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

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

Cc:
The public via *x3news*

30 May 2022

Re: Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2022

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 31 March 2022, containing:

1. Financial statements as at 31.03.2022 as per Art. 100o, para. 4(1) and with relation to Art. $100o^1$, para. 7 of POSA;
2. Notes to the financial statements as at 31.03.2022;
3. Interim activity report under Art. 100o, para. 4(2) and with relation to Art. $100o^1$, para. 7 of POSA;
4. Declaration under Art. 100o, para. 4(3) and with relation to Art. $100o^1$, para. 7 of POSA;

Sincerely,

(signed)	*(signed)*
Nikola Bakalov Chief Executive Officer MB Chairperson	Chavdar Zlatev Executive Director Member of the MB

FIRST INVESTMENT BANK AD

Consolidated statement of the financial position as at 31/03/2022

unaudited		*in BGN '000*
	31.3.2022	**31.12.2021**
ASSETS		
Cash and balances with Central Banks	2 298 661	1 970 814
Investments in securities	1 505 205	1 673 781
Loans and advances to banks and other financial institutions	117 002	87 456
Loans and advances to customers	6 633 697	6 653 944
Property and equipment	82 690	80 198
Intangible assets	16 263	15 566
Derivatives held for risk management	1 863	1 042
Current tax assets	0	0
Deferred tax assets	102	0
Repossessed assets	458 276	459 853
Investment Property	734 758	732 850
Rights of use assets	151 163	92 169
Other assets	150 031	129 548
TOTAL ASSETS	**12 149 711**	**11 897 221**
LIABILITIES AND CAPITAL		
Due to banks	4 310	8 722
Due to other customers	10 201 954	9 973 631
Liabilities evidenced by paper	83 078	120 002
Financial liabilities at fair value through profit or loss	7 272	2 164
Subordinated term debt	9 715	9 622
Hybrid debt	328 579	320 733
Derivatives held for risk management	0	2 166
Deferred tax liabilities	25 278	26 927
Current tax liabilities	1 853	1 714
Lease liabilities	151 533	92 405
Other liabilities	28 672	19 293
TOTAL LIABILITIES	**10 842 244**	**10 577 379**
Issued share capital	149 085	149 085
Share premium	250 017	250 017
Statutory reserve	39 865	39 865
Revaluation reserve of investments in securities	(19 085)	9 115
Revaluation reserve on property	4 500	4 500
Reserve from translation of foreign operations	2 125	2 592
Other reserves and retained earnings	876 504	860 339
TOTAL SHAREHOLDERS' EQUITY	**1 303 011**	**1 315 513**
Non-controlling interest	4 456	4 329
TOTAL GROUP EQUITY	**1 307 467**	**1 319 842**
TOTAL LIABILITIES AND GROUP EQUITY	**12 149 711**	**11 897 221**

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer

FIRST INVESTMENT BANK AD

Consolidated statement of profit or loss and of other comprehensive income as at 31/03/2022

unaudited

in BGN '000

	three months ended on 31/03/2022	three months ended on 31/03/2021
Interest income	82 770	78 212
Interest expense	(11 256)	(14 517)
Net interest income	**71 514**	**63 695**
Fee and commission income	40 221	31 996
Fee and commission expense	(10 548)	(6 138)
Net fee and commission income	**29 673**	**25 858**
Net trading income	4 044	3 536
Other net operating income	3 140	2 142
TOTAL INCOME FROM BANKING OPERATIONS	**108 371**	**95 231**
Administrative expenses	(55 673)	(47 327)
Allowance for impairment	(29 325)	(24 070)
Other expenses, net	(4 729)	(5 951)
PROFIT BEFORE TAX	**18 644**	**17 883**
Income tax expense	(2 352)	(2 039)
GROUP PROFIT AFTER TAX	**16 292**	**15 844**
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	(467)	240
Revaluation reserve of investments in securities	(28 200)	(4 971)
Total other comprehensive income	**(28 667)**	**(4 731)**
TOTAL COMPREHENSIVE INCOME	**(12 375)**	**11 113**
Net profit attributable to:		
Ordinary equity holders	16 165	15 550
Non-controlling interest	127	294
Total comprehensive income attributable to:		
Ordinary equity holders	(12 502)	10 819
Non-controlling interest	127	294
Basic and diluted earnings per share (BGN)	**0,11**	**0,10**

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer

FIRST INVESTMENT BANK AD

Consolidated statement of changes in equity for the three months ended 31/03/2022

unaudited

in BGN '000

	Issued share capital	Share premium	Other reserves and retained earnings	Revaluation reserve of investments in securities	Revaluation reserve on property	Reserve from translation of foreign operations	Statutory reserve	Non-controlling interest	Total
Balance at 01/01/2021	**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 year ended 31 December 2021	-	-	110 595	-	-	-	-	813	111 408
Other comprehensive income for the period									
Revaluation reserve of investments in securities	-	-		(9 319)	-	-	-	-	(9 319)
Reserve from translation of foreign operations	-	-	-	-	-	1 333	-	-	1 333
Balance as at 31/12/2021	**149 085**	**250 017**	**860 339**	**9 115**	**4 500**	**2 592**	**39 865**	**4 329**	**1 319 842**
Total comprehensive income for the period									
Net profit for the three months ended on 31/03/2022	-	-	16 165	-	-	-	-	127	16 292
Other comprehensive income for the period									
Revaluation reserve of investments in securities	-	-	-	(28 200)	-	-	-	-	(28 200)
Reserve from translation of foreign operations	-	-	-	-	-	(467)	-	-	(467)
Balance as at 31/03/2022	**149 085**	**250 017**	**876 504**	**(19 085)**	**4 500**	**2 125**	**39 865**	**4 456**	**1 307 467**

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer

FIRST INVESTMENT BANK AD

Consolidated statement of cash flows for the three months ended 31 March 2022

unaudited *in BGN '000*

	three months ended on 31/03/2022	three months ended on 31/03/2021
Net cash flow from operating activities		
Net profit	16 292	15 844
Adjustment for non-cash items		
Allowance for impairment	29 325	24 070
Net interest income	(71 514)	(63 695)
Depreciation and amortization	3 204	3 055
Tax expense	2 352	2 039
(Profit) from sale and write-off of tangible and intangible fixed assets, net	(11)	(10)
Profit/(Loss) from sale of other assets, net	(249)	586
(Positive) revaluation of investment property	-	-
	(20 601)	**(18 111)**
Change in operating assets		
(Increase) in financial assets at fair value through profit or loss	(246)	(785)
(Increase) in financial assets at fair value in other comprehensive income	(14 478)	(105 042)
Decrease/(Increase) in loans and advances to banks and financial institutions	3 972	(22)
(Increase) in loans to customers	(12 488)	(140 960)
Net (increase) in other liabilities	(80 839)	(13 708)
	(104 079)	**(260 517)**
Change in operating liabilities		
(Decrease)/increase in deposits from banks	(4 412)	1 343
Increase in amounts owed to other depositors	229 326	225 430
Net increase in other liabilities	71 528	8 427
	296 442	**235 200**
Interest received	87 930	98 436
Interest paid	(4 431)	(13 906)
Dividends received	110	-
Paid profit tax, net	(836)	(631)
NET CASH FLOW FROM OPERATING ACTIVITIES	**254 535**	**40 471**
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(6 424)	(1 261)
Sale of tangible and intangible fixed assets	14	16
Sale of other assets	1 028	1 130
(Decrease)/increase of investments	149 154	(148 729)
NET CASH FLOW FROM INVESTING ACTIVITIES	**143 772**	**(148 844)**
Financing activities		
(Decrease)/Increase in borrowings	(36 959)	7 056
(Decrease)/Increase in subordinated liabilities	(1)	187
Capital increase through newly issued shares	-	-
Increase of share premium reserve of newly issued shares	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**(36 960)**	**7 243**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**361 347**	**(101 130)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**2 017 645**	**2 202 771**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**2 378 992**	**2 101 641**

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer

ADDENDUM TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF FIRST INVESTMENT BANK AD AS AT 31/03/2022

NOTES

1. Basis of preparation

(a) Statute

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

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

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 quarter ended 31 March 2022 comprise the Bank and its significant 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 are prepared in accordance with the fair value principle of derivative financial instruments, financial instruments recognised at fair value in profit or loss, investment properties, as well as assets recognised at fair value in other comprehensive income. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost convention.

(d) New standards, amendments and interpretations effective as of 01 January 2022

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 2021 г.

(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 to 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.

(iv) 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 equity instrument is written off, the profit or loss accrued and recognised in other comprehensive income is directly transferred to other reserves and retained earnings.

(vi) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the 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.

The Group which holds portfolios of financial assets and financial liabilities is are exposed to market risk and credit risk. 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 short-term profit taking or repurchases 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 are reported as liabilities to either banks or other customers.

(h) Borrowings

(ii) Repurchase agreements, continued

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).

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 initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as loss allowance.

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

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

(k) Property and equipment

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

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

Assets	%
• Buildings	3 - 4
• Equipment	10 - 50
• Fixtures and fittings	10 - 15
• Motor vehicles	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	10 - 14
• Software and licences	10 - 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 31 December 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:

- Note 5, 19 - determining of the fair value of the financial instruments, land and buildings 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 11, 16, 18 – measuring the expected credit loss – credit losses constitute the difference between all contractual cash flows payable to the Bank and all cash flows which the Bank 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 16, 18 – 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 24 – Lease contract term – in determining the lease contract term the Management takes into consideration all facts and circumstances that create economic incentives for exercising the option to extend the lease, or not to exercise the option to terminate the lease. Extension options (or the periods after termination options) are included in the lease contract term only if it is reasonably certain that the lease contract has been extended (or has not been terminated).
- Note 30 – in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets and the internal rules for setting aside provisions for pending court cases the Group 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.

(ii) Assessment of repossessed assets from collaterals

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

(iii) Income taxes

The 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 benefits 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 Group 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.

As of 01.01.2019 the Group applies IFRS 16 Leases. To this end, an analysis was made of the requirements of this Standard, and the following key elements were identified:

IFRS 16 Leases introduces new rules for reporting lease agreements. First of all, the standard requires that an analysis be made of whether and which agreements with or without the legal form of lease constitute a lease or contain lease components in accordance with the definition of lease contained in IFRS 16, paragraph 9. According to Paragraph 9, a contract is, or contains, a lease if:

- there is an identified asset, and
- the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration.

In the general case, the lessee is required recognise a right-of-use asset and a lease liability at the commencement date.

Also, instead of applying the requirements for recognition of a right-of-use asset in return for consideration under a lease contract, the lessee may choose to report lease contracts as an expense under the linear method for the duration of the lease in the following types of contracts:

- ending within 12 months of the date of initial application of IFRS 16
- lease of low-value assets

In the process of assessing the effects of application of this Standard, the Group did the following:

- Full review of all agreements was made in order to establish whether it may be necessary to consider additional agreements as lease agreements according to the new IFRS 16 definition;
- A decision was made for partial retrospective application (which means that the comparative information will not be changed). Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief. Under the modified approach it is possible not to assess whether existing agreements contain leases and other relief.

The Management analysed the effect of application of the Standard for contracts expected to last up to five years because a big part of the rental agreements to which the Group is a party as a tenant, the Group can terminate after a three- or six-months' notice without owing an indemnity. Even in the other contracts this possibility is available in accordance with the law.

This reflects on the expected actual duration of the lease because the contract term depends on the probability that the Group would exercise that option. With relation to this the Group considers that a duration of five years is indicative of the maximum duration of the lease term, irrespective of whether contracts of longer duration exist or not.

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 Group 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

The portion of IFRS 16 which concerns the Group as lessor no significant changes were found in comparison to the previous IAS 17. The Group classifies a lease contract as a finance lease if it has transferred substantially all risks and rewards related to ownership of the asset subject to the lease. All other lease contracts are classified as operating.

In case of a finance lease, the Group recognises as asset a receivable under the contract in an amount equal to the net investment in the lease. During the lease term the Group recognizes interest income on the amount receivable at an interest rate reflecting the return rate of the net investment in the lease.

In case of operating lease, the Group recognises lease payments as revenue on a linear basis.

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 intragroup eliminations based on the location of the Bank branch that generated the revenue. Segment assets and liabilities are allocated after intragroup eliminations based on their geographical location.

In BGN '000	**Bulgarian operations**		**Foreign operations**		**Total**	
	three months ended on 31/03/2022	**three months ended on 31/03/2021**	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**
Interest income	76,332	72,535	6,438	5,677	82,770	78,212
Interest expense	(9,405)	(13,057)	(1,851)	(1,460)	(11,256)	(14,517)
Net interest income	**66,927**	**59,478**	**4,587**	**4,217**	**71,514**	**63,695**
Fee and commission income	35,158	29,359	5,063	2,637	40,221	31,996
Fee and commission expense	(10,074)	(5,908)	(474)	(230)	(10,548)	(6,138)
Net fee and commission income	**25,084**	**23,451**	**4,589**	**2,407**	**29,673**	**25,858**
Net trading income	**3,590**	**3,096**	**454**	**440**	**4,044**	**3,536**
Administrative expenses	**(51,938)**	**(43,967)**	**(3,735)**	**(3,360)**	**(55,673)**	**(47,327)**
	31.03.2022	**31.12.2021**	**31.03.2022**	**31.12.2021**	**31.03.2022**	**31.12.2021**
Assets	**10,686,961**	**10,787,623**	**1,462,750**	**1,109,598**	**12,149,711**	**11,897,221**
Liabilities	**9,416,790**	**9,400,108**	**1,425,454**	**1,177,271**	**10,842,244**	**10,577,379**

The table below shows assets and liabilities and income and expense by business segments as at 31/03/2022.

Business	Assets	Liabilities	Net interest income	Net fee and commission income	Net trading income	Other net operating income
Corporate Banking	3,138,648	1,634,296	25,488	8,559	-	61
Small and medium enterprises	1,032,896	569,075	11,418	5,831	-	-
Retail Banking	2,462,153	8,011,803	40,853	17,468	-	260
Treasury	3,922,731	51,637	2,573	(2,539)	4,044	1,188
Other	1,593,283	575,433	(8,818)	354	-	1,631
Total	**12,149,711**	**10,842,244**	**71,514**	**29,673**	**4,044**	**3,140**

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 date 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

31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	7,615	264,155	14	271,784
Financial assets at fair value through other comprehensive income	786,818	282,149	-	1,068,967
Derivatives held for risk management	717	1,146	-	1,863
Total	**795,150**	**547,450**	**14**	**1,342,614**
Financial liabilities at fair value through profit and loss	-	7,272	-	7,272

In BGN '000

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	7,840	260,884	14	268,738
Financial assets at fair value through other comprehensive income	860,091	228,813	-	1,088,904
Derivatives held for risk management	1,042	-	-	1,042
Total	**868,973**	**489,697**	**14**	**1,358,684**
Financial liabilities at fair value through profit and loss	-	2,164	-	2,164

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

in thousands of BGN

31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total fair values**	**Total balance sheet value**
Assets					
Cash and balances with Central Banks	-	2,298,661	-	2,298,661	2,298,661
Financial assets at amortised cost	165,750		-	165,750	164,454
Loans and advances to banks and other financial institutions	-	117,002	-	117,002	117,002
Loans and advances to customers	-	923,734	5,830,805	6,754,539	6,633,697
Total	**165,750**	**3,339,397**	**5,830,805**	**9,335,952**	**9,213,814**
Liabilities					
Due to banks	-	4,310		4,310	4,310
Due to other customers	-	6,262,744	3,939,137	10,201,881	10,201,954
Liabilities evidenced by paper	-	83,079	-	83,079	83,078
Subordinated term debt	-	9,715	-	9,715	9,715
Hybrid debt	-	328,579	-	328,579	328,579
Total	**-**	**6,688,427**	**3,939,137**	**10,627,564**	**10,627,636**

In BGN '000

31 December 2021	**Level 1**	**Level 2**	**Level 3**	**Total fair values**	**Total balance sheet value**
Assets					
Cash and balances with Central Banks	-	1,970,814	-	1,970,814	1,970,814
Financial assets at amortised cost	318,404	-	-	318,404	316,139
Loans and advances to banks and other financial institutions	-	87,456		87,456	87,456
Loans and advances to customers	-	945,836	5,826,681	6,772,517	6,653,944
Total	**318,404**	**3,004,106**	**5,826,681**	**9,149,191**	**9,028,353**
Liabilities					
Due to banks	-	8,722	-	8,722	8,722
Due to other customers	-	5,891,986	4,083,577	9,975,563	9,973,631
Liabilities evidenced by paper	-	119,980	-	119,980	120,002
Subordinated term debt	-	9,622	-	9,622	9,622
Hybrid debt	-	320,733	-	320,733	320,733
Total	**-**	**6,351,043**	**4,083,577**	**10,434,620**	**10,432,710**

5. Net interest income

in thousands of BGN	three months ended on 31/03/2022	three months ended on 31/03/2021
Interest income		
Accounts with and placements to banks and financial institutions	127	76
Revenue from interest on liabilities	-	-
Large enterprise	18,152	21,666
Medium enterprise	12,767	8,691
Small business	4,883	5,512
Micro enterprise	5,036	3,595
Households	34,015	32,019
Debt instruments	7,790	6,653
	82,770	**78,212**
Interest expense		
Deposits from banks	(7)	(1)
Deposits from other customers	(1,636)	(5,196)
Liabilities evidenced by paper	(152)	(161)
Subordinated term debt	(94)	(94)
Hybrid debt	(7,985)	(6,800)
Interest on assets cost	(1,290)	(2,171)
Lease agreements and other	(92)	(94)
	(11,256)	**(14,517)**
Net interest income	**71,514**	**63,695**

6. Net fee and commission income

in thousands of BGN	three months ended on 31/03/2022	three months ended on 31/03/2021
Fee and commission income		
Letters of credit and guarantees	1,039	1,389
Payment operations	6,802	5,282
Customer accounts	12,201	8,228
Card services	10,915	8,689
Other	9,264	8,408
	40,221	**31,996**
Fee and commission expense		
Letters of credit and guarantees	(226)	(225)
Payment systems	(1,009)	(612)
Card services	(4,950)	(4,018)
Other	(4,363)	(1,283)
	(10,548)	**(6,138)**
Net fee and commission income	**29,673**	**25,858**

7. Net trading income

in thousands of BGN	three months ended on 31/03/2022	three months ended on 31/03/2021
Net trading income arises from:		
- Debt instruments	(224)	(4)
- Equities	15	124
- Foreign exchange rate fluctuations	4,253	3,416
Net trading income	**4,044**	**3,536**

8. Other net operating income

In BGN '000	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**
Other net operating income arising from:		
-net income from transactions and revaluation of gold and precious metals	270	413
Rental income	1,361	1,345
- Debt instruments	1,188	357
- income from management of assigned receivables	171	16
- Gain on administration of loans acquired through business combination	150	11
Other net operating income	**3,140**	**2,142**

9. Administrative expenses

in thousands of BGN	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**
General and administrative expenses comprise:		
- Personnel cost	19,519	17,968
Amortization of equipment and tangible fixed assets	3,204	3,055
Rights of use assets	11,549	8,666
- Advertising	2,394	2,179
-Telecommunication, software and other computer maintenance	3,509	3,171
- Other expenses for external services	15,498	12,288
Administrative expenses	**55,673**	**47,327**

10. Allowance for impairment

in thousands of BGN	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**
Write-downs		
Loans and advances to customers	(38,592)	(53,164)
(v) Capital instruments at fair value through other comprehensive income	(14)	-
Off balance sheet commitments	(398)	(235)
Reversal of write-downs		
Loans and advances to customers	9,171	29,118
(v) Capital instruments at fair value through other comprehensive income	19	34
Off balance sheet commitments	489	177
Impairment cost, net	**(29,325)**	**(24,070)**

10a. Other income/(expenses), net

in thousands of BGN	**three months ended on 31/03/2022**	**three months ended on 31/03/2021**
Proceeds/loss from the sale and write-off of assets acquired as collateral	202	(652)
Profit/(loss) from sale of investment property	110	18
Net earned insurance premiums	2,018	1,688
Cost of guarantee schemes	(5,891)	(6,549)
Claims incurred	(1,063)	(657)
Other (expenses)/income, net	(105)	201
Total	**(4,729)**	**(5,951)**

10b. Earnings per share

	three months ended on 31/03/2022	three months ended on 31/03/2021
Net profit attributable to shareholders (in thousands of BGN)	16,165	15,550
Average weighted number of ordinary shares held (in thousands)	149,085	149,085
Earnings per share (BGN)	**0.11**	**0.10**

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

in thousands of BGN	**31.03.2022**	**31.12.2021**
Cash on hand		
- in BGN	166,194	189,400
- in foreign currency	73,255	72,599
Balances with Central Banks	1,814,182	1,499,754
Current accounts and amounts with local banks	2,825	2,916
Current accounts and amounts with foreign banks	242,205	206,145
Total	**2,298,661**	**1,970,814**

12. Investments in securities

In BGN '000	**31.03.2022**	**31.12.2021**
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	385,930	369,107
- denominated in foreign currencies	118,163	213,275
Foreign governments	583,327	620,878
Corporates	361,593	317,559
Foreign banks	26,910	124,057
Other issuers – equity instruments	29,282	28,905
Total	**1,505,205**	**1,673,781**
Of which financial assets:		
at fair value through other comprehensive income	1,068,967	1,088,904
at amortised cost	164,454	316,139
at fair value through profit and loss	271,784	268,738
Total	**1,505,205**	**1,673,781**

13. Loans and advances to banks and other financial institutions

(a) Analysis by type

in thousands of BGN	**31.03.2022**	**31.12.2021**
Placements with banks	73,799	38,727
Other	43,203	48,729
Total	**117,002**	**87,456**

(b) Geographical analysis

in thousands of BGN	**31.03.2022**	**31.12.2021**
Domestic banks and financial institutions	23,767	22,208
Foreign banks and other financial institutions	93,235	65,248
Total	**117,002**	**87,456**

14. Loans and advances to customers

in thousands of BGN			**31/03/2022**
	Gross value	**Allowance for impairment**	**Amortised cost**
Large enterprise	2,134,592	(152,753)	1,981,839
Medium enterprise	1,390,657	(161,973)	1,228,684
Small business	591,818	(64,467)	527,351
Micro enterprise	580,031	(44,581)	535,450
Households			
- Consumer loans	1,090,109	(48,369)	1,041,740
- Mortgage loans	1,185,907	(15,286)	1,170,621
- Credit cards	166,783	(21,779)	145,004
- Other programmes and collateralised financing	3,008	-	3,008
Total	**7,142,905**	**(509,208)**	**6,633,697**

In BGN '000			**31.12.2021 г.**
	Gross value	**Allowance for impairment**	**Amortised cost**
Large enterprise	2,236,375	(142,266)	2,094,109
Medium enterprise	1,385,398	(154,722)	1,230,676
Small business	594,327	(60,043)	534,284
Micro enterprise	519,600	(43,361)	476,239
Households			
- Consumer loans	1,074,443	(48,682)	1,025,761
- Mortgage loans	1,153,425	(12,908)	1,140,517
- Credit cards	167,126	(17,785)	149,341
- Other programmes and collateralised financing	3,017	-	3,017
Total	**7,133,711**	**(479,767)**	**6,653,944**

(a) Movement in impairment allowances

In BGN '000	
Balance as at 01 January 2022	**479,767**
Additional allowances	38,592
Amounts released	(9,171)
Write-offs	(303)
Other	323
Balance as at 31 March 2022	**509,208**

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

	31/03/2022		**31/12/2021**	
in thousands of BGN	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Gross amount of loans and advances to customers**	**Allowance for impairment**

Exposures without increase of credit risk after the initial recognition (phase 1)	4,705,073	(16,329)	4,840,376	(15,935)
Exposures with significant increase of credit risk after the initial recognition (phase 2)	1,083,848	(62,629)	949,304	(65,637)
Non-performing (impaired) exposures (phase 3)	1,353,984	(430,250)	1,344,031	(398,195)
Total	**7,142,905**	**(509,208)**	**7,133,711**	**(479,767)**

31 March 2022 *in thousands of BGN*

Class of exposure	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Carrying amount of loans and advances to customers**
Performing			
Collectively impaired	5,788,921	(78,958)	5,709,963
Nonperforming			
Collectively impaired	249,262	(84,037)	165,225
Individually impaired	1,104,722	(346,213)	758,509
Total	**7,142,905**	**(509,208)**	**6,633,697**

31 December 2021 *in thousands of BGN*

Class of exposure	**Gross amount of loans and advances to customers**	**Allowance for impairment**	**Carrying amount of loans and advances to customers**
Performing			
Collectively impaired	5,789,680	(81,572)	5,708,108
Nonperforming			
Collectively impaired	235,768	(75,703)	160,065
Individually impaired	1,108,263	(322,492)	785,771
Total	**7,133,711**	**(479,767)**	**6,653,944**

As at 31 March 2022 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 940,389 thousand (31 December 2021: BGN 961,205 thousand).

15. Property and equipment

in thousands of BGN	**Land and Buildings**	**Fixtures and fittings**	**Motor vehicles**	**Assets under Construction**	**Leasehold Improvements**	**Total**
Cost						
At 01 January 2022	**26,243**	**141,633**	**6,956**	**18,570**	**62,331**	**255,733**
Additions		12	2	4,198	2,151	6,363
Exchange rate differences	-	(54)	(3)	(1)	(17)	(75)
Write-offs	-	(478)	(396)		(182)	(1,056)
Transfers	-	1,306		(2,715)	8	(1,401)
At 31 March 2022	**26,243**	**142,419**	**6,559**	**20,052**	**64,291**	**259,564**
Amortisation						
At 01 January 2022	**6,892**	**120,498**	**6,768**	**-**	**41,377**	**175,535**
Exchange rate differences		(39)	(2)		(12)	(53)
Charge for the period	242	1,520	28	-	655	2,445
For write offs		(476)	(396)		(181)	(1,053)
At 31 March 2022	**7,134**	**121,503**	**6,398**	**-**	**41,839**	**176,874**
Carrying amount						
At 01 January 2022	**19,351**	**21,135**	**188**	**18,570**	**20,954**	**80,198**
At 31 March 2022	**19,109**	**20,916**	**161**	**20,052**	**22,452**	**82,690**

16. Intangible assets

in thousands of BGN	Software and licences	Goodwill	Total
Cost			
At 01 January 2022	**50,541**	**540**	**51,081**
Additions	61	-	61
Exchange rates and other adjustments	(19)	-	(19)
Write-offs	(554)	-	(554)
Transfers	1,401	-	1,401
At 31 March 2022	**51,430**	**540**	**51,970**
Amortisation			
At 01 January 2022	**35,515**	**-**	**35,515**
Exchange rates and other adjustments	(13)	-	(13)
Charge for the period	759	-	759
For write offs	(554)	-	(554)
At 31 March 2022	**35,707**	**-**	**35,707**
Carrying amount			
At 01 January 2022	**15,026**	**540**	**15,566**
At 31 March 2022	**15,723**	**540**	**16,263**

17a. Repossessed assets

in thousands of BGN	31.03.2022	31.12.2021
Land	255,934	256,609
Buildings	189,019	189,831
Machines, plant and vehicles	12,507	12,596
Fixtures and fittings	816	817
Total	**458,276**	**459,853**

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

in thousands of BGN	
Balance as at 01/01/2022	**732,850**
Incomings for the period	2,372
Transferred from repossessed assets	-
Revaluation of investment property to the fair value recognised at transfer	-
Write-offs upon sale	(464)
Balance as at 31/03/2022	**734,758**

18. Other assets

in thousands of BGN	31.03.2022	31.12.2021
Deferred expense	22,549	15,668
Gold	1,712	2,818
Investments in non-consolidated subsidiaries	10,248	10,248
Other assets	115,522	100,814
Total	**150,031**	**129,548**

19. Due to banks

in thousands of BGN	31.03.2022	31.12.2021
Term deposits	1,608	-
Payable on demand	2,702	8,722
Total	**4,310**	**8,722**

20. Due to other customers

in thousands of BGN	**31.03.2022**	**31.12.2021**
Retail customers		
- current accounts	2,607,021	2,478,823
- term and savings deposits	4,782,449	4,971,344
Businesses and public institutions		
- current accounts	2,438,056	2,074,799
- term deposits	374,428	448,665
Total	**10,201,954**	**9,973,631**

21. Liabilities evidenced by paper

in thousands of BGN	**31.03.2022**	**31.12.2021**
Acceptances under letters of credit	3,387	3,388
Liabilities under repurchase agreements	7,689	14,358
Debt related to agreements for full swap of profitability	39,638	73,391
Financing from financial institutions	26,415	26,227
Liabilities related to a structured investment product	5,949	2,638
Total	**83,078**	**120,002**

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

in thousands of BGN

Lender	**Interest rate**	**Maturity**	**Amortised cost as at 31 March 2022**
European Investment Fund – JEREMIE 2	0% - 1.057%	30/09/2025	2,419
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	15,524
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	8,472
Total			**26,415**

In BGN '000

Lender	**Interest rate**	**Maturity**	**Amortised cost as at 31 December 2021**
European Investment Fund – JEREMIE 2	0% - 1.087%	30/09/2025	2,731
Bulgarian Bank for Development AD	1% - 1.583%	15.03.2027 - 30.11.2028	15,525
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	7,971
Total			**26,227**

22. Hybrid and subordinated debt

In BGN '000	**Principal amount**	**Amortised cost as at 31 March 2022**
Hybrid debt with principal EUR 40 mio	78,233	87,370
Hybrid debt with principal EUR 60 mio	117,350	127,021
Hybrid debt with principal EUR 30 mio	58,675	59,987
Hybrid debt with principal EUR 27.133 mio	53,068	54,201
Total	**307,326**	**328,579**

In BGN '000	**Principal amount**	**Amortised cost as at 31 December 2021**
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
Hybrid debt with principal EUR 27.133 mio	53,068	53,154
Total	**307,326**	**320,733**

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

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

As at 31.12.2021 for the amount of EUR 27,133 thousand (equivalent to BGN 53,068 thousand) issued through a capital instrument, an issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, freely transferrable, non-convertible bonds registered in two tranches – on 22 December 2021 and on 29 December 2021 - with Clearstream Banking S.A. under a common ISIN code XS2419929422, the Bank has not submitted an application to the Bulgarian National Bank for inclusion of the amount in the Bank's additional tier 1 capital within the meaning of Article 52 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.

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 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.

In BGN '000	**Amortised cost as at 31 March 2022**	**Amortised cost as at 31 March 2021**
Subordinated term debt with principal of EUR 2 million	3,987	3,943
Subordinated term debt with principal of EUR 2.9 million	5,728	5,679
Total	**9,715**	**9,622**

23. Other liabilities

in thousands of BGN	**31.03.2022**	**31.12.2021**
Liabilities to personnel	1,468	1,406
Insurance contract provisions	5,660	5,586
Provisions for pending court cases	523	523
Impairment on off balance sheet commitments	1,265	1,356
Other payables	19,756	10,422
Total	**28,672**	**19,293**

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 31/03/2022 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 2022, as in the previous year, the Bank did not distribute dividends.

25. Commitments and contingent liabilities

Contingent liabilities

in thousands of BGN	**31.03.2022**	**31.12.2021**
Bank guarantees	154,220	164,055
Unused credit lines	712,002	671,131
Letters of credit	22,076	12,507
Total	**888,298**	**847,693**
Impairment on off balance sheet commitments	1,265	1,356

26. Related party transactions

Type of related party	**Parties that control or manage the Bank**		**Enterprises under common control**	
In BGN '000	**31.03.2022**	**31.12.2021**	**31.03.2022**	**31.12.2021**
Loans	2,843	3,515	66,806	70,364
Deposits and loans received:	18,938	13,725	13,996	13,582
Deposits placed	-	-	39,126	-
Other receivables	-	-	19,465	18,037
Other borrowings	-	-	647	320
Off-balance sheet commitments	1,441	1,061	1,145	594
Lease liabilities	-	-	2,684	1,513

First Investment Bank announces that as at 31/03/2022:

1. There were no unusual (in terms of amount, nature or timing) assets, liabilities, equity, net income and cash flows.
2. There were no unusual changes in contingent assets and liabilities since the last annual financial statements.
3. There were not repaid or repurchased capital instruments Equity instruments have been issued as disclosed in Note 24.
4. No dividends were accrued or paid.

(signed)	*(signed)*
Mr Nikola Bakalov Chief Executive Officer	Mr Chavdar Zlatev Executive Director

(signed)

Yanko Karakolev
Chief Financial Officer

INTERIM REPORT
ON THE ACTIVITY OF FIRST INVESTMENT BANK AD
as at 31 March 2022

(consolidated)

prepared under Art. 100o, para. 4(2) and with relation to Art. 100o[1], para. 7 of the Public Offering of Securities Act (POSA)

In the first quarter of 2022 First Investment Bank AD (First Investment Bank AD, the Bank) continued its successful development as an innovative, stable and reliable bank institution.

Highlights in the activity of First Investment Bank AD as at 31 March 2022:

1. Notification pursuant to Art. 100y, Para. 1(2) with relation to Para.2 of the Law on the Public Offering of Securities (LPOS) regarding publication in the Commercial Register and Register of NPLE of changes in the Managing Board of First Investment Bank AD was published on 24 January 2022;
2. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2021 were published on 31 January 2022;
3. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2021 were published on 01 March 2022;
4. Annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2020 were published on 31 March 2022.

Review of the activities of First Investment Bank AD as at 31 March 2022 on consolidated (unaudited) basis

- *Balance sheet as at 31 March 2022.*

  The balance sheet assets of the Group as at 31.03.2022 reached BGN 12,150 million, showing an increase by BGN 253 million against the end of 2021. In terms of assets First Investment Bank AD retains its place among the leading banks in the Bulgarian banking system. As at 31.03.2022 the deposits from other customers amounted to BGN 10,202 million, with net increase of BGN 228 million for the period; as regards this indicator the Bank also retains its position as one of the leading banks in Bulgaria. As at the end of March 2022 the accounting equity amounted to BGN 1,307 million net, which means decrease by BGN 13 million for the period, mostly due to the revaluation reserve of investments in securities due to lower market prices. Receivables from clients at 31 March 2022 amounted to BGN 6,634 million book value, a decrease against the end of 2021 by BGN 20 million.

- *Consolidated profit as at 31 March 2022*

  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 448 thousand of the net profit as at 31 March 2022 compared to the same period of 2021, reaching BGN 16,292 thousand. To a great extent this is due to the higher income from banking operations.

  The profit before tax for Q1 2022 was BGN 18,644 thousand, the profit before provisions and impairment amounted to BGN 47,969 thousand.

  The total revenue from banking operations as at 31 March 2022 amounted to BGN 108,371 thousand (2021: BGN 95,231 thousand). The net interest income for the period January-March 2022 amounted to BGN 71,514 thousand, marking an increase by BGN 7,819 thousand compared the same period of the previous year. The main reason for this is the decrease in interest rates on attracted funds leading to lower interest expense. In Q1 2022 the net fee and commission income amounted to BGN 29,673 thousand, BGN 3,815 thousand higher than 2021.

- *Capital resources*

  The capital adequacy ratio of First Investment Bank AD as at 31 March 2022 reached 19.62 %. The Tier 1 capital ratio was 19.50%, while CET1 ratio was 16.09 %. The own funds amounted to BGN 1,462 million. As at 31 March 2022 the Group was in compliance with and above the regulatory capital requirements.

- *Liquidity*

  The liquidity coverage ratio of First Investment Bank AD as at 31 March 2022 reached 248.03 % and the net stable funding ratio was 140.42 %, showing a stable liquidity position.

- *A total of 125 branches and offices throughout the country*

  As at 31 March 2022, First Investment Bank AD had a total of 125 branches and offices in Bulgaria – 43 of them in Sofia and 82 in towns throughout the country. The number of outlets reflects the adherence to a policy of synergy and maintaining optimum efficiency in the branch network of the Bank.

Appendix 1

INFORMATION AS AT 31 March 2022
UNDER ART. 12, PARA. 1, P. 4
OF ORDINANCE No 2
of the Financial Supervision on the initial and subsequent disclosure of information in the public offering of securities and the admission of securities for trading at a regulated market

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 2021.

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

There have been no changes in the Bank's economic group as at 31 March 2022.

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

See „b" above.

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

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.

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

	at 31 December 2021		*at 31 March 2022*	
	Number of shares	*% of capital*	*Number of shares*	*% of capital*
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:

Members of the Managing Board	*at 31 December 2021*		*at 31 March 2022*	
	Number of shares	*% of capital*	*Number of shares*	*% of capital*
Nikola Bakalov	374	0,00	No change	
Chavdar Zlatev	27 173	0,01	No change	
Ralitsa Bogoeva	0	0,00	No change	
Svetozar Popov	5856	0,00	No change	
Ianko Karakolev	12	0,00	No change	
Nadia Koshinska	234	0,00	No change	

Members of the Supervisory Board	*at 31 December 2021*		*at 31 March 2022*	
	Number of shares	*% of capital*	*Number of shares*	*% of capital*
Evgeni Lukanov	337 139	0,23	No change	
Maya Georgieva	11 388	0,01	No change	
Jordan Skortchev	19 125	0,01	No change	
Radka Mineva	-	0,00	No change	
Jyrki Koskelo	-	0,00	No change	

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

No events have occurred.

h) information about loans granted by the issuer or any of its subsidiaries, guarantees provided or liabilities assumed to a single entity or its subsidiary, including related parties, indicating the nature of relations between the issuer and the entity, outstanding principal amount, interest rate, maturity date, initial amount of the liability, term and conditions:

First Investment Bank AD is a public company part of whose main activity is the public attraction of deposits or other repayable funds and granting of loans or other financing. In this sense, for the period until 31 March 2022 no events have occurred beyond the ordinary activity of the Bank

Appendix 2

INFORMATION AS AT 31 March 2022
UNDER ART. 12, PARA. 3
OF ORDINANCE No. 2

of the Financial Supervision on the initial and subsequent disclosure of information in the public offering of securities and the admission of securities for trading at a regulated market

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. The information on these transactions has been disclosed in Note 26 to the unaudited consolidated interim financial report.

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.

The information on these transactions has been disclosed in Note 26 to the unaudited consolidated interim financial report.

(signed)
Nikola Bakalov
Chief Executive Officer
Member of MB

(signed)
Chavdar Zlatev
Executive Director
Member of MB

(signed)
Ianko Karakolev
Chief Financial Officer
Member of MB

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

The undersigned Nikola Bakalov, Chief Executive Officer and Chairman of the Management Board of First Investment Bank AD, Chavdar Zlatev, Executive Director and member of the Management Board of First Investment Bank AD, and Ianko Karakolev, Chief Financial Officer and member of the Management 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 31 March2022, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit of First Investment Bank AD;
- the interim report on the activities of First Investment Bank AD as at 31 March2022 contains a fair review of the information under Art. 100o, para. 4(2) of the Public Offering of Securities Act.

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

(signed)
Chavdar Zlatev
Executive Director
Member of MB

(signed)
Ianko Karakolev
Chief Financial Officer
MB Member

30 May 2022

FIRST INVESTMENT BANK AD

Bank	***FINV9150***	First Investment Bank AD
Reporting date	***31.3.2022***	
Basis for application	***consolidated***	
Accounting	IFRS	*Reporting currency in BGN '000*

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

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*		**2 325 450**
0020	Cash	*part 2, paragraph 1 of Appendix V*		239 449
0030	Cash balances with central banks	*part 2, paragraph 1 of Appendix V*		1 814 182
0040	Other deposits payable on demand	*part 2, paragraph 1 of Appendix V*	5	271 819
0050	**Financial assets held for trading**	*Supplement A to IFRS 9*		**4 525**
0060	Derivatives	*Supplement A to IFRS 9*	10	0
0070	Equity	*Para. 11 of IAS 32*	4	4 511
0080	Debt securities	*part 1, paragraph 31 of Appendix V*	4	14
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 IFRC 7; IFRS 9.4.1.4*	4	**264 166**
0097	Equity	*Para. 11 of IAS 32*	4	24 771
0098	Debt securities	*part 1, paragraph 31 of Appendix V*	4	239 395
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 IFRC 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**	*Para. 8 (h) of IFRC 7; IFRS 9.4.1.2A*	4	**1 068 967**
0142	Equity	*Para. 11 of IAS 32*	4	0
0143	Debt securities	*part 1, paragraph 31 of Appendix V*	4	1 068 967
0144	Loans and advances	*part 1, paragraph 32 of Appendix V*	4	0
0181	**Financial assets at amortised cost**	*Para. 8 (f) of IFRC 7; IFRS 9.4.1.2*	4	**6 879 634**
0182	Debt securities	*part 1, paragraph 31 of Appendix V*	4	164 454
0183	Loans and advances	*part 1, paragraph 32 of Appendix V*	4	6 715 180
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; part 1, paragraph 21 and part 2, paragraph 4 of Appendix V*	40	**13 063**
0270	**Tangible assets**			**817 440**
0280	Property, Plant and Equipment	*Para. 6 of IAS 16; Para. 54 (a) of IAS 1; Para 47 (a) of IFRS 16*	21, 42	82 682
0290	Investment Property	*Para. 5 of IAS 40; Para. 54 (b) of IAS 1; Para. 48 of IFRS 16*	21, 42	734 758
0300	**Intangible assets**	*Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575*		**15 806**
0310	Goodwill	*Para. B67, (d) of IFRC 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	15 699
0330	**Tax assets**	*Para. 54 (n)-(o) of IAS 1*		**102**
0340	Current tax assets	*Para. 54(n) of IAS 1; Para. 5 of IAS 12*		0
0350	Deferred tax assets	*Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 106 of Reg 575*		102
0360	**Other assets**	*part 2, paragraph 5 of Appendix V*		**750 753**
0370	**Non-current assets and disposal groups classified as held for sale**	*Para. 54, (j) of IAS 1; Para. 38 of IFRC 5; part 2, item 7 of Appendix V*		**0**
0380	**TOTAL ASSETS**	*Para. 9, (a), IN 6 of IAS 1*		**12 139 906**

FIRST INVESTMENT BANK AD

Bank	***FINV9150***	First Investment Bank AD
Reporting date	***31.3.2022***	
Basis for application	***consolidated***	
Accounting standard	IFRS	*Reporting currency in BGN '000*

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

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 IFRC 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, item 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, paragraph 38-41 of Appendix V*	8	0
0070	**Financial liabilities at fair value through profit or loss**	*Para. 8 (e)(i) of IFRC 7; IFRS 9.4.2.2*	8	**7 272**
0080	Deposits	*Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 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, paragraph 38-41 of Appendix V*	8	7 272
0110	**Financial liabilities at amortised cost**	*Para. 8 (g) of IFRC 7; IFRS 9.4.2.1*	8	**10 631 949**
0120	Deposits	*Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V*	8	10 257 904
0130	Issued debt securities	*part 1, paragraph 37 of Appendix V*	8	338 294
0140	Other financial liabilities	*part 1, paragraph 38-41 of Appendix V*	8	35 751
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	**1 788**
0180	Pensions and other obligations to pay defined post-employment benefits	*Para. 63 of IFRC 19; Para. 78(d) of IAS 1; part 2, item 9 of Appendix V*	43	0
0190	Other long-term employee benefits	*Para. 153 of IFRC 19; Para. 78(d) of IAS 1; part 2, item 10 of Appendix V*	43	0
0200	Restructuring	*Para. 71 and 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	523
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	1 265
0230	Other provisions	*Para. 14 of IAS 37*	43	0
0240	**Tax liabilities**	*Para. 54 (n)-(o) of IAS 1*		**27 131**
0250	Current tax liabilities	*Para. 54(n) of IAS 1; Para. 5 of IAS 12*		1 853
0260	Deferred tax liabilities	*Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575*		25 278
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*		**172 239**
0290	**Liabilities in disposal groups classified as held for sale**	*Para. 54, (p) of IAS 1; Para. 38 of IFRC 5; part 2, paragraph 14 of Appendix V*		**0**
0300	**TOTAL LIABILITIES**	*Para. 9, (b), IN 6 of IAS 1*		**10 840 379**

FIRST INVESTMENT BANK AD

Bank	***FINV9150***	First Investment Bank AD
Reporting date	***31.3.2022***	
Basis for application	***consolidated***	
Accounting standard	IFRS	*Reporting currency in BGN '000*

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

1.3 Total own funds

		References	*Breakdown in table*	Carrying amount
				0010
0010	**Equity**	*Para. 54(s) of IAS 1; Para. 22 of DOB*	46	**149 085**
0020	Paid up share capital	*Para. 78 (e) of IAS 1*		149 085
0030	Not fully paid-up capital	*part 2, paragraph 14 of Appendix V*		0
0040	**Premium reserves**	*Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575*	46	**250 017**
0050	**Issued capital instruments other than share capital**	*part 2, paragraphs 18-19 of Appendix V*	46	**0**
0060	Component of the share capital in compound financial instruments	*Paras. 28 -29 of IAS 32; part 2, item 18 of Appendix V*		0
0070	Other issued equity instruments	*part 2, paragraph 19 of Appendix V*		0
0080	**Other own funds**	*Para. 10 of IFRS 2; part 2, paragraph 20 of Appendix V*		**0**
0090	**Accumulated other comprehensive income**	*Art. 4, para. 1, item 100 of Reg 575*	46	**-12 460**
0095	Items which cannot be reclassified as profit or loss	*Para. 89A (a) of IAS 1*		4 500
0100	*Tangible assets*	*Paras. 39 -41 of IAS 16*		0
0110	*Intangible assets*	*Paras. 85-87 of IAS 38*		4 500
0120	*Actuarial gains or (-) losses on defined benefit plans*	*Para. 7, NI 6 of IAS 1; Para. 120(c) of IAS 19*		0
0122	*Non-current assets and disposal groups classified as held for sale*	*Para. 38, IN example 12 of IFRS 5*		0
0124	*Share of the other comprehensive income of subsidiaries, associates and joint ventures*	*NI 6 of IAS1, paragraph 10 of IAS 28*		0
0320	*Changes in fair value of capital instruments at fair value in other comprehensive income*	*Para. 7 (d) of IAS 1; 5.7.5 and B5.7.1 of IFRC 9; part 2, paragraph 21 of Appendix V*		0
0330	*Inefficiency of hedging in fair value hedging of capital instruments at fair value in other comprehensive income*	*Para. 7 (d) of IFRS 1; IFRS 9.5.7.5 and 6.5.3; paragraph 24C of IFRS 7, part 2, paragraph 22 of Appendix V*		0
0340	*Changes in fair value of capital instruments at fair value in other comprehensive income [hedged position]*	*IFRS 9 5.7.5 and 6.5.8(b); part 2, paragraph 22 of Appendix V*		0
0350	*Changes in fair value of capital instruments at fair value in other comprehensive income [hedging instrument]*	*Para. 7 (e) of IFRS 1; IFRS 9.5.7.5 and 6.5.8(a); part 2, paragraph 57 of Appendix V*		0
0360	*Changes in fair value of financial liabilities at fair value in profit or loss due to changes in credit risk*	*Para. 7 (f) of IAS 1; IFRS 9.5.7.7; part 2, paragraph 23 of Appendix V*		0
0128	Items which can be reclassified as profit or loss	*Para. 81A (a)(ii) of IAS 1*		-16 960
0130	*Hedges of net investments in foreign operations [effective portion]*	*IFRS 9.6.5.13(a); Paragraph 24B(b), items ii) and iii) of IFRS 7; Paragraph 24C(b), items i) and iv), and paragraph 24E(a) of IFRS 7; part 2, paragraph 24 of Appendix V*		0
0140	*Currency exchange*	*Para. 52 (b) of IFRC 21; Paras. 32, 38-49 of IAS 21*		2 125
0150	*Derivatives from hedging Cash flow hedges [effective portion]*	*Paragraph 7(e) of IAS 1; paragraph 24B(b), items ii) and iii) of IFRS 7; paragraph 24C(b), item i) and paragraph 24E of IFRS 7; IFRS 9.6.5.11(b); part 2, paragraph 25 of appendix V*		0
0155	*Changes in fair value of debt instruments at fair value in other comprehensive income*	*Para. 7 (da) of IAS 1; IFRS 9.4.1.2A and 5.7.10; part 2, paragraph 26 of Appendix V*		-19 085
0165	*Hedging instruments [unreported elements]*	*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
0170	*Non-current assets and disposal groups classified as held for sale*	*Para. 38, IN example 12 of IFRS 5*		0
0180	*Share of the other comprehensive income of subsidiaries, associates and joint ventures*	*NI 6 of IAS1, paragraph 10 of IAS 28*		0
0190	**Retained earnings**	*Art. 4, para. 1, item 123 of Reg 575*		**109 369**
0200	**Revaluation reserve**	*Para. 30, D5-D8 of IFRS 1; part 2, item 28 of Appendix V*		**0**
0210	**Other reserves**	*Para. 54 of IAS 1; Para. 78 (e) of IAS 1*		**787 532**
0220	Reserves or losses from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	*Para. 11 of IAS 28; part 2, item 29 of Appendix V*		
0230	Other	*part 2, paragraph 29 of Appendix V*		787 532
0240	**(-) Repurchased own shares**	*Para. 79 (a)(vi) of IAS 1; Paras. 33-34, IE14, IE36 of IAS 32; part 2, paragraph 30 of Appendix V*	46	**0**
0250	**Profit or loss attributable to the owners of the parent company**	*Para. 81B (b)(ii) of IAS 1*	2	**15 954**
0260	**(-) Interim dividends**	*Para. 11 of IAS 32*		
0270	**Minority interests [Non-controlling interests]**	*Para. 54 (r) of IAS 1*		**30**
0280	Accumulated other comprehensive income	*Art. 4, para. 1, item 100 of Reg 575*	46	

		References	Breakdown in table	Carrying amount
				0010
0290	Other items		46	30
0300	**TOTAL SHAREHOLDERS' EQUITY**	*Para. 9 (c), IN 6 of IAS 1*	46	**1 299 527**
0310	**TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES**	*IN 6 of IAS 1*		**12 139 906**

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer

FIRST INVESTMENT BANK AD

Bank	***FINV9150***	First Investment Bank AD
Reporting date	***31.3.2022***	
Basis for application	***consolidated***	
Accounting standard	IFRS	*Reporting currency in BGN '000*

2. Profit and Loss Account

		References	*Breakdown in table*	**Current period**
				0010
0010	**Interest income**	*Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V*	16	**82 740**
0020	Financial assets held for trading	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 33, 34 of Appendix V*		0
0025	Non-tradable financial assets mandatorily reported at fair value through profit or loss	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7, IFRS 9.5.7.1*		2 910
0030	Financial assets at fair value through profit or loss	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7*		0
0041	Financial assets at fair value through other comprehensive income	*Para. 20(b) of IFRC 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A*		4 611
0051	Financial assets at amortised cost	*Para. 20(b) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2*		75 219
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, paragraph 31 of Appendix V*	16	**11 259**
0100	(Financial liabilities held for trading)	*Para. 20, (a)(i), Para. B5, (e) of IFRC 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 IFRC 7*		0
0120	(Financial liabilities at amortised cost)	*Para. 20(b) of IFRC 7; IFRS 9.5.7.2*		9 866
0130	(Derivatives — hedge accounting, interest rate risk)	*Para. 9 of IAS 39; part 2, paragraph 35 of Appendix V*		0
0140	(Other liabilities)	*part 2, paragraph 38 of Appendix V*		101
0145	(Interest expense on assets)	*IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V*		1 292
0150	**(Expense for share capital payable upon request)**	*IFRIC 2, item 11*		**0**
0160	**Dividend income**	*part 2, paragraph 40 of Appendix V*	31	**0**
0170	Financial assets held for trading	*Para. 20, (a)(i), Para. B5, (e) of IFRC 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 IFRC 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V*		0
0191	Financial assets at fair value through other comprehensive income	*Para. 20, (a)(ii) of IFRC 7; IFRS 9.4.1.2A, IFRS 9.5.7.1A, part 2, paragraph 41 of Appendix V*		0
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	**40 505**
0210	**(Fee and commission expense)**	*Para. 20 (c) of IFRS 7*	22	**10 489**
0220	**Net profits or (-) losses from write-off of financial assets and liabilities which are not accounted at fair value through profit or loss**	*part 2, paragraph 45 of Appendix V*	16	**1 375**
0231	Financial assets at fair value through other comprehensive income	*IFRS 9.4.12A; IFRS 9.5.7.10-11*		1 038
0241	Financial assets at amortised cost	*Para. 20(B)(v) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2*		337
0260	Financial liabilities at amortised cost	*Para. 8 (a)(v) of IFRC 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 IFRC 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V*	16	**16**
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 IFRC 7; IFRS 9.5.7.1, part 2, items 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 IFRC 7; IFRS 9.5.7.1, part 2, items 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*		**4 253**
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, paragraph 48 of Appendix V*	45	**290**
0340	**Other operating income**	*part 2, paragraphs 314-316 of Appendix V*	45	**3 045**
0350	**(Other operating expense)**	*part 2, paragraphs 314-316 of Appendix V*	45	**1 805**
0355	**TOTAL NET OPERATING INCOME**			**108 671**
0360	**(Administrative expenses)**			**52 110**
0370	(Personnel costs)	*Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1*	44	24 530
0380	(Other administrative expenses)		16	27 580
0385	(Cash instalments for restructuring funds and deposit guarantee schemes)	*part 2, paragraph 48 of Appendix V*		5 460

		References	Breakdown in table	Current period
				0010
0390	**(Amortisation)**	*Paras. 102, 104 of IAS 1*		**3 489**
0400	(Property, Plant and Equipment)	*Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16*		2 749
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*		740
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	**-91**
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*		-91
0450	(Other provisions)			0
0460	**(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)**	*Para. 20, (a)(viii) of IFRC 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V*	12	**29 416**
0481	(Financial assets at fair value through other comprehensive income)	*IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8*	12	-5
0491	(Financial assets at amortised cost)	*IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8*	12	29 421
0510	**(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)**	*Paras. 40-43 of IAS 28*	16	**0**
0520	**(Impairment or (-) reversed impairment of non-financial assets)**	*Para. 126(a)-(b) of IAS 36*	16	**0**
0530	(Property, Plant and Equipment)	*Para. 73, (e), (v)-(vi) of IAS 16*		0
0540	(Investment Property)	*Para. 79, (d), (v) of IAS 40*		0
0550	(Goodwill)	*B67, (d), (v) of IFRC 3; Para. 124 of IAS 36*		0
0560	(Other intangible assets)	*Para. 118, (e), (iv)-(v) of IAS 38*		0
0570	(Other)	*Para. 126(a)-(b) of IAS 36*		0
0580	**Negative goodwill in profit or loss**	*B64, (n)(i) to IFRC 3*		**0**
0590	**Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method**	*part 2, paragraph 54 of Appendix V*		**0**
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**	*Para. 37 of IFRS 5, part 2, paragraph 55 of Appendix V*		**0**
0610	**PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS**	*Para. 102, IN 6 of IAS 1; Para. 33 A of IFRC 5*		**18 287**
0620	**(Tax expense or (-) income relating to the profit or loss from current operations)**	*Para. 8, (d) of IAS 1; Para. 77 of IAS 12*		**2 352**
0630	**PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS**	*IN 6 of IAS 1*		**15 935**
0640	**Profit or (-) loss after tax from discontinued operations**	*Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRC 5; part 2, paragraph 56 of Appendix V*		**0**
0650	Profit or (-) loss before tax from discontinued operations	*Para. 33, (b)(i) of IFRC 5*		0
0660	(Tax expense or (-) income related to discontinued operations)	*Para. 33, (b)(i) and (iv) of IFRC 5*		0
0670	**PROFIT OR (-) LOSS FOR THE YEAR**	*Para. 81A (a) of IAS 1*		**15 935**
0680	Relating to minority interests [non-controlling interests]	*Para. 81B (b)(i) of IAS 1*		-19
0690	Attributable to the owners of the parent company	*Para. 81B (b)(ii) of IAS 1*		15 954

Nikola Bakalov
Chief Executive Officer

Chavdar Zlatev
Executive Director

Yanko Karakolev
Chief Financial Officer