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

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

Re: Non-consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2015

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 non-consolidated (unaudited) financial statements of First Investment Bank AD as at 30 June 2015, containing:

1. Financial statements as at 30.06.2015 as per Art. 100o, para. 4(1) of POSA;
2. Notes to the financial statements as at 30.06.2015;
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 by the public companies and the other issuers of securities.

Sincerely,

(signed)

Dimitar Kostov
Executive Director
Chairman of the MB

(signed)

Vassil Christov
Executive Director
Member of the MB

FIRST INVESTMENT BANK AD

Unconsolidated statement of comprehensive income for the six months ended 30 June 2015

unaudited

	Six months ended 30 June 2015	**Six months ended 30 June 2014**
		in BGN '000
Interest income	239 115	254 097
Interest expense	(114 642)	(135 072)
Net interest income	**124 473**	**119 025**
Fee and commission income	45 700	48 069
Fee and commission expense	(9 580)	(9 364)
Net fee and commission income	**36 120**	**38 705**
Net trading income	5 107	7 351
Other net operating income	7 392	8 293
TOTAL INCOME FROM BANKING OPERATIONS	**173 092**	**173 374**
Administrative expenses	(88 036)	(91 188)
Allowance for impairment	(66 050)	(47 623)
Other expenses, net	(11 182)	(9 789)
PROFIT BEFORE TAX	**7 824**	**24 774**
Income tax expense	**(699)**	**(2 468)**
NET PROFIT	**7 125**	**22 306**
Other comprehensive income for the period		
Items which should or may be reclassifed as profit or loss		
Revaluation reserve on available for sale investments	(14 817)	1 447
Total other comprehensive income	**(14 817)**	**1 447**
TOTAL COMPREHENSIVE INCOME	**(7 692)**	**23 753**

DIMITAR KOSTOV
Executive Director
VASSIL CHRISTOV
Executive Director
JIVKO TODOROV
Chief Financial Officer

FIRST INVESTMENT BANK AD
Unconsolidated statement of shareholders' equity for the six months ended 30 June 2015
unaudited

in BGN '000

	Issued share capital	Share premium	Retained earnings	Revaluation reserve on available for sale investments	Revaluation reserve on property	Statutory reserve	Total
Balance at 01 January 2014	**110 000**	**97 000**	**284 211**	**3 032**	**4 500**	**39 861**	**538 604**
Total comprehensive income for the period							
Net profit for the six months ended on 30 June 2014	-	-	22 306	-	-	-	22 306
Other comprehensive income for the period							
Revaluation reserve on available for sale investments	-	-	-	1 447	-	-	1 447
Gain on bargain purchase of subsidiary recognised at merger	-	-	152 310	-	-	-	152 310
Unionbank EAD profit for the five month period from October 2013 to February 2014 recognised at merger	-	-	3 103	-	-	-	3 103
Balance at 30 June 2014	**110 000**	**97 000**	**461 930**	**4 479**	**4 500**	**39 861**	**717 770**
Balance at 01 January 2015	**110 000**	**97 000**	**470 205**	**6 843**	**4 500**	**39 861**	**728 409**
Total comprehensive income for the period							
Net profit for the six months ended on 30 June 2015	-	-	7 125	-	-	-	7 125
Other comprehensive income for the period							
Revaluation reserve on available for sale investments	-	-	-	(14 817)	-	-	(14 817)
Balance at 30 June 2015	**110 000**	**97 000**	**477 330**	**(7 974)**	**4 500**	**39 861**	**720 717**

DIMITAR KOSTOV
Executive Director
VASSIL CHRISTOV
Executive Director
JIVKO TODOROV
Chief Financial Officer

FIRST INVESTMENT BANK AD

Unconsolidated statement of the financial position as at 30 June 2015

unaudited

	30 June 2015	31 December 2014
ASSETS		
Cash and balances with Central Banks	1 245 531	1 629 121
Financial assets held for trading	13 215	8 887
Available for sale investments	765 880	485 674
Financial assets held to maturity	114 162	29 253
Loans and advances to banks and other financial institutions	125 300	80 559
Loans and advances to customers	5 801 225	5 734 295
Property and equipment	104 124	104 806
Intangible assets	11 969	13 410
Derivatives held for risk management	4 862	4 019
Current tax assets	1 847	94
Repossessed assets	544 647	517 391
Other assets	55 714	38 326
TOTAL ASSETS	**8 788 476**	**8 645 835**
LIABILITIES AND CAPITAL		
Due to banks	11 414	10 229
Due to other customers	7 034 422	6 507 864
Ministry of Finance deposit	509 834	901 844
Liabilities evidenced by paper	192 617	177 544
Perpetual debt	104 216	103 160
Hybrid debt	195 492	195 447
Deferred tax liability	2 386	3 333
Current tax liabilities	-	912
Other liabilities	17 378	17 093
TOTAL LIABILITIES	**8 067 759**	**7 917 426**
Issued share capital	110 000	110 000
Share premium	97 000	97 000
Statutory reserve	39 861	39 861
Revaluation reserve on available for sale investments	(7 974)	6 843
Revaluation reserve on property	4 500	4 500
Retained earnings	477 330	470 205
SHAREHOLDERS' EQUITY	**720 717**	**728 409**
TOTAL LIABILITIES AND GROUP EQUITY	**8 788 476**	**8 645 835**

DIMITAR KOSTOV

Executive Director

VASSIL CHRISTOV

Executive Director

JIVKO TODOROV

Chief Financial Officer

FIRST INVESTMENT BANK AD

Unconsolidated statement of cash flows for the six months ended 30 June 2015

unaudited

in BGN '000

	Six months ended 30 June 2015	Six months ended 30 June 2014
Net cash flow from operating activities		
Net profit	7 125	22 306
Adjustment for non-cash items		
Allowance for impairment	66 050	47 623
Net interest income	(124 473)	(119 025)
Depreciation and amortization	8 595	9 376
Tax expense	699	2 468
(Profit) from sale and write-off of tangible and intangible fixed assets, net	(105)	(9)
(Profit) from sale of other assets, net	(135)	(131)
	(42 244)	**(37 392)**
Change in operating assets		
(Increase) in financial instruments held for trading	(4 292)	(2 287)
(Increase)/decrease in available for sale investments	(294 822)	69 148
(Increase)/decrease in loans and advances to banks and financial institutions	(47 003)	11 641
(Increase) in loans to customers	(107 815)	(25 825)
(Increase) in other assets	(19 984)	(1 711)
	(473 916)	**50 966**
Change in operating liabilities		
Increase in due to banks	1 185	11 120
Increase in amounts owed to other depositors	110 206	258 129
Net increase in other liabilities	2 039	11 737
	113 430	**280 986**
Interest received	180 305	153 276
Interest paid	(89 268)	(123 106)
Tax on profit, paid	(2 666)	(1 142)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(314 359)**	**323 588**
Cash flow from investing activities		
(Purchase) of tangible and intangible fixed assets	(6 651)	(4 425)
Sale of tangible and intangible fixed assets	284	13
Sale of other assets	4 539	4 598
(Increase)/decrease of investments	(84 811)	153 594
NET CASH FLOW FROM INVESTING ACTIVITIES	**(86 639)**	**153 780**
Financing activities		
Repayment of subordinated debt	-	(20 709)
Increase in borrowings	15 141	51 618
NET CASH FLOW FROM FINANCING ACTIVITIES	**15 141**	**30 909**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(385 857)**	**508 277**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**1 682 887**	**1 308 810**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**1 297 030**	**1 817 087**

DIMITAR KOSTOV Executive Director

VASSIL CHRISTOV

Executive Director

JIVKO TODOROV, Chief Financial Officer

ADDENDUM TO THE UNAUDITED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF FIRST INVESTMENT BANK AD AT 30/06/2015

NOTES

1. Basis of preparation

(a) Statute

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

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

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 on a fair value basis for derivative financial instruments, financial assets and liabilities held for trading, and available-for-sale assets. 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.

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 2014 г.

(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.

Income recognition, continued

Fee and Commission

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.

(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

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

(*i) Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management because its performance is assessed and monitored on the basis of its fair value. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivable.

(iii) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. Were the Bank to sell or re-classify other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale.

(iv) Available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(v) Recognition

Purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognised on the date of the actual delivery of the assets. Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

(d) Financial assets, continued

(vi) Measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are recognised in profit or loss. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, until the financial asset is derecognised or impaired. At this time the cumulative gain or loss previously recognised in other comprehensive income is reclassified in profit or loss.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Bank's right to receive payment is established.

(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 on-going 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.

2. Significant accounting policies, continued

(d) Financial assets, continued

(vii) Fair value measurement principles, continued

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.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk, are 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 the central bank and short-term highly liquid accounts and advances to banks with original maturity of up to three months.

(f) Investments

Investments that the Bank holds for the purpose of short-term profit taking are classified as financial assets for trading. Debt investments that the Bank has the intent and ability to hold to maturity are classified as held-to-maturity assets. Other investments are classified as available-for-sale assets.

(g) Securities borrowing and lending business and repurchase transactions

(i) Securities borrowing and lending

Investments lent under securities lending arrangements continue to be recognised in the statement of financial position and are measured in accordance with the accounting policy for assets held for trading or available-for-sale as appropriate. Cash collateral received in respect of securities lent is recognised as liabilities to either banks or customers. Investments borrowed under securities borrowing agreements are not recognised. Cash collateral placements in respect of securities borrowed are recognised under loans and advances to either banks or customers. Income and expenses arising from the securities borrowing and lending business are recognised on an accrual basis over the period of the transactions and are included in interest income or expense.

(ii) Repurchase agreements

The 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 of the investments are reported as liabilities to either banks or 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.

2. Significant accounting policies, continued

(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 Assets

The carrying amounts of the Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Loans and advances

Impairment loss on loans and receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If the interest rate for the loan is a floating interest rate, the loan is discounted at the current effective contractual interest rate. Short-term balances are not discounted. The calculation of the present value of estimated future cash flows reflects not only interest and principal payments, but also cash flows that may result from foreclosure less costs for obtaining and selling the collateral for a given exposure.

Loans and advances are presented net of specific and general allowances for impairment. The carrying amount of the asset is reduced through use of an allowance account. Specific allowance for impairment is accounted for loans for which there is objective evidence of impairment as a result of a past event that occurred after initial recognition of the asset. Objective evidence of impairment includes significant financial difficulty of the issuer or obligor; a breach of contract, such as a default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy; observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets. The portfolio allowance is accounted for decreasing the carrying amount of a portfolio of loans with similar credit risk characteristics, which are collectively assessed for impairment. The estimated cash flows for a group of similar assets are determined on the basis of past practice and historical loss experience for portfolios with comparable characteristics. Historical loss experience should be adjusted, on the basis of observable data, to reflect the effects of current conditions. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. Increases in the allowance account are recognised in profit or loss. When a loan is identified to be not recoverable, all the necessary legal procedures have been completed, and the final loss has been determined, the loan is written off directly.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the allowance reversal is recognised in profit or loss.

(j) Impairment, continued

(ii) Available for sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss. The amount of the cumulative loss that is removed from equity and recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

If, in a subsequent period, the fair value of a financial instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. Any subsequent increase in the fair value of impaired equity security, available for sale, is recognized directly in the comprehensive income.

(k) Property and equipment

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

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

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

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

(l) Intangible assets

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

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

Assets	**%**
• Licences	10 - 15
• Software and licences	8 - 50

(m) 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 an 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.

(n) 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.

(o) 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 impairment on 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.

(p) 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.

(q) 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.

Information on the valuations and the valuation uncertainty, for which there is a significant risk of change as of 30 June 2015 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 - determining of the fair value of the financial instruments through valuation techniques, in which the input data for the financial assets and liabilities are not based on the available market information.
- Note 17 - determining of the fair value of land and buildings through valuation techniques, in which the input data for the assets are not based on available market information.

(i) Impairment losses on loans and advances

The Bank reviews its loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the Bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group.

Individual impairment on loans and advances of the Bank is based on the best assessment of the Management for the present value of future cash flows. When evaluating these cash flows the Management makes an assessment of the financial position of every borrower and the net realizable value of the collateral of the loan. Each impaired asset is assessed individually while the strategy for reimbursement and the evaluation of the cash flows, considered as reimbursable, are approved independently by the Credit Committee. Cash flows could be realized from loan repayments, sale of the collateral, operations with the collateral and others depending on the individual situation and the terms of the loan contract. The expected net realizable value of the collateral is regularly reviewed and it is based on a combination of internal appraisal of the fair value, conducted by internal appraisers, and external independent appraisal reports. The expected future cash flows are discounted at the initial effective interest rate of the financial asset.

Group impairment covers loan losses inherent to a loan portfolio with similar loan characteristics, when there is objective evidence, that it contains impaired loans, but specific impaired positions could still not be identified. In assessing the need for group impairment Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(q) Critical accounting estimates and judgements in applying accounting policies, continued

(i) Impairment losses on loans and advances, continued

Portfolio impairment for collective credit risk is based on the historical experience of the Bank when calculating the probability of default of a regular loan, 40% expected loss given default and 1-year period for identification.

The accuracy of the impairment depends on the evaluation of the future cash flows when determining the individual impairment and on the assumptions made and the parameters used in the model when determining the group impairment.

(ii) Impairment of repossessed assets from collaterals

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

(iii) Income taxes

The 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.

(r) 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.

(s) New standards and interpretations not yet effective

A number of new standards, amendments to standards and interpretations endorsed by the European Commission may be applied early for the interim six-month period ending on 30 June 2015, although they are not mandatory until a later period. These changes to IFRS have not been applied early in preparing these financial statements. The Bank does not plan to adopt these standards early.

Standards, interpretations and amendments to standards which have not been applied early – endorsed by the European Commission

- Annual improvements to IFRC, 2010-2012 cycle. The improvements introduce six amendments to six standards and make related amendments to other standards and interpretations. Most of these amendments become effective for annual periods beginning on or after 1 February 2015. These amendments are not expected to have a significant impact on the financial statements of the Bank.
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions, Effective for annual periods beginning on or after 1 February 2015. These amendments are not expected to impact the financial statements because there are no defined benefit plans which include instalments from employees or third parties.

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

in BGN '000	**Bulgarian operations**		**Foreign operations**		**Total**	
	Six months ended on 30 June 2015	**Six months ended on 30 June 2014**	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Interest income	226 276	236 621	12 839	17 476	239 115	254 097
Interest expense	(114 304)	(134 778)	(338)	(294)	(114 642)	(135 072)
Net interest income	**111 972**	**101 843**	**12 501**	**17 182**	**124 473**	**119 025**
Fee and commission income	45 528	47 854	172	215	45 700	48 069
Fee and commission expense	(9 577)	(9 362)	(3)	(2)	(9 580)	(9 364)
Net fee and commission income	**35 951**	**38 492**	**169**	**213**	**36 120**	**38 705**
Net trading income	**5 071**	**7 321**	**36**	**30**	**5 107**	**7 351**
Administrative expenses	**(87 574)**	**(90 751)**	**(462)**	**(437)**	**(88 036)**	**(91 188)**
	30/06/2015	**31/12/2014**	**30/06/2015**	**31/12/2014**	**30/06/2015**	**31/12/2014**
Assets	**8 248 889**	**8 103 805**	**539 587**	**542 030**	**8 788 476**	**8 645 835**
Liabilities	**8 020 010**	**7 877 307**	**47 749**	**40 119**	**8 067 759**	**7 917 426**

The table below shows assets and liabilities and income and expense by business segments as at 30 June 2015.

in BGN '000

Business	Assets	Liabilities	Interest income	Interest expense	Net fee and commission income	Net trading income	Other net operating income
Commercial banking	4,274,364	1,559,523	159,844	(14,663)	18,355	-	5,032
Retail Banking	1,526,861	5,984,733	72,421	(92,101)	10,107	-	-
Card services	-	-	-	-	6,997	-	-
Treasury	2,232,579	48,123	6,850	(18)	401	5,107	2,360
Other	754,672	475,380	-	(7,860)	260	-	-
Total	**8,788,476**	**8,067,759**	**239,115**	**(114,642)**	**36,120**	**5,107**	**7,392**

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)(vii).

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the 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 an Risk Management function, which is independent of Treasury division and reports to management, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- a review and approval process for new models and changes to models involving Risk Management division and 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 Management 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.
- Significant valuation issues are reported to the Audit Committee of the Bank.

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 BGN '000

30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets held for trading	13,215	-	-	13.215.
Available for sale investments	673,832	49,889	-	723,721
Derivatives held for risk management	3,272	1,590	-	4,862
Total	**690,319**	**51,479**	**-**	**741,798**

in BGN '000

31 December 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets held for trading	8,887	-	-	8,887
Available for sale investments	397,540	45,975	-	443,515
Derivatives held for risk management	3,463	556	-	4,019
Total	**409,890**	**46,531**	**-**	**456,421**

Capital investments amounting to BGN 42,159 thousand at 30 June 2015 and BGN 42,159 thousand at 31 December 2014 are presented in the statements at their acquisition cost, because their fair value cannot be reliably measured.

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 BGN '000

30 June 2015	**Level 1**	**Level 2**	**Level 3**	**Total fair values**	**Total balance sheet value**
Assets					
Cash and balances with Central Banks	-	1,245,531	-	1,245,531	1,245,531
Financial assets held to maturity	93,822	19,378	-	113,200	114,162
Loans and advances to banks and other financial institutions	-	125,300	-	125,300	125,300
Loans and advances to customers	-	551,264	5,237,039	5,788,303	5,801,225
Total	**93,822**	**1,941,473**	**5,237,039**	**7,272,334**	**7,286,218**
Liabilities					
Due to banks	-	11,414	-	11,414	11,414
Due to other customers	-	1,852,572	5,202,019	7,054,591	7,034,422
Ministry of Finance	-	-	503,376	503,376	509,834
Liabilities evidenced by paper	-	192,440	-	192,440	192,617
Perpetual debt	-	103,991	-	103,991	104,216
Hybrid debt	-	191,283	-	191,283	195,492
Total	**-**	**2,351,700**	**5,705,395**	**8,057,095**	**8,047,995**

in BGN '000

31 December 2014	**Level 1**	**Level 2**	**Level 3**	**Total fair values**	**Total balance sheet value**
Assets					
Cash and balances with Central Banks	-	1,629,121	-	1,629,121	1,629,121
Financial assets held to maturity	9,778	18,452	-	28,230	29,253
Loans and advances to banks and other financial institutions	-	80,559	-	80,559	80,559
Loans and advances to customers	-	686,148	5,040,873	5,727,021	5,734,295
Total	**9,778**	**2,414,280**	**5,040,873**	**7,464,931**	**7,473,228**
Liabilities					
Due to banks	-	10,229	-	10,229	10,229
Due to other customers	-	1,819,294	4,678,097	6,497,391	6,507,864
Ministry of Finance	-	-	890,165	890,165	901,844
Liabilities evidenced by paper	-	176,865	-	176,865	177,544
Perpetual debt	-	103,005	-	103,005	103,160
Hybrid debt	-	181,636	-	181,636	195,447
Total	**-**	**2,291,029**	**5,568,262**	**7,859,291**	**7,896,088**

5. Net interest income

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Interest income		
Accounts with and placements to banks and financial institutions	127	1,873
Retail Banking	69,243	62,734
Corporate customers	144,523	166,286
Small and medium enterprises	15,321	15,717
Microlending	3,178	2,796
Debt instruments	6,723	4,691
	239,115	**254,097**
Interest expense		
Deposits from banks	(14)	(5)
Deposits from other customers	(106,764)	(114,260)
Liabilities evidenced by paper	(1,763)	(2,018)
Subordinated term debt	-	(1,337)
Perpetual debt	(6,044)	(6,043)
Hybrid debt	(45)	(11,392)
Lease agreements and other	(12)	(17)
	(114,642)	**(135,072)**
Net interest income	**124,473**	**119,025**

6. Net fee and commission income

in BGN '000

Fee and commission income	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Letters of credit and guarantees	2,987	2,639
Payments transactions	6,683	7,509
Customer accounts	10,716	11,172
Card services	13,860	13,830
Other	11,454	12,919
	45,700	**48,069**
Fee and commission expense		
Letters of credit and guarantees	(123)	(52)
Payment systems	(867)	(928)
Card services	(6,863)	(7,192)
Other	(1,727)	(1,192)
	(9,580)	**(9,364)**
Net fee and commission income	**36,120**	**38.705.**

The Bank has made a reclassification of the fee and commission expenses on account of administrative expenses (see note 9) for a total of BGN 2,872 thousand compared to the financial statements at 30 June 2014 in order to present more accurate and clear comparative data.

7. Net trading income

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Net trading income/(expense) arises from:		
- Debt instruments	(206)	737
- Equities	(28)	115
- Foreign exchange rate fluctuations	5,341	6,499
Net trading income	**5,107**	**7,351**

8. Other net operating income

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Other net operating income arising from:		
- Debt instruments	2,360	1,806
- Gain on administration of loans acquired through business combination	5,032	6,487
Other net operating income	**7,392**	**8,293**

9. Administrative expenses

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
General and administrative expenses comprise:		
- Personnel cost	29,917	31,117
- Depreciation and amortisation	8,595	9,376
- Advertising	7,000	5,363
- Building rent expense	16,107	16,923
-Telecommunication, software and other computer maintenance	4,914	4,960
- Administration, consultancy, audit and other costs	21,503	23,449
Administrative expenses	**88,036**	**91,188**

10. Allowance for impairment

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Write-downs		
Loans and advances to customers	(88,492)	(49,902)
Reversal of write-downs		
Loans and advances to customers	22,442	2,279
Impairment, net	**(66,050)**	**(47,623)**

10a. Other income/(expenses), net

in BGN '000	**Six months ended on 30 June 2015**	**Six months ended on 30 June 2014**
Net income from transactions and revaluation of gold and precious metals	489	(224)
Rental income	1.435	899
Income from sale of assets	187	142
Dividend income	1.282	1
Premium contribution to the Deposit Insurance Fund	(16.308)	(16.172)
Other income/(expenses), net	1.733	5.565
Total	**(11,182)**	**(9,789)**

11. Cash and balances with Central Banks

in BGN '000	**30.06.2015**	**31.12.2014**
Cash on hand		
- in BGN	91,505	117,178
- in foreign currency	42,471	46,178
Balances with Central Banks	609,873	820,051
Current accounts and amounts with foreign banks	501,682	645,714
Total	**1,245,531**	**1,629,121**

12. Financial assets held for trading

in BGN '000	**30 June 2015**	**31 December 2014**
Bonds and notes issued by:		
Bulgarian government, rated BBB-:		
- denominated in Bulgarian Leva	3,349	4,317
- denominated in foreign currencies	5,264	14
Foreign banks	1,447	1,367
Other issuers – equity instruments (unrated)	3,155	3,189
Total	**13,215**	**8,887**

13. Available for sale investments

In thousands of BGN	**30 June 2015**	**31 December 2014**
Bonds and notes issued by:		
Bulgarian Government		
- denominated in Bulgarian Leva	179,314	179,418
- denominated in foreign currencies	243,464	193,792
Foreign governments		
- treasury bonds	251,054	24,281
Local authorities	-	51
Bulgarian banks	1,956	1,955
Foreign banks	47,933	44,018
Other issuers – equity instruments	5,788	5,788
Investments in subsidiaries	36,371	36,371
Total	**765,880**	**485,674**

Investments in subsidiaries are as follows:

in BGN '000	% held	**30 June 2015**	**31 December 2014**
Entity:			
First Investment Finance B.V., Netherlands	100%	3,947	3,947
Diners Club Bulgaria AD	94.79%	5,443	5,443
First Investment Bank − Albania Sh.a.	100%	23,419	23,419
Debita OOD	70%	105	105
Realtor OOD	51%	77	77
Fi Health Insurance AD	59.10%	3,315	3,315
Framas Enterprises Limited	100%	15	15
Balkan Financial Services EAD	100%	50	50
Turnaround Management EOOD	100%	-	-
Creative Investment EOOD	100%	-	-
Lega Solutions EOOD	100%	-	-
AMC Imoti EOOD	100%	-	-
Total		**36,371**	**36,371**

The merger of Unionbank EAD in First Investment Bank AD was listed in the Commercial Register on 4 March 2014. By force of law with the record in the Commercial Register Unionbank EAD was delisted as a company and all its rights and obligations were transferred to First Investment Bank AD as its universal successor. The process of IT and technological merger, as well as the accounting merger of the two banks were successfully completed on 4 March 2014.

14. Financial assets held to maturity

in BGN '000	**30 June 2015**	**31 December 2014**
Securities held to maturity issued by:		
Foreign governments	93,791	9,773
Foreign banks	20,371	19,480
Total	**114,162**	**29,253**

15. Loans and advances to banks and other financial institutions

(a) Analysis by type

in BGN '000	30 June 2015	31 December 2014
Placements with banks	71,717	72,433
Receivables under resale agreements (see Note 26)	46,365	-
Other	7,218	8,126
Total	**125,300**	**80,559**

(b) Geographical analysis

in BGN '000	30 June 2015	31 December 2014
Domestic banks and financial institutions	49,861	18,558
Foreign banks and other financial institutions	75,439	62,001
Total	**125,300**	**80,559**

16. Loans and advances to customers

in BGN '000	30 June 2015	31 December 2014
Retail Banking	1,532,788	1,275,612
Small and medium enterprises	497,511	493,584
Microlending	92,393	88,984
Corporate customers	4,256,848	4,391,755
Allowance for impairment	(578,315)	(515,640)
Total	**5,801,225**	**5,734,295**

(a) Movement in impairment allowances

in BGN '000	
Total Balance as at 01 January 2015	**515,640**
Additional allowances	88,492
Amounts released	(22,442)
Write - offs	(3,375)
Total Balance as at 30 June 2015	**578,315**

17. Property and equipment

in BGN '000	Land and Buildings	Fixtures and fittings	Motor vehicles	Assets under Constructio n	Leasehold Improvements	Total
Cost						
At 1 January 2015	**17,550**	**135,816**	**6,470**	**25,280**	**63,060**	**248,176**
Additions		9		6,642		6,651
Disposals	(185)	(30)	(155)			(370)
Transfers		4,584	3	(5,484)	797	(100)
As at 30 June 2015	**17,365**	**140,379**	**6,318**	**26,438**	**63,857**	**254,357**
Amortisation						
At 1 January 2015	**2,261**	**106,861**	**5,216**	**-**	**29,032**	**143,370**
Accrued during the year	313	4,711	195	-	1835	7,054
On disposals	(8)	(28)	(155)			(191)
As at 30 June 2015	**2,566**	**111,544**	**5,256**	**-**	**30,867**	**150,233**
Carrying amount						
As at 30 June 2015	**14,799**	**28,835**	**1,062**	**26,438**	**32,990**	**104,124**
At 1 January 2015	**15,289**	**28,955**	**1,254**	**25,280**	**34,028**	**104,806**

18. Intangible assets

in BGN '000	**Software and licences**	**Total**
Cost		
At 1 January 2015	28,206	28,206
Transfers	100	100
As at 30 June 2015	**28,306**	**28,306**
Amortisation		
At 1 January 2015	14,796	14,796
Accrued during the year	1,541	1,541
As at 30 June 2015	**16,337**	**16,337**
Carrying amount		
As at 30 June 2015	**11,969**	**11,969**
At 1 January 2015	**13,410**	**13,410**

18a. Repossessed Assets

in BGN '000	**30 June 2015**	**31 December 2014**
Land	294,965	288,693
Buildings	227,975	210,987
Machines and equipment	20,897	16,906
Fixtures and fittings	810	805
Total	**544,647**	**517,391**

Repossessed assets acquired as collateral are measured at the lower of cost and net realisable value.

19. Other assets

in BGN '000	**30 June 2015**	**31 December 2014**
Deferred expense	30,462	13,451
Gold	9,538	9,558
Other	15,714	15,317
Total	**55,714**	**38,326**

20. Due to banks

in BGN '000	**30 June 2015**	**31 December 2014**
Payable on demand	11.414	10,229
Total	**11,414**	**10,229**

21. Due to other customers

in BGN '000	**30 June 2015**	**31 December 2014**
Retail customers		
- current accounts	614,301	575,876
- term and savings deposits	5,370,432	4,969,307
Businesses and public institutions		
- current accounts	623,580	593,399
- term	426,109	369,282
Total	**7,034,422**	**6,507,864**

21a. Ministry of Finance deposit

With decision C(2014)8959 of 25.11.14 the European Commission, DG Competition, approved the provision of liquid support to First Investment Bank AD in the form of a deposit amounting to BGN 900 mln. for a period of 18 months and due date 28 May 2016.

In thousands of BGN	**30 June 2015**	**31 December 2014**
	509,834	**901,844**

22. Liabilities evidenced by paper

in BGN '000	**30 June 2015**	**31 December 2014**
Acceptances under letters of credit	21,073	23,337
Liabilities under repurchase agreements (see Note 26)	45,738	-
Financing from financial institutions	110,159	137,778
Other term liabilities	15,647	16,429
Total	**192,617**	**177,544**

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

in BGN '000

Lender	**Interest rate**	**Maturity**	**Amortised cost as at 30 June 2015**
State Fund Agriculture	2%	20.10.2015 г. - 20.04.2020 г.	7,715
European Investment Fund – JEREMIE 2	0 % - 1.615%	31.12.2024	87,432
Bulgarian Bank for Development AD	3.50 - 4.00%	20.03.2017 - 30.03.2019	15,012
Total			**110,159**

in BGN '000

Lender	**Interest rate**	**Maturity**	**Amortised cost as at 31 December 2014**
State Fund Agriculture	1.97% - 2.00%	06.03.2015 - 20.09.2019	6,524
European Investment Fund – JEREMIE 2	0 % - 1.22%	31.12.2024	68,495
Bulgarian Bank for Development AD	3.50 - 5.00%	20.03.2017 - 30.03.2019	62,759
Total			**137,778**

23. Perpetual debt

in BGN '000	**Principal amount**	**Interest rate**	**Amortised cost as at 30 June 2015**
Step-up Guaranteed Perpetual Subordinated Bonds EUR 27 mio	52,807	12.71%	61,195
tep-up Guaranteed Perpetual Subordinated Bonds EUR 21 mio	41,073	11.82%	43,021
Total	**93,880**		**104,216**

in BGN '000	**Principal amount**	**Interest rate**	**Amortised cost as at 31 December 2014**
Step-up Guaranteed Perpetual Subordinated Bonds EUR 27 mio	52,807	12.71%	57,628
Step-up Guaranteed Perpetual Subordinated Bonds EUR 21 mio	41,073	11.82%	45,532
Total	**93,880**		**103,160**

The issue of the Step-Up Subordinated Bonds by First Investment Finance B.V., a limited liability company registered under the laws of the Netherlands and 100% owned by First Investment Bank AD was fully guaranteed by the Bank. After the entry into force of Regulation 575/2013 (effective 1 January 2014) on prudential requirements for credit institutions and investment firms, the two instruments are subject to grandfathering and as at 30.06.2015 are included in the tier 2 capital with 70% of their initial value.

24. Hybrid debt

in BGN '000

	Principal amount	Interest rate*	Amortised cost as at 30 June 2015
Hybrid debt with original principal EUR 40 mio	78,233	0 %	78,167
Hybrid debt with original principal EUR 60 mio	117,350	0 %	117,325
Total	**195,583**		**195,492**

in BGN '000

	Principal amount	Interest rate*	Amortised cost as at 31 December 2014
Hybrid debt with original principal EUR 40 mio	78,233	0 %	78,127
Hybrid debt with original principal EUR 60 mio	117,350	0 %	117,320
Total	**195,583**		**195,447**

In March 2011 the Bank issued a hybrid instrument (bond issue) and, after obtaining permission from the Bulgarian National Bank, included it as Tier 1 capital. The Bank placed the bond issue under private subscription with a total nominal value of EUR 20,000 thousand, constituting the first tranche of a bond issue with an envisaged total amount of up to EUR 40,000 thousand. In June 2012 the Bank issued the second tranche of the instrument, also amounting to EUR 20,000 thousand and following permission from the Bulgarian National Bank included in its Tier 1 capital.

In November 2012 the Bank issued a hybrid instrument (bond issue) and, after obtaining permission from the Bulgarian National Bank, included it as Tier 1 capital. The Bank placed the bond issue under private subscription with a total nominal value of EUR 20,000 thousand, constituting the first tranche of a bond issue with an envisaged total amount of up to EUR 60,000 thousand. In November 2013 the Bank issued the second and third tranches of the instrument, amounting to a total of EUR 40,000 thousand and following permission from the Bulgarian National Bank included them in its Tier 1 capital.

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

The two hybrid instruments fully comply with the requirements of Regulation 575/2013 and are included in the additional tier 1 capital.*With relation to Decision C (2014 8959)/25.11.14 of the European Commission regarding SA.39854 (2014/N) the accrual of interest on the hybrid instruments has been suspended until the aid has been repaid.

25. Other liabilities

in BGN '000	30 June 2015	31 December 2014
Liabilities to personnel	2,233	2,234
Other payables	15,145	14,859
Total	**17,378**	**17,093**

26. Repurchase and resale agreements

in BGN '000	**Fair value of underlying assets**	**Carrying amount of corresponding liabilities**
Bulgarian government securities	45,568	45,738
Total	**45,568**	**45,738**

At 31 December 2014 there were no assets sold under repurchase agreements.

The Bank also purchases financial instrument under agreements to resell them at future dates ("reverse repurchase agreements"). The seller commits to repurchase the same or similar instruments at an agreed future date. Reverse repurchases are entered into as a facility to provide funds of customers. At 30 June 2015 assets purchased subject to agreements to resell them are as follows:

in BGN '000	**Fair value of underlying assets**	**Carrying amount of liabilities**
Bulgarian government securities	46,751	46,365
Total	**46,751**	**46,365**

At 31 December 2014 there were no assets purchased under repurchase agreements.

27. Shareholders

As at 30 June 2015 the registered share capital of the Bank is BGN 110,000,000 divided into 110,000,000 ordinary dematerialized shares with voting rights of BGN 1 par value each. All shares have been fully paid up.

The table below shows those shareholders of the Bank holding shares as at 30 June 2015 together with the number and percentage of total issued shares.

	Number of shares	**% % of issued share capital**
Mr. Ivailo Dimitrov Mutafchiev	46,750,000	42.5
Mr. Tzeko Todorov Minev	46,750,000	42.5
Other shareholders (shareholders holding shares subject to free trade on the Bulgarian Stock Exchange – Sofia)	16,500,000	15
Total	**110,000,000**	**100**

28. Commitments and contingent liabilities

Contingent liabilities

in BGN '000	**30 June 2015**	**31 December 2014**
Guarantee		
- in BGN	229,013	192,548
- in foreign currency	77,036	94,132
Total guarantees	**306,049**	**286,680**
Unused credit lines	471,491	440,942
Letters of credit	26,458	14,151
Other contingent liabilities	81,874	81,874
Total	**885,872**	**823,647**

29. Related party transactions

Type of related party	**Parties that control or manage the Bank**		**Enterprises under common control**	
in BGN '000	**30 June 2015**	**31 December 2014**	**30 June 2015**	**31 December 2014**
Loans	1,476	765	32,768	34,214
Deposits and loans received:	6,029	10,346	106,596	122,306
Deposits placed	-	-	-	-
Off-balance sheet commitments issued by the Bank	2,449	2,117	4,917	4,827

During the first six months of 2015:

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 issued, repaid or repurchased capital instruments.
4. No dividends were accrued or paid.

Executive Director

D. KOSTOV

Executive Director:

V. CHRISTOV

Chief Financial Officer

J. TODOROV

INTERIM REPORT

ON THE ACTIVITY OF FIRST INVESTMENT BANK AD

as at 30 June 2015

(non-consolidated)

prepared under Art. 100o, para. 4(2) of the Public Offering of Securities Act (POSA) and Art. 33, para. 1(2) and (6) and para. 3 of Ordinance No 2 of the Financial Supervision Commission (FSC) 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 by the public companies and the other issuers of securities

During the first half of 2015 First Investment Bank AD (Fibank, the Bank) continued its successful development as an innovative, stable and reliable bank institution.

Highlights in the activity of Fibank in the first six months of 2015:

- The unconsolidated unaudited financial statements of First Investment Bank AD at 31 December 2014 were published on 30 January 2015;
- On 03 February 2015 Fibank submitted amended unaudited consolidated and unconsolidated financial statements at 30 September 2014;
- On 4 March 2015 First Investment Bank AD published its consolidated unaudited financial statements at 31 December 2014;
- The annual unconsolidated (audited) financial statements of First Investment Bank AD at 31 December 2014 were published on 01 April 2015, and the annual consolidated (audited) financial statements at 31 December 2014 were published on 24 April 2015;
- The unconsolidated (unaudited) financial statements of First Investment Bank AD at 31 March 2015 was published on 30 April 2015;
- On 12 May 2015 First Investment Bank published notice for the annual general meeting of shareholders;
- Information about FIBank’s ratings from Fitch Ratings was published on 20 May 2015;

- The consolidated (unaudited) financial statements of First Investment Bank AD at 31 March 2015 – were published on 02 June 2015;
- A summary of resolutions made by the annual general meeting of shareholders held on 15 June 2015 was published on 16 June, followed by the minutes from the AGM on 17 June 2015.

Review of the activities of Fibank as at 30 June 2015 on unconsolidated basis

- *Assets as at 30 June 2015*

The balance sheet assets of the Bank as at 30.06.2015 increased by BGN 143 million, or by 1.65% compared to 31.12.2014, reaching BGN 8,788 million. Receivables from clients amounted to BGN 5,801 million – an increase by BGN 67 million compared to 31.12.2014.

- *Unconsolidated profit at 30 June 2015*

The net profit of the Bank at 30 June 2015 amounted to BGN 7,125 thousand. The total revenue from banking operations for the same period amounted to BGN 173,092 thousand, by BGN 282 thousand or 0.16% less compared to the same period in 2014. The net interest income amounted to BGN 124,473 thousand and the net income from fees and commissions – to BGN 36,120 thousand.

- *Capital resources*

The capital adequacy ratio of Fibank as at 30 June 2015 reached 15.14 %. The Tier 1 capital adequacy was 14.06%. The capital ratios were calculated according to the CRD4 framework.

- *Liquidity*

The liquidity ratio of Fibank, calculated in accordance with the requirements of Ordinance No 11 of the BNB, reached 23.86 % at 30 June 2015, showing a stable liquidity position. Under the conditions of on-going challenges in the market environment, Fibank maintains sufficient volumes of cash and liquidity buffers.

- *A total of 167 branches and offices throughout the country*

  As at 30 June 2015, First Investment Bank AD had a total of 167 branches and offices in Bulgaria. The number of outlets reflects the adherence to a policy of synergy and maintaining optimum efficiency in the branch network of the Bank.

Appendix 1

ИНФОРМАЦИЯ AS AT 30 June 2015
UNDER ART. 33, PARA. 1, P. 6
OF ORDINANCE No2
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 by the public companies and the other issuers of securities

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

During the first six months of 2015 no changes to the accounting policy of First Investment Bank AD were made.

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

See „c" below.

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:

During the first six months of 2015 there have been no changes in the economic group of First Investment Bank AD.

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:
No forecasts were published for the results for 2015.

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:

	as at 31 March 2015		*as at 30 June 2015*	
	Number of shares	*% of capital*	*Number of shares*	*% of capital*
Mr Tseko Minev	46 750 000	42,50%	46 750 000	42,50%
Mr Ivaylo Mutafchiev	46 750 000	42,50%	46 750 000	42,50%

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

Members of the Managing Board	*at 31 March 2015*	*at 30 June 2015*

	Number of shares	*% of capital*	*Number of shares*	*% of capital*
Vassil Christov	21 676	0,02	No change	
Maya Oyfalosh	2 350	0,00	No change	
Dimitar Kostov	0	0	No change	
Svetoslav Moldovansky	0	0	No change	
Ivaylo Ivanov	0	0	0	0
Mariana Sadzhaklieva	0	0	0	0
Milka Todorova	4935	0,004	4935	0,004
Chavdar Zlatev	523	0,00	523	0,00

Members of the Supervisory Board	*at 31 March 2015*		*at 30 June 2015*	
	Number of shares	*% of capital*	*Number of shares*	*% of capital*
Evgeni Lukanov	168 739	0,1	No change	
Maya Georgieva	11 388	0,01	No change	
Jordan Skortchev	19 125	0,02	No change	
Georgi Mutafchiev	9 454	0,01	No change	
Radka Mineva	-	0,00	No change	

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

No events have occurred.

h) information about loans granted by the issuer or any of its subsidiaries, guarantees provided or liabilities assumed to a single entity or its subsidiary, including related parties, indicating the nature of relations between the issuer and the entity, outstanding principal amount, interest rate, maturity date, initial amount of the liability, term and conditions: *First Investment Bank AD is a public company part of whose main activity is the public attraction of deposits or other repayable funds and granting of loans or other financing. In this sense, for the period until 31 December 2014 no events have occurred beyond the ordinary activity of the Bank.*

Appendix 2

INFORMATION AS AT 30 June 2015
UNDER ART. 33, PARA. 3
OF ORDINANCE NO2

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 by the public companies and the other issuers of securities

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. These transactions do not affect the financial condition or performance of First Investment Bank AD.

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.

As at 30.06.2015, no changes have occurred in transactions concluded with related parties that have significant impact on the financial position or performance of First Investment Bank AD.

(signed)

Dimitar Kostov
Executive Director
Chairman of the MB

(signed)

Vassil Christov
Executive Director
Member of the MB

(signed)

Jivko Todorov
Chief Financial Officer

This document was prepared in compliance with Art. 33, Para. 4 of Ordinance No 2 of the FSC 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 by the public companies and the other issuers of securities, in the format required in Appendix No. 9 to Art. 28, Para. 2 thereof.

Information on circumstances
which occurred by 30 June 2015
and which may have an impact on the price of First Investment Bank shares

1. Quarterly unconsolidated financial statements (unaudited) of First Investment Bank AD as at 31.12.2014 – Registered at FSC under incoming No. 10-05-2667/30.01.2015;
2. Amended unconsolidated (unaudited) financial statements of First Investment Bank AD as at 30 September 2014 – Registered at FSC under incoming No. 10-05-2826/03.02.2015;
3. Amended consolidated (unaudited) financial statements of First Investment Bank AD as at 30 September 2014 – Registered at FSC under incoming No. 10-05-2834/03.02.2015;
4. Quarterly consolidated (unaudited) financial statements of First Investment Bank AD as at 31 December 2014 – Registered at FSC under incoming No. 10-05-5153/04.03.2015;
5. Annual unconsolidated (audited) financial statements of First Investment Bank AD as at 31 December 2014 – Registered at FSC under incoming No. 10-05-7835/01.04.2015;
6. Annual consolidated (audited) financial statements of First Investment Bank AD as at 31 December 2014 – Registered at FSC under incoming No. 10-05-9499/23.04.2015;
7. Unconsolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2015 – Registered at FSC under incoming No. 10-05-10500/30.04.2015;
8. Notice of the annual general meeting of shareholders of First Investment Bank AD – Registered at FSC under incoming No. 10-05-11215/12.05.2015;
9. First Investment Bank Ratings from Fitch Ratings – Registered at FSC under incoming No. 10-05-12031/20.05.2015;
10. Consolidated (unaudited) financial statements of First Investment Bank AD as at 31 March 2015 – Registered at FSC under incoming No. 10-05-13255/02.06.2015;
11. Results from the annual general meeting of shareholders of First Investment Bank AD held on 15 June 2015 – Registered at FSC under incoming No. 10-05-14374/16.06.2015;
12. Minutes from the annual general meeting of shareholders of First Investment Bank AD held on 15 June 2015 – Registered at FSC under incoming No. 10-05-14549/17.06.2015

EXECUTIVE DIRECTOR:	EXECUTIVE DIRECTOR:
(signed)	(signed)
DIMITAR KOSTOV	VASSIL CHRISTOV

DECLARATION

under Art. 100o, para. 4(3) of the Public Offering of Securities Act (POSA) and Art. 33, para. 1(3) of 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 by the public companies and the other issuers of securities

The undersigned Dimitar Kostov Kostov, Executive Director and Chairman of the Managing Board of First Investment Bank AD, Vassil Christov Christov, Executive Director and member of the Managing Board of First Investment Bank AD, and Jivko Ivanov Todorov, Chief Financial Officer of First Investment Bank AD, hereby declare that to the best of our knowledge:

- the financial statements (non-consolidated) of First Investment Bank AD as at 30 June 2015, 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 30 June 2015 contains a fair review of the information under Art. 100o, para. 4(2) of the Public Offering of Securities Act.

(signed)	(signed)
Dimitar Kostov Executive Director Chairman of the MB	Vassil Christov Executive Director Member of the MB

(signed)

Jivko Todorov
Chief Financial Officer

30 July 2015

ver2.3

FINV9150	First Investment Bank AD
30.6.2015	*Reporting date*
individual	*Basis for application*
IFRC	Accounting standard

BGN ‘000

2. Profit and Loss Account

c010

		Ref	Breakdown in table	**Current period**
				010
010	**Interest income**	*Para. 97 of IAS 1; Para. 35, (b) of IAS 18; part 2, item 21 of Appendix V*	16	**239 115**
020	Financial assets held for trading	*Para. 20, (a)(i) of IFRC 7; part 2, item 24 of Appendix V*		139
030	Financial assets at fair value through profit or loss	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7*		0
040	Financial assets available for sale	*Para. 20, (b) of IFRC 7; Para. 55, (b) of IAS 39; Para. 9 of IAS 39*		6 474
050	Loans and receivables	*Para. 20, (b) of IFRC 7; Para. 9 of IAS 39; Para. 46, (a) of IAS 39*		232 392
060	Investments held to maturity	*Para. 20, (b) of IFRC 7; Para. 9 of IAS 39; Para. 46, (b) of IAS 39*		110
070	Derivatives — hedge accounting, interest rate risk	*Para. 9 of IAS 39; part 2, item 23 of Appendix V*		0
080	Other assets	*part 2, item 25 of Appendix V*		0
090	**(Interest expense)**	*Para. 97 of IAS 1; part 2, item 21 of Appendix V*	16	**114 641**
100	(Financial liabilities held for trading)	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7; part 2, item 24 of Appendix V*		0
110	(Financial liabilities, at fair value through profit or loss)	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7*		0
120	(Financial liabilities measured at amortised cost)	*Para. 20, (b) of IFRC 7; Para. 47 of IAS 39*		114 641
130	(Derivatives — hedge accounting, interest rate risk)	*Para. 9 of IAS 39; part 2, item 23 of Appendix V*		0

140	(Other liabilities)	*part 2, item 26 of Appendix V*		0
150	**(Expense for share capital payable upon request)**	*Para. 11 of IRFRIC 2*		**0**
160	**Dividend income**	*Para. 35, (b), (v) of IAS 18; part 2, item 28 of Appendix V*		**1 282**
170	Financial assets held for trading	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7*		1
180	Financial assets at fair value through profit or loss	*Para. 20, (a)(i), Para. B5, (e) of IFRC 7; Para. 9 of IAS 39*		0
190	Financial assets available for sale	*Para. 20, (a)(ii) of IFRC 7; Para. 9 of IAS 39; Para. 55, (b) of IAS 39*		1 281
200	**Fee and commission income**	*Para. 20, (c) of IFRC 7*	22	**45 700**
210	**(Fee and commission expense)**	*Para. 20, (c) of IFRC 7*	22	**9 580**
220	**Net profits or (-) losses from write-off of financial assets and liabilities which are not accounted at fair value through profit or loss**	*Para. 20, (a), (ii) to (v) of IAS 7; part 2, item 97 of Appendix V*	16	**7 392**
230	Financial assets available for sale	*Para. 20, (a)(ii) of IFRC 7; Para. 9 of IAS 39; Para. 55, (b) of IAS 39*		2 360
240	Loans and receivables	*Para. 20, (a), (iv) of IFRC 7; Para. 9 of IAS 39; Para. 56 of IAS 39*		5 032
250	Investments held to maturity	*Para. 20, (a), (iii) of IFRC 7; Para. 9 of IAS 39; Para. 56 of IAS 39*		0
260	Financial liabilities measured at amortised cost	*Para. 20, (a), (v) of IFRC 7; Para. 56 of IAS 39*		0
270	Other			0
280	**Net profits or (-) losses from financial assets and liabilities held for trading**	*Para. 20, (a)(i) of IFRC 7; Para. 55, (a) of IAS 39*	16	**-234**
290	**Net profits or (-) losses from financial assets and liabilities at fair value through profit or loss**	*Para. 20, (a)(i) of IFRC 7; Para. 55, (a) of IAS 39*	16, 45	**0**
300	**Net profits or (-) losses from hedge accounting**	*Para. 24, IFRC 7; part 2, item 30 of Appendix V*	16	**0**
310	**Net exchange rate differences [profit (-) loss]**	*Para. 28 of IAS 21; Para. 52, (a)*		**5 340**
330	**Net profits or (-) losses from write-off of non-financial assets**	*Para. 34 of IAS 1*	45	**0**
340	**Other operating income**	*Part 2, items 141-143 of Appendix V*	45	**4 250**
350	**(Other operating expense)**	*Part 2, items 141-143 of Appendix V*	45	**390**

355	**NET TOTAL OPERATING INCOME**			**178 234**
360	**(Administrative expenses)**			**95 764**
370	(Personnel costs)	*Para. 7 of IAS 19; Para. 102, IN 6 of IAS 1*	44	29 918
380	(Other administrative expenses)			65 846
390	**(Amortisation)**	*Paras.102, 104 of IAS 1*		**8 596**
400	(Property, plant and equipment)	*Para. 104 of IAS 1; Para. 73, (e), (vii) of IAS 16*		7 055
410	(Investment property)	*Para. 104 of IAS 1; Para. 79, (d), (iv) of IAS 40*		0
420	(Other intangible assets)	*Para. 104 of IAS 1; Para. 118, (e), (vi) of IAS 38*		1 541
430	**(Provisions or (-) reversed provisions)**	*Para. 59, 84 of IAS 37; Para. 98, (b), (f), (g) of IAS 1*	43	**0**
440	(Commitments and guarantees)			0
450	(Other provisions)			0
460	**(Impairment or (-) impairment adjustment of financial assets which are not accounted at fair value through profit or loss)**	*Para. 20, (e) of IFRC 7*	16	**66 050**
470	(Financial assets assessed by the expense method)	*Para. 20, (e) of IFRC 7; Para. 66 of IAS 39*		0
480	(Financial assets available for sale)	*Para. 20, (e) of IFRC 7; Para. 67 of IAS 39*		0
490	Loans and receivables	*Para. 20, (e) of IFRC 7; Para. 63 of IAS 39*		66 050
500	(Investments held to maturity)	*Para. 20, (e) of IFRC 7; Para. 63 of IAS 39*		0
510	**(Impairment or (-) reversed impairment of investments in a subsidiary, jointly-controlled entity or associate)**	*Paras. 40-43 of IAS 28*	16	**0**
520	**(Impairment or (-) reversed impairment of non-financial assets)**	*Para. 126, (a)-(b) of IAS 36*	16	**0**
530	(Property, plant and equipment)	*Para. 73, (e), (v)-(vi) of IAS 16*		0
540	(Investment property)	*Para. 79, (d), (v) of IAS 40*		0
550	(Goodwill)	*B67, (d), (v) of IFRC 3; Para. 124 of IAS 36*		0
560	(Other intangible assets)	*Para. 118, (e), (iv)-(v) of IAS 38*		0
570	(Other)	*Para. 126, (a) and (b) of IAS 36*		0
580	**Negative goodwill in profit or loss**	*B64, (n)(i) to IFRC 3*		**0**
590	**Share of profit or (-) loss from investments in a subsidiary, jointly-controlled entity or associate**	*Para. 82, (c) of IAS 1*		**0**

600	**Profit or (-) loss from non-current assets and disposal groups classified as held for sale, which do not meet the requirements for discontinued operations**	*Para. 37, IFRC 5; part 2, item 27 of Appendix V*		**0**
610	**PROFIT OR (-) LOSS BEFORE TAX FROM CURRENT OPERATIONS**	*Para. 102, IN 6 of IAS 1; Para. 33 A of IFRC 5*		**7 824**
620	**(Tax expense or (-) income relating to the profit or loss from current operations)**	*Para. 8, (d) of IAS 1; Para. 77 of IAS 12*		**699**
630	**PROFIT OR (-) LOSS AFTER TAX FROM CURRENT OPERATIONS**	*IN 6 of IAS 1*		**7 125**
640	**Profit or (-) loss after tax from discontinued operations**	*Para. 82, (e) of IAS 1; Para. 33, (a), Para. 33 A of IFRC 5*		**0**
650	Profit or (-) loss before tax from discontinued operations	*Para. 33, (b)(i) of IFRC 5*		0
660	(Tax expense or (-) income related to discontinued operations)	*Para. 33, (b)(i) of IFRC 5*		0
670	**PROFIT OR (-) LOSS FOR THE YEAR**	*Para. 82, (f) of IAS 1*		**7 125**
680	Relating to minority interests [non-controlling interests]	*Para. 83, (a)(i) of IAS 1*		0
690	Relating to the owners of the parent company	*Para. 81B (b)(ii) of IAS 1*		7 125

DIMITAR KOSTOV

Executive Director

VASSIL CHRISTOV

Executive Director

JIVKO TODOROV

Chief Financial Officer

ver2.3

FINV9150	First Investment Bank AD
30.6.2015	*Reporting date*
individual	*Basis for application*
IFRC	Accounting standard

BGN '000

1.Balance sheet [statement of the financial position]

c010

1.1 Assets

		Ref	*Breakdown in table*	Balance sheet value
				010
010	**Cash and cash balances with central banks and other deposits payable on demand**	*Para. 54, (i) of IAS 1*		**1 245 531**
020	Cash	*part 2, item 1 of Appendix V*		133 977
030	Cash balances with central banks	*part 2, item 2 of Appendix V*		609 873
040	Other deposits payable on demand	*part 2, item 3 of Appendix V*	5	501 681
050	**Financial assets held for trading**	*Para. 8, (a)(ii) of IFRC 7; Para. 9, AG 14 of IAS 39*		**13 215**
060	Derivatives	*Para. 9 of IAS 39*	10	0
070	Capital instruments	*Para. 11 of IAS 32*	4	3 154
080	Debt securities	*part 1, items 24, 26 of Appendix V*	4	10 061
090	Loans and advances	*part 1, items 24, 27 of Appendix V*	4	0
100	**Financial assets at fair value through profit or loss**	*Para. 8, (a)(i) of IFRC 7; Para. 9 of IAS 39*	4	**0**
110	Capital instruments	*Para. 11 of IAS 32*	4	0
120	Debt securities	*part 1, items 24, 26 of Appendix V*	4	0
130	Loans and advances	*part 1, items 24, 27 of Appendix V*	4	0
140	**Financial assets available for sale**	*Para. 8, (d) of IFRC 7; Para. 9 of IAS 39*	4	**729 508**
150	Capital instruments	*Para. 11 of IAS 32*	4	5 788
160	Debt securities	*part 1, items 24, 26 of Appendix V*	4	723 720
170	Loans and advances	*part 1, items 24, 27 of Appendix V*	4	0
180	**Loans and receivables**	*Para. 8, (c) of IFRC 7; Para. 9, AG 16, AG 26 of IAS 39; part 1, item 16 of Appendix V*	4	**5 926 526**
190	Debt securities	*part 1, items 24, 26 of Appendix V*	4	0
200	Loans and advances	*part 1, items 24, 27 of Appendix V*	4	5 926 526
210	**Investments held to maturity**	*Para. 8, (b) of IFRC 7; Para. 9, AG 16, AG 26 of IAS 39*	4	**114 162**
220	Debt securities	*part 1, items 24, 26 of Appendix V*	4	114 162
230	Loans and advances	*part 1, items 24, 27 of Appendix V*	4	0
240	**Derivatives - hedge accounting**	*Para. 22, (d) of IFRC 7; Para. 9 of IAS 39*	11	**4 862**
250	**Changes in the fair value of hedged positions when hedging a portfolio for interest rate risk**	*Para. 89A, (a) of IAS 1*		**0**
260	**Investments in a subsidiary, jointly-controlled entity or associate**	*Para. 54, (e) of IAS 1; part 2, item 4 of Appendix V*	4, 40	**36 371**

270	**Tangible assets**	-		**648 771**
280	Property, plant and equipment	*Para. 6 of IAS 16; Para. 54, (a) of IAS 1*	21, 42	648 771
290	Investment property	*Para. 5 of IAS 40; Para. 54, (b) of IAS 1*	21, 42	0
300	**Intangible assets**	*Para. 54, (c) of IAS 1; Art. 4, Para. 1, item 115 of Reg 575*		**11 969**
310	Goodwill	*Para. B67, (d) of IFRC 3; Art. 4, Para. 1, item 113 of Reg 575*	-	0
320	Other intangible assets	*Para. 8, 118 of IAS 38*	21, 42	11 969
330	**Tax assets**	*Para. 54 (n)-o) of IAS 1*		**1 847**
340	Current tax assets	*Para. 54, (n) of IAS 1; Para. 5 of IAS 12*		1 847
350	Deferred tax assets	*Para. 54, (o) of IAS 1; Para. 5 of IAS 12; Art. 4, Para. 106 of Reg 575*		0
360	**Other assets**	*part 2, item 5 of Appendix V*		**55 714**
370	**Non-current assets and disposal groups classified as held for sale**	*Para. 54, (j) of IAS 1; Para. 38 of IFRC 5; part 2, item 6 of Appendix V*		**0**
380	**TOTAL ASSETS**	*Para. 9, (a), IN 6 of IAS 1*		**8 788 476**

DIMITAR KOSTOV

Executive Director

VASSIL CHRISTOV

Executive Director

JIVKO TODOROV
Chief Financial Officer

DISCLOSURE OF INFORMATION

pursuant to Regulation (EU) No. 575/2013

(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.

CONTENTS

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**
Assets			
Financial assets held for trading	9,646	-64	17
Intangible assets	18,265	-18,265	8, 41a
Own funds and liabilities			
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
Own funds in the audited financial statements of the institution			**726,8**
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
Common Equity Tier 1			**681,237**
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
Common Equity Tier 1			**860,348**
Perpetual debt	Art. 484, 486	80%	75,104
Revaluation reserve on property	Art. 481	80%	3,600
Own funds			**939,052**

(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([1])		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([1])		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(¹)		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;

		(2) the Bank's MB made a resolution confirming the realised final gains; (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; (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.
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(¹)		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;

		(2) the Bank's MB made a resolution confirming the realised final gains; (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; (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.
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([1])		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;

		(2) the Bank's MB made a resolution confirming the realised final gains; (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; (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.
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([1])		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;

		(2) the Bank's MB made a resolution confirming the realised final gains; (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; (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.
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([1])		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;

		(2) the Bank's MB made a resolution confirming the realised final gains; (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; (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.
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([1])		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(¹)		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	**696,132**		
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
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	
	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**
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 quality 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
	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**
27	Qualifying AT 1capital of the institution (negative amount)		Article 36(1), (j)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-14,895**		**14,177**
29	**Common Equity Tier 1 (CET1) capital**	**681,237**		**14,177**
Additional Tier 1 (AT1) capital: instruments				
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	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**195,583**		
Additional Tier 1 (AT1) capital: regulatory adjustments				
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	**Aggregate normative adjustments to Additional Tier 1 capital**	**-16,472**		**-4,118**
44	**Additional Tier 1 capital**	**179,111**		**-4,118**
45	**Tier 1 capital = Common Equity Tier 1 + Additional Tier 1 capital**	**860,348**		**10,059**
Tier 2 capital (T2): instruments and provisions				
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	**Tier 2 capital items before normative adjustments**			
Own funds Tier 2: instruments and items				
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			
54б	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, 468and 481	900
	Of which: unrealised gains from the fair value measurement of land and buildings	3,600	Article 481	900
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**78,704**		**19,676**
58	**Tier 2 (T2) capital**	**78,704**		**19,676**
59	**Total capital = (TC = T1 + T2)**	**939,052**		**29,735**
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	**Total risk weighted assets**	**6,306,376**		
Capital ratios and reserves				
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]			
Capital ratios and reserves				
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	
Usable limits for including items into own funds tier 2				
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	
Capital instruments to which apply provisions on gradual removal (usable only in the period from 1 January 2014 to 1 January 2022)				
80	Current cup 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

Reconciliation of accounting assets and leverage ratio exposures

		Amount
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
8	**Leverage ratio exposure**	**8,997,876**

Leverage ratio general disclosure

		CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
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
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**8,760,299**
	Derivative exposures	
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	
11	**Total derivative exposures (sum of lines 4 to 5a)**	**4,371**

	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-12б	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	
16	**Total securities financing transaction exposures**	-
	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
19	**Total off-balance sheet exposures (sum of lines 17 to 18)**	**233,170**
	Capital and Total Exposures	
20	**Tier 1 capital**	**860,348**
EC-21a	exposures of financial sector entities according to Article 429(4) 2nd subparagraph of Regulation (EU) No. 575/2013	0
21	**Total Exposures (sum of lines 3, 11, 16, 19 and 21a)**	**8,997,840**
	Leverage ratio	
22	**End of quarter leverage ratio**	**9.56%**
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:	**8,791,666**
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
Total	**5,865,325**	**469,226**	**791,817**

(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
Total amount of exposures*	**9,706,692**	**9,814,729**	**9,626,658**	**9,637,125**	**9,696,302**

*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	-	-	-	-
Total by sectors	**235,166**	**1,806,699**	**1,586,339**	**422,268**	**483,985**	**1,228,451**	**1,493,358**	**567,415**	**1,490,061**	**323,383**

(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
Finance	**1,806,699**	**2,771**	**4,902**	**649**	**5,153**	**-41**
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	-	-	-	-	-
Industry	**1,586,339**	**123,864**	**185,076**	**2,345**	**149,940**	**-44**
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	-	-	-	-	-
Other	**1,228,451**	**101,801**	**17,618**	**430**	**-5,263**	**55**
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	-	-	-	-	-
Private individuals	**1,493,358**	**91,387**	**71,119**	**1,168**	**-3,376**	**736**
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
Trade	**1,490,061**	**154,427**	**92,928**	**2,525**	**20,876**	**1,545**
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
Total	**7,604,908**	**474,250**	**371,643**	**7,117**	**167,330**	**2,251**

(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
Total amount of exposures	**3,416,297**	**2,164,865**	**1,914,829**	**926,516**	**1,214,618**

(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	-	-
Total by regions	**8,866,061**	**503,511**	**7,155**	**771,064**	**10,453**	**2,483**

(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
Final balance	**-513,964**	**-9,639**

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 form 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
Corporates	**83,252**
Cash and cash equivalents	16,453
Bank guarantees	3,301
Other guarantee schemes	63,498
Exposures in default	**65,335**
Cash and cash equivalents	64,016
Other guarantee schemes	1,319
Retail exposures	**157,808**
Cash and cash equivalents	86,082
Other guarantee schemes	71,726
Total reduction of credit risk	**306,395**

(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	-	-
Total	**9,637,125**	**122,636**	**183,759**

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%
	399,308	**3,291**	**35,710**	**4,945**	**0.41%**

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
TOTAL	**11,663**	**-11,663**	**622**	**-622**

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)

Dimitar Kostov

Executive Director

(signed)

Vassil Christov

Executive Director

(singed)

Jivko Todorov

Chief Financial Officer