

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

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

01 July 2022

*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 2021 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 31.12.2021.

*(signed)*  
Nikola Bakalov  
Chief Executive Officer

*(signed)*  
Svetozar Popov  
Executive Director



# DISCLOSURE OF INFORMATION

pursuant to Regulation (EU) No. 575/2013

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(consolidated data)

FIRST INVESTMENT BANK AD

for 2021

June 2022

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 31.12.2021.

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## RISK MANAGEMENT POLICY AND FRAMEWORK

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

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

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

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

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

Balance-sheet positions	Accounting scope	Amount used for calculating the required own funds	Position in Annex VI
<b>Assets and liabilities</b>			
Financial assets and liabilities designated at fair value through profit or loss	1,357,517	-1,250	17
Intangible assets	15,129	-15,129	8, 41a
Loans and advances	6,700,371	113,015	
Financial liabilities assessed at amortised cost	10,438,494	263,306	
of which: instruments eligible for AT1	320,733	254,258	32
of which: instruments eligible for T2	9,622	9,048	56
<b>Own funds</b>			
Equity	149,085	149,085	1
Premium reserve	250,017	250,017	1
Revaluation reserve on available for sale investments	9,115	9,115	3, 26a, 41b
Revaluation reserve on land and buildings	4,500	4,500	3, 26b, 56b
Reserve from translation of foreign operations	2,592	2,592	3
Retained earnings	857,040	747,671	3
Statutory reserve	39,861	39,861	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	31.12.2021
Share capital			149,085
Premium reserve			250,017
Revaluation reserve on available for sale investments			9,115
Revaluation reserve on land and buildings			4,500
Statutory reserve			39,861
Reserve from translation of foreign operations			2,592
Non-controlling interest	Art. 84	100%	-
Retained earnings			857,040
<b>Own funds in the audited financial statements of the institution</b>			<b>1,312,210</b>
Unaudited annual profit			-109,369
Adjustments to CET1 due to IFRS 9 transitional arrangements			132,906
Indirect holdings of own Common Equity Tier 1 instruments	Art. 36, Para. 1 g	100%	-30
Intangible assets	Art. 36, Para. 1 b	100%	-15,129
Other deductions			-21,111
<b>Common Equity Tier 1</b>			<b>1,299,477</b>
Hybrid debt	Art. 51, 52		254,258
<b>Common Equity Tier 1</b>			<b>1,553,735</b>
Perpetual debt	Art. 484, 486	70%	9,048
<b>Own funds</b>			<b>1,562,783</b>

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

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		1
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG1100106050
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Common Equity Tier 1
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Tier 1 Capital
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	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, 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 <sup>(1)</sup>		2
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG1100106050
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Common Equity Tier 1
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Tier 1 Capital
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	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, 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 <sup>(1)</sup>		3
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	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	Tier 1 Capital
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	39,085
9	Nominal amount of instrument	39,085
9a	Issue price	1,070%
9b	Redemption price	100%
10	Accounting classification	Share capital
11	Original date of issuance	31.07.2020
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	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, 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 <sup>(1)</sup>		4
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100008114
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	15.03.2011
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;

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

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		5
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;

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		5
		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		6
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100022123
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	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;

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		6
		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		7
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100022123
3	Governing law(s) of the instrument	Bulgarian legislation
	Regulatory treatment	Additional Tier 1 Capital
4	Transitional CRR rules	Tier 1 Capital
5	Post-transitional CRR rules	Additional Tier 1 Capital
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Registered, dematerialised, interest-bearing, perpetual, unsecured, freely transferable, non-convertible bonds
8	Amount recognised in regulatory capital	39,117
9	Nominal amount of instrument	39,117
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	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;



Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		7
		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		8
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;

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		8
		<p>(2) the Bank's MB made a resolution confirming the realised final gains;</p> <p>(3) The following circumstances are present: • The write-up is made proportionally to similar instruments included in the Bank's Additional Tier 1 Capital, which were subject to write-down; • The principal amount to be written up and the amount of interest payments on the decreased principal, equals the Bank's profit, multiplied by the amount obtained when dividing the amount obtained in 1) by the amount obtained in 2) below: 1) Nominal amount before write-down of all instruments included in Additional Tier 1 Capital, which were subject to write-off; 2) The total amount of the Bank's Tier 1 Capital;</p> <p>(4) The amount of each write-up or interest payment on the decreased principal are treated as payment made on account of Common Equity Tier 1, subject to the limitations contained in current legislation transposing Art. 141(2) of Directive 2013/36/EU.</p>
35	Position in subordination hierarchy in liquidation (specify instrument immediately senior to instrument)	Subordinate to more senior lenders
36	Non-compliant features	No
37	If yes, specify non-compliant	not applicable

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		9
1	Issuer	First Investment Bank AD
2	Unique identification code (e.g., CUSIP, ISIN or Bloomberg in the case of private investing)	BG2100023196
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	58,675
9	Nominal amount of instrument	58,675
9a	Issue price	100%
9b	Redemption price	100%
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	20.12.2019
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	On the first date of interest payment after the fifth year from issue date at 100% - 20 December 2024
16	Subsequent call dates, if applicable	Every year, following 2024, on December 20
	Coupons/dividends	Perpetual
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	8.00%
19	Existence of a dividend stopper	No in terms of dividend; there is a mechanism to suspend coupon payment
20a	Fully discretionary, partially discretionary or compulsory (in terms of timing)	Fully discretionary / Mandatory - in case of exceeding the Maximum Distribution Amount (MDA), in case of exceeding the Distributable items, in case of CET1 falling below 7.00%, or at or at the discretion of the BNB
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)	The CET 1 capital ratio of the Bank falling below 7.00%
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) Upon the occurrence of a Trigger Event, the Issuer shall: - immediately notify the BNB of the occurrence of the Trigger Event

Template for disclosing information about the main features of capital instruments <sup>(1)</sup>		9
		<p>- as soon as reasonably possible notify the Bondholders of the occurrence of the Trigger Event</p> <p>- without delay, and in any case not later than 1 month from the Trigger Event, reduce the Bond principal (write down) with the corresponding Write-Down Amount, on a pro rata basis with the other loss-absorbing instruments of the same level</p> <p>(2) The Bond principal may be reduced more than once</p> <p>(3) After a write-down has been effected, the Current Principal Amount (unless previously purchased or repurchased and canceled) may be increased to no more than the Original Principal Amount, on a pro rata basis with the other loss-absorbing instruments whose principal has been reduced, provided that the Maximum Write-Up Amount is not exceeded and the applicable regulations are complied with.</p> <p>(4) Write-ups may be made on one or more occasions, until the Current Principal Amount is restored to the Original Principal Amount.</p> <p>(5) No write-up shall be made when a Trigger Event has occurred and is ongoing, or when such write-up (together with the write-ups of other loss-absorbing instruments whose principal has been reduced) would cause a Trigger Event to occur.</p> <p>(6) The interest amount in case of reduction/increase of the principal shall be calculated based on the Current Principal Amount (i.e. the principal amount reduced by any reductions and subsequently increased by any increases, but still remaining lower than the Original Principal Amount) so that distributions are based on that lower principal amount.</p> <p>(7) Interest shall be paid from the Distributable items, subject to a decision of the Management Board of the Issuer.</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	N/A

(5) Information on own funds is presented in the table below:

Template EU CC1 - Composition of regulatory own funds

Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
1	Capital instruments and the related share premium accounts	399,102	Article 26, Para. 1, Articles 27-29, EBA list, Article 26, Para. 3
	of which: instrument type No 1	399,102	EBA list, Article 26, Para. 3
2	Retained earnings	747,671	Article 26, Para. 1(c)
3	Accumulated other comprehensive income (and other reserves)	16,207	Article 26, Para. 1
3a	Funds for general banking risks	39,861	Article 26, Para. 1
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts to phase out from CET1		Article 486, Para. 2
	Capital injections in the public sector valid until 1 January 2018		Article 483, Para. 2
5	Minority interests (amount allowed in consolidated CET1)	0	Article 84
5a	Independently reviewed interim profit net of any foreseeable charge or dividends		Article 26, Para. 2
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	<b>1,202,841</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value (negative amount)		Articles 34 and 105
8	Intangible assets (net of related tax liability) (negative amount)	-15,129	Article 36(1)(b), Article 37 and Article 472, Para. 4
9	Other transitional adjustments of Common Equity Tier 1 (CET1) capital		
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)

Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
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)	-30	Article 36(1)(f), Article 42 and Article 472, Para. 8
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)		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		
20 a	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)
20 b	of which: qualifying equity participations outside of financial sector (negative value)		Article 36 para.1. k i), Art.89-91
20 c	of which: securitization positions (negative value)		Article 36 para.1.k ii). Article 243, Para 1 b), Article 244, Para 1 b,b) and Art.258
20 d	of which: free deliveries (negative value)		Article 36 para.1.k iii) and Article 379, Para.3
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
25 a	Losses for the current accounting year (negative amount)	-21,111	Article 36(1)(a), Article 472, Para. 3

Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
25 b	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	132,906	Art. 473, a
26 a	Normative adjustments relating to unrealised gains and losses according to Articles 467 and 468	0	
	Of which: ... filter for unrealised losses 1	0	Article 467
	Of which: ... filter for unrealised gains 1	0	Article 468
26 b	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	0	Article 481
	Of which: unrealised gains from the fair value measurement of land and buildings	0	Article 481
27	Qualifying AT 1 capital of the institution (negative amount)		Article 36(1), (j)
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>96,636</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>1,299,477</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	254,258	Articles 51-52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	254,258	
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
34	Qualifying Tier 1 capital included in consolidated AT 1 capital (including minority interests not included on row 5) issued by subsidiaries and held by third parties		Articles 85, 86 и 480
35	of which: instruments issued by subsidiaries subject to phase out		Article 486, Para. 3
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>254,258</b>	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		Article 52, Para. 1(b), Article 56(a), Articles 57 and 475, Para. 2
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (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



Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
40	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 (net of eligible short positions) (negative amount)		Article 56(d), Articles 59 and 79
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		Article 56(d)
43	<b>Aggregate normative adjustments to Additional Tier 1 capital</b>	<b>0</b>	
44	<b>Additional Tier 1 capital</b>	<b>254,258</b>	
45	<b>Tier 1 capital = Common Equity Tier 1 + Additional Tier 1 capital</b>	<b>1,553,735</b>	
Tier 2 capital (T2): instruments and provisions			
46	Capital instruments and share premium	9,048	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
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
49	of which: instruments issued by subsidiaries subject to gradual removal		Article 486, Para. 4
50	Credit risk adjustments		Article 62(c) and (d)
51	<b>Tier 2 capital items before normative adjustments</b>	<b>9,048</b>	
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
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
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	empty set in the EU		
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>0</b>	
58	<b>Tier 2 (T2) capital</b>	<b>9,048</b>	
59	<b>Total capital = (TC = T1 + T2)</b>	<b>1,562,783</b>	
60	<b>Total risk weighted assets</b>	<b>7,498 839</b>	
Capital ratios and reserves			

Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
61	Common Equity Tier 1 (as a percentage of the risk exposure amount)	17.33%	Article 92, Para. 2(a), Article 465
62	Tier 1 (as a percentage of total risk exposure amount)	20.72%	Article 92, Para. 2(b), Article 465
63	Total capital (as a percentage of total risk exposure amount)	20.84%	Article 92, Para. 2(c)
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)	6.98%	CRD, Article 128-130
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.48%	
67	of which: systematic risk buffer requirement	3.00%	
67 a	of which: Global Systemically Important institution (G-SII) or other Systemically Important institution (O-SII)	1.00%	CRD, Article 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of the risk exposure amount)	12.83%	CRD, Article 128
<b>Capital ratios and reserves</b>			
72	Direct and indirect holdings of financial sector entities where the institution does not have a significant		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	13,063	Article 36 Para. 1, (i), Articles 45, 48, 470 and Article 472, Para. 11
74	empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38, Para (3))		Article 36(1)(c), Articles 38, 48, 470 and Article 472, Para. 5
<b>Usable limits for including items into own funds tier 2</b>			
76	Credit Risk Adjustments included in T2 in respect of exposures subject to standardized approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach in accordance with Article 62 of Regulation (EU) No 575/2013.		Article 62
<b>Capital instruments to which apply provisions on gradual removal (usable only in the period from 1 January 2014 to 1 January 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements		Article 484, Para. 3, Article 486, Paras. 2 and 5

Common Equity Tier 1: instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) 575/2013 ARTICLE REFERENCE
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 224,965 thousand (3% of the total amount of risk exposures), the capital conservation buffer amounting to BGN 187,471 thousand (2,5% of the total amount of risk exposures), countercyclical capital buffer amounting to BGN 35,245 thousand (0,47% of the total amount of risk exposures) and the capital buffer for other systemically important institution amounting to BGN 74,988 thousand (1% of the total amount of risk exposures).

## UNENCUMBERED ASSETS

(7) Disclosure of unencumbered assets in accordance with the requirements of Article 443 of Regulation (EU) No 575/ 2013 and Regulation (EU) No 637/ 2021

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which:		of which:		of which:		of which:
			notionally eligible EHQLA and HQLA		notionally eligible EHQLA and HQLA		EHQLA and HQLA		EHQLA and HQLA
10	30	40	50	60	80	90	100		
010	Assets of the disclosing institution	346,714	246,736			11,540,536	1,326,417		

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		10	of which:	40	of which:	60	of which:	90	of which:
			notionally eligible EHQLA and HQLA		notionally eligible EHQLA and HQLA		EHQLA and HQLA		EHQLA and HQLA
		30		50		80		100	
030	Equity instruments					28,905	0	28,905	0
040	Debt securities	246,736	246,736	246,736	246,736	1,394,808	1,326,417	1,411,278	1,411,277
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments	246,736	246,736	246,736	246,736	953,191	953,191	967,664	967,664
080	of which: issued by financial corporations	0	0			360,543	360,543	430,939	430,939
090	of which: issued by non-financial corporations	0	0			12,683	12,683	12,674	12,674
120	Other assets					1,775,381	0		

#### Template EU AE3 - Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		10	30
010	Carrying amount of selected financial liabilities	346,714	346,714

## LIQUIDITY RISK

(8) Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises in the general funding of the Bank's activities and in the management of positions.

It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

Funds are raised using a broad range of instruments including deposits, other liabilities evidenced by paper, subordinated debt instruments and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank makes its best efforts to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturity. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy. The body managing liquidity is the Assets, Liability and Liquidity Management Council.

Among the set of liquidity indicators that the Bank currently monitors and reports are the liquidity coverage ratio and the net stable funding ratio.

## Template EU LIQ1 - Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	31/12/2021	30/09/2021	30/06/2021	31/03/2021	31/12/2021	30/09/2021	30/06/2021	31/03/2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
Total high-quality liquid assets (HQLA)						2 661 975	2 559 366	2 537 456	2 469 171
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	8 462 071	8 239 558	8 099 445	7 958 158	729 973	714 761	707 382	704 418
3	<i>Stable deposits</i>	8 223 502	8 014 927	7 873 694	7 749 996	673 608	664 247	656 449	651 094
4	<i>Less stable deposits</i>	238 569	224 632	225 751	208 162	56 365	50 514	50 933	53 325
5	Unsecured wholesale funding	1 301 135	1 425 248	1 383 103	1 464 316	640 794	654 279	599 408	614 624
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	0	0	0	0	0	0	0	0
7	<i>Non-operational deposits (all counterparties)</i>	1 301 135	1 425 248	1 383 103	1 464 316	640 794	654 279	599 408	614 624
8	<i>Unsecured debt</i>	0	0	0	0	0	0	0	0
9	<i>Secured wholesale funding</i>					0	0	0	0
10	Additional requirements	648 495	634 155	625 191	590 039	48 298	47 039	45 495	41 795
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	0	0	0	0	0	0	0	0
12	<i>Outflows related to loss of funding on debt products</i>	0	0	0	0	0	0	0	0
13	<i>Credit and liquidity facilities</i>	648 495	634 155	625 191	590 039	48 298	47 039	45 495	41 795
14	Other contractual funding obligations	0	0	0	0	0	0	0	0
15	Other contingent funding obligations	176 602	180 629	192 415	200 371	8 830	9 032	9 621	10 019
16	TOTAL CASH OUTFLOWS					1 427 896	1 425 110	1 361 905	1 370 856
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	12 366	7 114	9 980	6 653	12 366	7 114	9 980	6 653
18	Inflows from fully performing exposures	331 326	438 617	393 608	412 053	309 065	400 587	375 127	390 700
19	Other cash inflows	0	0	0	0	0	0	0	0
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	343 692	445 731	403 588	418 706	321 431	407 701	385 107	397 353
EU-20a	<i>Fully exempt inflows</i>	0	0	0	0	0	0	0	0
EU-20b	<i>Inflows subject to 90% cap</i>	0	0	0	0	0	0	0	0
EU-20c	<i>Inflows subject to 75% cap</i>	343 692	445 731	403 588	418 706	321 431	407 701	385 107	397 353
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	LIQUIDITY BUFFER					2 661 975	2 559 366	2 537 456	2 469 171
22	TOTAL NET CASH OUTFLOWS					1 106 465	1 017 409	976 799	973 502
23	LIQUIDITY COVERAGE RATIO					240.58%	251.56%	259.77%	253.64%

## Template EU LIQ2: Net Stable Funding Ratio

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	≥ 6 months to < 1 yr	≥ 1 yr	
<b>Available stable funding (ASF) items</b>						
1	Capital items and instruments	0	0	0	1 573 534	1 573 534
2	Own funds				1 573 534	1 573 534
3	Other capital instruments					
4	Retail deposits		6 501 526	1 311 735	628 185	7 803 134
5	Stable deposits		2 712 474	147 793	3 744	2 720 998
6	Less stable deposits		3 789 053	1 163 943	624 441	5 082 137
7	Wholesale funding:		1 377 340	89 120	38 660	726 877
8	Operational deposits		137 551	11 398	1 713	76 187
9	Other wholesale funding		1 239 790	77 722	36 947	650 690
10	Interdependent liabilities					0
11	<b>Other liabilities:</b>	0	304 037	0	1 767	1 767
12	NSFR derivative liabilities	0				
13	All other liabilities and capital instruments not included in the above categories		304 037	0	1 767	1 767
14	<b>Total available stable funding (ASF)</b>					<b>10 105 313</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					<b>380 931</b>
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		1 441 584	648 760	4 285 697	4 302 938
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut					
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		317 677	6 986	100 697	135 958
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		847 984	641 186	4 155 253	4 046 148
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on- balance sheet products		275 923	588	29 746	120 831
25	Interdependent assets		0	0	0	0
26	Other assets:		155 516	74 617	2 265 350	2 494 715
27	Physical traded commodities				5 119	4 351
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29	NSFR derivative assets		2 099			2 099
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories		153 417	74 617	2 260 231	2 488 265
32	Off-balance sheet items		218 392	310 424	275 122	51 834
33	<b>Total RSF</b>					<b>7 230 417</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>139.76%</b>

## LEVERAGE

- (9) 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.
- (10) 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 2021 with the independent auditor's report thereon, is presented in the tables below:

### Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	11,887,250
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	0
8	Adjustment for derivative financial instruments	6,111
9	Adjustment for securities financing transactions (SFTs)	0
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	151,000
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	145,094
13	<b>Total exposure measure</b>	<b>12,189,455</b>



**Template EU LR2 - LRCOM: Leverage ratio common disclosure**

		CRR leverage ratio exposures	
		a	b
		T	T-1
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	11,899,438	11,320,261
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	132,906	179,270
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>12,032,344</b>	<b>11,499,531</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)		
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions		
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method	6,111	5,624
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	<b>Total derivatives exposures</b>	<b>6,111</b>	<b>5,624</b>

<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
<b>18</b>	<b>Total securities financing transaction exposures</b>	<b>0</b>	<b>0</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	846,336	794,833
20	(Adjustments for conversion to credit equivalent amounts)	-695,336	-640,595
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)		
<b>22</b>	<b>Off-balance sheet exposures</b>	<b>151,000</b>	<b>154,238</b>
<b>Excluded exposures</b>			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
<b>EU-22k</b>	<b>(Total exempted exposures)</b>	<b>0</b>	<b>0</b>
<b>Capital and total exposure measure</b>			
<b>20</b>	<b>Tier 1 capital</b>	<b>1,553,735</b>	<b>1,568,097</b>
<b>24</b>	<b>Total exposure measure</b>	<b>12,189,455</b>	<b>11,659,393</b>

<b>Leverage ratio</b>			
25	Leverage ratio (%)	12.75%	13.45%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	12.75%	13.45%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	12.75%	13.45%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	12.75%	
EU-26b	of which: to be made up of CET1 capital	0.00%	
27	Leverage ratio buffer requirement (%)	0.00%	
EU-27a	Overall leverage ratio requirement (%)	15.75%	
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
<b>Disclosure of mean values</b>			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12,189,455	11 659 393
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12,189,455	11 659 393
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.75%	13.45%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.75%	13.45%

**Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

		<b>CRR leverage ratio exposures</b>
EU-1	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>11,899,438</b>
EU-2	Trading book exposures	4,510
EU-3	Banking book exposures, of which:	0
EU-4	Covered bonds	0
EU-5	Exposures treated as sovereigns	2,701,510
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	427
EU-7	Institutions	415,109
EU-8	Secured by mortgages of immovable properties	1,840,139
EU-9	Retail exposures	1,652,426
EU-10	Corporates	2,533,457
EU-11	Exposures in default	942,997
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,808,863

## OWN FUNDS REQUIREMENTS

(11) Disclosure under Article 473a of Regulation (EU) No 575/2013

Quantitative template						
		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	1,299,477	1,313,839	1,025,869	912,088	
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,166,571	1,134,569	814,127	649,178	
3	Tier 1 capital	1,553,735	1,568,097	1,280,127	1,107,671	
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,420,829	1,388,827	1,068,385	844,761	
5	Total capital	1,562,783	1,577,681	1,284,039	1,107,671	
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,429,877	1,398,411	1,072,297	844,761	
<b>Risk-weighted assets (amounts)</b>						
7	7 Total risk-weighted assets	7,498,839	7,413,986	7,003,184	6,858,936	
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,365,933	7,234,716	6,847,330	6,591,235	
<b>Capital ratios</b>						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	17.33%	17.72%	14.65%	13.02%	
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.84%	15.68%	11.89%	9.85%	
11	1 Tier 1 (as a percentage of risk exposure amount)	20.72%	21.15%	18.28%	15.82%	
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.29%	19.20%	15.60%	12.82%	
13	Total capital (as a percentage of risk exposure amount)	20.84%	21.28%	18.34%	15.82%	
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.41%	19.33%	15.66%	12.82%	
<b>Leverage ratio</b>						
15	Leverage ratio total exposure measure	12,189,455	11,659,393	10,809,660	9,995,104	
16	Leverage ratio	12.75%	13.45%	11.84%	11.08%	
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.78%	12.10%	10.08%	8.68%	

(12) 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	240,405	19,232	32,455
Regional governments or local authorities	-	-	-
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	172,659	13,813	23,309
Corporates	2,181,465	174,517	294,498
Retail exposures	1,072,745	85,820	144,821
Secured by mortgages on immovable property	695,993	55,679	93,959
Exposures in default	1,006,304	80,504	135,851
Exposures associated with particularly high risk	-	-	-
Covered bonds	-	-	-
exposures to institutions	-	-	-
Collective investment undertakings (· CIUs ·)	2,705	216	365
Equity exposures	58,778	4,702	7,935
Other items	1,510,647	120,852	203,937
<b>Total</b>	<b>6,941,701</b>	<b>555,335</b>	<b>937,130</b>

(13) 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 2021	Total exposure amount
Position risk	-	-
Commodities risk	377	4,713
Standardised Approach for foreign-exchange risk	-	-

(14) 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	2018	2019	2020	Own funds requirements 2021	Total exposure amount
Banking operations for which the basic indicator approach is applied	341,830	341,573	325,881	44,194	552,425

(15) 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.

The risks, evaluated with the help of internal models within ICAAP, are calculated with confidence level corresponding to the risk appetite.

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 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
	Interest rate risk in banking book		Evaluation of the effect on the income statement and on capital under scenario with parallel and non-parallel shift in market interest rates.	Yes
	Concentration risk		CVaR model for concentration risk at the client group level; Herfindahl-Hirschman Index for concentration risk at the economic sector level.	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
Non-compliance risk	Internal rules, risk indicators	Yes
Risk of excessive leverage	Equal to the capital required to sustain the leverage coefficient above the threshold	Yes
FX risk to unhedged borrowers	Exposition of FX risk to unhedged borrowers is immaterial. Capital requirement is not evaluated.	No

## CREDIT RISK

(16) Information on the Bank's exposures divided by exposure classes at the end of each quarter of 2021, as well as the annual average, is presented in the tables below:

Exposure classes in the Standardised Approach	31.03.2021	30.06.2021	30.09.2021	31.12.2021	Average for 2021
Central government or central banks	2,711,548	2,458,463	2,585,224	2,701,510	2,614,186
Regional governments or local authorities	-	-	-	-	-
Multilateral development banks	72	40	61	83	64
International organisations	-	344	344	344	258
Institutions	493,072	508,975	475,321	415,109	473,119
Corporates	2,541,215	2,625,871	2,774,617	2,871,274	2,703,244
of which SMEs	121,250	91,107	104,447	81,922	99,682
Retail exposures	1,968,114	2,032,470	2,100,038	2,131,779	2,058,100
of which SMEs	571,280	509,110	487,770	497,751	516,478
Secured by mortgages on immovable property	1,798,549	1,805,638	1,830,156	1,869,306	1,825,912
of which SMEs	493,286	416,423	394,407	365,849	417,491
Exposures in default	1,074,881	1,014,296	996,623	942,997	1,007,199
Collective investment undertakings (·CIUs·)	2,698	2,697	2,698	2,705	2,700
Equity exposures	37,556	37,427	38,945	39,183	38,278
Other items	1,634,034	1,653,605	1,705,152	1,771,485	1,691,069
<b>Total amount of exposures*</b>	<b>12,261,739</b>	<b>12,139,826</b>	<b>12,509,179</b>	<b>12,745,775</b>	<b>12,414,129</b>

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



(17) 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	-	1,501,623	-	-	1,199,887	-	-	-	-	-
Multilateral development banks	-	83	-	-	-	-	-	-	-	-
International organisations	-	344	-	-	-	-	-	-	-	-
Institutions	-	415,109	-	-	-	-	-	-	-	-
Corporates	324,056	103,191	860,621	178,753	-	747,560	62	151,393	344,051	161,587
of which SMEs	17,648	-	10,607	9,309	-	24,875	-	4,902	13,106	1,475
Retail exposures	73,666	23,243	94,954	13,335	-	158,538	1,489,208	76,965	171,269	30,601
of which SMEs	61,037	10,566	82,080	11,731	-	98,181	-	63,090	144,906	26,160
Secured by mortgages on immovable property	52,508	2,947	143,456	53,608	-	220,691	972,324	228,283	164,360	31,129
of which SMEs	20,920	2,208	48,982	13,265	-	99,347	-	88,241	80,044	12,842
Exposures in default	13,157	65,012	232,199	135,423	-	76,559	101,056	177,558	120,064	21,969
Collective investment undertakings (· CIUs ·)	-	2,705	-	-	-	-	-	-	-	-
Equity exposures	-	30,960	396	-	-	82	-	7,745	-	-
Other items	-	-	-	-	-	1,771,485	-	-	-	-
<b>Total by sectors</b>	<b>463,388</b>	<b>2,145,217</b>	<b>1,331,626</b>	<b>381,119</b>	<b>1,199,887</b>	<b>2,974,915</b>	<b>2,562,650</b>	<b>641,944</b>	<b>799,743</b>	<b>245,286</b>

(18) 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	1,840,293	497,712	302,819	60,687	-
Multilateral development banks	83	-	-	-	-
International organisations	344	-	-	-	-
Institutions	414,721	388	-	-	-
Corporates	961,257	592,596	718,293	599,128	-
Retail exposures	615,124	619,307	770,836	126,512	-
Secured by mortgages on immovable property	162,263	287,466	501,566	918,011	-
Exposures in default	289,962	340,857	257,907	54,270	-
Collective investment undertakings (· CIUs ·)	-	-	-	-	2,705
Equity exposures	-	-	-	-	39,183
Other items	363,679	-	-	-	1,407,806
<b>Total amount of exposures</b>	<b>4,647,726</b>	<b>2,338,325</b>	<b>2,551,421</b>	<b>1,758,608</b>	<b>1,449,694</b>

(19) 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	2,469,808	-	231,702	-
Multilateral development banks	83	-	-	-
International organisations	344	-	-	-
Institutions	346,533	-	68,577	-
Corporates	2,871,274	64,437	-	-
Retail exposures	1,913,507	11,589	218,272	5,756
Secured by mortgages on immovable property	1,755,474	-	113,832	1,241
Exposures in default	924,636	389,276	18,361	8,312
Collective investment undertakings (CIUs)	2,705	-	-	-
Equity exposures	39,183	178	-	-
Other items	1,743,711	-	27,774	-
<b>Total</b>	<b>12,067,258</b>	<b>465,480</b>	<b>678,518</b>	<b>15,309</b>

Reconciliation of changes in the adjustments for credit risk of impaired exposures in 2021 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
<b>Allowances for financial assets without increase in credit risk since initial recognition (Stage 1)</b>	<b>14,733</b>	<b>3,172</b>	<b>-396</b>	<b>3,636</b>	<b>-457</b>	<b>-5886</b>	<b>-220</b>	<b>15,936</b>
of which: collectively measured allowances	14,733	3,172	-396	3,636	-457	-5886	-220	15,936
of which: individually measured allowances	-	-	-	-	-	-	-	-
<b>Allowances for debt instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)</b>	<b>62,032</b>	<b>1,470</b>	<b>-790</b>	<b>-1,234</b>	<b>1,654</b>	<b>-15</b>	<b>-1,520</b>	<b>64,637</b>
of which: collectively measured allowances	62,032	1,470	-790	-1,234	1,654	-15	-1,520	64,637
of which: individually measured allowances	-	-	-	-	-	-	-	-

<b>Allowances for credit-impaired debt instruments (Stage 3)</b>	<b>444,566</b>	<b>1131</b>	<b>-521</b>	<b>101,068</b>	<b>15,199</b>	<b>-165,611</b>	<b>-264</b>	<b>396,096</b>
of which: collectively measured allowances	108,410	578	-	17,993	3,392	-55,263	-71	75,181
of which: individually measured allowances	336,156	553	-521	83,075	11,807	-110,348	-193	320,915
<b>Allowances for purchased of created financial assets with credit-impaired</b>	<b>2,467</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,586</b>
of which: collectively measured allowances	2,467	-	-	119	-	-	-	2,586
of which: individually measured allowances	-	-	-	-	-	-	-	-
<b>Total</b>	<b>523,798</b>	<b>5,773</b>	<b>-1,707</b>	<b>103,589</b>	<b>17,310</b>	<b>-171,512</b>	<b>-2,004</b>	<b>479,255</b>

## COUNTERPARTY CREDIT RISK

(20) First Investment Bank AD applies the principles of Regulation 575 in calculating the own funds requirements for counterparty credit risk using the standardised approach. At 31.12.2021 the exposures from counterparty credit risk amounted to BGN 44 thousand for institutions, BGN 3,821 thousand for corporates and BGN 2,246 for other.

## 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	BB+
Fund manager of financial instruments in Bulgaria	B, BBB
Municipal Guarantee Fund for SME Support	A+

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

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

Exposure classes/ Eligible financial collateral and guarantees	Credit risk reduction
<b>Institutions</b>	-
Cash and cash equivalents	-
<b>Corporates</b>	<b>214,781</b>
Cash and cash equivalents	126,498
Other guarantee schemes	88,283
<b>Exposures in default</b>	<b>6,769</b>
Cash and cash equivalents	244
Other guarantee schemes	6,525
<b>Retail exposures</b>	<b>151,752</b>
Cash and cash equivalents	55,700
Other guarantee schemes	96,052
<b>Total reduction of credit risk</b>	<b>373,302</b>

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

Exposure classes in the Standardised Approach	Amount of exposure	Guarantees	Financial collateral
Central government or central banks	2,701,510	-	-
Multilateral development banks	83	-	-
International organisations	344	-	-
Institutions	415,109	-	-
Corporates	2,871,274	108,103	106,678
Retail exposures	2,131,779	92,383	59,369
Secured by mortgages on immovable property	1,869,306	-	-
Exposures in default	942,997	6,525	244
Collective investment undertakings (·CIUs·)	2,705	-	-
Equity exposures	39,183	-	-
Other items	1,771,485	-	-
<b>Total</b>	<b>12,745,775</b>	<b>207,011</b>	<b>166,291</b>

## RATING AGENCIES

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

## DISCLOSURE OF INFORMATION RELATING TO COUNTRY REPORTING

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

Country	Turnover	Full-time employees	Financial result before tax	Tax on the financial result
Bulgaria	398,743	2,453	108,067	11,027
Other member states	11,092	13	3,509	466
Third countries	26,290	367	11,539	1,704
	<b>436,125</b>	<b>2,833</b>	<b>123,115</b>	<b>13,197</b>

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

(27) 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 0 thousand at 31.12.2021.

(28) 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 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.

	Net interest income		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Effect in Million BGN				
31 December 2021				
As at 31 December	-1,573	572	12,276	35,424
Average for the period	-1,519	921	3,343	43,614
Maximum for the period	140	1630	12,276	59,165
Minimum for the period	-2,672	-99	-3,146	28,159

## REFERENCES

The following information is presented in the consolidated 2021 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 2021 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)

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Nikola Bakalov

*Chief Executive Officer*

(signed)

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Chavdar Zlatev

*Executive Director*