

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

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

30 January 2023

Re: Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2022 z.

Dear Sirs,

In compliance with the requirements of the Public Offering of Securities Act (POSA) and the regulations for its implementation, in our capacity as public company and issuer of bonds admitted for trading at a regulated market, we hereby submit the individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2022, containing:

1. Financial statements as at 31.12.2022 as per Art. 100o, para. 4(1) of POSA;
2. Notes to the financial statements as at 31.12.2022;
3. Interim activity report under Art. 100o, para. 4(2) of POSA;
4. Declaration under Art. 100o, para. 4(3) of POSA.
5. Information pursuant to Ordinance No 2 of the Financial Supervision Commission on the prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market and on disclosure of information.

Sincerely,

(signed)

Nikola Bakalov
Chief Executive Officer
Chair of the MB

(signed)

Svetozar Popov
Executive Director
Member of the MB

FIRST INVESTMENT BANK AD

Individual statement of shareholders' equity for the year ended 31 December 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	Statutory reserve	Total
Balance at 01 January 2021	149 085	250 017	718 773	15 513	4 500	39 861	1 177 749
Total comprehensive income for the period							
Net profit for the year ended 31 December 2021	-		100 083	-	-	-	100 083
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	(8 968)	-	-	(8 968)
Balance as at 31 December 2021	149 085	250 017	818 856	6 545	4 500	39 861	1 268 864
Total comprehensive income for the period							
Net profit for the year ended 31 December 2022	-	-	80 315	-	-	-	80 315
Other comprehensive income for the period							
Revaluation reserve of investments in securities	-	-	-	(21 860)	-	-	(21 860)
Balance as at 31 December 2022	149 085	250 017	899 171	(15 315)	4 500	39 861	1 327 319

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

Individual statement of cash flows for the year ended 31 December 2022

unaudited

In BGN '000

	2022	2021
Net cash flow from operating activities		
Net profit	80 315	100 083
Adjustment for non-cash items		
Allowance for impairment	135 349	122 493
Net interest income	(270 740)	(263 145)
Depreciation and amortization	12 060	11 379
Tax expense	9 458	11 433
(Profit) from sale and write-off of tangible and intangible fixed assets, net	(5)	(11)
(Loss) from sale and write-off of other assets, net	1 134	6 025
(Positive) revaluation of investment property	(14 769)	(30 340)
	(47 198)	(42 083)
Change in operating assets		
(Increase) in financial assets at fair value through profit or loss	(1 867)	(1 914)
Decrease/(increase) in financial assets at fair value in other comprehensive income	406 355	(241 685)
Decrease/(Increase) in loans and advances to banks and financial institutions	2 869	(4 109)
(Increase) in loans to customers	(297 535)	(491 458)
(Increase)/decrease in other assets	(43 997)	47 765
	65 825	(691 401)
Change in operating liabilities		
Increase in due to banks	15 823	15 539
Increase in amounts owed to other depositors	1 375 988	342 450
Net increase/(decrease) in other liabilities	43 374	(60 371)
	1 435 185	297 618
Interest received	395 403	346 863
Interest paid	(49 705)	(62 497)
Dividends received	578	401
Tax on profit, paid	(5 528)	(3 853)
NET CASH FLOW FROM OPERATING ACTIVITIES	1 794 560	(154 952)
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(35 523)	(13 464)
Sale of tangible and intangible fixed assets	15	34
Sale of other assets	44 708	14 037
(Increase) of investments	(1 540 427)	(117 365)
NET CASH FLOW FROM INVESTING ACTIVITIES	(1 531 227)	(116 758)
Financing activities		
Increase in borrowings	16 679	4 238
(Decrease)/Increase in subordinated liabilities	(57 275)	53 068
Capital increase through newly issued shares	-	-
Increase of share premium reserve of newly issued shares	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(40 596)	57 306
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	222 737	(214 404)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	1 915 640	2 130 044
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2 138 377	1 915 640

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Individual statement of the financial position as at 31 December 2022

unaudited

in BGN '000

	31.12.2022	31.12.2021
ASSETS		
Cash and balances with Central Banks	1 911 371	1 868 853
Investments in securities	2 597 145	1 482 699
Loans and advances to banks and other financial institutions	264 984	87 412
Loans and advances to customers	6 384 541	6 315 581
Property and equipment	98 240	75 881
Intangible assets	14 925	13 831
Derivatives held for risk management	1 609	1 042
Current tax assets	-	-
Repossessed assets	412 996	450 987
Investment Property	750 324	732 850
Investments in subsidiaries	38 526	45 873
Rights of use assets	124 658	77 725
Other assets	114 245	116 136
TOTAL ASSETS	12 713 564	11 268 870
LIABILITIES AND CAPITAL		
Due to banks	45 703	29 879
Due to other customers	10 798 450	9 425 251
Liabilities evidenced by paper	116 487	106 271
Financial liabilities at fair value through profit or loss	8 488	2 164
Hybrid debt	256 861	320 733
Derivatives held for risk management	-	2 166
Deferred tax liability	27 823	26 608
Current tax liabilities	317	1 332
Lease liabilities	124 718	77 785
Other liabilities	7 398	7 817
TOTAL LIABILITIES	11 386 245	10 000 006
Issued share capital	149 085	149 085
Share premium	250 017	250 017
Statutory reserve	39 861	39 861
Revaluation reserve of investments in securities	(15 315)	6 545
Revaluation reserve on property	4 500	4 500
Other reserves and retained earnings	899 171	818 856
TOTAL SHAREHOLDERS' EQUITY	1 327 319	1 268 864
TOTAL LIABILITIES AND GROUP EQUITY	12 713 564	11 268 870

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Individual statement of profit or loss and of other comprehensive income for the year ended 31 December 2022

unaudited

in BGN '000

	2022	2021
Interest income	310 785	308 556
Interest expense	(40 045)	(45 412)
Net interest income	270 740	263 144
Fee and commission income	172 990	143 015
Fee and commission expense	(33 475)	(24 150)
Net fee and commission income	139 515	118 865
Net trading income	19 717	15 380
Other net operating income	13 202	11 368
TOTAL INCOME FROM BANKING OPERATIONS	443 174	408 757
Administrative expenses	(205 092)	(179 441)
Other expenses, net	(12 960)	4 754
Profit before impairment	225 122	234 070
Allowance for impairment	(135 349)	(122 494)
PROFIT BEFORE TAX	89 773	111 576
Income tax expense	(9 458)	(11 493)
NET PROFIT	80 315	100 083
Other comprehensive income for the period		
Items which should or may be reclassified as profit or loss		
Revaluation reserve of investments in securities	(21 860)	(8 968)
Total other comprehensive income	(21 860)	(8 968)
TOTAL COMPREHENSIVE INCOME	58 455	91 115

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

**ADDENDUM TO THE UNAUDITED STAND-ALONE INTERIM FINANCIAL STATEMENTS OF
FIRST INVESTMENT BANK AD
AS AT 31/12/2022**

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 111P Tsarigradsko Chaussee Blvd.

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

The Bank has foreign operations in Cyprus.

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

(b) Statement of compliance

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

(c) Presentation

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

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

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

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

(a) Income recognition

(i) Interest income

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

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

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

(ii) Fees and Commissions

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

(iii) Net trading income

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

(iv) Dividend income

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

(b) Basis of consolidation of subsidiaries

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

(c) Foreign currency transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Foreign currency differences arising on translation are difference between amortised cost in functional currency in the beginning of period, adjusted with effective interest and received payments during the period, and amortised cost in foreign currency at the spot exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined.

(iii) Foreign operations

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

(d) Financial assets

(i) Recognition

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

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

(ii) Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

(vi) Reclassification

If the Bank reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset shall continue to be measured at fair value. The revaluation reserve for the instrument shall be formed from changes to fair value after the reclassification date.

If the Bank reclassifies a financial asset out of the amortized cost measurement category and into the fair value through profit or loss measurement category, its fair value shall be measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

If the Bank reclassifies a financial asset out of the fair value through profit or loss measurement category and into the amortized cost measurement category, its fair value at the reclassification date shall become its new gross carrying amount.

If the Bank reclassifies a financial asset out of the amortized cost measurement category and into the fair value through other comprehensive income measurement category, its fair value shall be measured at the reclassification date. Any revaluation difference shall be recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses shall not be adjusted as a result of the reclassification.

If the Bank reclassifies a financial asset from the 'measured at fair value through other comprehensive income' category to the 'measured at amortized cost' category, the entire value of the accumulated revaluation reserve at the date of reclassification is offset against the fair value of the financial asset. Thus, in practice, it turns out that at the date of reclassification the financial asset is measured as if it had always been measured at amortized cost. The effective interest rate and the measurement of expected credit losses shall not be adjusted as a result of the reclassification.

Such reclassification is only possible after a change in the business model by which financial assets are managed.

In case of a change of the business model from "hold to collect and sell" to "hold to collect", the Bank reclassifies the financial assets concerned. To this end, it periodically reviews its business model historically and analyses the extent to which the purpose of holding financial assets meets the 'hold to collect' business model as opposed to the 'hold to collect and sell' business model. In this analysis, the following criteria may serve as indication for change in the business model: government securities with sufficiently long residual term that have not been traded since their acquisition; or privately placed securities without an active market where Fibank holds a significant part of the issue. In case of a significant predominance of the 'hold to collect' business model, the Bank needs to consider whether to reclassify the financial assets from the 'Measured at fair value through other comprehensive income' category to the 'Measured at amortized cost' category, continuing to manage financial assets in such a way as to generate cash flows only from collecting contractual payments.

If the Bank reclassifies a financial asset out of the fair value through other comprehensive income measurement category and into the fair value through profit or loss measurement category, the financial asset shall continue to be measured at fair value. The cumulative revaluation reserve at the reclassification date shall be reclassified to profit or loss.

The Bank shall not reclassify any financial liability.

(vii) Fair value measurement principles

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

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

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

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

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

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

(viii) Derecognition

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

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

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

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

(e) Cash and cash equivalents

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

(f) Investments

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

(g) Securities borrowing and lending business and repurchase transactions

(i) Securities borrowing and lending

Investments lent under securities lending arrangements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy applicable for assets at fair value in profit or loss or at fair value in other comprehensive income. Cash collateral received in respect of securities lent is recognised as liabilities to either banks or customers. Investments borrowed under securities borrowing agreements are not recognised. Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the

securities borrowing and lending business are recognised on an accrual basis over the period of the transactions and are included in interest income or expense.

(ii) Repurchase agreements

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

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

(h) Borrowings

Borrowings are recognised initially at 'cost', being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective yield method. If the Bank purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of a liability and the consideration paid is included in other operating income.

(i) Offsetting

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

(j) Impairment of financial assets

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

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

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

(k) Property and equipment

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

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

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

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

(l) Intangible assets

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

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

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

(o) Acceptances

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

(p) Off-balance sheet commitments

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

(q) Taxation

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

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

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

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

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

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

The actual results may differ from the Management's assumptions, estimates and judgements and in rare cases correspond fully to the preliminary result estimates.

In preparing the present individual financial statements the Management's estimates in applying the Bank's accounting policies and the main sources of uncertainty of the approximate accounting valuations do not differ from those disclosed in the individual financial statement for the previous year.

Information on the valuations and the valuation uncertainty, for which there is a significant risk of change as of 31 December 2022 are stated below and are related to the impairment of financial instruments, income tax and the following notes related to other elements of the financial statements:

- Note 4, 15 - 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 10, 12, 14 – 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 Bank's judgement. Expected credit loss is discounted with the initial effective interest rate (or with the loan-adjusted effective interest rate for purchased or initially created financial assets with credit impairment).

- Notes 12, 14 – debt instruments at amortised cost – the analysis and intentions of the Management are confirmed by the business model of holding debt instruments that meet the requirements for receiving only principal and interest payments and holding assets until collecting the contractual cash flows from the bonds which are classified as debt instruments at amortised cost.
- Note 20 – 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 26 – in accordance with IAS 37 — Provisions, Contingent Liabilities and Contingent Assets and the internal rules for setting aside provisions for pending court cases the bank has recognised provisions for pending court cases. The Bank 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.

(s) 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).

(t) Income taxes

The Bank is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(u) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

For the last two years the Bank has prepared estimates for the due provisions for pensions and

has not identified significant liabilities.

Termination benefits

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

Short-term employee benefits

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

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

(v) Leases

(i) *The Company as lessee*

For new contracts concluded on or after 1 January 2019 the Bank 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 Bank 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 Bank 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 Bank has the right to direct the use of the identified asset throughout the period of use.

The Bank 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 Bank as lessee

On the commencement date of the lease contract the Bank 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 Bank, an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset at the end of the lease contract, and any lease payments made at or before the commencement date (less any lease incentives received).

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

On the commencement date of the lease contract the Bank 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 Bank 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 Bank did the following:

- o 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;
- o 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 Bank is a party as a tenant, the Bank 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 Bank would exercise that option. With relation to this the Bank 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 Bank uses an interest rate consisting of the risk-free interest rate and a surcharge reflecting the credit risk related to the Bank and additionally adjusted for the specific conditions of the lease contract, including term, country, currency, and collateral.

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

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

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

The Bank 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 Bank’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 Bank as lessor no significant changes were found in comparison to the previous IAS 17. The Bank 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 Bank recognises as asset a receivable under the contract in an amount equal to the net investment in the lease. During the lease term the Bank 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 Bank recognises lease payments as revenue on a linear basis.

As lessor, the Bank 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 Bank’s geographical segments. The primary format, geographical segments, is based on the Bank’s management and internal reporting structure.

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

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

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

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

<i>in BGN '000</i>	Bulgarian operations		Foreign operations		Total	
	2022	2021	2022	2021	2022	2021
Interest income	310,748	308,538	37	18	310,785	308,556
Interest expense	(37,726)	(42,114)	(2,319)	(3,298)	(40,045)	(45,412)
Net interest income	273,022	266,424	(2,282)	(3,280)	270,740	263,144
Fee and commission income	159,085	134,350	13,905	8,665	172,990	143,015
Fee and commission expense	(32,087)	(23,978)	(1,388)	(172)	(33,475)	(24,150)
Net fee and commission income	126,998	110,372	12,517	8,493	139,515	118,865
Net trading income	17,373	13,466	2,344	1,914	19,717	15,380
Administrative expenses	(202,013)	(176,452)	(3,079)	(2,989)	(205,092)	(179,441)
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Assets	12,455,015	10,809,481	258,549	459,389	12,713,564	11,268,870
Liabilities	10,655,715	9,432,473	730,530	567,533	11,386,245	10,000,006

The table below shows assets and liabilities and income and expense by business segments as at 31/12/2022.

	Assets	Liabilities	Net interest income	Net fee and commission income	Net trading income	Other net operating income
Big and medium enterprises	3,051,182	2,263,247	102,017	42,705	-	677
Small business	867,206	585,674	34,919	23,861	-	2,795
Retail Banking	2,466,153	7,998,019	169,139	73,577	-	2,552
Treasury	4,775,109	85,577	3,754	(2,263)	19,717	(469)
Other	1,553,914	453,728	(39,089)	1,635	-	7,647
Total	12,713,564	11,386,245	270,740	139,515	19,717	13,202

4. Financial assets and liabilities

Accounting classification and fair values

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

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

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

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

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

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

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

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

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable

prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

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

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

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

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

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

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

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

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

in thousands of BGN

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	5,862	260,748	85	266,695
Financial assets at fair value through other comprehensive income	357,422	110,825	-	468,247
Derivatives held for risk management	718	891	-	1,609
Total	364,002	372,464	85	736,551
Financial liabilities at fair value through profit and loss	-	8,488	-	8,488

In BGN '000

31.12.2021 r.	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,507	260,884	14	265,405
Financial assets at fair value through other comprehensive income	855,570	45,585	-	901,155
Derivatives held for risk management	1,042	-	-	1,042
Total	861,119	306,469	14	1,167,602
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 December 2022	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,911,371	-	1,911,371	1,911,371
Financial assets at amortised cost	1,743,050	-	-	1,743,050	1,862,203
Loans and advances to banks and other financial institutions	-	264,984	-	264,984	264,984
Loans and advances to customers	-	888,812	5,533,182	6,421,994	6,384,541
Total	1,743,050	3,065,167	5,533,182	10,341,399	10,423,099
Liabilities					
Due to banks	-	45,703	-	45,703	45,703
Due to other customers	-	7,227,207	3,544,287	10,771,494	10,798,450
Liabilities evidenced by paper	-	116,442	-	116,442	116,487
Hybrid debt	-	256,861	-	256,861	256,861
Total	-	7,646,213	3,544,287	11,190,500	11,217,501

In BGN '000

31.12.2021 r.	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
Assets					
Cash and balances with Central Banks	-	1,868,853	-	1,868,853	1,868,853
Financial assets at amortised cost	318,404	-	-	318,404	316,139
Loans and advances to banks and other financial institutions	-	87,412	-	87,412	87,412
Loans and advances to customers	-	924,962	5,499,390	6,424,352	6,315,581
Total	318,404	2,881,227	5,499,390	8,699,021	8,587,985
Liabilities					
Due to banks	-	29,879	-	29,879	29,879
Due to other customers	-	5,580,080	3,845,582	9,425,662	9,425,251
Liabilities evidenced by paper	-	106,253	-	106,253	106,271
Hybrid debt	-	320,733	-	320,733	320,733
Total	-	6,036,945	3,845,582	9,882,527	9,882,134

5. Net interest income

in thousands of BGN

	2022	2021
Interest income		
Accounts with and placements to banks and financial institutions	1,505	311
Revenue from interest on liabilities	5	50
Large enterprise	77,063	75,862
Medium enterprise	32,358	50,096
Small business	37,200	34,082
Micro enterprise	7,427	7,043
Households	129,095	123,264
Debt instruments	24,520	17,848
Other interest income	1,612	-
	310,785	308,556
Interest expense		
Deposits from banks	(135)	(2)
Deposits from other customers	(1,567)	(9,131)
Liabilities evidenced by paper	(533)	(738)
Hybrid debt	(33,488)	(27,634)
Interest on assets cost	(4,285)	(7,897)
Lease agreements and other	(37)	(10)
	(40,045)	(45,412)
Net interest income	270,740	263,144

6. Net fee and commission income

<i>in thousands of BGN</i>	2022	2021
Fee and commission income		
Letters of credit and guarantees	3,559	3,387
Payment operations	28,421	23,890
Customer accounts	48,927	36,840
Card services	46,547	36,405
Other	45,536	42,493
	172,990	143,015
Fee and commission expense		
Letters of credit and guarantees	(640)	(593)
Payment systems	(4,407)	(2,895)
Card services	(20,598)	(16,433)
Other	(7,830)	(4,229)
	(33,475)	(24,150)
Net fee and commission income	139,515	118,865

7. Net trading income

<i>in thousands of BGN</i>	2022	2021
Net trading income arises from:		
- Debt instruments	114	32
- Equities	(656)	200
- Foreign exchange rate fluctuations	20,259	15,148
Net trading income	19,717	15,380

8. Other net operating income

<i>In BGN '000</i>	2022	2021
Other net operating income arising from:		
-net income from transactions and revaluation of gold and precious metals	2,068	1,169
Rental income	5,579	5,702
- Debt instruments	827	1,058
- Equities	(1,296)	27
- income from management of assigned receivables	5,620	3,075
- Gain on administration of loans acquired through business combination	404	337
Other net operating income	13,202	11,368

9. Administrative expenses

<i>in thousands of BGN</i>	2022	2021
General and administrative expenses comprise:		
- Personnel cost	74,545	65,440
Amortization of equipment and tangible fixed assets	12,060	11,379
Rights of use assets	39,523	33,915
- Advertising	8,454	8,176
-Telecommunication, software and other computer maintenance	13,753	12,265
- Other expenses for external services	56,757	48,266
Administrative expenses	205,092	179,441

10. Allowance for impairment

<i>in thousands of BGN</i>	2022	2021
Write-downs		
Loans and advances to customers	(208,469)	(152,369)
Off balance sheet commitments	(625)	(769)
Reversal of write-downs		
Loans and advances to customers	72,929	30,381
Off balance sheet commitments	816	263
Impairment cost, net	(135,349)	(122,494)

10a. Other (expenses)/income, net

<i>In BGN '000</i>	2022	2021
Proceeds/loss from the sale and write-off of assets acquired as collateral	2,608	(6,041)
Revaluation of investment property	14,769	30,340
Expense/(income) from sale of investment property	(3,221)	16
Dividend income	578	401
Cost of guarantee schemes	(24,987)	(22,202)
Income for provisions for pending court cases	83	508
Other income, net	(2,790)	1,732
Total	(12,960)	4,754

11. Cash and balances with Central Banks

<i>in thousands of BGN</i>	2022	2021
Cash on hand		
- in BGN	184,774	189,399
- in foreign currency	63,766	58,053
Balances with Central Banks	1,427,241	1,455,801
Current accounts and amounts with foreign banks	235,590	165,600
Total	1,911,371	1,868,853

12. Investments in securities

<i>In BGN '000</i>	2022	2021
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	446,417	367,761
- denominated in foreign currencies	129,255	211,288
Foreign governments	1,575,324	433,129
Corporates	405,558	317,559
Banks	10,477	124,057
Other issuers – equity instruments	30,114	28,905
Total	2,597,145	1,482,699
Of which:		
at fair value through other comprehensive income	468,247	901,155
at amortised cost	1,862,203	316,139
at fair value through profit and loss	266,695	265,405
Total	2,597,145	1,482,699

13. Loans and advances to banks and other financial institutions

(a) Analysis by type

<i>in thousands of BGN</i>	2022	2021
Placements with banks	140,685	38,727
Other	124,299	48,685
Total	264,984	87,412

(b) Geographical analysis*in thousands of BGN*

	2022	2021
Domestic banks and financial institutions	105,262	22,164
Foreign banks and other financial institutions	159,722	65,248
Total	264,984	87,412

14. Loans and advances to customers*in thousands of BGN*

	Gross value	Allowance for impairment	31/12/2022 Amortised cost
Large enterprises	2,270,652	(119,107)	2,151,545
Medium enterprises	1,085,974	(186,337)	899,637
Small business	878,135	(10,929)	867,206
Micro lending	198,538	(2,019)	196,519
Retail Banking			
- Consumer loans	1,064,063	(41,873)	1,022,190
- Mortgage loans	1,128,416	(11,167)	1,117,249
- Credit cards	138,516	(11,336)	127,180
- Other programmes and collateralised financing	3,015	-	3,015
Total	6,767,309	(382,768)	6,384,541

In BGN '000

	Gross value	Allowance for impairment	31.12.2021 r. Amortised cost
Large enterprise	2,474,806	(199,830)	2,274,976
Medium enterprise	1,123,631	(177,627)	946,004
Small business	878,125	(12,885)	865,240
Micro enterprise	182,625	(2,853)	179,772
Households			
- Consumer loans	982,976	(45,624)	937,352
- Mortgage loans	986,104	(10,922)	975,182
- Credit cards	148,037	(13,999)	134,038
- Other programmes and collateralised financing	3,017	-	3,017
Total	6,779,321	(463,740)	6,315,581

The distribution of the loan portfolio is reported according to the Bank's business segments

(a) Movement in impairment allowances*in BGN '000*

Balance as at 01 January 2022	463,740
Additional allowances	208,469
Amounts released	(72,929)
Write-offs	(217,974)
Other	1,462
Balance as at 31 December 2022	382,768

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

	31/12/2022		31/12/2021	
	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)	4,285,771	(54,521)	4,538,726	(12,689)
Exposures with significant increase of credit risk after the initial recognition (phase 2)	1,264,479	(71,944)	926,783	(62,201)
Non-performing (impaired) exposures (phase 3)	1,217,059	(256,303)	1,313,812	(388,850)
Total	6,767,309	(382,768)	6,779,321	(463,740)

31 December 2022

Class of exposure	<i>in thousands of BGN</i>		
	Gross amount of loans and advances to customers	Allowance for impairment	Carrying amount of loans and advances to customers
Performing			
Collectively impaired	5,550,250	(54,521)	5,495,729
Nonperforming			
Collectively impaired	240,639	(71,944)	168,695
Individually impaired	976,420	(256,303)	720,117
Total	6,767,309	(382,768)	6,384,541

31 December 2021

Class of exposure	<i>in thousands of BGN</i>		
	Gross amount of loans and advances to customers	Allowance for impairment	Carrying amount of loans and advances to customers
Performing			
Collectively impaired	5,465,509	(74,890)	5,390,619
Nonperforming			
Collectively impaired	234,814	(74,763)	160,051
Individually impaired	1,078,998	(314,087)	764,911
Total	6,779,321	(463,740)	6,315,581

As at 31 December 2022 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 804,062 thousand) (31 December 2021: BGN 931, 502 thousand)

For comparability with the official EBA definition of the ratio measuring NPLs and advances (NPL ratio), the Bank discloses the gross balance sheet value of the supervisory category Loans and advances as at 31 December 2022 in the amount of BGN 9,209,609 thousand (31 December 2021: BGN 8,488,135 thousand). (31 December 2021: BGN 8,695,125 thousand).

15. Property and equipment

<i>in BGN '000</i>	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Construction	Leasehold Improvements	Total
At 01 January 2022	26,243	133,926	6,632	17,143	59,958	243,902
Additions	-	6	-	35,517	-	35,523
Disposals	-	(6,760)	(416)	-	(183)	(7,359)
Transfers	-	9,475	-	(14,341)	940	(3,926)
At 31 December 2022	26,243	136,647	6,216	38,319	60,715	268,140
Amortisation						
At 01 January 2022	6,892	114,974	6,544	-	39,611	168,021
Accrued during the year	969	5,636	57	-	2,566	9,228
On disposals	-	(6,751)	(416)	-	(182)	(7,349)
At 31 December 2022	7,861	113,859	6,185	-	41,995	169,900
Carrying amount						
At 01 January 2022	19,351	18,952	88	17,143	20,347	75,881
At 31 December 2022	18,382	22,788	31	38,319	18,720	98,240

16. Intangible assets

<i>in thousands of BGN</i>	Software and licences	Total
At 01 January 2022	47,255	47,255
Additions	-	-
Disposals	-	-
Transfers	3,926	3,926
At 31 December 2022	51,181	51,181
Amortisation		
At 01 January 2022	33,424	33,424
Accrued during the year	2,832	2,832
On disposals	-	-
At 31 December 2022	36,256	36,256
Carrying amount		
At 01 January 2022	13,831	13,831
At 31 December 2022	14,925	14,925

17. Repossessed assets

<i>in thousands of BGN</i>	2022	2021
Land	245,557	249,612
Buildings	156,173	187,962
Machines, plant and vehicles	10,425	12,596
Fixtures and fittings	841	817
Total	412,996	450,987

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

18. Investment Property

in thousands of BGN

Balance as at 01 January 2022	732,850
Incomings for the period	10,318
Transferred from repossessed assets	-
Revaluation of investment property to the fair value recognised at transfer	14,769
Write-offs upon sale	(7,613)
Balance as at 31 December 2022	750,324

19. Investments in subsidiaries

Investments in subsidiaries are as follows:

In BGN '000

31/12/2022

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
First Investment Finance B.V., Netherlands	100%	3,947	-	3,947
Diners Club Bulgaria AD	96.51%	5,743	-	5,743
First Investment Bank – Albania Sh.a.	100%	23,420	-	23,420
Debita OOD	70%	105	(104)	1
Fi Health Insurance AD	59.10%	3,315	-	3,315
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
MyFin EAD	100%	2,000	-	2,000
Incasso Garant EOOD	100%	100	-	100
Total		38,630	(104)	38,526

Realtor OOD and Balkan Financial Services has been deregistered from the Commercial Register and Register of Non-Profit Legal Entities with the Registration Agency respectively as from 20.07.2022 and as from 09.12.2022.

In BGN '000

31/12/2021

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
First Investment Finance B.V., Netherlands	100%	3,947	-	3,947
Diners Club Bulgaria AD	94.79%	5,443	-	5,443
First Investment Bank – Albania Sh.a.	100%	23,420	-	23,420
Debita OOD	70%	105	(104)	1
Realtor OOD	51%	78	(74)	4
Fi Health Insurance AD	59.10%	3,315	-	3,315
Balkan Financial Services EAD	100%	7,743	-	7,743
Turnaround Management EOOD	100%	-	-	-
Creative Investment EOOD	100%	-	-	-
Lega Solutions EOOD	100%	-	-	-
AMC Imoti EOOD	100%	-	-	-
MyFin EAD	100%	2,000	-	2,000
Total		46,051	(178)	45,873

20. Rights of use assets

In BGN '000

01 January 2022	77,725
Amortisation	(39,523)
Effect of modification to lease terms and expectations on lease term	86,456
At 31 December 2022	124,658

Lease liabilities

01 January 2022	77,785
Lease payments	(39,523)
Effect of modification to lease terms and expectations on lease term	86,456
At 31 December 2022	124,718

21. Other assets

in thousands of BGN

	2022	2021
Deferred expense	11,338	14,779
Gold	2,642	2,765
Other assets	100,265	98,592
Total	114,245	116,136

22. Due to banks

in thousands of BGN

	2022	2021
Term deposits	3,668	-
Payable on demand	42,035	29,879
Total	45,703	29,879

23. Due to other customers

in thousands of BGN

	2022	2021
Retail customers		
- current accounts	2,859,322	2,275,583
- term and savings deposits	4,401,427	4,718,411
Businesses and public institutions		
- current accounts	3,157,892	1,996,496
- term deposits	379,809	434,761
Total	10,798,450	9,425,251

24. Liabilities evidenced by paper

in thousands of BGN

	2022	2021
Acceptances under letters of credit	-	3,388
Debt related to agreements for full swap of profitability	39,874	74,018
Financing from financial institutions	36,611	26,227
Liabilities related to investment products	6,884	2,638
Obligations under loan agreements	33,118	-
Total	116,487	106,271

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

in thousands of BGN

Lender	Interest rate	Maturity	Amortised cost as at 31 December 2022
European Investment Fund – JEREMIE 2	0% - 2.790%	30/09/2025	1,506
Bulgarian Bank for Development AD	3.05% - 3.85%	15.03.2027 - 30.11.2028	14,931
Manager of financial instruments in Bulgaria fund	0%	31/12/2033	20,174
Total			36,611

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

25. Hybrid debt

in thousands of BGN

	Principal amount	Amortised cost as at 31 December 2022
Hybrid debt with principal EUR 60 mio	117,350	123,839
Hybrid debt with principal EUR 30 mio	58,675	58,829
Hybrid debt with principal EUR 30 mio	58,675	54,590
Hybrid debt with principal EUR 10 mio	19,558	19,603
Total	254,258	256,861

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.

26. Other liabilities

<i>in thousands of BGN</i>	2022	2021
Liabilities to personnel	1,157	1,289
Provisions for pending court cases	440	523
Impairment on off balance sheet commitments	1,152	1,343
Other payables	4,649	4,662
Total	7,398	7,817

27. Shareholders

The subscription for the public offering of shares of First Investment Bank AD was completed successfully on 3 July 2020. Out of the 40 000 000 ordinary dematerialized shares with nominal value of BGN 1, and issue value of BGN 5.00 each, a total of 39 084 800 shares were subscribed and paid up.

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

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

The table below shows those shareholders of the Bank holding shares as at 31/12/2022 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	100.00

In 2022, as in the previous year, the Bank did not distribute dividends.

28. Commitments and contingent liabilities

Contingent liabilities

<i>in thousands of BGN</i>	2022	2021
Bank guarantees	157,251	161,233
Unused credit lines	837,477	644,288
Letters of credit	31,767	12,507
Total	1,026,495	818,028
Impairment on off balance sheet commitments	1,152	1,343

29. Related party transactions

Type of related party <i>in BGN '000</i>	Parties that control or manage the Bank		Enterprises under common control	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loans	2,944	3,515	78,316	83,666
Deposits and loans received:	14,195	13,725	115,177	125,350
Deposits placed	-	-	92,146	5,868
Other receivables	-	-	12,467	18,037
Other borrowings	-	-	150	420
Off-balance sheet commitments issued by the Bank	1,023	1,061	2,029	2,792
Lease liabilities	-	-	2,684	1,513

First Investment Bank announces that as at 31/12/2022:

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 27.
4. No dividends were accrued or paid.

(signed)

Nikola Bakalov – Chief Executive Officer

(signed)

Svetozar Popov – Executive Director

(signed)

Ianko Karakolev – Chief Financial Officer

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

(individual)

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

In the third quarter 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 December 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. The individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2021 were published on 31 January 2022;
3. The consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2021 were published on 01 March 2022;
4. The annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2021 were published on 31 March 2022;
5. The annual consolidated (audited) financial statements of First Investment Bank AD as at 31 December 2021 were published on 29 April 2022;
6. The unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2022 were published on 29 April 2022;
7. On 03 May 2022 First Investment Bank AD disclosed information pursuant to successful issue of the third tranche from Fibank's programme for issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013, with a total amount of up to EUR 100 million
8. Notice and materials for the General Meeting of Shareholders of First Investment Bank AD were published on 12 May 2022;
9. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2022 were published on 30 May 2022;
10. Information on the results from the regular Annual General Meeting of Shareholders of First Investment Bank held on 16 June 2022 was published on that same day;
11. The minutes of the regular annual General Meeting of Shareholders of First Investment Bank AD held on 16 June 2022 were published on 20 June 2022;
12. First Investment Bank's Ratings from Fitch Ratings were published on 20 July 2022;
13. On 01 July 2022 First Investment Bank AD disclosed information pursuant to Regulation (EU) No. 575/2013;
14. Individual (unaudited) financial statements of First Investment Bank AD as at 30 June 2022 were published on 29 July 2022;
15. Notification pursuant to Art. 100y, Para. 1(1) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding amendments to the By-Laws of First

Investment Bank AD listed in the Commercial Register and RNPLE was published on 02 August 2022;

16. On 23 August 2022 was published notification about successful issue of the first tranche from the second series (fourth in total) under Fibank's programme for issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013, with a total amount of the programme of up to EUR 100 million;
17. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2022 were published 29 August 2022.
18. Individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2022 were published on 27.10.2022;
19. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 September 2022 were published on 29.11.2022;
20. On 01 December 2022 the Bank published a notification that the Programme for the issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013 has been prolonged.

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

- *Balance sheet as at 31 December 2022.*

The balance sheet assets of the Bank as at 30.09.2022 reached BGN 12,714 million, showing an increase by BGN 1,445 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 31.12.2022 the deposits from other customers amounted to BGN 10,798 million, with net increase of BGN 1,373 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 December 2022 the accounting equity amounted to BGN 1,327 million net, which means an increase by BGN 58 million for the period. Receivables from clients at 31 December 2022 amounted to BGN 6,385 million book value, a increase against the end of 2021 by BGN 69 million.

- *Individual profit as at 31 December 2022*

The net profit of the Bank as at 31.12.2022 reached BGN 80,315 thousand. The profit before tax for 2022 was BGN 89,773 thousand, the profit before provisions and impairment amounted to BGN 225,122 thousand.

The total revenue from banking operations as at 31 December 2022 amounted to BGN 443,174 thousand (Q4 2021: BGN 408,757 thousand). The net interest income for the period January-December 2022 amounted to BGN 270,740 thousand, marking an increase by BGN 7,0596 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 Q4 2022 the net fee and commission income amounted to BGN 139,515 thousand, BGN 20,650 thousand higher than the same period in 2021.

- *Capital resources*

The capital adequacy ratio of First Investment Bank AD as at 31 December 2022 reached 21.75 %. The Tier 1 capital ratio was also 21.75%, while CET1 ratio was 18.12 %. The own funds amounted to BGN 1,523 million. As at 31 December 2022 the Bank was in compliance with and above the regulatory capital requirements.

- *Liquidity*

The liquidity coverage ratio of First Investment Bank AD as at 31 December 2022 reached 225.36 % and the net stable funding ratio was 148.08 %, showing a stable liquidity position.

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

As at 31 December 2022, First Investment Bank AD had a total of 125 branches and offices in Bulgaria – 42 of them in Sofia and 83 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 December 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:

As at 31 December 2022 the following changes in the Bank's economic group had occurred:

- The General Meeting of Shareholders of Diners Club Bulgaria decided to increase the company's share capital from BGN 610 000 to BGN 910 000 through the issue of 300 000 new registered available voting shares, with nominal and issue value of BGN 1 each, which are to be subscribed by the shareholder First Investment Bank AD. The GMS also approved amendments to Articles 6.1 and чл.6.2 of the By-Laws of Diners Club Bulgaria AD, provided that the shares issued for the increase are subscribed and paid up. This change will be published in the Commercial Register and RNPLE;*
- The General Meeting of Shareholders of "Medical Centres Fi Health Plovdiv" AD decided to re-elect the current members of the Board of Directors Alexander Hristov Alexandrov, Kostadinka Ignatova Petleshkova and Tsvetomira Marinova Karapchanska for a new three-year term in office. This change will be published in the Commercial Register and RNPLE;*
- Balkan Financial Services EAD, in liquidation – a notice to the company's creditors was published under #20220511092220 in the Commercial Register and RNPLE. Thus, the six-month period of liquidation as per the sole owner's decision has begun.*
- „Realtor“ OOD – deregistered as from 20.07.2022 from the Commercial Register and Register of Non-Profit Legal Entities;*
- „Myfin“ EAD: with an MB resolution of 01.09.2022 First Investment Bank as the sole owner reelected for a new 5-year term the current members of the Board of Directors: Svetozar Popov, Ralitsa Bogoeva and Lachezar Venkov; the management address of the subsidiary was changed from Sofia 1797, 37, Dragan Tsankov Blvd, to Sofia 1784, Mladost Region, 111P Tsarigradsko Chaussee Blvd., respectively Article 3(2) of the By-Laws of Myfin EAD were amended to reflect the change of management address;*

- *Fibank is in the process of establishing a new subsidiary Incasso Gaurant EOOD – Management Board resolution dated 09.08.2022, approved by the Supervisory Board on 24.09.2022.*
- *After a duly submitted application accompanied by all necessary documents (reports and resolutions) was registered on 9 December 2022 in the Commercial Register, Balkan Financial Services is now a deregistered company;*
- *On 30 December 2022 the GMS of Diners Club Bulgaria AD decided on the change of the company’s management address: from Sofia 1404, Triaditsa Region, 81G Bulgaria Blvd, to Sofia, Mladost Region, 111P Tsarigradsko Chaussee Blvd, respectively on a change in the company’s By-Laws to reflect that change.*

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:

	<i>at 30 September 2022</i>		<i>at 31 December 2022</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Mr Tseko Minev	46 750 000	31,36%	No change	
Mr Ivaylo Mutafchiev	46 750 000	31,36%	No change	
Bulgarian Development Bank AD	27 350 000	18,35%	No change	
Valea Foundation	11 734 800	7,87%	No change	

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

<i>Members of the Managing Board</i>	<i>at 30 September 2022</i>		<i>at 31 December 2022</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Nikola Bakalov	374	0,00	2516	0,00
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	

<i>Members of the Supervisory Board</i>	<i>at 30 September 2022</i>		<i>at 31 December 2022</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Evgeni Lukanov	337 139	0,23	No change	
Maya Georgieva	11 388	0,01	No change	
Jordan Skortchev	19 125	0,01	No change	
Radka Mineva	-	0,00	No change	
Jyrki Koskelo	-	0,00	No change	

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

No events have occurred.

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

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

Appendix 2

**INFORMATION AS AT 31 December 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 29 to the unaudited individual 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 29 to the unaudited consolidated interim financial report.

(signed)
Nikola Bakalov
Chief Executive Officer
Chairman of MB

(signed)
Svetozar Popov
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, Svetozar Popov, 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 at First Investment Bank AD, hereby declare that to the best of our knowledge:

- the financial statements (individual) of First Investment Bank AD as at 31 December 2022, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profit of First Investment Bank AD;
- the interim report on the activities of First Investment Bank AD as at 31 December 2022 contains a fair review of the information under Art. 100o, para. 4(2) of the Public Offering of Securities Act.

(signed)
Nikola Bakalov
Chief Executive Officer
Chairman of MB

(signed)
Svetozar Popov
Executive Director
Member of MB

(signed)
Ianko Karakolev
Chief Financial Officer
Member of MB

30 January 2023

This document was prepared in compliance with the requirements of Art. 100o, Para. 4(4) with relation to Article 100o¹(7) of the Law on the Public Offering of Securities, in the format and with contents as per Art. 12, Para. 1, items (1) and (2) 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

**Information on circumstances which occurred by 30 September 2022
and which may have an impact on the price of First Investment Bank shares**

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 – FSC incoming No. 10-05-165/24.01.2022;
https://www.fibank.bg/web/files/documents/457/files/Fibank_CZlatev_Notice_EN.pdf
2. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2021 – FSC incoming No. 10-05-512/31.01.2022;
https://www.fibank.bg/web/files/documents/459/files/2022.01.31%20Fibank_q4_2021_EN.pdf
3. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2021 – FSC incoming No. 10-05-951/01.03.2022.
https://www.fibank.bg/web/files/documents/461/files/FIBank_2021_q4_cons_EN.pdf
4. Annual individual (audited) financial statements of First Investment Bank AD as at 31 December 2021 – FSC incoming No. 10-05-PD-273 and 10-05-PD-286/31.03.2022;
https://www.fibank.bg/web/files/documents/464/files/Fibank_2021_indiv_aud_EN.pdf
5. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 Dec 2021 – FSC incoming No. 10-05-PD-450 and 10-05-PD-451/29.04.2022;
<https://www.fibank.bg/web/files/documents/480/files/549300UY81ESCZJ0GR95-20211231-EN-CON.pdf>
6. Unconsolidated (individual) financial statements of First Investment Bank AD as at 31 March 2022 – FSC incoming No. 10-05-1678/29.04.2022;
https://www.fibank.bg/web/files/documents/473/files/Fibank_q1_2022_EN.pdf
7. Notice re. the successful issue of the third tranche from Fibank’s programme for issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013, with a total amount of up to EUR 100 million – FSC incoming No. 10-05-1866/03.05.2022;
https://www.fibank.bg/web/files/documents/475/files/20220503_Fibank_hybrid_en.pdf
8. Notice and materials for the regular annual General Meeting of Shareholders of First Investment Bank – FSC incoming No. 10-05-2016/12.05.2022;

- https://www.fibank.bg/web/files/documents/482/files/Fibank_GMS_Notice_Materials_EN.pdf
9. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2022 – FSC incoming No. 10-05-2526/30.05.2022;
https://www.fibank.bg/web/files/documents/484/files/Fibank_q1_22_cons_EN.pdf
 10. Information on the results from the Regular Annual General Meeting of Shareholders of First Investment Bank – FSC incoming No. 10-05-2804/16.06.2022;
https://www.fibank.bg/web/files/documents/486/files/2022.06.16_GMS_results_EN.pdf
 11. Notifications, submission of minutes of the regular annual General Meeting of Shareholders of First Investment Bank AD, held on 16 June 2022 – FSC incoming No. 10-05-2835/20.06.2022;
https://www.fibank.bg/web/files/documents/488/files/Fibank_Minutes_GMS_EN.pdf
 12. First Investment Bank's Ratings from Fitch Ratings – FSC incoming No. 10-05-3155/01.07.2022;
<https://www.fibank.bg/web/files/documents/492/files/Fibank%20Fitch%202022.7.1%20EN.pdf>
 13. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 – FSC incoming No. 10-05-3148/01.07.2022;
https://www.fibank.bg/web/files/documents/490/files/Fibank_DisclosureReport_Reg575_EN.pdf
 14. Individual (unaudited) financial statements of First Investment Bank AD as at 30 June 2022 – FSC incoming No. 10-05-3705/29.07.2022;
https://www.fibank.bg/web/files/documents/497/files/FIBank_2022Q2_uncons_EN.pdf
 15. Notification pursuant to Art. 100y, Para. 1(1) and Para.2 of the Law on the Public Offering of Securities (LPOS) regarding amendments to the By-Laws of First Investment Bank AD listed in the Commercial Register and RNPLE – FSC incoming No. 10-05-3828/02.08.2022;
https://www.fibank.bg/web/files/documents/499/files/Fibank_20220802_ustaviadres_ENG.pdf
 16. Successful issue of the first tranche from the second series (fourth in total) under Fibank's programme for issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013, with a total amount of the programme of up to EUR 100 million – FSC incoming No. 10-05-3961/23.08.2022;
https://www.fibank.bg/web/files/documents/501/files/20220823_Fibank_hybrid_en.pdf
 17. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2022 – FSC incoming No. 10-05-4131/29.08.2022;
https://www.fibank.bg/web/files/documents/503/files/Fibank_q2_2022_cons_EN.pdf

18. Individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2022 – FSC incoming No. 10-05-4750/27.10.2022;

https://www.fibank.bg/web/files/documents/506/files/Fibank_q3_2022_EN.pdf

19. Consolidated (unaudited) financial statements of First Investment Bank AD as at 30 September 2022 – FSC incoming No. 10-05-5380/29.11.2022;

https://www.fibank.bg/web/files/documents/513/files/Fibank_q3_2022_cons_EN.pdf

20. Programme for the issue of perpetual, non-cumulative, uncollateralized, deeply subordinated, non-convertible bonds which meet the requirements for additional Tier 1 capital within the meaning of Art. 52 of Regulation (EU) No. 575/2013 – FSC incoming No. 10-05-5428/01.12.2022.

https://www.fibank.bg/web/files/documents/515/files/Fibank%20Program_prolong_20221201_EN.pdf

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2022	
Basis for application	Individual	
Accounting standard	IFRS	
		Reporting currency in BGN '000

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		1 976 531
0020	Cash	part 2, paragraph 1 of Appendix V		248 540
0030	Cash balances with central banks	part 2, paragraph 1 of Appendix V		1 427 241
0040	Other deposits payable on demand	part 2, paragraph 1 of Appendix V	5	300 750
0050	Financial assets held for trading	Supplement A to IFRS 9		5 933
0060	Derivatives	Supplement A to IFRS 9	10	0
0070	Equity	Para. 11 of IAS 32	4	5 837
0080	Debt securities	part 1, paragraph 31 of Appendix V	4	96
0090	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0096	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 8 (a)(ii) of IFRS 7; IFRS 9.4.1.4	4	260 829
0097	Equity	Para. 11 of IAS 32	4	24 344
0098	Debt securities	part 1, paragraph 31 of Appendix V	4	236 485
0099	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0100	Financial assets at fair value through profit or loss	Para. 8 (a)(i) of IFRS 7; IFRS 9.4.1.5	4	0
0120	Debt securities	part 1, paragraph 31 of Appendix V	4	0
0130	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0141	Financial assets at fair value through other comprehensive income	Para. 8 (h) of IFRS 7; IFRS 9.4.1.2A	4	468 247
0142	Equity	Para. 11 of IAS 32	4	0
0143	Debt securities	part 1, paragraph 31 of Appendix V	4	468 247
0144	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0181	Financial assets at amortised cost	Para. 8 (f) of IFRS 7; IFRS 9.4.1.2	4	8 446 569
0182	Debt securities	part 1, paragraph 31 of Appendix V	4	1 862 203
0183	Loans and advances	part 1, paragraph 32 of Appendix V	4	6 584 366
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	38 526
0270	Tangible assets			848 564
0280	Property, Plant and Equipment	Para. 6 of IAS 16; Para. 54 (a) of IAS 1; Para 47 (a) of IFRS 16	21, 42	98 240
0290	Investment Property	Para. 5 of IAS 40; Para. 54 (b) of IAS 1; Para. 48 of IFRS 16	21, 42	750 324
0300	Intangible assets	Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575		14 925
0310	Goodwill	Para. B67, (d) of IFRS 3; Art. 4, Para. 1, item 113 of Reg 575		0
0320	Other intangible assets	Para. 8 and Para. 118 of IAS 38; Para. 47 (a) of IFRS 16	21, 42	14 925
0330	Tax assets	Para. 54 (n)-(o) of IAS 1		0
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		0
0360	Other assets	part 2, paragraph 5 of Appendix V		653 437
0370	Non-current assets and disposal groups classified as held for sale	Para. 54, (j) of IAS 1; Para. 38 of IFRS 5; part 2, item 7 of Appendix V		0
0380	TOTAL ASSETS	Para. 9, (a), IN 6 of IAS 1		12 713 561

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2022	
Basis for application	Individual	
Accounting standard	IFRS	
		Reporting currency in BGN '000
		BGN

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

1.2 Liabilities

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V
				0010
0010	Financial liabilities held for trading	Para. 8, (e)(ii) of IFRIC 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 IFRIC 7; IFRS 9.4.2.2	8	8 488
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	8 488
0110	Financial liabilities at amortised cost	Para. 8 (g) of IFRIC 7; IFRS 9.4.2.1	8	11 217 501
0120	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	10 884 026
0130	Issued debt securities	part 1, paragraph 37 of Appendix V	8	256 861
0140	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	76 614
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	1 592
0180	Pensions and other obligations to pay defined post-employment benefits	Para. 63 of IFRIC 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 IFRIC 19; Para. 78(d) of IAS 1; part 2, item 10 of Appendix V	43	0
0200	Restructuring	Para. 71 of IAS 37	43	0
0210	Pending legal matters and tax-related court cases	IAS 37, addendum B, examples 6 and 10	43	440
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	1 152
0230	Other provisions	Para. 14 of IAS 37	43	0
0240	Tax liabilities	Para. 54 (n)-(o) of IAS 1		28 140
0250	Current tax liabilities	Para. 54(n) of IAS 1; Para. 5 of IAS 12		317
0260	Deferred tax liabilities	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575		27 823
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		130 524
0290	Liabilities in disposal groups classified as held for sale	Para. 54, (p) of IAS 1; Para. 38 of IFRIC 5; part 2, paragraph 14 of Appendix V		0
0300	TOTAL LIABILITIES	Para. 9, (b), IN 6 of IAS 1		11 386 245

Bank	FINV9150	First Investment Bank AD
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Basis for application	Individual	
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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	(10 815)
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		4 500
0110	Intangible assets	Paras. 85-87 of IAS 38		0
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 IFRS 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		(15 315)
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 IFRS 21; Paras. 32, 38-49 of IAS 21		0
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		(15 315)
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		0
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		858 717
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		0
0230	Other	part 2, paragraph 29 of Appendix V		858 717
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	80 312
0260	(-) Interim dividends	Para. 11 of IAS 32		0
0270	Minority interests [Non-controlling interests]	Para. 54 (r) of IAS 1		0
0280	Accumulated other comprehensive income	Art. 4, para. 1, item 100 of Reg 575	46	0
0290	Other items		46	0
0300	TOTAL SHAREHOLDERS' EQUITY	Para. 9 (c), IN 6 of IAS 1	46	1 327 316
0310	TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES	IN 6 of IAS 1		12 713 561

NIKOLA BAKALOV
Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2022	
Basis for application	Individual	
Accounting standard	IFRS	
		Reporting currency in BGN '000 BGN

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	310 785
0020	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; part 2, paragraphs 33, 34 of Appendix V	2
0025	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7, IFRS 9.5.7.1	11 800
0030	Financial assets at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7	0
0041	Financial assets at fair value through other comprehensive income	Para. 20(b) of IFRIC 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A	7 263
0051	Financial assets at amortised cost	Para. 20(b) of IFRIC 7; IFRS 9.4.1.2, IFRS 9.5.7.2	290 103
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	1 612
0085	Revenue from interest on liabilities	IFRS 9.5.7.1, part 2, paragraph 37 of Appendix V	5
0090	(Interest expense)	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	40 045
0100	(Financial liabilities held for trading)	Para. 20, (a)(i), Para. B5, (e) of IFRIC 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 IFRIC 7	0
0120	(Financial liabilities at amortised cost)	Para. 20(b) of IFRIC 7; IFRS 9.5.7.2	35 723
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	37
0145	(Interest expense on assets)	IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V	4 285
0150	(Expense for share capital payable upon request)	IFRIC 2, item 11	0
0160	Dividend income	part 2, paragraph 40 of Appendix V	578
0170	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; part 2, paragraphs 40 of Appendix V	346
0175	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRIC 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V	232
0191	Financial assets at fair value through other comprehensive income	Para. 20, (a)(ii) of IFRIC 7; IFRS 9.4.1.2A, IFRS 9.5.7.1A, part 2, paragraph 41 of Appendix V	0
0192	Investments in a subsidiary, jointly-controlled entity or associate reported via the	part 2, paragraph 42 of Appendix V	0
0200	Fee and commission income	Para. 20 (c) of IFRS 7	172 990
0210	(Fee and commission expense)	Para. 20 (c) of IFRS 7	33 475
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	6 684
0231	Financial assets at fair value through other comprehensive income	IFRS 9.4.12A; IFRS 9.5.7.10-11	665
0241	Financial assets at amortised cost	Para. 20(B)(v) of IFRIC 7; IFRS 9.4.1.2, IFRS 9.5.7.2	6 019
0260	Financial liabilities at amortised cost	Para. 8 (a)(v) of IFRIC 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 IFRIC 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V	(544)
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 IFRIC 7; IFRS 9.5.7.1, part 2, items 46 of Appendix V	(1 129)
0290	Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss	Para. 20, (a)(i) of IFRIC 7; IFRS 9.5.7.1, part 2, items 44 of Appendix V	0
0300	Net profits or (-) losses from hedge accounting	part 2, paragraph 47 of Appendix V	0
0310	Net profits or (-) losses from exchange rate differences	Para. 28 and Para 52 (a) of IAS 21	20 259
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	(613)
0340	Other operating income	part 2, paragraphs 314-316 of Appendix V	25 255
0350	(Other operating expense)	part 2, paragraphs 314-316 of Appendix V	5 687
0355	TOTAL NET OPERATING INCOME		455 058
0360	(Administrative expenses)		193 032
0370	(Personnel costs)	Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1	88 484
0380	(Other administrative expenses)		104 548
0385	(Cash instalments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48 of Appendix V	24 930
0390	(Amortisation)	Paras. 102, 104 of IAS 1	12 060
0400	(Property, Plant and Equipment)	Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16	9 228
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	2 832
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	-274
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	(191)
0450	(Other provisions)		(83)
0460	(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)	Para. 20, (a)(viii) of IFRIC 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V	135 540
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	0
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	135 540
0510	(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)	Paras. 40-43 of IAS 28	0
0520	(Impairment or (-) reversed impairment of non-financial assets)	Para. 126(a)-(b) of IAS 36	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 IFRIC 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

		References	Breakdown in table	Current period
				0010
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		89 770
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		9 458
0630	PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS	IN 6 of IAS 1		80 312
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		80 312
0680	Relating to minority interests [non-controlling interests]	Para. 81B (b)(i) of IAS 1		0
0690	Attributable to the owners of the parent company	Para. 81B (b)(ii) of IAS 1		80 312

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Chief Executive Officer

SVETOZAR POPOV
Executive Director

IANKO KARAKOLEV
Chief Financial Officer