



# DISCLOSURE OF INFORMATION

pursuant to Regulation (EU) No. 575/2013

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(consolidated data)

**FIRST INVESTMENT BANK AD**

for 2014

July 2015

This disclosure of information was prepared in compliance with the requirements of Part Eight of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The information is disclosed as a supplement to the consolidated annual report and the consolidated annual financial statements of First Investment Bank AD at 31.12.2014.

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## RISK MANAGEMENT POLICY AND FRAMEWORK

- (1) First Investment Bank has established, maintains and develops a risk management system which ensures the identification, assessment and management of risks inherent to its activity. The main objective in managing the overall risk profile of the Bank is to achieve a balance between risk, return and capital.

First Investment Bank assumes risks while ensuring the required level of equity capital and an effective management process. The Bank maintains financial resources that are commensurate with the volume and type of operations performed, with its risk profile and the internal control systems and mechanisms for risk management.

First Investment Bank AD determines an overall maximum level of risk by different types of risk. The Bank determines its risk propensity and risk tolerance levels so that they correspond to its strategic objectives and stable functioning.

In measuring risks First Investment Bank AD applies the Standardised Approach; for internal purposes it also applies internal rating models, internal VAR models, as well as scenario analyses and stress-tests.

- (2) Reconciliation of balance sheet positions used for calculating own funds and those used for calculating the required own funds:

Balance-sheet positions	Accounting scope	Amount used for calculating the required own funds	Position in Annex VI
<b>Assets</b>			
Financial assets held for trading	9,646	-64	17
Intangible assets	18,265	-18,265	8, 41a
<b>Own funds and liabilities</b>			
Financial liabilities assessed at amortised cost	8,075,904	270,687	
of which: instruments eligible for DC1	195,447	195	32
of which: instruments eligible for T2	99,999	75,104	56
Equity	110,000	110,000	1
Premium reserve	97,000	97,000	1
Accumulated other comprehensive income	8,768	-671	3
Revaluation reserve on available for sale investments	7,114	-2,325	3, 26a, 41c
Revaluation reserve on land and buildings	4,500	4,500	3, 26b, 56c
Reserve from translation of foreign operations	-2,846	-2,846	3
Retained earnings	468,945	438,181	3
Other reserves	39,865	39,865	3
Non-controlling interest	2,319	2,319	5

\* All amounts are in thousands of BGN.

(3) Information on the reconciliation of the elements of the regulatory own funds and the Bank's accounting capital and balance sheet as in the audited financial statements is presented in the table below:

Own funds	Regulation (EU) 575/2013	Applicable deduction percentage	31.12.2014
Share capital			110,000
Premium reserve			97,000
Revaluation reserve on available for sale investments			7,114
Revaluation reserve on land and buildings			4,500
Statutory reserve			39,865
Reserve from translation of foreign operations			-2,846
Non-controlling interest			2,319
Retained earnings			468,945
<b>Own funds in the audited financial statements of the institution</b>			<b>726,8</b>
Unaudited annual profit			-30,765
Unrealised gains measured at fair value (Available-for-sale financial assets)	Art. 468	100%	-9,438
Unrealised losses measured at fair value (Available-for-sale financial assets)	Art. 467	80%	1,860
Unrealised gains measured at fair value (Tangible assets)	Art. 481	80%	-3,600
Direct holdings of the Common Equity Tier 1 instruments of financial sector entities where those entities have a reciprocal cross holding with the institution	Art. 36, Para. 1 g	100%	-64
Intangible assets	Art. 36, Para. 1 b	20%	-3,653
<b>Common Equity Tier 1</b>			<b>681,237</b>
Hybrid debt	Art. 51, 52	100%	195,583
Unrealised losses measured at fair value (Available-for-sale financial assets)	Art. 467	80%	-1,860
Intangible assets	Art. 472, Para. 4	80%	-14,612
<b>Common Equity Tier 1</b>			<b>860,348</b>
Perpetual debt	Art. 484, 486	80%	75,104
Revaluation reserve on property	Art. 481	80%	3,600
<b>Own funds</b>			<b>939,052</b>

(4) Information on the main features of First Investment Bank capital instruments in the template under Annex II to Commission Implementing Regulation (EC) No. 1423/2013, is presented in the table below:

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		1
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG1100106050
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Common Equity Tier 1
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary, registered, dematerialised, freely transferable shares with voting rights
8	Amount recognised in regulatory capital	100,000
9	Nominal amount of instrument	100,000
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Share capital
11	Original date of issuance	1993 - 2006
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	yes
15	Optional call date, contingent call dates and redemption amount	not applicable
16	Subsequent call dates, if applicable	not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	not applicable
18	Coupon rate and any related index	not applicable
19	Existence of a dividend stopper	no
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	not applicable
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	not applicable
21	Existence of step up or other incentive to redeem	no
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	not applicable
32	If write-down, full or partial	not applicable
33	If write-down, permanent or temporary	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		2
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG1100106050
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Common Equity Tier 1
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary, registered, dematerialised, freely transferable shares with voting rights
8	Amount recognised in regulatory capital	10,000
9	Nominal amount of instrument	10,000
9a	Issue price	1,070%
9b	Redemption price	100%
10	Accounting classification	Share capital
11	Original date of issuance	04.6.2007
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	not applicable
16	Subsequent call dates, if applicable	not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	not applicable
18	Coupon rate and any related index	not applicable
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	not applicable
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	not applicable
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	not applicable
32	If write-down, full or partial	not applicable
33	If write-down, permanent or temporary	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		3
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100008114
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	15.3.2011
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After five years from the issue date at 100%
16	Subsequent call dates, if applicable	After the fifth year following the issue date - each subsequent year
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	12.75% **
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Compulsory Discretionary/ In case of non-compliance with the capital requirements or at BNB discretion
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Occurrence of one or more of the following events: a) the Bank's Common Equity Tier 1 ratio falls below 5.125%; b) BNB establishes the presence of circumstances and the need to write-down due to possible insolvency of the Bank; c) Decision for capital support without which the Bank may become insolvent at the discretion of BNB.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent or temporary
34	If temporary write-down, description of write-up mechanism	(1) any interest payments on the instrument made after its write-down must be calculated only for the decreased principal;



		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank multiplied by the amount obtained when dividing the amount obtained in 1)'s Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		4
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100008114
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	28.5.2012
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After five years from the issue date at 100%
16	Subsequent call dates, if applicable	After the fifth year following the issue date - each subsequent year
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	12.75% **
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Compulsory Discretionary/ In case of non-compliance with the capital requirements or at BNB discretion
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Occurrence of one or more of the following events: a) the Bank's Common Equity Tier 1 ratio falls below 5.125%; b) BNB establishes the presence of circumstances and the need to write-down due to possible insolvency of the Bank; c) Decision for capital support without which the Bank may become insolvent at the discretion of BNB.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent or temporary
34	If temporary write-down, description of write-up mechanism	(1) any interest payments on the instrument made after its write-down must be calculated only for the decreased principal;

		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		5
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100022123
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	12.11.2012
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After five years from the issue date at 100%
16	Subsequent call dates, if applicable	After the fifth year following the issue date - each subsequent year
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.00% **
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Compulsory Discretionary/ In case of non-compliance with the capital requirements or at BNB discretion
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Occurrence of one or more of the following events: a) the Bank's Common Equity Tier 1 ratio falls below 5.125%; b) BNB establishes the presence of circumstances and the need to write-down due to possible insolvency of the Bank; c) Decision for capital support without which the Bank may become insolvent at the discretion of BNB.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent or temporary
34	If temporary write-down, description of write-up mechanism	(1) any interest payments on the instrument made after its write-down must be calculated only for the decreased principal;

		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		6
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100022123
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	08.11.2013
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After five years from the issue date at 100%
16	Subsequent call dates, if applicable	After the fifth year following the issue date - each subsequent year
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.00% **
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Compulsory Discretionary/ In case of non-compliance with the capital requirements or at BNB discretion
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Occurrence of one or more of the following events: a) the Bank's Common Equity Tier 1 ratio falls below 5.125%; b) BNB establishes the presence of circumstances and the need to write-down due to possible insolvency of the Bank; c) Decision for capital support without which the Bank may become insolvent at the discretion of BNB.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	permanent or temporary
34	If temporary write-down, description of write-up mechanism	(1) any interest payments on the instrument made after its write-down must be calculated only for the decreased principal;

		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		7
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100022123
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	18.11.2013
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	After five years from the issue date at 100%
16	Subsequent call dates, if applicable	After the fifth year following the issue date - each subsequent year
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.00% **
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Compulsory Discretionary/ In case of non-compliance with the capital requirements or at BNB discretion
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	Yes
31	If write-down, write-down trigger(s)	Occurrence of one or more of the following events: a) the Bank's Common Equity Tier 1 ratio falls below 5.125%; b) BNB establishes the presence of circumstances and the need to write-down due to possible insolvency of the Bank; c) Decision for capital support without which the Bank may become insolvent at the discretion of BNB.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	permanent or temporary
34	If temporary write-down, description of write-up mechanism	(1) any interest payments on the instrument made after its write-down must be calculated only for the decreased principal;



		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

\*\* According to Decision C (2014 8959)/25.11.14 of the European Commission regarding liquidity support SA.39854 (2014/N) the accrual of interest on the hybrid instruments has been suspended until the aid repayment

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		8
1	Issuer	First Investment Finance B.V.
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	XS0226759230
3	Governing law(s) of the instrument	English law
	Regulatory treatment	Tier 2 capital
4	Transitional CRR rules	Tier 2 capital
5	Post-transitional CRR rules	Not included in capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Perpetual, subordinated, guaranteed bonds with a clause for one-off interest rate step up
8	Amount recognised in regulatory capital	42,246
9	Nominal amount of instrument	52,807
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	05.8.2005
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	05.8.2015
16	Subsequent call dates, if applicable	Each year after 05.08.2015 on the date of the interest payment
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	12.50% until 05.08.2015; 14.50% after that
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Partially discretionary
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	Yes
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	not applicable
32	If write-down, full or partial	not applicable
33	If write-down, permanent or temporary	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	Yes
37	If yes, specify non-compliant	The instrument contains an incentive to redeem

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		9
1	Issuer	First Investment Finance B.V.
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	XS0249131714
3	Governing law(s) of the instrument	English law
	Regulatory treatment	Tier 2 capital
4	Transitional CRR rules	Tier 2 capital
5	Post-transitional CRR rules	Not included in capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Perpetual, subordinated, guaranteed bonds with a clause for one-off interest rate step up
8	Amount recognised in regulatory capital	32,858
9	Nominal amount of instrument	41,072
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	29.3.2006
12	Perpetual or dated	Perpetual
13	Original maturity date	not applicable
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	29.3.2016
16	Subsequent call dates, if applicable	Each year after 29.03.2016 on the date of the interest payment
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.625% until 29.03.2016; 13.625% afterwards
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Partially discretionary
20b	Fully discretionary, partially discretionary or compulsory (in terms of amount)	No discretion
21	Existence of step up or other incentive to redeem	Yes
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	not applicable
25	If convertible, fully or partially	not applicable
26	If convertible, conversion rate	not applicable
27	If convertible, mandatory or optional conversion	not applicable
28	If convertible, specify instrument convertible into	not applicable
29	If convertible, specify issuer of instrument it converts into	not applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	not applicable
32	If write-down, full or partial	not applicable
33	If write-down, permanent or temporary	not applicable
34	If temporary write-down, description of write-up mechanism	not applicable
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	Yes
37	If yes, specify non-compliant	The instrument contains an incentive to redeem

(5) Information on own funds presented in the transitional own funds disclosure template referred to in Annex VI to Commission Implementing Regulation (EC) No. 1423/2013, is presented in the table below:

Common Equity Tier 1: instruments and reserves (BGN '000)		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
1	Capital instruments and the related share premium accounts	207,000	Article 26, Para. 1, Articles 27-29, EBA list, Article 26, Para. 3	
	of which: instrument type No 1	97,000	EBA list, Article 26, Para. 3	
2	Retained earnings		Article 26, Para. 1(c)	
3	Accumulated other comprehensive income (and other reserves)	486,813	Article 26, Para. 1	
3a	Funds for general banking risks		Article 26, Para. 1(f)	
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts to phase out from CET1		Article 484, Para. 2	
5	Minority interests (amount allowed in consolidated CET1)	2,319	Article 84, 479 and 480	
5a	Independently reviewed interim profit net of any foreseeable charge or dividends		Article 26, Para. 2	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	<b>696,132</b>		
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Additional value (negative amount)		Articles 34 and 105	
8	Intangible assets (net of related tax liability) (negative amount)	-3,653	Article 36(1)(b), Article 37 and Article 472, Para. 4	14,612
9	empty set in the EU			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability, where the conditions of Article 38(3) are met) (negative amount)		Article 36(1)(c), Article 38 and Article 472, Para. 5	
11	Fair value reserves related to gains or losses on cash flow hedges		Article 33(a)	
12	Negative amounts resulting from the calculation of expected loss amounts		Article 36(1)(d), Article 40, Article 159 and Article 472, Para. 6	
13	Any increase in equity that results from securitised assets (negative amount)		Article 32, Para. 1	
14	Gains or losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution		Article 33(b)	
15	Defined benefit pension fund assets (negative amount)		Article 36(1)(e), Article 41 and Article 472, Para. 7	
16	Direct and indirect holdings by the institution of own Common Equity Tier 1 instruments (negative amount)		Article 36(1)(f), Article 42 and Article 472, Para. 8	
<b>Common Equity Tier 1: instruments and reserves (BGN '000)</b>		<b>(A) AMOUNT AT DISCLOSURE DATE</b>	<b>(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE</b>	<b>(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013</b>
17	Direct, indirect holdings of the CET1 instruments of financial sector entities, where those entities has reciprocal cross holdings the institution designed to inflate artificially the own funds of the institution (negative amount)	-64	Article 36(1)(g), Article 44 and Article 472, Para. 9	
18	Direct and indirect capital investments by an institution into instruments included in the Common Equity Tier 1 items of entities in the financial sector in which the institution does not have a significant investment (of over 10% of the threshold value after deduction of the eligible short positions) (negative value)		Article 36(1)(h), Articles 43, 45, 46, Article 49 Paras. 2 and 3, Article 79 and Article 472, Para. 10	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities ( amount above 10% threshold and		Article 36(1), (i), Articles 43, 45 and 47, Article 48, Para. 1(b), Article 49, Paras. 1-3, Articles 79	

	net of eligible short positions) (negative amount)		and 470, as well as Article 472, Para. 11	
20	empty set in the EU			
20a	Exposure amount of the following items which qualify for a RW of 1250% where the institution opts for the deduction alternative		Article 36(1)(k)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		Article 36(1)(c), Article 38, Article 48, Para. 1(a), Article 470 and Article 472, Para. 5	
22	Amount exceeding 15% of the threshold value (negative amount)		Article 48, Para. 1	
23	of which: direct and indirect holdings by the institutions of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		Article 36(1), (i), Article 48, Para. 1(b), Article 470 and Article 472, Para. 11	
24	empty set in the EU			
25	of which: deferred tax assets arising from temporary differences		Article 36(1)(c), Article 38, Article 48, Para. 1(a), Article 470 и Article 472, Para. 5	
25a	Losses for the current accounting year (negative amount)		Article 36(1)(a), Article 472, Para. 3	
25b	Foreseeable tax charges relating to CET1 instruments (negative amount)		Article 36(1)(l)	
26	Normative adjustments used for CET 1 instruments taking into account the volumes to which the treatment valid before the Regulation on Capital Requirements applies			
26a	Normative adjustments relating to unrealised gains and losses according to Articles 467 and 468	-7,578		465
	Of which: ... filter for unrealised losses 1	1,860	Article 467	465
	Of which: ... filter for unrealised gains 1	-9,438	Article 468	
26b	The value that should be deducted from CET1 instruments or added to CET 1 instruments taking into account the additional filters and deductions required before the Regulation on Capital Requirements	-3,600	Article 481	-900
	Of which: unrealised gains from the fair value measurement of land and buildings	-3,600	Article 481	-900
<b>Common Equity Tier 1: instruments and reserves (BGN '000)</b>		<b>(A) AMOUNT AT DISCLOSURE DATE</b>	<b>(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE</b>	<b>(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013</b>
27	Qualifying AT 1 capital of the institution (negative amount)		Article 36(1), (j)	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-14,895</b>		<b>14,177</b>
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>681,237</b>		<b>14,177</b>
<b>Additional Tier 1 (AT1) capital: instruments</b>				
30	Capital instruments and the related share premium accounts	195,583	Articles 51-52	
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards	195,583		
33	Amount of qualifying referred to in Article 484(4) and the related share premium accounts subject to phase out from AT 1		Article 486, Para. 3	
	Capital injections from the public sector retained until 1 January 2018		Article 483, Para. 3	
34	Qualifying Tier 1 capital included in consolidated AT 1 capital (including minority interests not included on row 5) issued by subsidiaries and held by third parties		Articles 85, 86 и 480	
35	of which: instruments issued by subsidiaries subject to phase out		Article 486, Para. 3	
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>195,583</b>		
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		Article 52, Para. 1(b), Article 56(a), Articles 57 and 475, Para. 2	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution		Article 56(b), Articles 58 and 475, Para. 3	

	(negative amount)			
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		Article 56(c), Articles 59, 60, 79 and Article 475, Para. 4	
40	Direct and indirect capital investments by an institution into instruments included in the AT 1 capital items of entities in the financial sector in which the institution has a significant investment (of over 10% of the threshold value after deduction of the eligible short positions) (negative amount)		Article 56(d), Articles 59 and 79, as well as Article 475, Para. 4	
41	Normative adjustments used for Additional Tier 1 capital taking into account the volumes to which treatment valid before the Regulation on Capital Requirements and temporary treatment applies, and which are subject to gradual removal, as described in Regulation (EU) 575/2013 (i.e., residual values stipulated in the Regulation on Capital Requirements)			

Common Equity Tier 1: instruments and reserves (BGN '000)		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
41a	Residual values deducted from Additional Tier 1 capital taking into account the deductions from CET 1 during the transitional period according to Article 472 of Regulation (EU) 575/2013	-14,612	Article 472 and Article 472, Paras. 3(a), 4, 6, 8(a), 9, 10(a) and 11(a)	-3,653
	of which: intangible assets	-14,612		-3,653
41b	Residual values deducted from AT 1 capital taking into account the deductions from Tier 2 capital during the transitional period according to Article 475 of Regulation (EU) 575/2013		Article 477 and Article 477, Paras. 3 and 4(a)	
41c	The value deducted from AT 1 items or added to AT 1 items taking into account the additional filters and deductions required before the Regulation on Capital Requirements	-1,860	Articles 467, 468 and 481	-465
	Of which: filter for unrealised losses	-1,860	Article 467	-465
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		Article 56(e)	
43	<b>Aggregate normative adjustments to Additional Tier 1 capital</b>	<b>-16,472</b>		<b>-4,118</b>
44	<b>Additional Tier 1 capital</b>	<b>179,111</b>		<b>-4,118</b>
45	<b>Tier 1 capital = Common Equity Tier 1 + Additional Tier 1 capital</b>	<b>860,348</b>		<b>10,059</b>
<b>Tier 2 capital (T2): instruments and provisions</b>				
46	Capital instruments and share premium		Articles 62-63	
47	The volume of qualified items indicated in Article 484(5) and the related share premium subject to gradual removal from Tier 2 capital items		Article 486, Para. 4	
	Capital injections from the public sector retained until 1 January 2018		Article 483, Para. 4	
48	The qualified capital instruments included in consolidated Tier 2 capital (including minority interests and instruments included in Additional Tier 1 capital not included in row 5 or row 34) issued by subsidiaries and held by third parties		Articles 87, 88 and 480	
49	of which: instruments issued by subsidiaries subject to gradual removal		Article 486, Para. 4	
50	Credit risk adjustments		Article 62(c) and (d)	
51	<b>Tier 2 capital items before normative adjustments</b>			
<b>Own funds Tier 2: instruments and items</b>				
52	Direct and indirect holdings by an institution of own T 2 instruments and subordinated loans (negative amount)		Article 63(b)(i), Article 66(a), Article 67 and Article 477, Para. 2	
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		Article 66(b), Article 68 and Article 477, Para. 3	

Common Equity Tier 1: instruments and reserves (BGN '000)		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative value)		Article 66(c), Articles 69, 70, 79 and Article 477, Para. 4	
54a	Of which new capital investments to which transitional provisions do not apply			
54b	Of which capital investments existing before 1 January 2013 to which transitional provisions apply			
55	Direct and indirect capital investments by an institution into instruments included in the T2 capital items and subordinated loans of entities in the financial sector in which the institution has a significant investment (after deduction of the eligible short positions) (negative value)		Article 66(d), Articles 69 и 79, as well as Article 477, Para. 4	
56	Normative adjustments used for T2 capital taking into account the volumes to which treatment valid before the Regulation on Capital Requirements and temporary treatment applies, and which are subject to gradual removal, as described in Regulation (EU) 575/2013 (i.e., residual values stipulated in the Regulation on Capital Requirements)	75,104		18,776
56a	Residual values deducted from Tier 2 capital taking into account the deductions from CET 1 during the transitional period according to Article 472 of Regulation (EU) 575/2013		Article 472 и Article 472, Paras. 3(a), 4, 6, 8(a), 9, 10(a) and 11(a)	
56b	Residual values deducted from T2 capital taking into account the deductions from Additional Tier 1 capital during the transitional period according to Article 475 of Regulation (EU) 575/2013		Article 475 и Article 475, Para. 2(a), Para. 3 and Para. 4(a)	
56c	The value deducted from T2 capital items or added to T2 capital items taking into account the additional filters and deductions required before the Regulation on Capital Requirements	3,600	Articles 467, 468 and 481	900
	Of which: unrealised gains from the fair value measurement of land and buildings	3,600	Article 481	900
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>78,704</b>		<b>19,676</b>
58	<b>Tier 2 (T2) capital</b>	<b>78,704</b>		<b>19,676</b>
59	<b>Total capital = (TC = T1 + T2)</b>	<b>939,052</b>		<b>29,735</b>
59a	Risk weighted assets taking into account the volumes to which treatment valid before the Regulation on Capital Requirements and temporary treatment applies, and which are subject to gradual removal, as described in Regulation (EU) 575/2013 (i.e., residual values stipulated in the Regulation on Capital Requirements)	6,306,376		
60	<b>Total risk weighted assets</b>	<b>6,306,376</b>		
<b>Capital ratios and reserves</b>				
61	Common Equity Tier 1 (as a percentage of the risk exposure amount)	10.80%	Article 92, Para. 2(a), Article 465	
62	Tier 1 (as a percentage of total risk exposure amount)	13.64%	Article 92, Para. 2(b), Article 465	
63	Total capital (as a percentage of total risk exposure amount)	14.89%	Article 92, Para. 2(c)	



Common Equity Tier 1: instruments and reserves (BGN '000)		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systematic risk, plus systematically important institution buffer expressed as a percentage of risk exposure amount	5.50%	CRD, Article 128-130	
65	of which: capital conservation buffer requirement	2.50%		
66	of which: countercyclical buffer requirement	0.00%		
67	of which: systematic risk buffer requirement	3.00%		
67a	of which: Global Systemically Important institution (G-SII) or other Systemically Important institution (O-SII)		CRD, Article 131	
68	Common Equity Tier 1 available to meet buffers (as a percentage of the risk exposure amount)	6.30%	CRD, Article 128	
69	[not relevant in the EU Regulation]			
70	[not relevant in the EU Regulation]			
71	[not relevant in the EU Regulation]			
<b>Capital ratios and reserves</b>				
72	Direct and indirect holdings of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) in accordance with Articles 36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 70 and 69 of Regulation (EU) No 575/2013.		Article 36(1)(h), Articles 45-46 и Article 472, Para. 10, Article 56 (c), Articles 59-60 and Article 475, Para. 4, Article 66(c), Articles 69-70 and Article 477, Para. 4	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions) in accordance with Articles 36 (1) (i), 45 and 48 of Regulation (EU) No 575/2013.	0	Article 36 Para. 1, (i), Articles 45, 48, 470 and Article 472, Para. 11	
74	[An Empty Set under Regulation (EU) No 575/2013]			
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) in accordance with Articles 36 (1) (c), 38 and 48 of Regulation (EU) No 575/2013.	46	Article 36(1)(c), Articles 38, 48, 470 and Article 472, Para. 5	
<b>Usable limits for including items into own funds tier 2</b>				
76	Credit Risk Adjustments included in T2 in respect of exposures subject to standardized approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62	
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62	
<b>Capital instruments to which apply provisions on gradual removal (usable only in the period from 1 January 2014 to 1 January 2022)</b>				
80	Current cap on CET1 instruments subject to phase out arrangements		Article 484, Para. 3, Article 486, Paras. 2 and 5	

	Common Equity Tier 1: instruments and reserves (BGN '000)	(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (3), 486 (2) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 3, Article 486, Paras. 2 and 5	
82	Current cap on AT1 instruments subject to phase out arrangements in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 4, Article 486, Paras. 3 and 5	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 4, Article 486, Paras. 3 and 5	
84	Current cap on T2 instruments subject to phase out arrangements in accordance with Articles 484 (5), 486 (4) and (5) of Regulation (EU) No 575/2013.	75,104	Article 484, Para. 5, Article 486, Paras. 4 and 5	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (5), 486 (4) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 5, Article 486, Paras. 4 and 5	

## CAPITAL BUFFERS

- (6) First Investment Bank AD maintains a capital buffer for systemic risk amounting to BGN 189,191 thousand (3% of the total amount of risk exposures) and a safety capital buffer amounting to BGN 157,659 thousand (2,5% of the total amount of risk exposures).
- (7) According the legislation applicable at 31.12.2014 First Investment Bank AD was not required to maintain a countercyclical capital buffer.

## LEVERAGE

- (8) The risk of excessive leverage is the risk resulting from the Bank's vulnerability due to the leverage level reflecting the relative amount of assets, off-balance sheet liabilities and contingent liabilities for payment or collateral ensuing from financing received, commitments made, derivatives or repo deals, without the liabilities payable only upon liquidation – compared to the Bank's common equity. The Bank applies adequate processes for assessment, monitoring and management of the risk of excessive leverage. The risk of excessive leverage is monitored using a number of indicators, including the leverage ratio, as well as the discrepancies between assets and liabilities. The Bank manages the risk of excessive leverage using various scenarios, including scenarios which take into account its possible increase due to a decrease in Tier 1 Capital resulting from possible losses.

- (9) The information concerning the leverage ratio and the total exposure measure used in calculating the leverage ratio, as well as reconciliation with the information disclosed in First Investment Bank's consolidated financial statements for the year ended on 31 December 2014 with the independent auditor's report thereon, is presented in the template introduced by the European Banking Authority:

Leverage Ratio Disclosure Templates		
<b>Reconciliation of accounting assets and leverage ratio exposures</b>		
		<b>Amount</b>
1	Total assets as per published financial statements	8,827,882
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure according to Article 429(11) of Regulation (EU) No. 575/2013	-
4	Adjustments for derivative financial instruments	238
5	Adjustments for securities financing transactions	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet)	233,170
7	Other adjustments	-63,414
<b>8</b>	<b>Leverage ratio exposure</b>	<b>8,997,876</b>
<b>Leverage ratio general disclosure</b>		
		<b>CRR leverage ratio exposures</b>
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	8,791,666
2	Asset amounts deducted in determining Tier 1 capital	-31,367
<b>3</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>8,760,299</b>
<b>Derivative exposures</b>		
4	Replacement cost associated with derivatives transactions	4,335
5	Add-on amounts for PFE associated with derivatives transactions	36
EU-5a	Exposure determined under Original Exposure Method	-
6	empty set in the EU	
7	empty set in the EU	
8	empty set in the EU	
9	empty set in the EU	
10	empty set in the EU	
<b>11</b>	<b>Total derivative exposures (sum of lines 4 to 5a)</b>	<b>4,371</b>

Securities financing transaction exposures		
12	empty set in the EU	
EC-12a	SFT exposure according to Article 220 of Regulation (EU) No. 575/2013	
EC-12b	SFT exposure according to Article 222 of Regulation (EU) No. 575/2013	
13	empty set in the EU	
14	empty set in the EU	
15	empty set in the EU	
<b>16</b>	<b>Total securities financing transaction exposures</b>	<b>-</b>
Off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	841,167
18	Adjustments for conversion to credit equivalent amounts	-607,997
<b>19</b>	<b>Total off-balance sheet exposures (sum of lines 17 to 18)</b>	<b>233,170</b>
Capital and Total Exposures		
<b>20</b>	<b>Tier 1 capital</b>	<b>860,348</b>
EC-21a	exposures of financial sector entities according to Article 429(4) 2nd subparagraph of Regulation (EU) No. 575/2013	0
<b>21</b>	<b>Total Exposures (sum of lines 3, 11, 16, 19 and 21a)</b>	<b>8,997,840</b>
Leverage ratio		
<b>22</b>	<b>End of quarter leverage ratio</b>	<b>9.56%</b>
EC-22a	Leverage ratio (avg of the monthly leverage ratios over the quarter)	10.27%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EC-23	Choice on transitional arrangements for the definition of the capital measure	-31,367
EC-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013	

**Division of balance sheet exposures (other than derivatives and transactions to finance securities)**

		CRR leverage ratio exposures
EC-1	Total on-balance sheet exposures (excluding derivatives and SFTs), of which:	<b>8,791,666</b>
EC-2	Trading book exposures	9,646
EC-3	Banking book exposures, of which:	
EC-4	Covered bonds	0
EC-5	Exposures treated as sovereigns	1,335,732
EC-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	507
EC-7	Institutions	812,995
EC-8	Secured by mortgages of immovable properties	854,736
EC-9	Retail exposures	933,820
EC-10	Corporate	3,620,193
EC-11	Exposures in default	401,465
EC-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	822,572

## OWN FUNDS REQUIREMENTS

(10) Information on the amount equal to 8% of the risk weighted exposure amounts under the Standardised Approach for credit risk, distributed by exposure classes, and on the regulatory requirements for own funds by class types, is presented in the table below:

Exposure classes in the Standardised Approach	Risk weighted exposure amounts	8% of risk weighted exposure amounts	13,5% of risk weighted exposure amounts
Central government or central banks	106,262	8,501	14,345
Regional governments or local authorities	10	1	1
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	199,440	15,955	26,924
Corporates	3,681,814	294,545	497,045
Retail exposures	563,003	45,040	76,005
Secured by mortgages on immovable property	315,446	25,236	42,585
Exposures in default	336,128	26,890	45,377
Exposures associated with particularly high risk	-	-	-
Covered bonds	-	-	-
exposures to institutions	-	-	-
Collective investment undertakings (- CIUs -)	2,199	176	297
Equity exposures	8,039	643	1,085
Other items	652,984	52,239	88,153
<b>Total</b>	<b>5,865,325</b>	<b>469,226</b>	<b>791,817</b>

(11) Information on the own funds requirements for position, interest-rate and commodities risk is presented in the table below:

Market Risk Standardised Approach	Own funds requirements 2014	Total exposure amount
Position risk	-	-
Commodities risk	552	6,902
Standardised Approach for foreign-exchange risk	-	-

(12) The information on the own funds requirements for operational risk is presented in the table below:

First Investment Bank applies the basic indicator approach for calculating the own funds requirements for operational risk.

Banking operations	2011	2012	2013	Own funds requirements 2014	Total exposure amount
Banking operations for which the basic indicator approach is applied	227,084	214,049	253,505	34,732	434,149

(13) The capital needs of First Investment Bank are determined according to its business strategy and risk profile. In this regard, the assessment of the required economic capital of the Bank reflects the risk profile of its activity. The main indicators are the quantitative evaluation methods which are used take into account unfavourable economic environment scenarios.

The internal system for assessing the required internal capital is based on analytical tools and techniques, stress tests and forecasting models which provide the opportunity for detailed assessment of capital adequacy in accordance with the risk profile of the Bank and the current operating environment.

For exposure to classes of substantial importance, which constitute the main credit activity of Fibank, the economic capital is determined based on a single-factor model for the credit portfolio VaR, which determines the probable distribution of losses that may be incurred within one year ahead, at 99.5% confidence interval. The Bank measures the total position risk of financial instruments, including shares using “value at risk” models (VAR models). For calculation of the economic capital for foreign-exchange risk, an internal value-at-risk model is used to assess the loss from revaluation of the currency position, with a confidence level of 99.5%.

The Bank measures two aspects of the interest rate risk of the bank portfolio – the effect of the change of interest rates on the net interest income with a one-year horizon and the effect on the economic value of the Bank, defined as the difference between the fair value of assets and the fair value of liabilities. The Bank uses a table distributing all interest-bearing non-trading assets and liabilities by their duration. The difference between assets and liabilities for each interval is reported as a mismatch. The greater the mismatch, the greater the exposure to interest rate risk.

For the purposes of ICAAP it is assumed that the economic capital is comparable to that for supervisory purposes.

For assessing the required internal capital for liquidity risk, the Bank applies conservative stress tests using combined shock scenarios with a horizon of one month, taking into account the amount of losses that the Bank would incur in order to meet its cash outflows.

## CREDIT RISK

(14) Information on the Bank's exposures divided by exposure classes at the end of each quarter of 2014, as well as the annual average, is presented in the tables below:

Exposure classes in the Standardised Approach	31.03.2014	30.06.2014	30.09.2014	31.12.2014	Average for 2014
Central government or central banks	1,631,085	1,576,993	1,152,361	1,335,682	1,424,030
Regional governments or local authorities	-	-	-	50	13
Multilateral development banks	245	223	364	507	335
International organisations	-	9,860	-	-	2,465
Institutions	405,088	379,997	559,556	813,040	539,420
Corporates	4,047,383	4,078,645	4,358,618	4,122,523	4,151,792
of which SMEs	200,099	137,172	140,991	107,044	146,327
Retail exposures	1,229,943	1,266,321	1,268,419	1,258,438	1,255,780
of which SMEs	323,579	335,510	327,118	314,969	325,294
Secured by mortgages on immovable property	1,138,856	976,069	920,175	869,671	976,193
of which SMEs	310,443	266,879	239,299	213,434	257,514
Exposures in default	434,602	469,423	498,408	401,465	450,975
Collective investment undertakings (· CIUs ·)	2,206	2,269	2,328	2,199	2,251
Equity exposures	36,371	7,196	7,245	7,288	14,525
Other items	780,913	1,047,733	859,184	826,262	878,523
<b>Total amount of exposures*</b>	<b>9,706,692</b>	<b>9,814,729</b>	<b>9,626,658</b>	<b>9,637,125</b>	<b>9,696,302</b>

\*Throughout this document "Total amount of exposures" means after adjustments for general and specific credit risk, unless it is expressly specified otherwise, and includes both balance sheet and off balance sheet positions and derivatives.

(15) The distribution of the Bank's exposures by sectors and exposure classes is shown in the table below:

Exposure classes in the Standardised Approach	Construction	Finance	Industry	Infrastructure	Government	Other	Private individuals	Services	Trade	Transport and logistics
Central government or central banks	-	851,747	-	-	483,935	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	50	-	-	-	-	-
Multilateral development banks	-	507	-	-	-	-	-	-	-	-
Institutions	-	813,040	-	-	-	-	-	-	-	-
Corporates	65,188	114,651	1,400,409	392,084	-	274,944	21	508,034	1,097,267	269,925
Retail exposures	28,221	13,081	83,126	8,179	-	72,595	907,222	37,725	93,895	14,394
Secured by mortgages on immovable property	46,147	480	71,913	9,284	-	52,885	524,270	15,122	113,769	35,801
Exposures in default	95,610	1,092	29,973	12,721	-	5,297	61,845	6,534	185,130	3,263
Collective investment undertakings (· CIUs ·)	-	2,199	-	-	-	-	-	-	-	-
Equity exposures	-	6,370	918	-	-	-	-	-	-	-
Other items	-	3,532	-	-	-	822,730	-	-	-	-
<b>Total by sectors</b>	<b>235,166</b>	<b>1,806,699</b>	<b>1,586,339</b>	<b>422,268</b>	<b>483,985</b>	<b>1,228,451</b>	<b>1,493,358</b>	<b>567,415</b>	<b>1,490,061</b>	<b>323,383</b>

(16) Information about the distribution of the Bank's exposures by industry sectors and types of contractors (including SMEs), as well as data on adjustments for specific and general credit risk and deductions relating to the adjustments for specific and general credit risk during the reporting period is presented in the table below:

Significant sector / exposure class	Total amount of exposures after adjustments for specific and general credit risk	of which SMEs	Adjustments for specific credit risk at 31.12.2014	Adjustments for general credit risk at 31.12.2014	Change in adjustments for specific credit risk in 2014	Change in adjustments for general credit risk in 2014
<b>Finance</b>	<b>1,806,699</b>	<b>2,771</b>	<b>4,902</b>	<b>649</b>	<b>5,153</b>	<b>-41</b>
Central government or central banks	851,747	-	-	-	-	-
Multilateral development banks	507	-	-	-	-	-
Institutions	813,040	-	-	-	-	-
Corporates	114,651	1,013	-	506	729	26
Retail exposures	13,081	1,279	-	143	4,415	-67
Secured by mortgages on immovable property	480	479	-	-	-	-
Exposures in default	1,092	-	4,902	-	9	-
Collective investment undertakings (· CIUs ·)	2,199	-	-	-	-	-
Equity exposures	6,370	-	-	-	-	-
Other items	3,532	-	-	-	-	-
<b>Industry</b>	<b>1,586,339</b>	<b>123,864</b>	<b>185,076</b>	<b>2,345</b>	<b>149,940</b>	<b>-44</b>
Corporates	1,400,409	38,482	99,308	2,200	92,584	-36
Retail exposures	83,126	54,445	484	145	57,518	-16
Secured by mortgages on immovable property	71,913	30,937	-	-	-619	20
Exposures in default	29,973	-	85,284	-	457	-12
Equity exposures	918	-	-	-	-	-
<b>Other</b>	<b>1,228,451</b>	<b>101,801</b>	<b>17,618</b>	<b>430</b>	<b>-5,263</b>	<b>55</b>
Corporates	273,733	15,319	1,739	236	-219	37
Retail exposures	72,122	57,888	273	194	-4,894	25
Secured by mortgages on immovable property	54,569	28,594	-	-	-292	12
Exposures in default	5,297	-	15,606	-	142	-19
Other items	822,730	-	-	-	-	-
<b>Private individuals</b>	<b>1,493,358</b>	<b>91,387</b>	<b>71,119</b>	<b>1,168</b>	<b>-3,376</b>	<b>736</b>
Corporates	21	10,210	-	11	-	10
Retail exposures	907,222	80,550	3,944	706	4,050	42
Secured by mortgages on immovable property	524,270	627	685	451	-7,204	672
Exposures in default	61,845	-	66,490	-	-222	12
<b>Trade</b>	<b>1,490,061</b>	<b>154,427</b>	<b>92,928</b>	<b>2,525</b>	<b>20,876</b>	<b>1,545</b>
Corporates	1,098,478	7,645	35,226	2,364	-2,549	1,346
Retail exposures	94,368	67,967	934	161	21,495	73
Secured by mortgages on immovable property	112,085	78,815	-	-	-979	32
Exposures in default	185,130	-	56,768	-	2,909	94
<b>Total</b>	<b>7,604,908</b>	<b>474,250</b>	<b>371,643</b>	<b>7,117</b>	<b>167,330</b>	<b>2,251</b>



(17) Information on the Bank's exposures by the remaining period to repayment divided by exposure classes is presented in the tables below:

Exposure classes in the Standardised Approach	Less than 1 year	1 to 5 years	5 to 10 years	Over 10 years	Maturity not defined
Central government or central banks	463,618	148,508	141,491	20,145	561,920
Regional governments or local authorities	50	-	-	-	-
Multilateral development banks	507	-	-	-	-
Institutions	741,100	30,902	9,830	23,662	7,546
Corporates	996,669	1,259,147	1,351,816	514,891	-
Retail exposures	544,499	492,176	197,760	24,003	-
Secured by mortgages on immovable property	124,863	223,219	202,365	319,224	-
Exposures in default	354,394	10,913	11,567	24,591	-
Collective investment undertakings (· CIUs ·)	-	-	-	-	2,199
Equity exposures	-	-	-	-	7,288
Other items	190,597	-	-	-	635,665
<b>Total amount of exposures</b>	<b>3,416,297</b>	<b>2,164,865</b>	<b>1,914,829</b>	<b>926,516</b>	<b>1,214,618</b>

(18) Information on the geographical distribution of the Bank's exposures by significant regions, including amounts of adjustments for specific and general credit risk relating to each geographic region is presented in the table below:

Exposure classes in the Standardised Approach	Bulgaria	Adjustments for specific credit risk Bulgaria	Adjustments for general credit risk Bulgaria	Foreign	Adjustments for specific credit risk foreign	Adjustments for general credit risk foreign
Central government or central banks	1,243,487	-	-	92,195	-	-
Regional governments or local authorities	50	-	-	-	-	-
Multilateral development banks	507	-	-	-	-	-
Institutions	765,073	-	-	47,967	-	-
Corporates	3,582,566	219,970	5,979	539,957	4,810	1,156
Retail exposures	1,197,783	6,173	1,176	60,655	-	876
Secured by mortgages on immovable property	851,917	-	-	17,754	685	451
Exposures in default	393,712	277,368	-	7,753	4,958	-
Collective investment undertakings (· CIUs ·)	2,199	-	-	-	-	-
Equity exposures	7,288	-	-	-	-	-
Other items	821,479	-	-	4,783	-	-
<b>Total by regions</b>	<b>8,866,061</b>	<b>503,511</b>	<b>7,155</b>	<b>771,064</b>	<b>10,453</b>	<b>2,483</b>

(19) Reconciliation of changes in the adjustments for specific and general credit risk of impaired exposures in 2014 is presented in the table below:

	Adjustments for specific credit risk	Adjustments for general credit risk
Initial balance	-229,617	-6,174
Amounts corresponding to the credit risk adjustments during the reporting period	-313,315	-4,553
Amount of provisions or decrease in provisions relating to forecasted probable losses from exposures during the reporting period, all other adjustments, including for exchange rate differences and transfers between adjustments for credit risk	28,968	1,088
<b>Final balance</b>	<b>-513,964</b>	<b>-9,639</b>

## COUNTERPARTY CREDIT RISK

(20) First Investment Bank AD applies the principles of Regulation 575 in calculating the own funds requirements for counterparty credit risk using the standardised approach. At 31.12.2014 the exposures from counterparty credit risk amounted to BGN 45 thousand for institutions and BGN 4,247 thousand for corporates.

## TECHNIQUES FOR REDUCING CREDIT RISK

(21) When extending loan facilities, the Bank requires collateral for its receivables – collateral must be sufficient in type, value and liquidity. The main principles in accepting collateral are: proper documentation, sufficient value to cover the debt and possible expense for selling the collateral, liquidity, etc. The value of collateral is assessed both by internal and external assessors. Where the assessment is made by an external assessor, it is always confirmed by an internal assessor. Collateral is subject to regular review and revaluation.

(22) Information on the main categories of guarantors is presented in the table below. First Investment Bank AD has no credit derivatives.

Main guarantors	Fitch credit rating
European Investment Fund	AAA
Bulgarian Export Insurance Agency	BBB-
National Guarantee Fund	BBB-
Municipal Guarantee Fund for SME Support	BB+
Bulgarian banks	B, BBB
Foreign banks	A+

\* All ratings are from Fitch, except for Bulgarian banks where the ratings from S&P's is also included.

(23) Information about market or credit risk concentrations within the credit mitigation taken is presented in the table below:

Exposure classes/ Eligible financial collateral and guarantees	Credit risk reduction
<b>Corporates</b>	<b>83,252</b>
Cash and cash equivalents	16,453
Bank guarantees	3,301
Other guarantee schemes	63,498
<b>Exposures in default</b>	<b>65,335</b>
Cash and cash equivalents	64,016
Other guarantee schemes	1,319
<b>Retail exposures</b>	<b>157,808</b>
Cash and cash equivalents	86,082
Other guarantee schemes	71,726
<b>Total reduction of credit risk</b>	<b>306,395</b>

(24) Information on exposures covered by eligible financial collateral and other acceptable collateral, as well as by guarantees and credit derivatives, is presented in the tables below:

Exposure classes in the Standardised Approach	Amount of exposure	Guarantees	Financial collateral
Central government or central banks	1,335,682	-	-
Regional governments or local authorities	50	-	-
Multilateral development banks	507	-	-
Institutions	813,040	-	-
Corporates	4,122,523	53,947	29,305
Retail exposures	1,258,438	67,407	90,401
Secured by mortgages on immovable property	869,671	-	-
Exposures in default	401,465	1,282	64,053
Collective investment undertakings (*CIUs*)	2,199	-	-
Equity exposures	7,288	-	-
Other items	826,262	-	-
<b>Total</b>	<b>9,637,125</b>	<b>122,636</b>	<b>183,759</b>

## RATING AGENCIES

(25) First Investment Bank uses ratings awarded by Fitch, S&P, Moody's.

## DISCLOSURE OF INFORMATION RELATING TO COUNTRY REPORTING

(26) The information pursuant to Art. 70, Para. 6 of the Credit Institutions Act, is presented in the tables below:

Country	Turnover	Full-time employees	Financial result before tax	Tax on the financial result	Asset profitability
Bulgaria	351,606	3,167	40,704	4,481	0.42%
Other member states	36,502	4	-6,447	97	-1.23%
Third countries	11,200	120	1,453	367	0.48%
	<b>399,308</b>	<b>3,291</b>	<b>35,710</b>	<b>4,945</b>	<b>0.41%</b>

First Investment Bank and its subsidiaries have not received state subsidies.

## NON-TRADING ACTIVITIES

(27) The total amount of unrealized gains or losses from revaluation included in included in the original or additional own funds concerning equity exposures not in the trading book amounted to BGN 167 thousand at 31.12.2014

(28) When measuring interest rate sensitivity of assets and liabilities, the assumption is for static balance and zero growth, while preserving the asset and liability composition. Borrowings from customers are reported depending on the maturity of cash flows, and those without a maturity date are reported "on demand" without modelling the effective maturity. The calculations do not forecast for early loan repayments, taking into account that most of the receivables have a floating interest rate and for the purpose of interest rate risk measurement, the risk from early repayment may be considered as residual. The interest-rate risk to which the bank portfolio is exposed is reported on a monthly basis.

	Profit or loss		Capital	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Effect in thousands of BGN				
BGN	-572	572	13,058	-13,058
EUR	11,653	-11,653	-10,862	10,862
USD	1,422	-1,422	-154	154
Other currencies	-840	840	-1,420	1,420
<b>TOTAL</b>	<b>11,663</b>	<b>-11,663</b>	<b>622</b>	<b>-622</b>

## REFERENCES

The following information is presented in the consolidated 2014 Annual Report of First Investment Bank AD and/or in the consolidated financial statements of First Investment Bank AD for the year ended on 31 December 2014 with the independent auditor's report thereon:

- (1) Information on the risk management strategy and framework in First Investment Bank AD, including on the risk profile, major types of risk to which the Bank is exposed, as well as on the systems for risk reporting and measurement;
- (2) Information on corporate governance and the management bodies of First Investment Bank AD, including on the policy for nomination of senior management and the types of collective bodies operating at the Bank;
- (3) Information on First Investment Bank subsidiaries which are subject to consolidation;
- (4) Summary information concerning the policies and processes for assessment and management of the risk of excessive leverage;
- (5) Summary information on the approach applied by First Investment Bank AD to the internal capital adequacy assessment process;
- (6) Summary information on the approaches and methods applied by the Bank in credit risk management;
- (7) Information on the Bank's accounting policy with respect to asset impairment, as well as quantitative information concerning the movements in the loan portfolio impairment including initial and final balances;
- (8) Information on First Investment Bank's loan portfolio by industry sector, by type of collateral, by business line;
- (9) Information concerning the techniques for reduction of the credit risk applied by the Bank, including concerning the main types of collateral accepted, as well as the processes for balance-sheet and off-balancesheet netting;
- (10) Summary information on the Bank's approaches to market risk management;
- (11) Information on risk exposures for position, interest-rate and commodities risk;
- (12) Information concerning capital instruments not in the Bank's trading book, including the accounting techniques used for assessing the value, balance-sheet and/or fair values;
- (13) Information concerning the interest-rate risk of the Bank's portfolio;
- (14) Summary information on the Bank's approaches to operational risk management;

(15) Information on risk exposures for operational risk;

(16) Information concerning the remuneration policy of First Investment Bank AD;

(signed)

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Dimitar Kostov  
*Executive Director*

(signed)

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Vassil Christov  
*Executive Director*

(signed)

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Jivko Todorov  
*Chief Financial Officer*