

# **METHODOLOGY OF FIRST INVESTMENT BANK AD FOR DETERMINING MARKET ENVIRONMENT REFERENCE INTEREST RATE (RIRme)**

## **Section I. Purpose**

This Methodology regulates the determining and calculating of Market Environment Reference Interest Rate (RIRme) applied by First Investment Bank AD (Fibank, the Bank) as basis for determining interest rates on credit transactions for individuals and businesses in BGN, EUR and USD. The Bank determines separate RIRme for each type of currency.

## **Section II. Calculation methodology**

RIRme is determined monthly, based on data from the following sources:

- Interest rate statistics published by the BNB at the end of each month, with data relating to the previous month. The BNB publishes the statistics in the following tables:
  - Interest Rates and Volumes of Outstanding Amounts on Deposits with Agreed Maturity (Non-financial Corporations and Households sectors);
  - Interest Rates and Volumes of Outstanding Amounts on Overnight Deposits and Deposits Redeemable at Notice (Non-financial Corporations and Households sectors).

Internet address:

<https://bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm?toLang= EN>

Location in the BNB website: *Statistics/Monetary and Interest Rate Statistics/Interest Rate Statistics/All Tables*;

- Latest value for 1-month EURIBOR in the month preceding the calculation of RIRme. EURIBOR is published and administered by the European Monetary Markets Institute (EMMI);

Internet address: <https://www.emmi-benchmarks.eu/benchmarks/euribor/rate/>

Location in the EMMI website: *Benchmarks/Euribor/Rates*

- Latest SOFR value in the month preceding the RIRme calculation. SOFR is published and administered by the Federal Reserve Bank of New York (NYFRB).

Internet address: <https://www.newyorkfed.org/markets/reference-rates/sofr>

Location in the NYFRB website: *Markets & Policy Implementation/Reference Rates/Secured Overnight Financing Rate*

RIRme comes into effect from the 1st of the month following the month of determination (e.g. RIRme effective from July 1 is determined based on the values of market indices as of the end of May and the data published by the BNB at the end of June, concerning the month of May).

Fibank will promptly inform its customers in the event of a change in the address where the above data is published.

RIRme is determined based on weighted average rates on term deposits for the banking system and market interest rates. The calculation formula is as follows:

$$RIRme_{\text{вал}} = \max \left( \text{ПЛИ}_{\text{вал}} ; \frac{IR_{H \leq 2} \times BAL_{H \leq 2} + IR_{H > 2} \times BAL_{H > 2} + IR_{C \leq 2} \times BAL_{C \leq 2} + IR_{C > 2} \times BAL_{C > 2}}{BAL_{H \leq 2} + BAL_{H > 2} + BAL_{C \leq 2} + BAL_{C > 2}} \right)$$

where:

$RIRme_{\text{вал}}$  – RIRme for the respective currency (BGN\*, EUR\*\*, USD);

$\text{ПЛИ}_{\text{вал}}$  – market interest rate index used for the respective currency (BGN, EUR, USD);

$IR_{H \leq 2}$  – effective annual interest rate on term deposits for households from 1 day to 2 years for the respective currency (BGN, EUR, USD);

$IR_{H > 2}$  – effective annual interest rate on term deposits for households over 2 years for the respective currency (BGN, EUR, USD);

$IR_{C \leq 2}$  – effective annual interest rate on term deposits for non-financial corporations from 1 day to 2 years for the respective currency (BGN, EUR, USD);

$IR_{C > 2}$  – effective annual interest rate on term deposits for non-financial corporations over 2 years for the respective currency (BGN, EUR, USD);

$BAL_{H \leq 2}$  – volume of term deposits for households from 1 day to 2 years for the respective currency (BGN, EUR, USD);

$BAL_{H > 2}$  – volume of term deposits for households over 2 years for the respective currency (BGN, EUR, USD);

$BAL_{C \leq 2}$  – volume of term deposits for non-financial corporations from 1 day to 2 years for the respective currency (BGN, EUR, USD);

$BAL_{C > 2}$  – volume of term deposits for non-financial corporations over 2 years for the respective currency (BGN, EUR, USD).

The market interest rate indices used in determining RIRme are: 1-month EURIBOR for BGN and EUR, SOFR for USD. In the event that any of the market indices used is discontinued or undergoes a significant change, or any of the indicators used by the Bank in forming RIRme cease to be officially announced, they shall be replaced by another combination of officially published indicators or current market indices.

\* RIRme in BGN will continue to be calculated and applied until 28.02.2026, based on available data from BNB interest rate statistics. After this date, RIRme in BGN will be discontinued due to discontinuation of data for BGN deposits.

\*\* Starting from 01.01.2026, the value of RIRme in EUR will be calculated based on aggregated statistical data for deposits in BGN and EUR published by the BNB, and applied to new agreements concluded by the Bank. For agreements concluded before this date and linked to RIRme in EUR, the index calculation will continue based on statistical data for deposits in EUR.

### Section III. Transparency and disclosure regarding RIRme

With a view to ensuring transparency and trust in its relations with customers and in compliance with legal requirements, the Bank announces RIRme and the methodology for its calculation on its website, as well as in any other appropriate manner at its discretion.

#### **Section IV. Final provisions**

This Methodology was adopted by the Management Board of First Investment Bank AD by decision effective 01.11.2022, supplemented in connection with the introduction of the euro in the Republic of Bulgaria by decision effective 01.01.2026.