622	9,623
Hybrid debt	271,279	267,579
Derivatives held for risk management	0	410
Deferred tax liabilities	24,061	21,644
Current tax liabilities	450	12
Lease liabilities	157,759	154,481
Other liabilities	20,042	16,579
TOTAL LIABILITIES	10,178,835	10,119,000
Issued share capital	149,085	149,085
Share premium	250,017	250,017
Statutory reserve	39,865	39,865
Revaluation reserve on investments in securities	15,807	18,434
Revaluation reserve on property	4,500	4,500
Reserve from translation of foreign operations	1,719	1,259
Other reserves and retained earnings	782,792	749,744
TOTAL SHAREHOLDERS' EQUITY	1,243,785	1,212,904
Non-controlling interest	4,107	3,516
TOTAL GROUP EQUITY	1,247,892	1,216,420
TOTAL LIABILITIES AND GROUP EQUITY	11,426,727	11,335,420

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

RALITSA BOGOEVA
Executive Director

CHAVDAR ZLATEV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Consolidated statement of profit or loss and of other comprehensive income for the six months ended 30 June 2021
 unaudited

in BGN '000

	Six months ended 30.06.2021	Six months ended 30.06.2020
Interest income	156,569	154,748
Interest expense	(27,647)	(32,373)
Net interest income	128,922	122,375
Fee and commission income	66,730	56,823
Fee and commission expense	(12,181)	(10,521)
Net fee and commission income	54,549	46,302
Net trading income	7,276	6,083
Other net operating income	5,546	4,905
TOTAL INCOME FROM BANKING OPERATIONS	196,293	179,665
Administrative expenses	(94,851)	(101,216)
Allowance for impairment	(53,884)	(36,161)
Other (expenses), net	(9,921)	(12,060)
PROFIT BEFORE TAX	37,637	30,228
Income tax expense	(3,998)	(3,616)
GROUP PROFIT AFTER TAX	33,639	26,612
Other comprehensive income for the period		
Items which should or may be reclassified as profit or loss		
Exchange rate differences from translation of foreign operations	460	(1,025)
Revaluation reserve on investments in securities	(2,627)	(3,088)
Total other comprehensive income	(2,167)	(4,113)
TOTAL COMPREHENSIVE INCOME	31,472	22,499
Net profit attributable to:		
Ordinary equity holders	33,048	26,205
Non-controlling interest	591	407
Total comprehensive income attributable to:		
Ordinary equity holders	30,881	22,092
Non-controlling interest	591	407
Basic and diluted earnings per share (BGN)	0.22	0.22

NIKOLA BAKALOV
 Chief Executive Officer

SVETOZAR POPOV
 Executive Director

CHAVDAR ZLATEV
 Executive Director

RALITSA BOGOEVA
 Executive Director

IANKO KARAKOLEV
 Chief Financial Officer

**ADDENDUM TO THE UNAUDITED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS OF FIRST INVESTMENT BANK AD
AT 30/06/2021**

NOTES

1 Basis of preparation

(a) Statute

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

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

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.

The consolidated financial statements of the Bank as at and for the six months ended 30 June 2021 comprise the Bank and its subsidiaries together referred to as the “Group”.

The Group has foreign operations in Cyprus (Cyprus Branch) and Albania (subsidiary).

(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 were drawn up in accordance with the principle of fair value of derivative financial instruments, financial assets reported at fair value in profit or loss, investment property, as well as the assets 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.

(d) New standards, amendments and interpretations effective as of 01 January 2021

There are no new standards, nor amendments to existing standards issued by the International Accounting Standards Boards effective for the current period that could have any significant impacts on the Bank’s accounting policies

2. Significant accounting policies

The accounting policy applied by the Group 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 2020 r.

(a) Income recognition

(i) Interest income and expense

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 Group 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 at the amortised cost of the financial asset.

(ii) Fees and Commissions

Fee and commission income arises on financial services provided by the Group 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 Group.

(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

(i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Negative goodwill arising on acquisition is re-assessed and any excess remaining after the reassessment is recognised in the income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(ii) Non-controlling interest

Non-controlling interest is measured at its proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss; they are recognised directly in equity.

(iii) Subsidiaries

Subsidiaries are those enterprises controlled by the Bank. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(v) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group income, expenses, balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Bulgarian leva, which is the Group'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 assets and liabilities of foreign operations are translated to Bulgarian leva at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Bulgarian leva at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income. The functional currency of the foreign operations in

Cyprus is determined by the management to be the Euro. The functional currency of the foreign operations in Albania is determined by the management to be the Albanian Lek.

(d) Financial assets

(i) Recognition

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group 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 Group 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 Group'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 Group'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 Group 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 Group 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 debt 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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Group 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 Group 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 Group 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 Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk, are 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. If the Group 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 Group 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 Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group 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 Group is recognised as a separate asset or liability.

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

The Group 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 Group 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 Group 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 Group holds for the purpose of profit taking by short-term sales or repurchase are classified as financial assets for trading. Investments in debt instruments held by the Group 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 Group 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 Group 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 of the investments are reported as liabilities to either banks or 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 Group 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 Group 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 Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk since the initial recognition of the financial asset. When there is a significant increase in credit risk since initial recognition, expected credit losses for the whole 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	10 - 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, which are acquired by the Group, 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 - 20
• 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 Group 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 Group agrees to pay, at a stipulated future date, a draft drawn on it for a specified amount. The Group's acceptances primarily arise from documentary credits stipulating payment for the goods to be made a certain number of days after receipt of required documents. The Group 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 Group enters into off-statement of financial position commitments such as guarantees and letters of credit. The Group 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 Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information on the valuations and the valuation uncertainty, for which there is a significant risk of change as of 30 June 2021 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:

- Notes 4, 15 - 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. The Management uses valuation techniques for the fair value of financial instruments (when there is no quoted price in an active market) and non-financial assets. In applying the valuation techniques, the Management uses to a maximum degree market data and assumptions which market participants would take into account in pricing an instrument. When there is no available market data, the Management uses its best judgement of the assumptions that market participants would make. These judgements may differ from the actual prices that may be determined in a fair market transaction between informed and willing parties at the end of the reporting period.
- Notes 10, 12, 14 – measuring the expected credit loss – credit losses constitute the difference between all contractual cash flows payable to the Group and all cash flows which the Group expects to receive. Expected credit loss is the probability-weighted estimate of credit losses which require the Group’s judgement. Expected credit loss is discounted with the initial effective interest rate (or with the loan-adjusted effective interest rate for purchased or initially created financial assets with credit impairment).
- Notes 12, 14 – debt instruments at amortised cost – the analysis and intentions of the Management are confirmed by the business model of holding debt instruments that meet the requirements for receiving only principal and interest payments and holding assets until collecting the contractual cash flows from the bonds which are classified as debt instruments at amortised cost.
- Note 23 – in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets and the internal rules for setting aside provisions for pending court cases the bank has recognised provisions for pending court cases. The Group is a defendant in pending cases and the outcome of those cases may lead to liabilities in an amount different from the amount of provisions recognized in the financial statement.

(i) *Assessment of repossessed assets from collaterals*

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

(ii) *Income taxes*

The Group 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 Group 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) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for the Bank’s ordinary shares. Basic EPS is calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) *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 Group'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 Group 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 Group 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 Group 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.

(u) Insurance Contracts

Classification of insurance contracts

Contracts in which the Group undertakes significant insurance risk of a third party (insured party) through compensation to the insured party or another beneficiary in case of a specific uncertain future event (insured event) which has a negative impact on the insured party or the beneficiary, are classified as insurance contracts.

Insurance risk is every risk, which is not financial risk. Financial risk is any risk related to probable future change in one or several of the following: interest, price of the security, market prices, currency prices, credit rating, credit index or other variable- if there are the non-financial variables, the variable is not specific for the counterparties. Insurance contracts may also transfer part of the financial risk.

Written premiums

Written premiums are recognized as income on the basis of the due premium from the insured individuals for the underwriting year, which begins during the financial year, or the due single

premium instalment for the total period of insurance coverage of the insurance contracts signed within the financial year. Gross written premiums are not recognized when future cash flows related to them are not guaranteed. Written premiums are presented gross of the due agents' commissions.

Reversed premiums

Reversed insurance premiums are insurance premiums for which there has been a violation of the General terms of the insurance contract or a change in the terms of the contract. Reversed premiums within the current year, related to policies written within the current year, decrease the Gross Written Premiums of the Group. Reversed premiums within the current year, related to policies written within the previous year, increase the Gross Written Premiums of the Group.

Unearned-premium reserve

The unearned premium reserve is formed to cover the claims and administrative expenses, which are expected to arise on the respective type of insurance contract after the end of the reporting period. The basis for calculation of the unearned premium reserve corresponds to the base for recognition of the Group's written premiums.

The amount of the reserve is calculated under the precise day method, under which the premium is multiplied with a coefficient for deferral. The coefficient for deferral is calculated as a ratio between the number of the days within the following reporting period during which the contract is valid to the total number of days during which the contract is valid.

Unexpired risk reserve

Unexpired risk reserve is formed to cover risks for the period between the end of reporting period and the date on which the insurance contract expires in order to cover the payments and expenses related to these risks which are expected to exceed the UPR formed.

Claims incurred

Claims incurred include claims paid and claims-handling expenses due within the financial year including the change in outstanding claims reserve.

Outstanding claims reserve

Outstanding claims reserve is calculated on the basis all claims from events incurred within the current and previous reporting periods, which have not been paid as of year-end. OCR also includes the total amount of incurred but not reported claims (IBNR), calculated as a percentage from the earned premiums for the financial year and the incurred claims.

Acquisition costs

Acquisition costs include accrued commission expense from agents and brokers.

(v) *Leases*

(i) *The Company as lessee*

For new contracts concluded on or after 1 January 2019 the Group assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an asset (the identified asset) for a period of time in exchange for consideration. In order to apply this definition, the Group assesses three key elements:

- Whether the contract refers to an identified asset which is either explicitly specified in a contract, or implicitly specified at the time that the asset is made available for use;
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, within the scope of its right of use defined in the contract;
- The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct how and for what purpose the asset will be used throughout the period of use.

Assessment and recognition of leases by the Group as lessee

On the commencement date of the lease contract the Group recognises the right-of-use asset and the lease liability in the statement of financial position. The right-of-use asset is assessed at cost which comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset at the end of the lease contract, and any lease payments made at or before the commencement date (less any lease incentives received).

The Bank depreciates the right-of-use asset using the linear method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also reviews the right-of-use assets for impairment, where such indicators exist.

On the commencement date of the lease contract the Group measures the lease liability at the present value of the remaining lease payments at that date, discounted using the borrowing rate stipulated in the lease contract, if that rate can be readily determined, or the company's incremental borrowing rate.

In order to determine the incremental borrowing rate, the Group uses an interest rate consisting of the risk-free interest rate and a surcharge reflecting the credit risk related to the Bank and additionally adjusted for the specific conditions of the lease contract, including term, country, currency, and collateral.

Lease payments included in measuring the lease liability comprise fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option.

After the commencement date, the lease liability shall be decreased with the amount of payments made and shall be increased with the amount of the interest. The lease liability is remeasured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured, the amount of the remeasurement is recognised in the right-of-use asset or in profit or loss, if the carrying amount of the right-of-use asset is already reduced to zero.

The Group has chosen to report short-term leases and leases of low-value assets by using practical expedients envisaged in the standard. Instead of recognising right-of-use assets and lease liabilities, the Bank recognizes the payments related to them as an expense in profit or loss using the linear method during the lease term.

In the statement of financial position, right-of-use assets are presented on a separate row "Right-of-use assets", and the liabilities under lease contracts are also presented on a separate row - "Lease liabilities".

Extension options or termination options are included in a number of the Group's property rentals. They are used to increase the operative flexibility in the management of assets used in its operations.

(ii) The company as lessor

As lessor, the Group classifies each of its lease contracts as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

3. Segment Reporting

Segment information is presented in respect of the Group'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 Group operates principally in Bulgaria, but also has operations in Cyprus and Albania.

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

<i>in BGN '000</i>	Bulgarian operations		Foreign operations		Total	
	Six months ended 30/06/2021	Six months ended 30/06/2020	Six months ended 30/06/2021	Six months ended 30/06/2020	Six months ended 30/06/2021	Six months ended 30/06/2020
Interest income	145,058	144,692	11,511	10,056	156,569	154,748
Interest expense	(24,689)	(30,137)	(2,958)	(2,236)	(27,647)	(32,373)
Net interest income	120,369	114,555	8,553	7,820	128,922	122,375
Fee and commission income	60,718	52,524	6,012	4,299	66,730	56,823
Fee and commission expense	(11,686)	(10,088)	(495)	(433)	(12,181)	(10,521)
Net fee and commission income	49,032	42,436	5,517	3,866	54,549	46,302
Net trading income	6,307	4,934	969	1,149	7,276	6,083
Administrative expenses	(88,490)	(94,986)	(6,361)	(6,230)	(94,851)	(101,216)
Assets	10,776,063	10,780,146	650,664	555,274	11,426,727	11,335,420
Liabilities	9,177,076	9,268,356	1,001,759	850,644	10,178,835	10,119,000

The table below shows assets and liabilities and income and expense by business segments as at 30 June 2021.

Business	Assets	Liabilities	Net interest income	Net fee and commission income	Net trading income	Other net operating income
Corporate Banking	3,155,892	985,165	41,371	13,573	-	58
Small and medium enterprises	1,003,540	630,586	19,836	9,455	-	-
Retail Banking	2,290,211	7,934,261	73,547	30,822	-	1,427
Treasury	3,459,899	115,809	(347)	308	7,276	827
Other	1,517,185	513,014	(5,485)	391	-	3,234
Total	11,426,727	10,178,835	128,922	54,549	7,276	5,546

4. Financial assets and liabilities

Accounting classification and fair values

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

The Group 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 Group 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 Group 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 Group 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 Group 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;
- a review and approval process for new models and changes to models involving the Risk Analysis and Control Division and 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 Analysis and Control division assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

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

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

in thousands of BGN

30 June 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	7,487	265,915	14	273,416
Financial assets at fair value through other comprehensive income	813,019	227,432	-	1,040,451
Derivatives held for risk management	776	3,101	-	3,877
Total	821,282	496,448	14	1,317,744

in thousands of BGN

31 December 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	7,358	259,557	14	266,929
Financial assets at fair value through other comprehensive income	649,016	176,376	490	825,882
Derivatives held for risk management	724	3,976	-	4,700
Total	657,098	439,909	504	1,097,511

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

in thousands of BGN

30 June 2021	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,757,738	-	1,757,738	1,757,738
Financial assets at amortised cost	313,686	-	-	313,686	310,352
Loans and advances to banks and other financial institutions	-	74,065	-	74,065	74,065
Loans and advances to customers	-	1,015,405	5,559,030	6,574,435	6,449,643
Total	313,686	2,847,208	5,559,030	8,719,924	8,591,798
Liabilities					
Due to banks	-	23,744	-	23,744	23,744
Due to other customers	-	5,191,573	4,362,878	9,554,451	9,550,012
Liabilities evidenced by paper	-	121,842	-	121,842	121,866
Subordinated term debt	-	9,622	-	9,622	9,622
Hybrid debt	-	271,279	-	271,279	271,279
Total	-	5,618,060	4,362,878	9,980,938	9,976,523

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	-	2,133,197	-	2,133,197	2,133,197
Financial assets at amortised cost	207,740	-	-	207,740	199,830
Loans and advances to banks and other financial institutions	-	106,111	-	106,111	106,111
Loans and advances to customers	-	1,069,929	5,374,522	6,444,451	6,312,887
Total	207,740	3,309,237	5,374,522	8,891,499	8,752,025
Liabilities					
Due to banks	-	2,747	-	2,747	2,747
Due to other customers	-	5,148,701	4,401,305	9,550,006	9,542,276
Liabilities evidenced by paper	-	103,662	-	103,662	103,649
Subordinated term debt	-	9,623	-	9,623	9,623
Hybrid debt	-	267,579	-	267,579	267,579
Total	-	5,532,312	4,401,305	9,933,617	9,925,874

5 Net interest income

in thousands of BGN

	Six months ended 30/06/2021	Six months ended 30/06/2020
Interest income		
Accounts with and placements to banks and financial institutions	155	428
Large enterprise	44,110	42,165
Medium enterprise	16,629	18,186
Small business	10,781	10,267
Micro enterprise	7,494	7,714
Households	66,102	64,030
Debt instruments	11,298	11,958
	156,569	154,748
Interest expense		
Deposits from banks	(12)	(3)
Deposits from other customers	(8,958)	(15,558)
Liabilities evidenced by paper	(317)	(333)
Subordinated term debt	(186)	(94)
Hybrid debt	(13,675)	(13,695)
Interest on assets cost	(4,306)	(2,478)
Lease agreements and other	(193)	(212)
	(27,647)	(32,373)
Net interest income	128,922	122,375

6 Net fee and commission income

in thousands of BGN

	Six months ended 30/06/2021	Six months ended 30/06/2020
Fee and commission income		
Letters of credit and guarantees	2,138	1,249
Payments transactions	11,134	9,148
Customer accounts	17,469	16,893
Card services	17,831	15,260
Other	18,158	14,273
	66,730	56,823
Fee and commission expense		
Letters of credit and guarantees	(358)	(332)
Payment systems	(1,283)	(1,015)
Card services	(7,950)	(7,381)
Other	(2,590)	(1,793)
	(12,181)	(10,521)
Net fee and commission income	54,549	46,302

7 Net trading income

in thousands of BGN

	Six months ended 30/06/2021	Six months ended 30/06/2020
Net trading income arises from:		
- Debt instruments	(37)	(98)
- Equities	212	(77)
- Foreign exchange rate fluctuations	7,101	6,258
Net trading income	7,276	6,083

8 Other net operating income

<i>in thousands of BGN</i>	Six months ended 30/06/2021	Six months ended 30/06/2020
Other net operating income arising from:		
- Net income from transactions and revaluation of gold and precious metals	474	243
- Rental income	2,760	2,759
- Debt instruments	827	1,865
- Equities	-	-
- Income from management of assigned receivables	1,439	-
- Gain on administration of loans acquired through business combination	46	38
Other net operating income	5,546	4,905

9 Administrative expenses

<i>in thousands of BGN</i>	Six months ended 30/06/2021	Six months ended 30/06/2020
General and administrative expenses comprise:		
- Personnel cost	35,940	35,625
Amortization of property, equipment and tangible fixed assets	6,107	6,759
Amortisation of right-of-use assets	17,565	17,231
- Advertising	4,135	5,585
-Telecommunication, software and other computer maintenance	6,396	6,300
- Other expenses for external services	24,708	29,716
Administrative expenses	94,851	101,216

10 Allowance for impairment

<i>in thousands of BGN</i>	Six months ended 30/06/2021	Six months ended 30/06/2020
Write-downs		
<i>Loans and advances to customers</i>	(94,295)	(59,688)
<i>Securities at fair value through other comprehensive income</i>	(136)	(93)
<i>Off balance sheet commitments</i>	(320)	(333)
Reversal of write-downs		
<i>Loans and advances to customers</i>	40,665	23,680
<i>Securities at fair value through other comprehensive income</i>	28	42
<i>Off balance sheet commitments</i>	174	231
Impairment cost, net	(53,884)	(36,161)

10a. Other income/(expenses), net

<i>in thousands of BGN</i>	Six months ended 30/06/2021	Six months ended 30/06/2020
Profit/(loss) from the sale and write-off of assets acquired as collateral	(231)	1,409
Revaluation of investment property	-	2,312
Profit/(loss) from sale of investment property	123	(381)
Dividend income	350	100
Net earned insurance premiums	3,606	3,207
(Cost) of guarantee schemes	(12,453)	(17,260)
Claims incurred	(1,394)	(1,598)
Other income/(expenses), net	78	151
Total	(9,921)	(12,060)

10b. Earnings per share

	Six months ended 30/06/2021	Six months ended 30/06/2020
Net profit attributable to shareholders (in thousands of BGN)	33,048	26,205
Weighted average number of ordinary shares (in 000's)	149,085	110,000
Earnings per share (BGN)	0.22	0.22

The basic earnings per share, calculated in accordance with IAS 33, are based on the profit attributable to ordinary equity holders of the Bank. In 2021 as in the previous year, no conversion or option rights were outstanding. The diluted earnings per share, therefore, correspond to the basic earnings per share.

11 Cash and balances with Central Banks

<i>in thousands of BGN</i>	30.06.2021	31.12.2020
Cash on hand		
- in BGN	153,150	135,251
- in foreign currency	54,827	53,845
Balances with Central Banks	1,238,104	1,655,521
Current accounts and amounts with local banks	2,919	-
Current accounts and amounts with foreign banks	308,738	288,580
Total	1,757,738	2,133,197

12 Investments in securities

<i>In thousands of BGN</i>	30.06.2021	31.12.2020
Bonds and notes issued by:		
Bulgarian Government		
- denominated in Bulgarian Leva	318,694	260,139
- denominated in foreign currencies	190,023	182,390
Foreign governments	713,649	561,735
Corporates	251,231	236,974
Foreign banks	122,523	24,011
Other issuers – equity instruments	28,099	27,392
Total	1,624,219	1,292,641
Of which financial assets:		
at fair value through other comprehensive income	1,040,451	825,882
at amortised cost	310,352	199,830
at fair value through profit or loss	273,416	266,929
Total	1,624,219	1,292,641

13 Loans and advances to banks and other financial institutions

(a) Analysis by type

<i>in thousands of BGN</i>	30.06.2021	31.12.2020
Placements with banks	36,525	34,094
Receivables under resale agreements	-	-
Other	37,540	72,017
Total	74,065	106,111

(b) Geographical analysis

<i>in thousands of BGN</i>	30.06.2021	31.12.2020
Domestic banks and financial institutions	18,802	39,596
Foreign banks and other financial institutions	55,263	66,515
Total	74,065	106,111

14 Loans and advances to customers

<i>in thousands of BGN</i>	30/06/2021		
	Gross value	Allowance for impairment	Amortised cost
Large enterprise	2,609,167	(229,078)	2,380,089
Medium enterprise	1,056,010	(97,453)	958,557
Small business	568,733	(45,862)	522,871
Micro enterprise	379,312	(8,437)	370,875
Households			
- Consumer loans	1,057,309	(55,027)	1,002,282
- Mortgage loans	1,075,921	(16,864)	1,059,057
- Credit cards	171,007	(19,175)	151,832
- Other programmes and collateralised financing	4,080	-	4,080
Total	6,921,539	(471,896)	6,449,643

in thousands of BGN

			31/12/2020
	Gross value	Allowance for impairment	Amortised cost
Large enterprise	2,610,673	(215,481)	2,395,192
Medium enterprise	1,144,173	(141,592)	1,002,581
Small business	564,876	(44,851)	520,025
Micro enterprise	350,200	(11,340)	338,860
Households			
- Consumer loans	972,496	(67,693)	904,803
- Mortgage loans	1,009,903	(17,395)	992,508
- Credit cards	179,780	(25,960)	153,820
- Other programmes and collateralised financing	5,098	-	5,098
Total	6,837,199	(524,312)	6,312,887

(a) Movement in impairment allowances

in BGN '000

Balance as at 01 January 2021	524,312
Additional allowances	94,295
Amounts released	(40,665)
Write - offs	(106,788)
Other	742
Balance at 30 June 2021	471,896

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

	30/06/2021		31/12/2020	
	Gross amount of loans and advances to customers	Allowance for impairment	Gross amount of loans and advances to customers	Allowance for impairment
<i>in thousands of BGN</i>				
Exposures without increase of credit risk after the initial recognition (phase 1)	4,601,435	17,778	4,299,116	14,739
Exposures with significant increase of credit risk after the initial recognition (phase 2)	919,427	68,846	1,021,469	62,888
Non-performing (impaired) exposures (phase 3)	1,400,677	385,272	1,516,614	446,685
Total	6,921,539	471,896	6,837,199	524,312

30 June 2021

	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
Class of exposure			
Performing			
Collectively impaired	5,520,862	(86,624)	5,434,238
Non-performing			
Collectively impaired	235,731	(85,374)	150,357
Individually impaired	1,164,946	(299,898)	865,048
Total	6,921,539	(471.896)	6,449,643

31 December 2020

	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
Class of exposure			
Performing			
Collectively impaired	5,320,585	(77,627)	5,242,958
Non-performing			
Collectively impaired	252,313	(108,415)	143,898
Individually impaired	1,264,301	(338,270)	926,031
Total	6,837,199	(524,312)	6,312,887

As at 30 June 2021 the gross amount of overdue advances to customers measured as 90+ days exposures is BGN 795,130 thousand (31 December 2020: BGN 799,167 thousand).

15 Property and equipment

	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Construction	Leasehold Improvements	Total
<i>in thousands of BGN</i>						
Cost						
At 01 January 2021	22,208	145,971	6,971	17,626	66,571	259,347
Additions	-	142	-	3,545	67	3,754
Exchange rate differences	-	57	3	1	19	80
Write - offs	-	(6,989)	-	-	(3,686)	(10,675)
Transfers	-	3,007	-	(3,684)	73	(604)
At 30 June 2021	22,208	142,188	6,974	17,488	63,044	251,902
Amortisation						
At 01 January 2021	6,085	126,079	6,654	-	43,503	182,321
Exchange rate differences	-	40	2	-	14	56
Charge for the period	404	3,047	74	-	1,217	4,742
For write offs	-	(6,987)	-	-	(3,681)	(10,668)
At 30 June 2021	6,489	122,179	6,730	-	41,053	176,451
Carrying amount						
At 01 January 2021	16,123	19,892	317	17,626	23,068	77,026
At 30 June 2021	15,719	20,009	244	17,488	21,991	75,451

16 Intangible assets

	Software and licences	Goodwill	Total
<i>in thousands of BGN</i>			
Cost			
At 01 January 2021	48,552	540	49,092
Additions	96	-	96
Exchange rates and other adjustments	20	-	20
Write - offs	-	-	-
Transfers	604	-	604
At 30 June 2021	49,272	540	49,812
Amortisation			
At 01 January 2021	32,649	-	32,649
Exchange rates and other adjustments	11	-	11
Charge for the period	1,365	-	1,365
For write offs	-	-	-
At 30 June 2021	34,025	-	34,025
Carrying amount			
At 01 January 2021	15,903	540	16,443
At 30 June 2021	15,247	540	15,787

17a. Repossessed assets

<i>in thousands of BGN</i>	30.06.2021	31.12.2020
Land	476,009	473,315
Buildings	205,274	205,905
Machines, plant and vehicles	33,782	33,594
Fixtures and fittings	799	805
Total	715,864	713,619

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.

17b. Investment Property

<i>in thousands of BGN</i>	
Balance as at 01 January 2021	414,021
Incomings during the period	12
Repossessed assets acquired as collateral	-
Revaluation of investment property to the fair value recognised at transfer	-
Write-offs upon sale	(205)
Balance as at 30 June 2021	413,828

18 Other assets

in thousands of BGN

	30.06.2021	31.12.2020
Deferred expense	24,698	11,474
Gold	2,678	2,661
Investments in non-consolidated subsidiaries	9,248	9,247
Other assets	101,334	86,620
Total	137,958	110,002

19 Due to banks

in thousands of BGN

	30.06.2021	31.12.2020
Term deposits	21,687	-
Payable on demand	2,057	2,747
Total	23,744	2,747

20 Due to other customers

in thousands of BGN

	30.06.2021	31.12.2020
Retail customers		
- current accounts	2,221,239	1,967,574
- term and savings deposits	5,150,648	5,288,201
Businesses and public institutions		
- current accounts	1,664,504	1,757,737
- term deposits	513,621	528,764
Total	9,550,012	9,542,276

21 Liabilities evidenced by paper

in thousands of BGN

	30.06.2021	31.12.2020
Acceptances under letters of credit	5,082	6,776
Liabilities under repurchase agreements	18,753	-
Debt related to agreements for full swap of profitability	73,312	73,240
Financing from financial institutions	24,719	23,633
Total	121,866	103,649

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 30 June 2021
European Investment Fund – JEREMIE 2	0 % - 1.09%	30/09/2025	3,546
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	15,831
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	5,342
Total			24,719

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

22 Hybrid and subordinated debt

<i>in thousands of BGN</i>	Principal amount	Amortised cost as at 30 June 2021
Hybrid debt with principal EUR 40 mio	78,233	79,882
Hybrid debt with principal EUR 60 mio	117,350	130,240
Hybrid debt with principal EUR 30 mio	58,675	61,157
Total	254,258	271,279

<i>in thousands of BGN</i>	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

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

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

On 6 February 2020, by Resolution No 38/6 February 2020, the Governing Council of the Bulgarian National Bank granted permission to First Investment Bank to include in its additional tier 1 capital the amount of EUR 30,000 thousand (equivalent to BGN 58,675 thousand) attracted via the capital instrument issued by the Bank, an issue of perpetual, non-cumulative, non-convertible bonds registered on 20 December 2019 with the Central Depository under ISIN code BG2100023196.

On 25 April 2019, the Group (through its subsidiary bank in Albania) issued subordinated term debt. The maturity date of the subordinated term debt is 25 April 2026, and it is denominated in Euro with total amount of EUR 2,000 thousand. The subordinated term debt instrument fully complies with the requirements of Regulation 575/2013 for inclusion in the tier 2 capital.

On 18 June 2020, the Group (through its subsidiary bank in Albania) issued subordinated term debt. The maturity date of the subordinated term debt is 18 June 2027, and it is denominated in Euro with total amount of EUR 2,900 thousand. The subordinated term debt instrument fully complies with the requirements of Regulation 575/2013 for inclusion in the tier 2 capital.

<i>in thousands of BGN</i>	Amortised cost as at 30 June 2021	Amortised cost as at 31 December 2020
Subordinated term debt with principal EUR 2 mio	3,943	3,943
Subordinated term debt with principal EUR 2.9 mio	5,679	5,680
Total	9,622	9,623

23 Other liabilities

<i>in thousands of BGN</i>	30.06.2021	31.12.2020
Liabilities to personnel	1,497	1,878
Insurance contract provisions	5,182	4,711
Provisions for pending court cases	1,031	1,031
Impairment on off balance sheet commitments	989	843
Other payables	11,343	8,116
Total	20,042	16,579

24 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 30/06/2021 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	11.06
Total	149,084,800	100.0

In 2021, as in the previous year, the Bank did not distribute dividends.

25 Commitments and contingent liabilities

Contingent liabilities

in thousands of BGN

	30.06.2021	31.12.2020
Bank guarantees	178,983	181,347
Unused credit lines	611,764	588,900
Letters of credit	18,761	25,430
Total	809,508	795,677
Impairment on off balance sheet commitments	989	843

26 Related party transactions

Type of related party	Parties that control or manage the Bank		Enterprises under common control	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
<i>in thousands of BGN</i>				
Loans	1,509	1,769	70,805	70,992
Deposits and loans received:	17,910	13,275	9,312	15,194
Deposits placed	-	-	13,715	2,955
Other receivables	-	-	16,134	17,565
Off-balance sheet commitments	1,009	1,031	730	703

First Investment Bank announces that as at 30/06/2021:

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. No capital instruments were repaid or repurchased. Equity instruments have been issued as disclosed in Note 24.
4. No dividends were accrued or paid.

(signed)
Nikola Bakalov
Chief Executive Officer

(signed)
Svetozar Popov
Executive Director

(signed)
Chavdar Zlatev
Executive Director

(signed)
Ralitsa Bogoeva
Executive Director

(signed)
Ianko Karakolev
Chief Financial Officer

**INTERIM REPORT
ON THE ACTIVITY OF FIRST INVESTMENT BANK AD
as at 30 June 2021**

(consolidated)

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 second quarter of 2021 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 2021:

1. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2020 were published on 01 February 2021;
2. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2020 were published on 01 March 2021;
3. Annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2020 were published on 06 April 2021;
4. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 December 2020 were published on 27 April 2020;
5. First Investment Bank's Priorities for Development for the 2021-2023 were published on 28 April 2021;
6. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2021 were published on 29 April 2021;
7. Notice and materials for the General Meeting of Shareholders of First Investment Bank AD were published on 20 May 2021;
8. First Investment Bank's Ratings from Fitch Ratings were published on 26 May 2021;
9. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2021 were published on 28 May 2021;
10. Information on the results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 23 June 2021 was published on that same day;
11. The minutes of the regular annual General Meeting of Shareholders of First Investment Bank AD held on 23 June 2021 were published on 25 June 2021;
12. On 30 June 2021 First Investment Bank AD disclosed information pursuant to Regulation (EU) No. 575/2013.

Review of the activities of First Investment Bank AD as at 30 June 2021 on consolidated (unaudited) basis

- *Balance sheet as at 30 June 2021.*

The balance sheet assets of the Group as at 30.06.2021 reached BGN 11,427 million, showing an increase by BGN 91 million against the end of 2020. In terms of assets First Investment Bank AD retains its place among the leading banks in the Bulgarian banking system. As at 30.06.2021 the deposits from other customers amounted to BGN 9,550 million, with net increase of BGN 8 million for the period; as regards this indicator the Group also retains its position as one of the leading banks in Bulgaria. As at the end of June 2021 the accounting equity amounted to BGN 1,248 million net, which means growth by BGN 31 million for the period, mostly due to the profit generated. Receivables from clients at 30 June 2021 amounted to BGN 6,450 million book value, an increase against 2020 by BGN 137 million.

- *Consolidated profit as at 30 June 2021*

Despite the Covid-19 pandemic which started at the beginning of 2020 and led to a drop in financial activities globally, the Group has improved its key financial indicators, and reports an increase of BGN 7.027 thousand of the net profit for H1 2021 compared to the same period of 2020, reaching BGN 33.639 thousand. To a great extent this is due to the higher income from banking operations, but also to the significant decrease of administrative expenses.

The profit before tax for H1 2021 was BGN 37.637 thousand, the profit before provisions and impairment amounted to BGN 91.521 thousand.

The total revenue from banking operations for the first six months of 2021 amounted to BGN 196.293 thousand (H1 2020: BGN 179.665 thousand). The net interest income for the period January-June amounted to BGN 128,922 thousand, marking an increase by BGN 6,547 thousand compared the same period of last year. The main reason for this is the decrease in interest rates on attracted funds leading to lower interest expense. In H1 2021 the net fee and commission income amounted to BGN 54,549 thousand, BGN 8,247 thousand higher than H1 2020. A significant decrease in general administrative expenses has been achieved – in H1 2021 they amounted to BGN 99,851 thousand, i.e. BGN 6,365 thousand lower than the same period of 2020, a decrease by 6,3%.

Capital resources

The capital adequacy ratio of First Investment Bank AD as at 30 June 2021 reached 21.44 %. The Tier 1 capital ratio was also 21.31%, while CET1 ratio was 17.87 %. The own funds amounted to BGN 1,585 million. In March 2020, after preliminary permission from BNB, First Investment Bank 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 30 June 2021 the Bank was in compliance with and above the regulatory capital requirements.

- *Liquidity*

The liquidity coverage ratio of First Investment Bank AD as at 30 June 2021 reached 266.25% and the net stable funding ratio was 140.31 %, showing a stable liquidity position.

**INFORMATION AS AT 30 June 2021
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

There are no new standards, nor amendments to existing standards issued by the International Accounting Standards Boards effective for the current period that could have any significant impacts on 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 30 June 2021:

- *Mr Ianko Karakolev was appointed as member of the Managing Board of FIBank Albania for a 4-year term in office;*
- *Ms. Mariana Sadjaklieva's term in office as member of the Board of Directors of Balkan Financial Services EAD was prolonged for another 5-year period;*
- *The terms in office of Mr Evgeni Lukanov and Mr Nikola Bakalov as members of the Board of Directors of Fi Health Insurance were prolonged for another 5-year period;*
- *By resolution of the regular general meeting of the partners in Realtor OOD, UIN 200990052 of 14.06.2021:*
 - ✓ *the operations of "Realtor" OOD were terminated and the company was declared in liquidation with a procedure under Article 266 and subsequent of the Commerce Act;*
 - ✓ *The Company is to be liquidated within the legally stipulated minimum timeframe of 6 (six) months of the date of publication of the notice to creditors in the Commercial Register and Register of Non-Profit Legal Entities with the Registration Agency;*
 - ✓ *Mr Iordan Dimitrov Petrov, former manager of the company, was appointed as liquidator.*

- *By decision of the sole shareholder of 17.06.2021, it was decided to increase the capital of Myfin EOOD from BGN 1 million to BGN 2 million, by an instalment in the amount of BGN 1 000 000 (one million); upon the increase a change in the company's By-Laws is to be made.*

b) 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.

c) 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:

Based on these interim quarterly reports the management considers that the possibilities for achieving the forecasts regarding key ratios, as stated in the “Priorities for Development 2021-2023” remain.

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

	<i>at 31 March 2021</i>		<i>at 30 June 2021</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 31 March 2021</i>		<i>at 30 June 2021</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	21 323	0,01	27 173	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 31 March 2021</i>		<i>at 30 June 2021</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 30 June 2021 no events have occurred beyond the ordinary activity of the Bank.

Appendix 2

**INFORMATION AS AT 30 June 2021
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 30.06.2021, 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 MB

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Chavdar Zlatev
Executive Director
Member of MB

(signed)
Ralitsa Bogoeva
Executive Director
Member of MB

(signed)
Ianko Karakolev
Chief Financial Officer
MB Member

DECLARATION

under Art. 100o, para. 4(3) with relation to Art. 100o, para. 5 of the Public Offering of Securities Act (POSA) and Art. 33, para. 1(4) with relation to Art. 33a 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, Svetozar Popov, Chavdar Zlatev and Ralitsa Bogoeva, Executive Directors and members of the Managing Board of First Investment Bank AD, and Ianko Karakolev, Chief Financial Officer and member of the Managing Board of First Investment Bank AD, hereby declare that to the best of our knowledge:

- the financial statements (consolidated) of First Investment Bank AD as at 30 June 2021, 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 30 June 2021 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 MB

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Chavdar Zlatev
Executive Director
Member of MB

(signed)
Ralitsa Bogoeva
Executive Director
Member of MB

(signed)
Ianko Karakolev
Chief Financial Officer
Member of MB

27 August 2021

Bank	FINV9150	First Investment Bank AD
Reporting date	30.6.2021	
Basis for application	consolidated	
Accounting standard	IFRS	

Reporting currency in BGN '000

1. Balance sheet [statement of financial position]

c0010

1.1 Assets

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V
				0010
0010	Cash and cash balances with central banks and other deposits payable on demand	Para. 54 (i) of IAS 1		1 780 800
0020	Cash	part 2, paragraph 1 of Appendix V		207 975
0030	Cash balances with central banks	part 2, paragraph 2 of Appendix V		1 238 105
0040	Other deposits payable on demand	part 2, paragraph 3 of Appendix V	5	334 720
0050	Financial assets held for trading	Supplement A to IFRS 9		4 524
0060	Derivatives	Supplement A to IFRS 9	10	0
0070	Equity	Para. 11 of IAS 32	4	4 509
0080	Debt securities	part 1, paragraph 31 of Appendix V	4	15
0090	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0096	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	265 925
0097	Equity	Para. 11 of IAS 32	4	23 590
0098	Debt securities	part 1, paragraph 31 of Appendix V	4	242 335
0099	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0100	Financial assets at fair value through profit or loss	Para. 8 (a)(i) of IFRS 7; IFRS 9.4.1.5	4	0
0120	Debt securities	part 1, paragraph 31 of Appendix V	4	0
0130	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0141	Financial assets at fair value through other comprehensive income	Para. 8 (h) of IFRS 7; IFRS 9.4.1.2A	4	1 040 451
0142	Equity	Para. 11 of IAS 32	4	0
0143	Debt securities	part 1, paragraph 31 of Appendix V	4	1 040 451
0144	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0181	Financial assets at amortised cost	Para. 8 (f) of IFRS 7; IFRS 9.4.1.2	4	6 802 121
0182	Debt securities	part 1, paragraph 31 of Appendix V	4	310 352
0183	Loans and advances	part 1, paragraph 32 of Appendix V	4	6 491 769
0240	Derivatives - hedge accounting	IFRS 9.6.2.1, part 1, paragraph 22 of Appendix V	11	0
0250	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
0260	Investments in a subsidiary, jointly-controlled entity or associate	Para. 54 (e) of IAS 1; para. 1, paragraph 21 and part 2, paragraph 4 of Appendix V	40	12 064
0270	Tangible assets			489 273
0280	Property, Plant and Equipment	Para. 6 of IAS 16; Para. 54 (a) of IAS 1; Para. 47 (a) of IFRS 16	21, 42	75 445
0290	Investment Property	Para. 5 of IAS 40; Para. 54 (b) of IAS 1; Para. 48 of IFRS 16	21, 42	413 828
0300	Intangible assets	Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575		15 348
0310	Goodwill	Para. B67, (d) of IFRS 3; Art. 4, Para. 1, item 113 of Reg 575		107
0320	Other intangible assets	Para. 8 and Para. 118 of IAS 38; Para. 47 (a) of IFRS 16	21, 42	15 241
0330	Tax assets	Para. 54 (n) and-(o) of IAS 1		890
0340	Current tax assets	Para. 54(n) of IAS 1; Para. 5 of IAS 12		890
0350	Deferred tax assets	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 106 of Reg 575		0
0360	Other assets	part 2, paragraph 5 of Appendix V		1 005 417
0370	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
0380	TOTAL ASSETS	Para. 9, (a), IN 6 of IAS 1		11 416 813

Reporting date 30.6.2021

Basis for application consolidated

Accounting standard IFRS

Reporting currency BGN

'000

1. Balance sheet [statement of financial position]

c0010

1.2 Liabilities

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V
				0010
0010	Financial liabilities held for trading	Para. 8, (e)(ii) of IFRS 7; BA Para. 6 of IFRS 9	8	0
0020	Derivatives	supplement A to IFRS 9, IFRS 9.4.2.1(a), BA, paragraph 7(a) of IFRS 9	10	0
0030	Short positions	BA, Paragraph 7(b) of IFRS 9	8	0
0040	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, para. 36 of Appendix V	8	0
0050	Issued debt securities	part 1, paragraph 37 of Appendix V	8	0
0060	Other financial liabilities	part 1, paragraphs 38 -41 of Appendix V	8	0
0070	Financial liabilities at fair value through profit or loss	Para. 8 (e)(i) of IFRS 7; IFRS 9.4.2.2	8	0
0080	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, para. 36 of Appendix V	8	0
0090	Issued debt securities	part 1, paragraph 37 of Appendix V	8	0
0100	Other financial liabilities	part 1, paragraphs 38 -41 of Appendix V	8	0
0110	Financial Liabilities at amortised cost	Para. 8 (g) of IFRS 7; IFRS 9.4.2.1	8	9 979 351
0120	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, para. 36 of Appendix V	8	9 668 649
0130	Issued debt securities	part 1, paragraph 37 of Appendix V	8	280 901
0140	Other financial liabilities	part 1, paragraphs 38 -41 of Appendix V	8	29 801
0150	Derivatives - hedge accounting	IFRS 9.6.2.1, part 1, paragraph 26 of Appendix V	11	0
0160	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
0170	Provisions	Para. 10 of IAS 37; Para. 54 (l) of IAS 1	43	2 020
0180	Pensions and other obligations to pay defined post-employment benefits	Para. 63 of IFRS 19; Para. 78(d) of IAS 1; part 2, para. 9 of Appendix V	43	0
0190	Other long-term employee benefits	Para. 153 of IFRS 19; Para. 78(d) of IAS 1; part 2, para. 10 of Appendix V	43	0
0200	Restructuring	Para. 71 and Para 84 (a) of IAS 37	43	0
0210	Pending legal matters and tax-related court cases	IAS 37, addendum B, examples 6 and 10	43	1 031
0220	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	989
0230	Other provisions	Para. 14 of IAS 37	43	0
0240	Tax liabilities	Para. 54 (n) and-(o) of IAS 1		24 511
0250	Current tax liabilities	Para. 54(n) of IAS 1; Para. 5 of IAS 12		450
0260	Deferred tax liabilities	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575		24 061
0270	Share capital payable upon request	IAS 32, Illustrative example 33; IFRIC 2; part 2, paragraph 12 of Appendix V		0
0280	Other liabilities	part 2, paragraph 13 of Appendix V		170 022
0290	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
0300	TOTAL LIABILITIES	Para. 9, (b), IN 6 of IAS 1		10 175 904

Reporting date 30.6.2021

Basis for application consolidated

Accounting standard IFRS

Reporting currency BGN

'000

1. Balance sheet [statement of financial position]

c0010

1.3 Total own funds

		References	Breakdown in table	Carrying amount
				0010
0010	Equity			149 085
0020	Paid up share capital	Para. 54(s) of IAS 1; Para. 22 of DOB	46	149 085
0030	Not fully paid-up capital	Para. 78 (e) of IAS 1		0
0040	Premium reserves	part 2, paragraph 14 of Appendix V		
0050	Issued capital instruments other than share capital	Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575	46	250 017
0060	Component of the share capital in compound financial instruments	part 2, paragraphs 18 -19 of Appendix V	46	0
0070	Other issued equity instruments	Paras. 28 -29 of IAS 32; part 2, para 18 of Appendix V		0
0080	Other own funds	part 2, paragraph 19 of Appendix V		
0090	Accumulated other comprehensive income	Para. 10 of IFRS 2, part 2, para 20 of Appendix V		0
0095	Items which cannot be reclassified as profit or loss	Art. 4, para. 1, item 100 of Reg 575	46	22 026
0100	Tangible assets	Para. 89A (a) of IAS 1		4 500
0110	Intangible assets	Paras. 39-41 of IAS 16		0
0120	Actuarial gains or (-) losses on defined benefit plans	Paras. 85-87 of IAS 38		4 500
0122	Non-current assets and disposal groups classified as held for sale	Para. 7, NI 6 of IAS 1; Para. 120(c) of IAS 19		0
0124	Share of the other comprehensive income of subsidiaries, associates and joint ventures	Para. 38, IN example 12 of IFRS 5		0
0320	Changes in fair value of capital instruments at fair value in other comprehensive income	NI 6 of IAS 1, paragraph 10 of IAS 28		0
0330	Inefficiency of hedging in fair value hedging of capital instruments at fair value in other comprehensive income	Para. 7 (d) of IAS 1; 5.7.5 and B5.7.1 of IFRS 9; part 2, paragraph 21 of Appendix V		0
0340	Changes in fair value of capital instruments at fair value in other comprehensive income [hedged position]	Para. 7 (d) of IFRS 1; IFRS 9.5.7.5 and 6.5.3; paragraph 24C of IFRS 7, part 2, paragraph 22 of Appendix V		0
0350	Changes in fair value of capital instruments at fair value in other comprehensive income [hedging instrument]	IFRS 9 5.7.5 and 6.5.8(b); part 2, paragraph 22 of Appendix V		0
0360	Changes in fair value of financial liabilities at fair value in profit or loss due to changes in credit risk	Para. 7, (e) of IFRS 1, IFRS 9 5.7.5 and 6.5.8(b); part 2, para. 57 of Appendix V		0
0128	Items which can be reclassified as profit or loss	Para. 7 (f) of IAS 1; IFRS 9.5.7.7; part 2, paragraph 23 of Appendix V		0
0130	Hedges of net investments in foreign operations [effective portion]	Para. 81A (a)(ii) of IAS 1		17 526
0140	Currency exchange	IFRS 9.6.5.13(a); Paragraph 24B(b), items ii) and iii) of IFRS 7; Paragraph 24C(b), items i) and iv), and paragraph 24E(a) of IFRS 7; part 2, paragraph 24 of Appendix V		0
0150	Derivatives from hedging Cash flow hedges [effective portion]	Para. 52 (b) of IFRS 21; Paras. 32 and 38-49 of IAS 21		1 719
0155	Changes in fair value of debt instruments at fair value in other comprehensive income	Paragraph 7(e) of IAS 1; paragraph 24B(b), items ii) and iii) of IFRS 7; paragraph 24C(b), item i) and paragraph 24E of IFRS 7; IFRS 9.6.5.11(b); part 2, paragraph 25 of appendix V		0
0165	Hedging instruments [unreported elements]	Para. 7 (da) of IAS 1; IFRS 9.4.1.2A and 5.7.10; part 2, paragraph 26 of Appendix V		15 807
0170	Non-current assets and disposal groups classified as held for sale	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		0
0180	Share of the other comprehensive income of subsidiaries, associates and joint ventures	Para. 38, IN example 12 of IFRS 5		0
0190	Retained earnings	NI 6 of IAS 1, paragraph 10 of IAS 28		0
0200	Revaluation reserve	Art. 4, para. 1, item 123 of Reg 575		0
0210	Other reserves	Para. 30, D5-D8 of IFRS 1; part 2, para 28 of Appendix V		0
0220	Reserves or losses from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	Para. 54 of IAS 1; Para. 78 (e) of IAS 1		787 533
0230	Other	Para. 11 of IAS 28; part 2, para 29 of Appendix V		0
0240	(-) Repurchased own shares	part 2, paragraph 29 of Appendix V	46	0
0250	Profit or loss attributable to the owners of the parent company	Para. 79 (a)(vi) of IAS 1; Paras. 33-34, IE14, IE36 of IAS 32; part 2, paragraph 30 of Appendix V	46	0
0260	(-) Interim dividends	Para. 81B (b)(ii) of IAS 1	2	32 176
0270	Minority interests [Non-controlling interests]	Para. 35 of IAS 32		0
0280	Accumulated other comprehensive income	Para. 54 (r) of IAS 1		72
0290	Other items	Art. 4, para. 1, item 100 of Reg 575	46	0
0300	TOTAL SHAREHOLDERS' EQUITY		46	1 240 909
0310	TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	Para. 9 (c), IN 6 of IAS 1		11 416 813

NIKOLA BAKALOV
Chief Executive OfficerSVETOZAR POPOV
Executive DirectorCHAVDAR ZLATEV
Executive DirectorRALITSA BOGOEVA
Executive DirectorIANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Bank **FINV9150** First Investment Bank AD

Reporting date **30.6.2021**

Basis for application **consolidated**

Accounting standard IFRS

Reporting currency BGN '000

2. Profit and Loss Account

c0010

		References	Breakdown in table	Current period
				0010
0010	Interest income	Para. 97 of IAS 1; part 2, para 31 of Appendix V	16	156 510
0020	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; part 2, paragraphs 33, 34 of Appendix V		3
0025	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		5 852
0030	Financial assets at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRS 7		0
0041	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		4 072
0051	Financial assets at amortised cost	Para. 20(b) of IFRS 7; IFRS 9.4.1.2, IFRS 9.5.7.2		146 583
0070	Derivatives — hedge accounting, interest rate risk	supplement A to IFRS 9, C.6.6.16, part 2, paragraph 35 of Appendix V		0
0080	Other assets	part 2, paragraph 36 of Appendix V		0
0085	Revenue from interest on liabilities	IFRS 9.5.7.1, part 2, paragraph 37 of Appendix V		0
0090	(Interest expense)	Para. 97 of IAS 1; part 2, para 31 of Appendix V	16	27 652
0100	(Financial liabilities held for trading)	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; part 2, paragraphs 33, 34 of Appendix V		0
0110	(Financial liabilities at fair value through profit or loss)	Para. 20, (a)(i), Para. B5, (e) of IFRS 7		0
0120	(Financial Liabilities at amortised cost)	Para. 20 (b) of IFRS 7; IFRS 9.5.7.2		23 150
0130	(Derivatives — hedge accounting, interest rate risk)	Para. 9 of IAS 39; part 2, para 35 of Appendix V		0
0140	(Other liabilities)	part 2, paragraph 38 of Appendix V		205
0145	(Interest expense on assets)	IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V		4 297
0150	(Expense for share capital payable upon request)	IFRIC 2, item 11		0
0160	Dividend income	part 2, paragraph 40 of Appendix V	31	296
0170	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRS 7; part 2, paragraphs 40 of Appendix V		0
0175	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		296
0191	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
0192	Investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	part 2, paragraph 42 of Appendix V		0
0200	Fee and commission income	Para. 20 (c) of IFRS 7	22	67 092
0210	(Fee and commission expense)	Para. 20 (c) of IFRS 7	22	11 873
0220	Net profits or (-) losses from discontinued recognition of financial assets and liabilities which are not accounted at fair value through profit or loss	part 2, paragraph 45 of Appendix V	16	2 033
0231	Financial assets at fair value through other comprehensive income	IFRS 9.4.12A; IFRS 9.5.7.10-11		354
0241	Financial assets at amortised cost	Para. 20, (a), (v) of IFRS 7; IFRS 9.4.1.2; IFRS 9.5.7.2		1 679
0260	Financial Liabilities at amortised cost	Para. 20, (a), (v) of IFRS 7; IFRS 9.5.7.2		0
0270	Other			0
0280	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	234
0287	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, para 46 of Appendix V		0
0290	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, para 44 of Appendix V	16, 45	0
0300	Net profits or (-) losses from hedge accounting	part 2, paragraph 47 of Appendix V	16	0
0310	Net profits or (-) losses from exchange rate differences	Para. 28 and Para 52 (a) of IAS 21		7 101
0320	Net profits or (-) losses from derecognition of investments in subsidiaries joint ventures and associates	Application V, part 2.56		0
0330	Net profits or (-) losses from derecognition of non-financial assets	Para. 34 of IAS 1; part 2, para 48 of Appendix V	45	-104
0340	Other operating income	part 2, paragraphs 314 -316 of Appendix V	45	3 999
0350	(Other operating expense)	part 2, paragraphs 314 -316 of Appendix V	45	1 176
0355	TOTAL NET OPERATING INCOME			196 460
0360	(Administrative expenses)			88 044
0370	(Personnel costs)	Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1	44	42 290
0380	(Other administrative expenses)		16	45 754
0385	(Cash instalments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48i of Appendix V		11 688
0390	(Amortisation)	Paras. 102, 104 of IAS 1		6 681
0400	(Property, Plant and Equipment)	Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16		5 348
0410	(Investment Property)	Para. 104 of IAS 1; Para. 79, (d), (iv) of IAS 40		0
0420	(Other intangible assets)	Para. 104 of IAS 1; Para. 118, (e), (vi) of IAS 38		1 333
0425	Net profits or (-) losses from modification	IFRS 9.5.4.3, supplement A to IFRS 9, part 2, paragraph 49 of Appendix V		0
0426	Financial assets at fair value through other comprehensive income	Paragraph 35J of IFRS 7		0
0427	Financial assets at amortised cost	Paragraph 35J of IFRS 7		0
0430	(Provisions or (-) reversed provisions)	Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1	9 12 43	145
0435	(Undertaken obligations to make payments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48(i) of Appendix V		0
0440	(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		145
0450	(Other provisions)			0

0460	(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)	<i>Para. 20, (a)(viii) of IFRS 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V</i>	12	53 739
0481	(Financial assets at fair value through other comprehensive income)	<i>IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8</i>	12	108
0491	(Financial assets at amortised cost)	<i>IFRS 9.5.4.4, IFRS 9.5.5.1; IFRS 9.5.5.8</i>	12	53 631
0510	(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)	<i>Paras. 40-43 of IAS 28</i>	16	0
0520	(Impairment or (-) reversed impairment of non-financial assets)	<i>Para. 126(a)-(b) of IAS 36</i>	16	0
0530	(Property, Plant and Equipment)	<i>Para. 73, (e), (v)-(vi) of IAS 16</i>		0
0540	(Investment Property)	<i>Para. 79, (d), (v) of IAS 40</i>		0
0550	(Goodwill)	<i>B67, (d), (v) of IFRS 3; Para. 124 of IAS 36</i>		0
0560	(Other intangible assets)	<i>Para. 118, (e), (iv)-(v) of IAS 38</i>		0
0570	(Other)	<i>Para. 126(a)-(b) of IAS 36</i>		0
0580	Negative goodwill in profit or loss	<i>B64, (n)(i) to IFRS 3</i>		0
0590	Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	<i>part 2, paragraph 54 of Appendix V</i>		0
0600	Profit or (-) loss from non-current assets and disposal groups classified as held for sale, which do not meet the requirements for discontinued operations	<i>Para. 37 of IFRS 5, part 2, para 55 of Appendix V</i>		0
0610	PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS	<i>Para. 102, IN 6 of IAS 1; Para. 33 A of IFRS 5</i>		36 163
0620	(Tax expense or (-) income relating to the profit or loss from current operations)	<i>Para. 8, (d) of IAS 1; Para. 77 of IAS 12</i>		3 998
0630	PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS	<i>IN 6 of IAS 1</i>		32 165
0640	Profit or (-) loss after tax from discontinued operations	<i>Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRS 5; part 2, paragraph 56 of Appendix V</i>		0
0650	Profit or (-) loss before tax from discontinued operations	<i>Para. 33, (b)(i) of IFRS 5</i>		0
0660	(Tax expense or (-) income related to discontinued operations)	<i>Para. 33, (b)(i) and (iv) of IFRS 5</i>		0
0670	PROFIT OR (-) LOSS FOR THE YEAR	<i>Para. 81A (a) of IAS 1</i>		32 165
0680	Relating to minority interests [non-controlling interests]	<i>Para. 81B (b)(i) of IAS 1</i>		-11
0690	Attributable to the owners of the parent company	<i>Para. 81B (b)(ii) of IAS 1</i>		32 176

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

CHAVDAR ZLATEV
Executive Director

RALITSA BOGOEVA
Executive Director

IANKO KARAKOLEV
Chief Financial Officer