

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 2024

Re: Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2023 g.

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 2023, containing:

1. Financial statements as at 31.12.2023 as per Art. 100o, para. 4(1) of POSA;
2. Notes to the financial statements as at 31.12.2023;
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 the financial position as at 31 December 2023**

unaudited

*in BGN '000*

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and balances with Central Banks	2 325 807	1 911 371
Investments in securities	2 583 949	2 598 137
Loans and advances to banks and other financial institutions	259 718	264 984
Loans and advances to customers	7 158 309	6 384 541
Property and equipment	99 517	98 240
Intangible assets	23 007	14 925
Derivatives held for risk management	1 765	1 609
Repossessed assets	403 523	412 996
Investment Property	756 767	750 324
Investments in subsidiaries	34 579	38 526
Rights of use assets	121 778	124 159
Other assets	120 176	114 246
<b>TOTAL ASSETS</b>	<b>13 888 895</b>	<b>12 714 058</b>
<b>LIABILITIES AND CAPITAL</b>		
Due to banks	54 326	45 703
Due to other customers	11 494 164	10 798 450
Liabilities evidenced by paper	439 634	116 487
Financial liabilities at fair value through profit or loss	3 165	8 488
Hybrid debt	257 871	256 861
Deferred tax liabilities	27 604	27 823
Current tax liabilities	2 121	398
Lease liabilities	121 858	124 240
Other liabilities	15 307	7 399
<b>TOTAL LIABILITIES</b>	<b>12 416 050</b>	<b>11 385 849</b>
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	(5 639)	(15 315)
Revaluation reserve on property	4 500	4 500
Other reserves and retained earnings	1 035 021	900 061
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1 472 845</b>	<b>1 328 209</b>
<b>TOTAL LIABILITIES AND GROUP EQUITY</b>	<b>13 888 895</b>	<b>12 714 058</b>

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 twelve months ended 31 December 2023**

unaudited

*in BGN '000*

	<b>2023</b>	<b>2022</b>
Interest income	404 711	310 785
Interest expense	(34 809)	(40 045)
<b>Net interest income</b>	<b>369 902</b>	<b>270 740</b>
Fee and commission income	192 605	172 990
Fee and commission expense	(41 056)	(33 475)
<b>Net fee and commission income</b>	<b>151 549</b>	<b>139 515</b>
Net trading income	23 295	19 717
Other net operating income	(27 192)	14 195
<b>TOTAL INCOME FROM BANKING OPERATIONS</b>	<b>517 554</b>	<b>444 167</b>
Administrative expenses	(210 654)	(205 113)
Other expenses, net	(18 903)	(12 960)
<b>Profit before impairment</b>	<b>287 997</b>	<b>226 094</b>
Allowance for impairment	(137 168)	(135 349)
<b>PROFIT BEFORE TAX</b>	<b>150 829</b>	<b>90 745</b>
Income tax expense	(15 869)	(9 540)
<b>NET PROFIT</b>	<b>134 960</b>	<b>81 205</b>
<b>Other comprehensive income for the period</b>		
<b>Items which should or may be reclassified as profit or loss</b>		
Revaluation reserve of investments in securities	9 676	(21 860)
<b>Total other comprehensive income</b>	<b>9 676</b>	<b>(21 860)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>144 636</b>	<b>59 345</b>

Nikola Bakalov  
Chief Executive Officer

Svetozar Popov  
Executive Director

Ianko Karakolev  
Chief Financial Officer

	2023	2022
<b>Net cash flow from operating activities</b>		
Net profit	134 960	81 205
<b>Adjustment for non-cash items</b>		
Allowance for impairment	137 168	135 349
Net interest income	(369 902)	(270 740)
Depreciation and amortization	12 969	12 060
Tax expense	15 869	9 540
Loss/(profit) from sale and write-off of tangible and intangible fixed assets, net	4 511	(5)
(Profit)/loss from sale and write-off of other assets, net	(6 668)	1 134
(Positive) revaluation of investment property	-	(14 769)
	<b>(71 093)</b>	<b>(46 226)</b>
<b>Change in operating assets</b>		
(Increase) in financial assets at fair value through profit or loss	33 063	(2 859)
(Increase)/decrease in financial assets at fair value in other comprehensive income	(598 563)	406 355
Decrease in loans and advances to banks and financial institutions	8 973	2 869
(Increase) in loans to customers	(1 028 541)	(297 535)
(Increase) in other assets	(3 705)	(43 499)
	<b>(1 588 773)</b>	<b>65 331</b>
<b>Change in operating liabilities</b>		
Increase/(decrease) in deposits from banks	8 621	15 823
Increase in amounts owed to other depositors	696 357	1 375 988
Net increase in other liabilities	5 820	42 896
	<b>710 798</b>	<b>1 434 707</b>
Interest received	485 822	395 403
Interest paid	(33 450)	(49 705)
Dividends received	2 348	578
Tax on profit, paid	(14 945)	(5 528)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(509 293)</b>	<b>1 794 560</b>
<b>Cash flow from investing activities</b>		
(Purchase) of tangible and intangible fixed assets	(27 070)	(35 523)
Sale of tangible and intangible fixed assets	231	15
Sale of other assets	38 338	44 708
(Increase)/decrease of investments	598 177	(1 540 427)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>609 676</b>	<b>(1 531 227)</b>
<b>Financing activities</b>		
Increase/(decrease) in borrowings	315 806	16 679
Increase in subordinated liabilities	1 028	(57 275)
Capital increase through newly issued shares	-	-
Increase of share premium reserve of newly issued shares	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>316 834</b>	<b>(40 596)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>417 217</b>	<b>222 737</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>2 138 377</b>	<b>1 915 640</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>2 555 594</b>	<b>2 138 377</b>

Nikola Bakalov  
Chief Executive Officer

Svetozar Popov  
Executive Director

Ianko Karakolev  
Chief Financial Officer

FIRST INVESTMENT BANK AD

**Individual statement of shareholders' equity for the twelve months ended 31 December 2023**

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
<b>Balance at 01 January 2022</b>	<b>149 085</b>	<b>250 017</b>	<b>818 856</b>	<b>6 545</b>	<b>4 500</b>	<b>39 861</b>	<b>1 268 864</b>
<b>Total comprehensive income for the period</b>							
Net profit for 2022	-		81 205	-	-	-	81 205
<b>Other comprehensive income for the period</b>							
Revaluation reserve of investments in securities	-	-	-	(21 860)	-	-	(21 860)
<b>Balance as at 31 December 2022</b>	<b>149 085</b>	<b>250 017</b>	<b>900 061</b>	<b>(15 315)</b>	<b>4 500</b>	<b>39 861</b>	<b>1 328 209</b>
<b>Total comprehensive income for the period</b>							
Net profit for 2023	-	-	134 960	-	-	-	134 960
<b>Other comprehensive income for the period</b>							
Revaluation reserve of investments in securities	-	-	-	9 676	-	-	9 676
<b>Balance as at 31 December 2023</b>	<b>149 085</b>	<b>250 017</b>	<b>1 035 021</b>	<b>(5 639)</b>	<b>4 500</b>	<b>39 861</b>	<b>1 472 845</b>

Nikola Bakalov  
Chief Executive Officer

Svetozar Popov  
Executive Director

Ianko Karakolev  
Chief Financial Officer

**ADDENDUM TO THE UNAUDITED INDIVIDUAL INTERIM FINANCIAL STATEMENTS OF FIRST  
INVESTMENT BANK AD  
AS AT 31/12/2023**

**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, Sofia.

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 2023**

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 2022 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:

<b>Assets</b>	<b>%</b>
• 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:

<b>Assets</b>	<b>%</b>
• 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 2023 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>	<b>Bulgarian operations</b>		<b>Foreign operations</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest income	391,224	310,748	13,487	37	404,711	310,785
Interest expense	(34,809)	(37,726)	-	(2,319)	(34,809)	(40,045)
<b>Net interest income</b>	<b>356,415</b>	<b>273,022</b>	<b>13,487</b>	<b>(2,282)</b>	<b>369,902</b>	<b>270,740</b>
Fee and commission income	181,797	159,085	10,808	13,905	192,605	172,990
Fee and commission expense	(39,786)	(32,087)	(1,270)	(1,388)	(41,056)	(33,475)
<b>Net fee and commission income</b>	<b>142,011</b>	<b>126,998</b>	<b>9,538</b>	<b>12,517</b>	<b>151,549</b>	<b>139,515</b>
<b>Net trading income</b>	<b>21,489</b>	<b>17,373</b>	<b>1,806</b>	<b>2,344</b>	<b>23,295</b>	<b>19,717</b>
<b>Administrative expenses</b>	<b>(207,761)</b>	<b>(202,013)</b>	<b>(2,893)</b>	<b>(3,100)</b>	<b>(210,654)</b>	<b>(205,113)</b>
<b>Assets</b>	<b>13,175,063</b>	<b>12,456,007</b>	<b>713,832</b>	<b>258,051</b>	<b>13,888,895</b>	<b>12,714,058</b>
<b>Liabilities</b>	<b>11,788,873</b>	<b>10,655,814</b>	<b>627,177</b>	<b>730,035</b>	<b>12,416,050</b>	<b>11,385,849</b>

The table below shows assets and liabilities and income and expense by business segments as at 31/12/2023.

	<b>Assets</b>	<b>Liabilities</b>	<b>Net interest income</b>	<b>Net fee and commission income</b>	<b>Net trading income</b>	<b>Other net operating income</b>
Large enterprises	2,452,320	1,846,937	89,590	38,273	-	195
Medium enterprises	988,307	399,330	39,494	11,048	-	285
Small business	1,013,144	945,892	44,945	29,780	-	1,619
Retail Banking	2,704,538	8,710,231	148,284	80,663	-	1,546
Treasury	5,171,239	54,326	74,274	(2,712)	23,295	(39,344)
Other	1,559,347	459,334	(26,685)	(5,503)	-	8,507
<b>Total</b>	<b>13,888,895</b>	<b>12,416,050</b>	<b>369,902</b>	<b>151,549</b>	<b>23,295</b>	<b>(27,192)</b>

#### 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 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	11,958	231,548	85	243,591
Financial assets at fair value through other comprehensive income	1,057,508	19,571	-	1,077,079
Derivatives held for risk management	1,079	686	-	1,765
<b>Total</b>	<b>1,070,545</b>	<b>251,805</b>	<b>85</b>	<b>1,322,435</b>
Financial liabilities at fair value through profit or loss	-	3,165	-	3,165

in BGN '000

31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	5,862	261,740	85	267,687
Financial assets at fair value through other comprehensive income	357,422	110,825	-	468,247
Derivatives held for risk management	718	891	-	1,609
<b>Total</b>	<b>364,002</b>	<b>373,456</b>	<b>85</b>	<b>737,543</b>
Financial liabilities at fair value through profit and loss	-	8,488	-	8,488

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 2023	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
<b>Assets</b>					
Cash and balances with Central Banks	-	2,325,807	-	2,325,807	2,325,807
Financial assets at amortised cost	1,171,101	-	-	1,171,101	1,263,279
Loans and advances to banks and other financial institutions	-	259,718	-	259,718	259,718
Loans and advances to customers	-	677,899	6,485,961	7,163,860	7,158,309
<b>Total</b>	<b>1,171,101</b>	<b>3,263,424</b>	<b>6,485,961</b>	<b>10,920,486</b>	<b>11,007,113</b>
<b>Liabilities</b>					
Due to banks	-	54,326	-	54,326	54,326
Due to other customers	-	7,740,869	3,739,555	11,480,424	11,494,164
Liabilities evidenced by paper	-	435,606	-	435,606	439,634
Hybrid debt	-	257,871	-	257,871	257,871
<b>Total</b>	<b>-</b>	<b>8,488,672</b>	<b>3,739,555</b>	<b>12,228,227</b>	<b>12,245,995</b>

in BGN '000

31 December 2022	Level 1	Level 2	Level 3	Total fair values	Total balance sheet value
<b>Assets</b>					
Cash and balances with Central Banks	-	1,911,371	-	1,911,371	1,911,371
Financial assets at amortised cost	1,743,044	-	-	1,743,044	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
<b>Total</b>	<b>1,743,044</b>	<b>3,065,167</b>	<b>5,533,182</b>	<b>10,341,393</b>	<b>10,423,099</b>
<b>Liabilities</b>					
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
<b>Total</b>	<b>-</b>	<b>7,646,213</b>	<b>3,544,287</b>	<b>11,190,500</b>	<b>11,217,501</b>

## 5. Net interest income

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
<b>Interest income</b>		
Accounts with and placements to banks and financial institutions	4,836	1,505
Revenue from interest on liabilities	0	5
Large enterprises	93,147	77,063
Medium enterprises	39,934	32,358
Small business	45,626	37,200
Microlending	9,397	7,427
Retail Banking	140,711	129,095
Debt instruments	71,060	24,520
		1,612
	<b>404,711</b>	<b>310,785</b>
<b>Interest expense</b>		
Deposits from banks	(865)	(135)
Deposits from other customers	(1,043)	(1,567)
Liabilities evidenced by paper	(7,041)	(533)
Hybrid debt	(25,753)	(33,488)
Interest on assets cost	(19)	-
Interest expense on financial liabilities recognized in profit or loss	(36)	(4,285)
Lease agreements and other	(52)	(37)
	<b>(34,809)</b>	<b>(40,045)</b>
<b>Net interest income</b>	<b>369,902</b>	<b>270,740</b>

## 6. Net fee and commission income

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
<b>Fee and commission income</b>		
Letters of credit and guarantees	3,653	3,559
Payment operations	31,075	28,421
Customer accounts	39,508	48,927
Card services	53,406	46,547
Other	64,963	45,536
	<b>192,605</b>	<b>172,990</b>
<b>Fee and commission expense</b>		
Letters of credit and guarantees	(967)	(640)
Payment systems	(4,791)	(4,407)
Card services	(25,350)	(20,598)
Other	(9,948)	(7,830)
	<b>(41,056)</b>	<b>(33,475)</b>
<b>Net fee and commission income</b>	<b>151,549</b>	<b>139,515</b>

## 7. Net trading income

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
Net trading income arises from:		
- Debt instruments	60	114
- Equities	1,087	(656)
- Foreign exchange rate fluctuations	22,148	20,259
<b>Net trading income</b>	<b>23,295</b>	<b>19,717</b>

## 8. Other net operating income

<i>in BGN '000</i>	31.12.2023	31.12.2022
Other net operating income arising from:		
-net income from transactions and revaluation of gold and precious metals	1,570	2,068
Rental income	6,937	5,579
- Debt instruments	(44,993)	827
- Equities	5,649	(303)
- income from management of assigned receivables	3,282	5,620
- Gain on administration of loans acquired through business combination	363	404
<b>Other net operating income</b>	<b>(27,192)</b>	<b>14,195</b>

## 9. Administrative expenses

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
General and administrative expenses comprise:		
- Personnel cost	85,816	74,545
Amortization of equipment and tangible fixed assets	12,969	12,060
Rights of use assets	31,827	40,021
- Advertising	10,176	8,455
-Telecommunication, software and other computer maintenance	15,351	13,753
- Other expenses for external services	54,515	56,279
<b>Administrative expenses</b>	<b>210,654</b>	<b>205,113</b>

## 10. Allowance for impairment

<i>in thousands of BGN</i>	2023	2022
<b>Write-downs</b>		
Loans and advances to customers	(232,980)	(208,469)
Off balance sheet commitments	(24)	(625)
<b>Reversal of write-downs</b>		
Loans and advances to customers	95,022	72,929
Off balance sheet commitments	1,033	816
<b>Impairment cost, net</b>	<b>(137,168)</b>	<b>(135,349)</b>

## 10a. Other (expenses)/income, net

<i>in BGN '000</i>	31.12.2023	31.12.2022
Profit from the sale and write-off of assets acquired as collateral	5,013	2,608
Revaluation of investment property	-	14,769
(Loss)/profit from sale of investment property	1,622	(3,221)
Dividend income	2,348	578
Cost of guarantee schemes	(23,838)	(24,534)
(Expense)/income from provisions for pending court cases	(595)	83
Other income, net	(3,453)	(3,243)
<b>Total</b>	<b>(18,903)</b>	<b>(12,960)</b>

## 11. Cash and balances with Central Banks

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
Cash on hand		
- in BGN	242,301	184,774
- in foreign currency	69,462	63,766
Balances with Central Banks	1,844,620	1,427,241
Current accounts and amounts with foreign banks	169,424	235,590
<b>Total</b>	<b>2,325,807</b>	<b>1,911,371</b>

## 12. Investments in securities

<i>in BGN '000</i>	31.12.2023	31.12.2022
Bonds and notes issued by:		
Bulgarian Government		
- denominated in BGN	428,625	446,417
- denominated in foreign currencies	113,709	129,255
Foreign governments	1,681,195	1,575,324
Corporates	280,619	405,558
Banks	39,114	10,477
Other issuers – equity instruments	40,687	31,106
<b>Total</b>	<b>2,583,949</b>	<b>2,598,137</b>
Of which:		
at fair value through other comprehensive income	1,077,079	468,247
at amortised cost	1,263,279	1,862,203
at fair value through profit and loss	243,591	267,687
<b>Total</b>	<b>2,583,949</b>	<b>2,598,137</b>

### 13. Loans and advances to banks and other financial institutions

#### (a) Analysis by type

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
Placements with banks	121,591	140,685
Receivables under resale agreements	-	-
Other	138,127	124,299
<b>Total</b>	<b>259,718</b>	<b>264,984</b>

#### (b) Geographical analysis

<i>in thousands of BGN</i>	31.12.2023	31.12.2022
Domestic banks and financial institutions	117,483	105,262
Foreign banks and other financial institutions	142,235	159,722
<b>Total</b>	<b>259,718</b>	<b>264,984</b>

### 14. Loans and advances to customers

*in thousands of BGN*

			31/12/2023
	Gross value	Allowance for impairment	Amortised cost
Large enterprises	2,557,431	(105,111)	2,452,320
Medium enterprises	1,179,493	(191,186)	988,307
Small business	1,021,711	(8,565)	1,013,146
Microlending	216,593	(1,142)	215,451
Retail Banking			
- Consumer loans	1,139,711	(38,521)	1,101,190
- Mortgage loans	1,277,742	(7,587)	1,270,155
- Credit cards	130,515	(12,775)	117,740
- Other programmes and collateralised financing	-	-	-
<b>Total</b>	<b>7,523,196</b>	<b>(364,887)</b>	<b>7,158,309</b>

*in BGN '000*

			31/12/2022
	Gross value	Allowance for impairment	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
Microlending	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
<b>Total</b>	<b>6,767,309</b>	<b>(382,768)</b>	<b>6,384,541</b>

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

#### (a) Movement in impairment allowances

*in BGN '000*

<b>Balance as at 01 January 2023</b>	<b>382,768</b>
Additional allowances	232,980
Amounts released	(95,022)
Write-offs	(225,693)
Recovered against impairment	70,268
Other	(414)
<b>Balance as at 31 December 2023</b>	<b>364,887</b>

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

	31/12/2023		31/12/2022	
	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)	5,483,101	(3,866)	4,285,771	(4,227)
Exposures with significant increase of credit risk after the initial recognition (phase 2)	1,052,972	(51,797)	1,264,479	(50,294)
Non-performing (impaired) exposures (phase 3)	987,123	(309,224)	1,217,059	(328,247)
<b>Total</b>	<b>7,523,196</b>	<b>(364,887)</b>	<b>6,767,309</b>	<b>(382,768)</b>

31/12/2023	Class of exposure	Gross amount of loans and advances to customers	Allowance for impairment	<i>in thousands of BGN</i>
				Carrying amount of loans and advances to customers
	Performing			
	Collectively impaired	6,536,073	(55,663)	6,480,410
	Nonperforming			
	Collectively impaired	218,657	(63,422)	155,235
	Individually impaired	768,466	(245,802)	522,664
<b>Total</b>		<b>7,523,196</b>	<b>(364,887)</b>	<b>7,158,309</b>

31/12/2022	Class of exposure	Gross amount of loans and advances to customers	Allowance for impairment	<i>in thousands of BGN</i>
				Carrying amount of loans and advances to customers
	Performing			
	Collectively impaired	5,550,250	(54,521)	5,495,729
	Nonperforming			
	Collectively impaired	240,639	(71,944)	168,695
	Individually impaired	976,420	(256,303)	720,117
<b>Total</b>		<b>6,767,309</b>	<b>(382,768)</b>	<b>6,384,541</b>

As at 31 December 2023 the gross amount of overdue loans and advances to customers measured as exposures 90+ days overdue is BGN 628,420 thousand (31 December 2022: BGN 804, 062 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 2023 in the amount of BGN 9,796,957 thousand. (31 December 2022: BGN 8,695,125 thousand).



## 15. Property and equipment

<i>in BGN '000</i>	Assets					Total
	Land and Buildings	Fixtures and fittings	Motor vehicles	under Construction	Leasehold Improvements	
<b>As at 1 January 2023</b>	26,243	136,647	6,216	38,319	60,715	<b>268,140</b>
Additions	-	32	52	26,986	-	<b>27,070</b>
Disposals	(5,726)	(11,567)	(133)	(52)	(10,463)	<b>(27,941)</b>
Transfers	49	14,748	940	(47,902)	20,127	<b>(12,038)</b>
<b>As at 31 December 2023</b>	<b>20,566</b>	<b>139,860</b>	<b>7,075</b>	<b>17,351</b>	<b>70,379</b>	<b>255,231</b>
<b>Amortisation</b>						
<b>As at 01 January 2023</b>	7,861	113,859	6,185	-	41,995	<b>169,900</b>
Accrued during the year	940	6,373	97	-	1,603	<b>9,013</b>
On disposals	(1,132)	(11,471)	(133)	-	(10,463)	<b>(23,199)</b>
<b>As at 31 December 2023</b>	<b>7,669</b>	<b>108,761</b>	<b>6,149</b>	-	<b>33,135</b>	<b>155,714</b>
<b>Carrying amount</b>						
<b>As at 01 January 2023</b>	<b>18,382</b>	<b>22,788</b>	<b>31</b>	<b>38,319</b>	<b>18,720</b>	<b>98,240</b>
<b>As at 31 December 2023</b>	<b>12,897</b>	<b>31,099</b>	<b>926</b>	<b>17,351</b>	<b>37,244</b>	<b>99,517</b>

## 16. Intangible assets

*in thousands of BGN*

	Software and licences	Total
<b>As at 1 January 2023</b>	51,181	51,181
Additions	-	-
Disposals	-	-
Transfers	12,038	12,038
<b>As at 31 December 2023</b>	<b>63,219</b>	<b>63,219</b>
<b>Amortisation</b>		
<b>As at 01 January 2023</b>	36,256	36,256
Accrued during the year	3,956	3,956
On disposals	-	-
<b>As at 31 December 2023</b>	<b>40,212</b>	<b>40,212</b>
<b>Carrying amount</b>		
<b>As at 01 January 2023</b>	14,925	14,925
<b>As at 31 December 2023</b>	<b>23,007</b>	<b>23,007</b>

## 17. Repossessed assets

*in thousands of BGN*

	31.12.2023	31.12.2022
Land	241,213	245,557
Buildings	151,735	156,173
Machines, plant and vehicles	9,746	10,425
Fixtures and fittings	829	841
<b>Total</b>	<b>403,523</b>	<b>412,996</b>

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

<b>Balance as at 01/01/2023</b>	<b>750,324</b>
Additions	147
Costs recognised in the value of assets	11,351
Transferred from repossessed assets	-
Transferred from property and equipment	4,477
Revaluation of investment property to fair value	-
Write-offs upon sale	(9,532)
<b>Balance as at 31/12/2023</b>	<b>756,767</b>

## 19. Investments in subsidiaries

Investments in subsidiaries are as follows:

in thousands of BGN

31/12/2023

Entity	% held	Acquisition cost	Allowance for impairment	Carrying amount
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
<b>Total</b>		<b>34,683</b>	<b>(104)</b>	<b>34,579</b>

First Investment Finance B.V., Netherlands has been deleted from the Company Register as of 27.12.2023.

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
<b>Total</b>		<b>38,630</b>	<b>(104)</b>	<b>38,526</b>

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.

## 20. Rights of use assets

*in BGN '000*

<b>01 January 2023</b>	<b>124,159</b>
Amortisation	(31,827)
Effect of modification to lease terms and expectations on lease term	29,446
<b>As at 31 December 2023</b>	<b>121,778</b>

### Lease liabilities

<b>01 January 2023</b>	<b>124,239</b>
Lease payments	(31,827)
Effect of modification to lease terms and expectations on lease term	29,446
<b>As at 31 December 2023</b>	<b>121,858</b>

## 21. Other assets

*in thousands of BGN*

	<b>31.12.2023</b>	<b>31.12.2022</b>
Deferred expense	13,071	11,338
Gold	3,303	2,642
Other assets	103,802	100,266
<b>Total</b>	<b>120,176</b>	<b>114,246</b>

## 22. Due to banks

*in thousands of BGN*

	<b>31.12.2023</b>	<b>31.12.2022</b>
Term deposits	5,553	3,668
Payable on demand	48,773	42,035
<b>Total</b>	<b>54,326</b>	<b>45,703</b>

## 23. Due to other customers

*in thousands of BGN*

	<b>31.12.2023</b>	<b>31.12.2022</b>
Retail customers		
- current accounts	3,354,850	2,859,322
- term and savings deposits	4,417,253	4,401,427
Businesses and public institutions		
- current accounts	3,166,015	3,157,892
- term deposits	556,046	379,809
<b>Total</b>	<b>11,494,164</b>	<b>10,798,450</b>

## 24. Liabilities evidenced by paper

*in thousands of BGN*

	<b>31.12.2023</b>	<b>31.12.2022</b>
Debt related to agreements for full swap of profitability	-	39,874
Financing from financial institutions	34,574	36,611
Liabilities related to investment products	1,167	6,884
Obligations under loan agreements	403,893	33,118
<b>Total</b>	<b>439,634</b>	<b>116,487</b>

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

*in thousands of BGN*

<b>Lender</b>	<b>Amortised cost as at December 2023</b>
European Investment Fund – JEREMIE 2	877
Bulgarian Bank for Development AD	14,331
Manager of financial instruments in Bulgaria fund	19,366
<b>Total</b>	<b>34,574</b>

*in BGN '000*

<b>Lender</b>	<b>Amortised cost as at 31.12.2022</b>
European Investment Fund – JEREMIE 2	1,506
Bulgarian Bank for Development AD	14,931
Manager of financial instruments in Bulgaria fund	20,174
<b>Total</b>	<b>36,611</b>

## 25. Hybrid debt

*in thousands of BGN*

	<b>Principal amount</b>	<b>Amortised cost as at 31 December 2023</b>
Hybrid debt with principal EUR 60 mio	117,350	123,821
Hybrid debt with principal EUR 30 mio	58,675	58,829
Hybrid debt with principal EUR 30 mio	58,675	55,618
Hybrid debt with principal EUR 10 mio	19,558	19,603
<b>Total</b>	<b>254,258</b>	<b>257,871</b>

*in BGN '000*

	<b>Principal amount</b>	<b>Amortised cost as at 31 December 2022</b>
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
<b>Total</b>	<b>254,258</b>	<b>256,861</b>

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

*in thousands of BGN*

	<b>31.12.2023</b>	<b>31.12.2022</b>
Liabilities to personnel	1,207	1,157
Provisions for pending court cases	1034	440
Impairment on off balance sheet commitments	363	1,152
Other payables	12,703	4,650
<b>Total</b>	<b>15,307</b>	<b>7,399</b>

## 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 31/12/2023 together with the number and percentage of total issued shares.

	<b>Number of shares</b>	<b>% of issued share capital</b>
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
<b>Total</b>	<b>149,084,800</b>	<b>100.00</b>

In 2023, as in the previous year, the Bank did not distribute dividends.

## 28. Commitments and contingent liabilities

### Contingent liabilities

<i>in thousands of BGN</i>	<b>31.12.2023</b>	<b>31.12.2022</b>
Bank guarantees	160,443	157,251
Unused credit lines	992,286	837,477
Letters of credit	33,438	31,767
<b>Total</b>	<b>1,186,167</b>	<b>1,026,495</b>
Impairment on off balance sheet commitments	363	1,152

## 29. Related party transactions

<b>Type of related party</b>	<b>Parties that control or manage the Bank</b>		<b>Enterprises under common control</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<i>in BGN '000</i>				
Loans	1,553	2,944	73,359	78,316
Deposits and loans received:	16,144	14,195	80,751	115,177
Deposits placed	-	-	81,338	92,146
Other receivables	-	-	15,118	12,467
Other borrowings	-	-	6,334	150
Off-balance sheet commitments issued by the Bank	2,100	1,023	3,541	2,029
Calculation on leasing obligations	-	-	2,669	2,684

First Investment Bank announces that as at 31/12/2023:

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 2023  
(on individual basis),**

**prepared under Art. 100o, para. 4(2) and with relation to Art. 100o<sup>1</sup>, para. 7 of the  
Public Offering of Securities Act (POSA)**

In 2023 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 2023:

1. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 and Implementing Regulation (EU) 2021/637 was published on 03 January 2023;
2. The individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2022 were published on 31 January 2023;
3. Information regarding repurchased Fibank perpetual notes under ISIN code BG2100008114 was published on 07 February 2023;
4. The consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2022 –were published on 01 March 2023;
5. On 23 March 2023 was published notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) and the ordinances for its implementation regarding changes in the Management Board of First Investment Bank AD;
6. The annual individual (audited) financial statements of First Investment Bank AD as at 31 Dec 2022 were published on 30 March 2023.
7. Notification regarding publication in the Commercial register of NPLE of changes in the Managing Board First Investment Bank AD was published on 13 April 2023;
8. Annual consolidated (audited) financial statements as at 31 December 2022 were published on 27 April 2023;
9. Individual unaudited financial statements of First Investment Bank AD as at 31 march 2023 were published on 02.05.2023;
10. On 18 May 2023 was published invitation of General Meeting of Shareholders of First Investment Bank AD - FSC incoming
11. Consolidated unaudited financial statements of First Investment Bank AD as at 31 march 2023 was published on 30 May 2023;
12. Public disclosure of an interested party transaction pursuant to Article 114, Para 2 of the Public Offering of Securities act (POSA) FSC incoming was published on 05 May 2023;
13. Disclosure of information regarding First Investment Bank`s Ratings from Fitch Ratings was published on 09 June 2023;
14. Public disclosure of an interested party transaction pursuant to Article 114, Para 2 of the Public Offering of Securities act (POSA) was published on 16 June 2023;
15. Notification of Regular General Meeting of Shareholders of First Investment Bank AD was published on 21 June 2023;
16. Notifications and submission of minute of the regular annual General Meeting of Shareholders of First Investment Bank AD were published on 23 June 2023;
17. On 30 June 2023 First Investment Bank AD disclosed information pursuant to Regulation (EU) No. 575/2013 and Implementing Regulation (EU) 2021/637;

18. On 31 July 2023 the Bank published its individual (unaudited) financial statement as at 30 June 2023;
19. On 11 August 2023 First Investment Bank published its consolidated (unaudited) financial statement as at 30 June 2023;
20. On 11 September 2023 the Bank disclosed information concerning a potential green bond issue by First Investment Bank meeting the Minimum Requirement for own funds and Eligible Liabilities (MREL);
21. On 11 September 2023 the Bank made a disclosure of information pursuant to Regulation (EU) No. 575/2013 for the first half of 2023 on consolidated basis;
22. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 on consolidated basis for 2022 was made on 2 October 2023;
23. On 20 October 2023 First Investment Bank made a disclosure with relation to the notification made on 11 September 2023;
24. On 30 October 2023 First Investment Bank published its individual (unaudited) financial statements as at 30 September 2023;
25. On 29 November 2023 First Investment Bank published its consolidated (unaudited) financial statements as at 30 September 2023;
26. On 14 December 2023 the Bank published a notice to convene an extraordinary General Meeting of Shareholders of First Investment Bank AD.



- *Balance sheet as at 31 December 2023*

The balance sheet assets of the Bank as at 31.12.2023 reached BGN 13,889 million, showing an increase by BGN 1,175 million against the end of 2022. In terms of assets First Investment Bank AD retains its place among the leading banks in the Bulgarian banking system. As at 31.12.2023 the deposits from other customers amounted to BGN 11,494 million, with a net increase of BGN 696 million for 2023; as regards this indicator the Bank also retains its position as one of the leading banks in Bulgaria. As at the end of 2023 the accounting equity amounted to BGN 1,473 million net, which means an increase by BGN 145 million since the beginning of the year. Receivables from clients at 31 December 2023 amounted to BGN 7,158 million book value, an increase against the end of 2022 by BGN 774 million.

- *Individual profit as at 31 Dec 2023*

The net profit of the Bank as at 31.12.2023 reached BGN 134,960 thousand. The profit before tax for 2023 is BGN 150,829 thousand, the profit before provisions and impairment amounts to BGN 287,997 thousand.

The total income from banking operations as at 31 December 2023 amounts to BGN 517,554 thousand (2022: BGN 444,167 thousand). The net interest income for the period January-December 2023 amounted to BGN 369,902 thousand, marking an increase by BGN 99,162 thousand compared to 2022. In 2023 the net fee and commission income amounted to BGN 151,549 thousand, BGN 12,034 thousand higher than at 31.12.2022.

- *Capital resources*

The capital adequacy ratio of First Investment Bank as at 31 December 2023 reached 20.89 % (where the required level is 18.30%, including the combined buffer requirement). The Tier 1 capital ratio was also 20.89 % (where the required level is 15.78%, including the combined buffer requirement), while the CET1 ratio was 17.43%. (where the required level is 13.88%, including the combined buffer requirement). The own funds amounted to BGN 1,538 million.

As at 31 December 2023 the Bank's leverage ratio was 10.23% while the minimum required level is 3%.

As at 31 December 2023 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 2023 reached 278.55 % and the net stable funding ratio was 148.95 %, showing a stable liquidity position.

- *A total of 119 branches and offices throughout the country*

As at 31 December 2023, First Investment Bank AD had a total of 119 branches and offices in Bulgaria – 38 of them in Sofia and 81 in towns throughout the country. The number of outlets reflects the adherence to a policy of synergy and maintaining optimum efficiency in the branch network of the Bank.

**INFORMATION AS AT 31 December 2023  
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 2022.*

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

*At an extraordinary General Meeting of Shareholders of Diners Club Bulgaria AD held on 23.05.2023, Simeon Borisov Iliev was dismissed as member of the Board of Directors. In his place, following approval from the Bulgarian National Bank, the GMS appointed Gergana Dimitrova Geraskova as member of the Board of Directors for a three-year term in office.*

*Teodor Petrov was appointed as Executive Director of Diners Club Bulgaria AD by decision of the company's Board of Directors.*

*First Investment Finance B.V., the Netherlands was deleted from the Company Register as of 27.12.2023.*

- 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 Sept 2023</i>		<i>at 31 Dec 2023</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 Sept 2023</i>		<i>at 31 Dec 2023</i>	
	<i>Number of shares</i>	<i>% of capital</i>	<i>Number of shares</i>	<i>% of capital</i>
Nikola Bakalov	374	0,00	No change	
Chavdar Zlatev	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 Sept 2023</i>		<i>at 31 Dec 2023</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 Dec 2023 no events have occurred beyond the ordinary activity of the Bank.*

**INFORMATION AS AT 31 December 2023**  
**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 individual 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. 100o<sup>1</sup>, 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 2023, 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 2023 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 2024

*This document was prepared in compliance with the requirements of Art. 100o, Para. 4(4) with relation to Article 100o<sup>1</sup>(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 31 December 2023  
and which may have an impact on the price of First Investment Bank shares**

1. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 and Implementing Regulation (EU) 2021/637 – FSC incoming No. 10-05-16/03.01.2023;  
[https://www.fibank.bg/web/files/documents/289/files/FIB%20Suobshtenie%2092%D0%B0%20ZPPCK\\_eng.pdf](https://www.fibank.bg/web/files/documents/289/files/FIB%20Suobshtenie%2092%D0%B0%20ZPPCK_eng.pdf)
2. Individual (unaudited) financial statements of First Investment Bank AD as at 31 December 2022 – FSC incoming No. 10-05-511/31.01.2023;  
[https://www.fibank.bg/web/files/documents/523/files/Fibank\\_q4\\_2022\\_indiv\\_EN.pdf](https://www.fibank.bg/web/files/documents/523/files/Fibank_q4_2022_indiv_EN.pdf)
3. Information regarding repurchased Fibank perpetual notes under ISIN code BG2100008114 – FSC incoming No. 10-05-618/07.02.2023;  
[https://www.fibank.bg/web/files/documents/530/files/20230207\\_Fibank\\_repurchase\\_en.pdf](https://www.fibank.bg/web/files/documents/530/files/20230207_Fibank_repurchase_en.pdf)
4. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 Dec 2022 – FSC incoming No. 10-05-931/01.03.2023;  
[https://www.fibank.bg/web/files/documents/535/files/Fibank\\_2022\\_Q4\\_cons\\_EN.pdf](https://www.fibank.bg/web/files/documents/535/files/Fibank_2022_Q4_cons_EN.pdf)
5. Notification pursuant to Art. 100y, Para. 1(2) and Para.2 of the Law on the Public Offering of Securities (LPOS) and the ordinances for its implementation regarding changes in the Management Board of First Investment Bank AD – FSC incoming No. 10-05-1102/23.03.2023;  
[https://www.fibank.bg/web/files/documents/537/files/2023.03.23%20FIBank%20Mandates%20RB%20IK\\_EN.pdf](https://www.fibank.bg/web/files/documents/537/files/2023.03.23%20FIBank%20Mandates%20RB%20IK_EN.pdf)
6. Annual individual (audited) financial statements of First Investment Bank AD as at 31 Dec 2022 – FSC incoming No. 10-05-PD-190 and 10-05-PD-191/30.03.2023.  
<https://www.fibank.bg/web/files/documents/541/files/549300UY81ESCZJ0GR95-20221231-EN-SEP.xhtml>
7. Notification regarding publication in the Commercial register of NPLE of changes in the Managing Board First Investment Bank AD – registered at FSC under incoming No. 10-05-1338/13.04.2023;  
[https://www.fibank.bg/web/files/documents/576/files/20230413\\_Fibank\\_Mandates\\_EN.pdf](https://www.fibank.bg/web/files/documents/576/files/20230413_Fibank_Mandates_EN.pdf)

8. Annual consolidated (audited) financial statements as at 31 December 2022 – FSC incoming No.10-05-PD-342 and 10-05-PD-343/27.04.2023;  
<https://www.fibank.bg/web/files/documents/554/files/549300UY81ESCZJ0GR95-20221231-EN-CON.xhtml>
9. Individual unaudited financial statements of First Investment Bank AD as at 31 March 2023 FSC incoming No. 10-05-1816/02.05.2023;  
[https://www.fibank.bg/web/files/documents/556/files/Fibank\\_Q1\\_2023\\_ind\\_EN.pdf](https://www.fibank.bg/web/files/documents/556/files/Fibank_Q1_2023_ind_EN.pdf)
10. Invitation of General Meeting of Shareholders of First Investment Bank AD – FSC incoming No. 10-05-2100/18.05.2023;  
[https://www.fibank.bg/web/files/documents/558/files/Fibank\\_Materials\\_GMS\\_EN.pdf](https://www.fibank.bg/web/files/documents/558/files/Fibank_Materials_GMS_EN.pdf)
11. Consolidated unaudited financial statements of First Investment Bank AD as at 31 March 2023 FSC incoming No. 10-05-2454/30.05.2023;  
[https://www.fibank.bg/web/files/documents/560/files/Fibank%20Q1%202023%20cons\\_EN.pdf](https://www.fibank.bg/web/files/documents/560/files/Fibank%20Q1%202023%20cons_EN.pdf)
12. Public disclosure of an interested party transaction pursuant to Article 114, Para 2 of the Public Offering of Securities act (POSA) – FSC incoming No. 10-05-2601/05.06.2023;  
[https://www.fibank.bg/web/files/documents/562/files/Fibank\\_Uvedomlenie\\_TsM\\_EN.pdf](https://www.fibank.bg/web/files/documents/562/files/Fibank_Uvedomlenie_TsM_EN.pdf)
13. Disclosure of information regarding First Investment Bank's Ratings from Fitch Ratings – registered at FSC under incoming No 10-05-2648/09.06.2023;  
<https://www.fibank.bg/web/files/documents/565/files/Fibank%20Fitch%202023.6.9%20EN.pdf>
14. Public disclosure of an interested party transaction pursuant to Article 114, Para 2 of the Public Offering of Securities act (POSA) – FSC incoming No. 10-05-2779/16.06.2023;  
[https://www.fibank.bg/web/files/documents/568/files/Fibank\\_ShareholderNotif\\_IM\\_EN.pdf](https://www.fibank.bg/web/files/documents/568/files/Fibank_ShareholderNotif_IM_EN.pdf)
15. Information on the results from the regular annual General Meeting of Shareholders of First Investment Bank AD held on 21 June 2023 – FSC incoming No. 10-05-2834/21.06.2023;  
<https://www.fibank.bg/web/files/documents/570/files/Uvedomlenie%20OSA%2021.06.2023%20EN.pdf>
16. Notifications and submission of minutes from the regular annual General Meeting of Shareholders of First Investment Bank AD – FSC incoming No. 10-05-2883/23.06.2023;  
[https://www.fibank.bg/web/files/documents/572/files/Fibank\\_MinutesGMS\\_21%2006%2023%20EN.pdf](https://www.fibank.bg/web/files/documents/572/files/Fibank_MinutesGMS_21%2006%2023%20EN.pdf)
17. Disclosure of information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 and Implementing Regulation (EU) 2021/637 – FSC incoming No. 10-05-3046/30.06.2023;  
[https://www.fibank.bg/web/files/documents/573/files/Fibank\\_20230331\\_Reg575\\_EN.pdf](https://www.fibank.bg/web/files/documents/573/files/Fibank_20230331_Reg575_EN.pdf)
18. Individual unaudited financial statements of First Investment Bank AD as at 30 June 2023 – FSC incoming No. 10-05-3712/31.07.2023

- [https://www.fibank.bg/web/files/documents/580/files/Fibank\\_q22030\\_indiv\\_EN.pdf](https://www.fibank.bg/web/files/documents/580/files/Fibank_q22030_indiv_EN.pdf)
19. Consolidated unaudited financial statements of First Investment Bank AD as at 30 June 2023 – FSC incoming No. 10-05-3825/11.08.2023
- [https://www.fibank.bg/web/files/documents/598/files/Fibank\\_q2\\_2023\\_cons\\_EN.pdf](https://www.fibank.bg/web/files/documents/598/files/Fibank_q2_2023_cons_EN.pdf)
20. Disclosed information concerning a potential green bond issue by First Investment Bank meeting the Minimum Requirement for own funds and Eligible Liabilities (MREL) – FSC incoming No. 10-05-4181/11.09.2023
- [https://www.fibank.bg/web/files/documents/618/files/Fibank\\_20231020%20EN.pdf](https://www.fibank.bg/web/files/documents/618/files/Fibank_20231020%20EN.pdf)
21. Disclosure of information pursuant to Regulation (EU) No. 575/2013 for the first half of 2023 on consolidated basis – FSC incoming No. 10-05-4250/19.09.2023
- [https://www.fibank.bg/web/files/documents/610/files/Fibank\\_Pillar%203%20semi-annual%20disclosure\\_30062023\\_EN.pdf](https://www.fibank.bg/web/files/documents/610/files/Fibank_Pillar%203%20semi-annual%20disclosure_30062023_EN.pdf)
22. Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 on consolidated basis for 2022 – FSC incoming No. 10-05-4335/02.10.2023
- [https://www.fibank.bg/web/files/documents/614/files/Fibank\\_Pillar%203%20annual%20disclosure\\_31122022\\_EN.pdf](https://www.fibank.bg/web/files/documents/614/files/Fibank_Pillar%203%20annual%20disclosure_31122022_EN.pdf)
23. Disclosure with relation to the notification made by First Investment Bank on 11 September 2023 – FSC incoming No. 10-05-4520/20.10.2023
- [https://www.fibank.bg/web/files/documents/618/files/Fibank\\_20231020%20EN.pdf](https://www.fibank.bg/web/files/documents/618/files/Fibank_20231020%20EN.pdf)
24. Individual (unaudited) financial statements of First Investment Bank AD as at 30 September 2023 – FSC incoming No. 10-05-4874/30.10.2023
- [https://www.fibank.bg/web/files/documents/620/files/Fibank\\_q3\\_2023\\_EN.pdf](https://www.fibank.bg/web/files/documents/620/files/Fibank_q3_2023_EN.pdf)
25. Consolidated unaudited financial statements of First Investment Bank AD as at 30 September 2023 – FSC incoming No. 10-05-5226/29.11.2023
- [https://www.fibank.bg/web/files/documents/625/files/Fibank\\_Q3\\_2023\\_cons\\_EN.pdf](https://www.fibank.bg/web/files/documents/625/files/Fibank_Q3_2023_cons_EN.pdf)
26. Notice to convene an extraordinary General Meeting of Shareholders of First Investment Bank – FSC incoming No. 10-05-5390/14.12.2023
- [https://www.fibank.bg/web/files/documents/628/files/Fibank\\_eGMS\\_noticeandmaterials\\_EN.pdf](https://www.fibank.bg/web/files/documents/628/files/Fibank_eGMS_noticeandmaterials_EN.pdf)



Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2023	
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	<b>Cash and cash balances with central banks and other deposits payable on demand</b>	Para. 54 (i) of IAS 1		<b>2 423 887</b>
0020	Cash	part 2, paragraph 1 of Appendix V		311 764
0030	Cash balances with central banks	part 2, paragraph 1 of Appendix V		1 844 619
0040	Other deposits payable on demand	part 2, paragraph 1 of Appendix V	5	267 504
0050	<b>Financial assets held for trading</b>	Supplement A to IFRS 9		<b>11 962</b>
0060	Derivatives	Supplement A to IFRS 9	10	0
0070	Equity	Para. 11 of IAS 32	4	11 858
0080	Debt securities	part 1, paragraph 31 of Appendix V	4	104
0090	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0096	<b>Non-tradable financial assets mandatorily reported at fair value through profit or loss</b>	Para. 8 (a)(ii) of IFRS 7; IFRS 9.4.1.4	4	<b>231 629</b>
0097	Equity	Para. 11 of IAS 32	4	28 829
0098	Debt securities	part 1, paragraph 31 of Appendix V	4	202 800
0099	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0100	<b>Financial assets at fair value through profit or loss</b>	Para. 8 (a)(i) of IFRS 7; IFRS 9.4.1.5	4	<b>0</b>
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	<b>Financial assets at fair value through other comprehensive income</b>	Para. 8 (h) of IFRS 7; IFRS 9.4.1.2A	4	<b>1 077 079</b>
0142	Equity	Para. 11 of IAS 32	4	0
0143	Debt securities	part 1, paragraph 31 of Appendix V	4	1 077 079
0144	Loans and advances	part 1, paragraph 32 of Appendix V	4	0
0181	<b>Financial assets at amortised cost</b>	Para. 8 (f) of IFRS 7; IFRS 9.4.1.2	4	<b>8 583 226</b>
0182	Debt securities	part 1, paragraph 31 of Appendix V	4	1 263 279
0183	Loans and advances	part 1, paragraph 32 of Appendix V	4	7 319 947
0240	<b>Derivatives - hedge accounting</b>	IFRS 9.6.2.1, part 1, paragraph 22 of Appendix V	11	<b>0</b>
0250	<b>Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk</b>	Para. 89A (a) of IAS 39, IFRS 9.6.5.8		<b>0</b>
0260	<b>Investments in a subsidiary, jointly-controlled entity or associate</b>	Para. 54 (e) of IAS 1; part 1, paragraph 21 and part 2, paragraph 4 of Appendix V	40	<b>34 579</b>
0270	<b>Tangible assets</b>			<b>856 284</b>
0280	Property, Plant and Equipment	Para. 6 of IAS 16; Para. 54 (a) of IAS 1; Para 47 (a) of IFRS 16	21, 42	99 517
0290	Investment Property	Para. 5 of IAS 40; Para. 54 (b) of IAS 1; Para. 48 of IFRS 16	21, 42	756 767
0300	<b>Intangible assets</b>	Para. 54(c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575		<b>23 007</b>
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	23 007
0330	<b>Tax assets</b>	Para. 54 (n)-(o) of IAS 1		<b>0</b>
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	<b>Other assets</b>	part 2, paragraph 5 of Appendix V		<b>647 242</b>
0370	<b>Non-current assets and disposal groups classified as held for sale</b>	Para. 54, (j) of IAS 1; Para. 38 of IFRS 5; part 2, item 7 of Appendix V		<b>0</b>
0380	<b>TOTAL ASSETS</b>	Para. 9, (a), IN 6 of IAS 1		<b>13 888 895</b>

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2023	
Basis for application	Individual	
Accounting standard	IFRS	
		Reporting currency '000 BGN

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

**1.2 Liabilities**

		References	Breakdown in table	Carrying amount
				part 1, paragraph 27 of Appendix V
				0010
0010	<b>Financial liabilities held for trading</b>	Para. 8, (e)(ii) of IFRS 7; BA Para. 6 of IFRS 9	8	0
0020	Derivatives	supplement A to IFRS 9, IFRS 9.4.2.1(a), BA, paragraph 7(a) of IFRS 9	10	0
0030	Short positions	BA, Paragraph 7(b) of IFRS 9	8	0
0040	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, 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	<b>Financial liabilities at fair value through profit or loss</b>	Para. 8 (e)(i) of IFRS 7; IFRS 9.4.2.2	8	3 165
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	3 165
0110	<b>Financial liabilities at amortised cost</b>	Para. 8 (g) of IFRS 7; IFRS 9.4.2.1	8	12 245 995
0120	Deposits	Part 2, item 9 of Appendix 2 to ECB/2013/33; Part 1, item 36 of Appendix V	8	11 548 490
0130	Issued debt securities	part 1, paragraph 37 of Appendix V	8	257 871
0140	Other financial liabilities	part 1, paragraph 38-41 of Appendix V	8	439 634
0150	<b>Derivatives - hedge accounting</b>	IFRS 9.6.2.1, part 1, paragraph 26 of Appendix V	11	0
0160	<b>Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk</b>	Para. 89A (b) of IAS 39, IFRS 9.6.5.8		0
0170	<b>Provisions</b>	Para. 10 of IAS 37; Para. 54 (l) of IAS 1	43	1 397
0180	Pensions and other obligations to pay defined post-employment benefits	Para. 63 of IFRS 19; Para. 78(d) of IAS 1; part 2, item 9 of Appendix V	43	0
0190	Other long-term employee benefits	Para. 153 of IFRS 19; Para. 78(d) of IAS 1; part 2, item 10 of Appendix V	43	0
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	1 034
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	363
0230	Other provisions	Para. 14 of IAS 37	43	0
0240	<b>Tax liabilities</b>	Para. 54 (n)-(o) of IAS 1		29 725
0250	Current tax liabilities	Para. 54(n) of IAS 1; Para. 5 of IAS 12		2 121
0260	Deferred tax liabilities	Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 1, item 108 of Reg 575		27 604
0270	<b>Share capital payable upon request</b>	IAS 32, Illustrative example 33; IFRIC 2; part 2, paragraph 12 of Appendix V		0
0280	<b>Other liabilities</b>	part 2, paragraph 13 of Appendix V		135 768
0290	<b>Liabilities in disposal groups classified as held for sale</b>	Para. 54, (p) of IAS 1; Para. 38 of IFRS 5; part 2, paragraph 14 of Appendix V		0
0300	<b>TOTAL LIABILITIES</b>	Para. 9, (b), IN 6 of IAS 1		12 416 050

**1. Balance sheet [statement of financial position]**
**1.3 Total own funds**

		References	Breakdown in table	Carrying amount
				0010
0010	<b>Equity</b>	Para. 54(s) of IAS 1; Para. 22 of DOB	46	<b>149 085</b>
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	<b>Premium reserves</b>	Para. 78(e) of IAS 1; Art. 4, Para. 1, item 124 of Reg 575	46	<b>250 017</b>
0050	<b>Issued capital instruments other than share capital</b>	part 2, paragraphs 18-19 of Appendix V	46	<b>0</b>
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	<b>Other own funds</b>	Para. 10 of IFRS 2; part 2, paragraph 20 of Appendix V		<b>0</b>
0090	<b>Accumulated other comprehensive income</b>	Art. 4, para. 1, item 100 of Reg 575	46	<b>(1 139)</b>
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		(5 639)
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		(5 639)
0165	Hedging instruments [unreported elements]	Paragraph 7, (g) and (h) of IAS 1; IFRS 9 6.5.15		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	<b>Retained earnings</b>	Art. 4, para. 1, item 123 of Reg 575		<b>0</b>
0200	<b>Revaluation reserve</b>	Para. 30, D5-D8 of IFRS 1; part 2, item 28 of Appendix V		<b>0</b>
0210	<b>Other reserves</b>	Para. 54 of IAS 1; Para. 78 (e) of IAS 1		<b>939 921</b>
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		939 921
0240	<b>(-) Repurchased own shares</b>	Para. 79 (a)(vi) of IAS 1; Paras. 33-34, IE14, IE36 of IAS 32; part 2, paragraph 30 of Appendix V	46	<b>0</b>
0250	<b>Profit or loss attributable to the owners of the parent company</b>	Para. 81B (b)(ii) of IAS 1	2	<b>134 961</b>
0260	<b>(-) Interim dividends</b>	Para. 11 of IAS 32		<b>0</b>
0270	<b>Minority interests [Non-controlling interests]</b>	Para. 54 (r) of IAS 1		<b>0</b>
0280	Accumulated other comprehensive income	Art. 4, para. 1, item 100 of Reg 575	46	0
0290	Other items		46	0
0300	<b>TOTAL SHAREHOLDERS' EQUITY</b>	Para. 9 (c), IN 6 of IAS 1	46	<b>1 472 845</b>
0310	<b>TOTAL SHAREHOLDERS' EQUITY AND TOTAL LIABILITIES</b>	IN 6 of IAS 1		<b>13 888 895</b>

 Nikola Bakalov  
 Chief Executive Officer

 Svetozar Popov  
 Executive Director

 Yanko Karakolev  
 Chief Financial Officer

Bank	FINV9150	First Investment Bank AD
Reporting date	31.12.2023	
Basis for application	Individual	
Accounting standard	IFRS	

Reporting currency '000 BGN

## 2. Profit and Loss Account

		References	Breakdown in table	Current period
				0010
0010	<b>Interest income</b>	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	<b>404 711</b>
0020	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 33, 34 of Appendix V		5
0025	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRC 7, IFRS 9.5.7.1		11 315
0030	Financial assets at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRC 7		0
0041	Financial assets at fair value through other comprehensive income	Para. 20(b) of IFRC 7; IFRS 9.5.7.10-11, IFRS 9.4.1.2A		20 159
0051	Financial assets at amortised cost	Para. 20(b) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2		373 232
0070	Derivatives — hedge accounting, interest rate risk	supplement A to IFRS 9, C.6.6.16, part 2, paragraph 35 of Appendix V		0
0080	Other assets	part 2, paragraph 36 of Appendix V		0
0085	Revenue from interest on liabilities	IFRS 9.5.7.1, part 2, paragraph 37 of Appendix V		0
0090	<b>(Interest expense)</b>	Para. 97 of IAS 1; part 2, paragraph 31 of Appendix V	16	<b>34 809</b>
0100	(Financial liabilities held for trading)	Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 33, 34 of Appendix V		0
0110	(Financial liabilities at fair value through profit or loss)	Para. 20, (a)(i), Para. B5, (e) of IFRC 7		36
0120	(Financial liabilities at amortised cost)	Para. 20(b) of IFRC 7; IFRS 9.5.7.2		34 702
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		52
0145	(Interest expense on assets)	IFRS 9.5.7.1, part 2, paragraph 39 of Appendix V		19
0150	<b>(Expense for share capital payable upon request)</b>	IFRIC 2, item 11		<b>0</b>
0160	<b>Dividend income</b>	part 2, paragraph 40 of Appendix V	31	<b>2 348</b>
0170	Financial assets held for trading	Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, paragraphs 40 of Appendix V		137
0175	Non-tradable financial assets mandatorily reported at fair value through profit or loss	Para. 20, (a)(i), Para. B5, (e) of IFRC 7; IFRS 9.5.7.1A, part 2, paragraphs 40 of Appendix V		255
0191	Financial assets at fair value through other comprehensive income	Para. 20, (a)(ii) of IFRC 7; IFRS 9.4.1.2A, IFRS 9.5.7.1A, part 2, paragraph 41 of Appendix V		0
0192	Investments in a subsidiary, jointly-controlled entity or associate reported via the equity method	part 2, paragraph 42 of Appendix V		1 956
0200	<b>Fee and commission income</b>	Para. 20 (c) of IFRS 7	22	<b>192 605</b>
0210	<b>(Fee and commission expense)</b>	Para. 20 (c) of IFRS 7	22	<b>41 056</b>
0220	<b>Net profits or (-) losses from write-off of financial assets and liabilities which are not accounted at fair value through profit or loss</b>	part 2, paragraph 45 of Appendix V	16	<b>3 653</b>
0231	Financial assets at fair value through other comprehensive income	IFRS 9.4.12A; IFRS 9.5.7.10-11		(269)
0241	Financial assets at amortised cost	Para. 20(B)(v) of IFRC 7; IFRS 9.4.1.2, IFRS 9.5.7.2		3 922
0260	Financial liabilities at amortised cost	Para. 8 (a)(v) of IFRC 7; IFRS 9.5.7.2		0
0270	Other			0
0280	<b>Net profits or (-) losses from financial assets and liabilities held for trading</b>	Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 43, 46 of Appendix V	16	<b>1 147</b>
0287	<b>Net profits or (-) losses from non-tradable financial assets and liabilities mandatorily reported at fair value through profit or loss</b>	Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 46 of Appendix V		<b>(40 950)</b>
0290	<b>Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss</b>	Para. 20, (a)(i) of IFRC 7; IFRS 9.5.7.1, part 2, items 44 of Appendix V	16, 45	<b>0</b>
0300	<b>Net profits or (-) losses from hedge accounting</b>	part 2, paragraph 47 of Appendix V	16	<b>0</b>
0310	<b>Net profits or (-) losses from exchange rate differences</b>	Para. 28 and Para 52 (a) of IAS 21		<b>22 148</b>
0320	<b>Net profits or (-) losses from derecognition of investments in subsidiaries joint ventures and associates</b>	Application V, part 2.56		1 599
0330	<b>Net profits or (-) losses from derecognition of non-financial assets</b>	Para. 34 of IAS 1; part 2, paragraph 48 of Appendix V	45	<b>6 635</b>
0340	<b>Other operating income</b>	part 2, paragraphs 314-316 of Appendix V	45	<b>11 021</b>
0350	<b>(Other operating expense)</b>	part 2, paragraphs 314-316 of Appendix V	45	<b>5 542</b>
0355	<b>TOTAL NET OPERATING INCOME</b>			<b>523 510</b>
0360	<b>(Administrative expenses)</b>			<b>197 685</b>
0370	(Personnel costs)	Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1	44	98 056
0380	(Other administrative expenses)		16	99 629
0385	(Cash instalments for restructuring funds and deposit guarantee schemes)	part 2, paragraph 48 of Appendix V		24 263
0390	<b>(Amortisation)</b>	Paras. 102, 104 of IAS 1		<b>12 969</b>
0400	(Property, Plant and Equipment)	Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16		9 013
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		3 956

		References	Breakdown in table	Current period
				0010
0425	<b>Net profits or (-) losses from modification</b>	<i>IFRS 9.5.4.3, supplement A to IFRS 9, part 2, paragraph 49 of Appendix V</i>		0
0426	Financial assets at fair value through other comprehensive income	<i>Paragraph 35J of IFRS 7</i>		0
0427	Financial assets at amortised cost	<i>Paragraph 35J of IFRS 7</i>		0
0430	<b>(Provisions or (-) reversed provisions)</b>	<i>Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1</i>	9 12 43	(194)
0435	(Undertaken obligations to make payments for restructuring funds and deposit guarantee schemes )	<i>part 2, paragraph 48 (i) of Appendix V</i>		0
0440	(Commitments and guarantees)	<i>IFRS 9.4.2.1(c), (d); IFRS 9.B2.5; IAS 37; IFRS 4; part 2, para. 50 of Appendix V</i>		(789)
0450	(Other provisions)			595
0460	<b>(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)</b>	<i>Para. 20, (a)(viii) of IFRC 7; IFRS 9.5.4.4, part 2, items 51, 53 of Appendix V</i>	12	137 957
0481	(Financial assets at fair value through other comprehensive income)	<i>IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8</i>	12	0
0491	(Financial assets at amortised cost)	<i>IFRS 9.5.4.4; IFRS 9.5.5.1; IFRS 9.5.5.2; IFRS 9.5.5.8</i>	12	137 957
0510	<b>(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)</b>	<i>Paras. 40-43 of IAS 28</i>	16	0
0520	<b>(Impairment or (-) reversed impairment of non-financial assets)</b>	<i>Para. 126(a)-(b) of IAS 36</i>	16	0
0530	(Property, Plant and Equipment)	<i>Para. 73, (e), (v)-(vi) of IAS 16</i>		0
0540	(Investment Property)	<i>Para. 79, (d), (v) of IAS 40</i>		0
0550	(Goodwill)	<i>B67, (d), (v) of IFRC 3; Para. 124 of IAS 36</i>		0
0560	(Other intangible assets)	<i>Para. 118, (e), (iv)-(v) of IAS 38</i>		0
0570	(Other)	<i>Para. 126(a)-(b) of IAS 36</i>		0
0580	<b>Negative goodwill in profit or loss</b>	<i>B64, (n)(i) to IFRC 3</i>		0
0590	<b>Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate reported via the equity method</b>	<i>part 2, paragraph 54 of Appendix V</i>		0
0600	<b>Profit or (-) loss from non-current assets and disposal groups classified as held for sale, which do not meet the requirements for discontinued operations</b>	<i>Para. 37 of IFRS 5, part 2, paragraph 55 of Appendix V</i>		0
0610	<b>PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS</b>	<i>Para. 102, IN 6 of IAS 1; Para. 33 A of IFRC 5</i>		150 830
0620	(Tax expense or (-) income relating to the profit or loss from current operations)	<i>Para. 8, (d) of IAS 1; Para. 77 of IAS 12</i>		15 869
0630	<b>PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS</b>	<i>IN 6 of IAS 1</i>		134 961
0640	<b>Profit or (-) loss after tax from discontinued operations</b>	<i>Para. 82, (e) of IAS 1; Para. 33(a) and paragraph 33A of IFRC 5; part 2, paragraph 56 of Appendix V</i>		0
0650	Profit or (-) loss before tax from discontinued operations	<i>Para. 33, (b)(i) of IFRC 5</i>		0
0660	(Tax expense or (-) income related to discontinued operations)	<i>Para. 33, (b)(i) and (iv) of IFRC 5</i>		0
0670	<b>PROFIT OR (-) LOSS FOR THE YEAR</b>	<i>Para. 81A (a) of IAS 1</i>		134 961
0680	Relating to minority interests [non-controlling interests]	<i>Para. 81B (b)(i) of IAS 1</i>		0
0690	Attributable to the owners of the parent company	<i>Para. 81B (b)(ii) of IAS 1</i>		134 961

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