

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

CC:
Bulgarian Stock Exchange – Sofia Ad
6 Tri Ushi Str.
Sofia

Re: *Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013*

Dear Sirs,

Please find attached Disclosure of Information by First Investment Bank AD pursuant to Regulation (EU) No. 575/2013 for 2018 on consolidated basis.

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 31.12.2018.

(signed)
Nedelcho Nedelchev
Chief Executive Officer

(signed)
Chavdar Zlatev
Executive Director



DISCLOSURE OF INFORMATION

pursuant to Regulation (EU) No. 575/2013

(consolidated data)

FIRST INVESTMENT BANK AD

for 2018

June 2019

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 31.12.2018.

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RISK MANAGEMENT POLICY AND FRAMEWORK

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

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

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

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

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

Balance-sheet positions	Accounting scope	Amount used for calculating the required own funds	Position in Annex VI
Assets			
Financial assets designated at fair value through profit or loss	26,044	-60	17
Intangible assets	14,402	-14,402	8, 41a
Loans and advances	5,756,277	-7,892	
Own funds and liabilities			
Financial liabilities assessed at amortised cost	8,675,621	195,583	
of which: instruments eligible for DC1	208,786	195,583	32
of which: instruments eligible for T2	-	-	56
Equity	110,000	110,000	1
Premium reserve	97,000	97,000	1
Revaluation reserve on available for sale investments	17,795	17,795	3, 26a, 41b
Revaluation reserve on land and buildings	4,500	4,500	3, 26b, 56b
Reserve from translation of foreign operations	1,395	1,395	3
Retained earnings	573,086	573,086	3
Statutory reserve	39,865	39,865	3
Non-controlling interest	-	-	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	31.12.2018
Share capital			110,000
Premium reserve			97,000
Revaluation reserve on available for sale investments			17,795
Revaluation reserve on land and buildings			4,500
Statutory reserve			39,865
Reserve from translation of foreign operations			1,395
Non-controlling interest			-
Retained earnings			573,086
Own funds in the audited financial statements of the institution			843,641
Unaudited annual profit			-171,387
Adjustments to CET1 due to IFRS 9 transitional arrangements	Art. 473, a		262,910
Indirect holdings of own Common Equity Tier 1 instruments	Art. 36, Para. 1 g	100%	-60
Intangible assets	Art. 36, Para. 1 b	100%	-14,402
Other deductions	Art. 36, Para. 1 a		-8,614
Common Equity Tier 1			912,088
Hybrid debt	Art. 51, 52	100%	195,583
Common Equity Tier 1			1,107,671
Perpetual debt	Art. 484, 486	-	-
Own funds			1,107,671

(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	not applicable
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	not applicable
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, incl. hybrid debt
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	not applicable
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	not applicable
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, incl. hybrid debt
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;

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

Template for disclosing information about the main features of capital instruments ⁽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;

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

Template for disclosing information about the main features of capital instruments ⁽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;

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

Template for disclosing information about the main features of capital instruments ⁽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;

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

Template for disclosing information about the main features of capital instruments ⁽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;

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

(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	207,000	EBA list, Article 26, Para. 3	
2	Retained earnings	401,699	Article 26, Para. 1(c)	
3	Accumulated other comprehensive income (and other reserves)	23,690	Article 26, Para. 1	
3a	Funds for general banking risks	39,865	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)		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	672,254		
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)	-14,402	Article 36(1)(b), Article 37 and Article 472, Para. 4	
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)	-60	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 have reciprocal cross holdings the institution designed to inflate artificially the own funds of the institution (negative amount)		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 net of eligible short positions) (negative amount)		Article 36(1), (i), Articles 43, 45 and 47, Article 48, Para. 1(b), Article 49, Paras. 1-3, Articles 79 and 470, as well as Article 472, Para. 11	
20	empty set in the EU			
20a	Exposure amount of the following items which qualify for a RW of 1250% where the institution opts for the deduction alternative		Article 36(1)(k)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		Article 36(1)(c), Article 38, Article 48, Para. 1(a), Article 470 and Article 472, Para. 5	
22	Amount exceeding 15% of the threshold value (negative amount)		Article 48, Para. 1	
23	of which: direct and indirect holdings by the institutions of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		Article 36(1), (i), Article 48, Para. 1(b), Article 470 and Article 472, Para. 11	
24	empty set in the EU			
25	of which: deferred tax assets arising from temporary differences		Article 36(1)(c), Article 38, Article 48, Para. 1(a), Article 470 and Article 472, Para. 5	
25a	Losses for the current accounting year (negative amount)	-8,614	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	262,910	Art. 473, a	
26a	Normative adjustments relating to unrealised gains and losses according to Articles 467 and 468			
	Of which: ... filter for unrealised losses 1		Article 467	
	Of which: ... filter for unrealised gains 1		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		Article 481	
	Of which: unrealised gains from the fair value measurement of land and buildings		Article 481	

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 1 capital of the institution (negative amount)		Article 36(1), (j)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	239,834		
29	Common Equity Tier 1 (CET1) capital	912,088		
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 and 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 (negative amount)		Article 56(b), Articles 58 and 475, Para. 3	
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		Article 472 and Article 472, Paras. 3(a), 4, 6, 8(a), 9, 10(a) and 11(a)	
	of which: intangible assets			
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		Articles 467, 468 and 481	
	Of which: filter for unrealised losses		Article 467	
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			
44	Additional Tier 1 capital	195,583		
45	Tier 1 capital = Common Equity Tier 1 + Additional Tier 1 capital	1,107,671		
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			
54b	Of which capital investments existing before 1 January 2013 to which transitional provisions apply			
55	Direct and indirect capital investments by an institution into instruments included in the T2 capital items and subordinated loans of entities in the financial sector in which the institution has a significant investment (after deduction of the eligible short positions) (negative value)		Article 66(d), Articles 69 and 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)			
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 and 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 and 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		Articles 467, 468 and 481	
	Of which: unrealised gains from the fair value measurement of land and buildings		Article 481	
57	Total regulatory adjustments to Tier 2 (T2) capital			
58	Tier 2 (T2) capital			
59	Total capital = (TC = T1 + T2)	1,107,671		
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)	6,858,936		
60	Total risk weighted assets	6,858,936		
Capital ratios and reserves				
61	Common Equity Tier 1 (as a percentage of the risk exposure amount)	13.30%	Article 92, Para. 2(a), Article 465	
62	Tier 1 (as a percentage of total risk exposure amount)	16.15%	Article 92, Para. 2(b), Article 465	
63	Total capital (as a percentage of total risk exposure amount)	16.15%	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	6.00%	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)	0.50%	CRD, Article 131	
68	Common Equity Tier 1 available to meet buffers (as a percentage of the risk exposure amount)	8.80%	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 and 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.	554	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.		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 cap on CET1 instruments subject to phase out arrangements		Article 484, Para. 3, Article 486, Paras. 2 and 5	

	Common Equity Tier 1: instruments and reserves (BGN '000)	(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE- REGULATION (EU) 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO. 575/2013
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (3), 486 (2) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 3, Article 486, Paras. 2 and 5	
82	Current cap on AT1 instruments subject to phase out arrangements in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 4, Article 486, Paras. 3 and 5	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) in accordance with Articles 484 (4), 486 (3) and (5) of Regulation (EU) No 575/2013.		Article 484, Para. 4, Article 486, Paras. 3 and 5	
84	Current cap on T2 instruments subject to phase out arrangements in accordance with Articles 484 (5), 486 (4) and (5) of Regulation (EU) No 575/2013.		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 the capital buffer for systemic risk amounting to BGN 205,768 thousand (3% of the total amount of risk exposures), the capital conservation buffer amounting to BGN 171,473 thousand (2,5% of the total amount of risk exposures) and the capital buffer for other systemically important institution amounting to BGN 34,295 thousand (0,5% of the total amount of risk exposures).
- (7) According the legislation applicable at 31.12.2018 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 2018 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	9,586,681
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	1,152
5	Adjustments for securities financing transactions	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet)	171,596
7	Other adjustments	235,675
8	Leverage ratio exposure	9,995,104
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)	9,821,240
2	Asset amounts deducted in determining Tier 1 capital	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	9,821,240
Derivative exposures		
4	Replacement cost associated with derivatives transactions	1,115
5	Add-on amounts for PFE associated with derivatives transactions	1,152
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)	2,267

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-126	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	781,692
18	Adjustments for conversion to credit equivalent amounts	-610,096
19	Total off-balance sheet exposures (sum of lines 17 to 18)	171,596
Capital and Total Exposures		
20	Tier 1 capital	1,107,671
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)	9,995,103
Leverage ratio		
22	End of quarter leverage ratio	11.08%
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:	9,821,240
EC-2	Trading book exposures	26,044
EC-3	Banking book exposures, of which:	
EC-4	Covered bonds	0
EC-5	Exposures treated as sovereigns	1,800,687
EC-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	163
EC-7	Institutions	585,417
EC-8	Secured by mortgages of immovable properties	1,798,847
EC-9	Retail exposures	1,272,803
EC-10	Corporate	2,032,050
EC-11	Exposures in default	893,175
EC-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,412,054

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	237,480	18,998	32,060
Regional governments or local authorities	-	-	-
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	151,876	12,150	20,503
Corporates	2,039,629	163,170	275,350
Retail exposures	784,218	62,737	105,869
Secured by mortgages on immovable property	738,901	59,112	99,752
Exposures in default	986,805	78,944	133,219
Exposures associated with particularly high risk	-	-	-
Covered bonds	-	-	-
exposures to institutions	-	-	-
Collective investment undertakings (-CIUs-)	2,675	214	361
Equity exposures	20,703	1,656	2,795
Other items	1,232,424	98,594	166,377
Total	6,194,711	495,575	836,286

(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 2018	Total exposure amount
Position risk	-	-
Commodities risk	424	5,300
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	2015	2016	2017	Own funds requirements 2018	Total exposure amount
Banking operations for which the basic indicator approach is applied	318,585	389,189	346,505	52,714	658,925

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

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

In the framework of the risk management strategy, the risk appetite is defined so as to meet the target “B+” rating on the scale of the Fitch Ratings credit rating agency, as risks, evaluated with the help of internal models within ICAAP, are calculated with security level of 98%, i.e. in keeping with target rating.

With regard to risk appetite, it is assumed that in addition to the internal defined capital for Bank’s risk exposures, preventive buffers will be maintained for unexpected scenarios with total amount equal to greater than: a) 30% of available capital base and b) regulatory required capital buffers.

With a view to developing an adequate risk strategy scope also for the purposes of ICAAP, the Bank prepares a risk map showing the risks identified in the Bank, their materiality, as well as the methods for measuring them.

	Risk source	Valuation methods used under Pillar I	Valuation methods used under Pillar II	Materiality
Risks covered under Pillar I	Credit risk	Standardized approach	VaR model for credit losses on exposures to individuals and companies, Standardized approach for all others	Yes
	Market risk	Standardized approach	VaR model for debt instruments position risk, VaR for equity position risk, VaR model for currency risk	Yes
	Operational risk	Standardized approach	Standardized approach	Yes
Risks covered under Pillar II	Liquidity risk		Evaluation of the effect on the income statement, as well as of the sufficiency of the liquidity buffer under a liquidity crisis scenario (combined shock)	Yes
	Banking book interest rate risk		Evaluation of the effect on the income statement and on capital under a +/- 200 bp parallel shift in market interest rates scenario	Yes
	Concentration risk		VaR model for credit losses on exposures to individuals and companies	Yes
	Residual risk		No direct valuation method. Limiting this risk is based on internal rules for evaluation and management of collaterals	Yes
	Risk of statistical models used		No direct valuation method. Limiting this risk is based on performed backtesting of internal models	Yes
	Securitization risk		There are no exposures subject to this risk	No

Strategic risk		Historical simulation	Yes
Reputational risk		No direct valuation method	Yes

CREDIT RISK

(14) Information on the Bank's exposures divided by exposure classes at the end of each quarter of 2018, as well as the annual average, is presented in the tables below:

Exposure classes in the Standardised Approach	31.03.2018	30.06.2018	30.09.2018	31.12.2018	Average for 2018
Central government or central banks	1,602,580	1,719,660	1,757,483	1,800,687	1,720,103
Regional governments or local authorities	-	-	-	-	-
Multilateral development banks	345	389	131	163	257
International organisations	-	-	-	-	-
Institutions	356,159	425,249	598,444	586,678	491,633
Corporates	2,410,031	2,549,984	2,543,869	2,297,261	2,450,286
of which SMEs	-	79,862	84,735	87,540	63,034
Retail exposures	1,586,290	1,668,012	1,692,757	1,744,018	1,672,769
of which SMEs	435,235	478,897	488,120	520,860	480,783
Secured by mortgages on immovable property	1,390,685	1,429,494	1,483,615	1,844,196	1,536,998
of which SMEs	401,568	455,876	475,054	596,910	482,352
Exposures in default	663,077	662,528	752,773	893,175	742,888
Collective investment undertakings (· CIUs ·)	2,593	2,672	2,666	2,675	2,652
Equity exposures	17,702	17,936	18,017	19,872	18,382
Other items	1,558,160	1,579,168	1,587,588	1,416,475	1,535,348
Total amount of exposures*	9,587,622	10,055,092	10,437,343	10,605,200	10,171,316

*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 (including SMEs) 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	-	1,061,104	-	-	739,583	-	-	-	-	-
Multilateral development banks	-	163	-	-	-	-	-	-	-	-
Institutions	-	586,678	-	-	-	-	-	-	-	-
Corporates	178,515	-	540,286	207,965	-	549,434	5,688	347,294	328,156	139,923
of which SMEs	4,936	-	16,365	6,586	-	33,192	2,166	13,594	7,430	3,271
Retail exposures	48,723	29,899	87,496	7,036	-	139,708	1,208,848	67,683	130,100	24,525
of which SMEs	48,723	13,523	87,393	7,036	-	137,486	9,373	67,561	125,240	24,525
Secured by mortgages on immovable property	45,766	1,840	323,598	66,018	-	239,145	611,591	196,043	299,001	61,194
of which SMEs	30,008	1,840	103,736	29,436	-	158,732	20,828	115,789	118,394	18,147
Exposures in default	11,405	74,048	172,876	124,089	-	50,921	130,250	57,690	212,724	59,172
Collective investment undertakings (· CIUs ·)	-	2,675	-	-	-	-	-	-	-	-

Equity exposures	-	18,643	1,091	-	-	88	-	50	-	-
Other items	-	-	-	-	-	1,416,475	-	-	-	-
Total by sectors	284,409	1,775,051	1,125,347	405,108	739,583	2,395,771	1,956,376	668,760	969,981	284,814

(16) 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	1,364,158	272,458	164,072	-	-
Multilateral development banks	163	-	-	-	-
Institutions	560,152	25,732	-	794	-
Corporates	566,076	587,877	755,042	388,267	-
Retail exposures	655,209	512,971	503,428	72,410	-
Secured by mortgages on immovable property	189,558	380,275	571,280	703,084	-
Exposures in default	252,249	253,218	345,521	42,187	-
Collective investment undertakings (· CIUs ·)	-	-	-	-	2,675
Equity exposures	-	-	-	-	19,872
Other items	280,503	-	-	-	1,135,971
Total amount of exposures	3,868,066	2,032,531	2,339,343	1,206,742	1,158,518

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

Exposure classes in the Standardised Approach	Bulgaria	Allowances for credit losses Bulgaria	Foreign operations	Allowances for credit losses Foreign operations
Central government or central banks	1,654,401	-	146,286	-
Multilateral development banks	163	-	-	-
Institutions	483,170	112	103,508	-
Corporates	2,293,346	53,085	3,915	-
Retail exposures	1,620,098	10,540	123,920	2,111
Secured by mortgages on immovable property	1,795,944	-	48,252	188
Exposures in default	876,335	416,935	16,840	3,846
Collective investment undertakings (· CIUs ·)	2,675	-	-	-
Equity exposures	19,872	177	-	-
Other items	1,405,369	-	11,106	-
Total	10,151,373	480,849	453,827	6,145

Reconciliation of changes in the adjustments for credit risk of impaired exposures in 2018 is presented in the table below:

	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in allowance account due to write-offs	Other adjustments	Closing balance
Allowances for financial assets without increase in credit risk since initial recognition (Stage 1)	100,306	14,668	-435	71,365	-2,439	-12,036	213	28,912
of which: collectively measured allowances	100,306	14,668	-435	71,365	-2,439	-12,036	213	28,912
of which: individually measured allowances	-	-	-	-	-	-	-	-
Allowances for debt instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	146,538	612	-34	59,724	5,581	-2,455	295	90,813
of which: collectively measured allowances	146,538	612	-34	59,724	5,581	-2,455	295	90,813
of which: individually measured allowances	-	-	-	-	-	-	-	-
Allowances for credit-impaired debt instruments (Stage 3)	613,625	543	-403	181,575	31,870	-198,494	1,039	629,755
of which: collectively measured allowances	181,820	279	-	81,931	1,779	-115,735	417	150,491
of which: individually measured allowances	431,805	264	-403	99,644	30,091	-82,759	622	479,264
Total	860,469	15,823	-872	50,486	35,012	-212,985	1,547	749,480

COUNTERPARTY CREDIT RISK

(18) 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 31.12.2018 the exposures from counterparty credit risk amounted to BGN 1,261 thousand for institutions, BGN 83 thousand for corporates and BGN 923 for other.

TECHNIQUES FOR REDUCING CREDIT RISK

(19) 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.

(20) 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+

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

(21) 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
Institutions	4,985
Cash and cash equivalents	4,985
Corporates	52,414
Cash and cash equivalents	6,468
Other guarantee schemes	45,946
Exposures in default	4,955
Cash and cash equivalents	1,294
Other guarantee schemes	3,661
Retail exposures	186,420
Cash and cash equivalents	117,738
Other guarantee schemes	68,682
Total reduction of credit risk	248,774

(22) 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	1,800,687	-	-
Multilateral development banks	163	-	-
Institutions	586,678	-	4,985
Corporates	2,297,261	14,551	37,863
Retail exposures	1,744,018	22,880	163,540
Secured by mortgages on immovable property	1,844,196	-	-
Exposures in default	893,175	3,717	1,238
Collective investment undertakings (·CIUs·)	2,675	-	-
Equity exposures	19,872	-	-
Other items	1,416,475	-	-
Total	10,605,200	41,148	207,626

RATING AGENCIES

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

DISCLOSURE OF INFORMATION RELATING TO COUNTRY REPORTING

(24) 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
Bulgaria	370,297	2,684	149,989	8,959
Other member states	3,673	1	3,618	325
Third countries	17,359	183	7,405	1,250
	391,329	2,868	161,012	10,534

Income and expenses after intra-group eliminations are allocated based on the location of the respective affiliate that generates them.

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

NON-TRADING ACTIVITIES

(25) The total amount of unrealized gains or losses from revaluation included in the original or additional own funds concerning equity exposures not in the trading book amounted to BGN 5,449 thousand at 31.12.2018.

(26) By measuring of the interest sensitivity of the assets and liabilities of the Bank has been made the assumption for static balance sheet, assuming zero growth and preserving the structure of assets and liabilities. Obligations on the borrowings by customers are accounted according maturity of the expected cash flows, as none maturity obligations are accounted "at sight",

without modeling effective maturity. Due to fact that the main part of the receivables are with floating interest rate, it is not prepared a forecast for prepayments on loans. For the purpose of measuring of interest rate risk, prepayment risk can be considered as residual. Banking book interest rate risk is calculated on monthly basis.

	Profit/Loss		Own funds	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Effect in Million BGN				
31 December 2018				
As at 31 December	19.5	-15.4	35.2	-18.4
Average for the period	12.9	-12.6	30.0	-15.2
Maximum for the period	19.5	-15.4	35.2	-18.4
Minimum for the period	10.2	-11.2	26.8	-12.2

REFERENCES

The following information is presented in the consolidated 2018 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 2018 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 for impaired and past due exposures;
- (8) 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;

- (9) Information on First Investment Bank's loan portfolio by industry sector, by type of collateral, by business line;
- (10) 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-balance sheet netting;
- (11) Summary information on the Bank's approaches to market risk management;
- (12) Information on risk exposures for position, interest-rate and commodities risk;
- (13) 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;
- (14) Information concerning the interest-rate risk of the Bank's portfolio;
- (15) Summary information on the Bank's approaches to operational risk management;
- (16) Information on risk exposures for operational risk;
- (17) Information concerning the remuneration policy of First Investment Bank AD;

(signed)

Nedelcho Nedelchev
Chief Executive Officer

(signed)

Svetozar Popov
Executive Director

(signed)

Jivko Todorov
Chief Financial Officer