



ANNUAL DISCLOSURE

YEAR 2014

ON CONSOLIDATED BASIS

**FOLLOWING THE REQUIREMENTS OF REGULATION (EU) No 575/2013
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
/PART EIGHT – DISCLOSURE BY INSTITUTIONS/**

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Reporting Entity

UniCredit Bulbank AD (the Bank) is an universal Bulgarian Bank established upon triple legal merger of Bulbank AD, HVB Bank Biochim AD and Hebros Bank AD. The merger was legally completed on April 27th, 2007 with retroactive effect commencing January 1st, 2007.

UniCredit Bulbank AD possessed a full-scope banking licence for performing commercial banking activities. It is domiciled in the Republic of Bulgaria, with registered address Sofia, 7 “Sveta Nedelya” sq.

UniCredit Bulbank AD has received BB+ rating, rated by one of the most respectable agency in the world Standard & Poor’s.

As of 31 December 2014 the Bank considers that there are no current or foreseen material, practical or legal impediment to the prompt transfer of funds or repayment of liabilities among UniCredit Bank Austria AG and UniCredit Bulbank AD.

Functional and presentation currency

This document is presented in Bulgarian Lev (BGN) rounded to the nearest thousand. Bulgarian Lev is the functional and reporting currency of UniCredit Bulbank AD.

1. Method of consolidation

This disclosure is prepared on consolidated basis and includes all UniCredit Bulbank’s participations in financial institutions and companies providing auxiliary services where the Bank exercises control or significant influence. All participations, not listed below, are not subject of consolidation in the context of the current disclosure.

The applied consolidation methods for the purposes of the current disclosure (supervisory purposes) and these applied in the public statements of the Bank, prepared in accordance with the International Financial Reporting Standards are as follows:

	Participation in equity December 31, 2014	Consolidation method for supervisory purposes	Consolidation method for public purposes
UniCredit Factoring EAD	100%	Full consolidation	Full consolidation
Hypovereins Immobilien EOOD	100%	Full consolidation	Full consolidation
UniCredit Consumer Financing AD	100%	Full consolidation	Full consolidation
UniCredit Leasing EAD	100%	Full consolidation	Full consolidation
HVB Leasing EOOD	100%	Full consolidation	Full consolidation
Bulbank Leasing EAD	100%	Full consolidation	Full consolidation
UniCredit Auto Leasing EOOD	100%	Full consolidation	Full consolidation
UniCredit Insurance Broker EOOD	100%	Not Consolidated	Full consolidation
HVB Auto Leasing EOOD	100%	Full consolidation	Full consolidation
BA Creditanstalt Bulus EOOD	100%	Full consolidation	Full consolidation
Cash Service Company AD	20%	Equity method	Equity method

2. Policy and procedures for risk management

UniCredit Bulbank AD is exposed to the following risks from its use of financial instruments:

- Market Risks
- Liquidity Risks
- Credit Risks
- Operational and Reputational Risks

Different types of risks are managed by specialized departments and bodies within the Bank's structure. The applicable policies entirely correspond to the requirements of Risk Management Group Standards as well as all respective requirements set by Bulgarian banking legislation.

a) Market and Liquidity Risk

Market risk management in UniCredit Bulbank AD and consolidated subsidiaries encompasses all activities in connection with Markets and Investment Banking operations and management of the balance sheet structure.

The collective Bank's body with delegated by MB decision authority for market, liquidity and integrated risks management is ALCO (Assets and Liabilities Committee).

Risk monitoring and measurement in the area of market and liquidity risks, along with trading activities control is performed by Market Risk unit. Prudent market risk management policies and limits are explicitly defined in Market Risk Rule Book and Financial Markets Rule Book, reviewed at least annually. A product introduction process is established, in which risk managers play a decisive role in approving a new product.

UniCredit Bulbank AD applies uniform Group risk management procedures. Risk positions are aggregated at least daily, analyzed by the independent Market risk management unit and compared with the risk limits set by the Management Board and ALCO.

For internal risk management and Group compliant risk measurement, the Bank applies UniCredit Group's internal model IMOD. It is based on historical simulation with a 500-day market data time window for scenario generation and covers all major risk categories: interest rate risk and equity risk (both general and specific), currency risk and commodity position risk. Internal model also includes quantification of Stressed VaR and Incremental Risk Charge values (Basel 2.5). The simulation results, supplemented with distribution metrics and limit utilization are reported on a daily basis to the Management and the responsible business units.

Reliability and accuracy of the internal model is monitored via daily back-testing, comparing the simulated results with actually observed fluctuations in market parameters and in the total value of books. Back-testing results for 2014 confirm the reliability of used internal model.

A set of granular sensitivity-oriented limits accross asset classes is defined as complementary to VaR measure. The most important detailed presentations include: basis point shift value (interest rate /spread changes of 0.01 % by maturity bucket), credit spread basis point value (credit spread changes of 0.01% by maturity bucket) and FX sensitivities. In the interest rate sector, the Basis-Point-Value (BPV) limit restricts the maximum open position by currency and time buckets, with valuation changes based on shift by 0.01% (1 basis point). Additional element is the loss-warning level limit, providing early indication of any accumulation of position losses.

Internal model results are complemented by various stress scenarios to identify potential effects of stressful market conditions on the Bank's earnings. The assumptions under such stress scenarios include extreme movements in prices or rates and deterioration in market liquidity. Stress results for major asset classes and portfolios (credit, rates and FX) and estimated impact on liquidity position are reported at least monthly to ALCO.

In 2014 the Bank's Management continued prudent risk management practice with primary focus on client-driven business.

Status of Basel 2.5 /Basel 3 implementation

Market risks in the trading book

For risk management purpose UniCredit Bulbank AD uses the group internal model, incl. stressed VaR and Incremental Risk Charge (IRC) introduced in 2012.

Counterparty risk

For risk management purpose UniCredit Bulbank AD uses the group internal model for counterparty credit risk. CVA market risk charge was introduced in 2013.

Liquidity

Basel 3 sets liquidity standards under stressed conditions in the short-term maturity range (liquidity coverage ratio LCR = 100 %) and in the structural sector (net stable funding ratio NSFR = 1). Although compliance with these rules will not be mandatory before 2015 and 2018, respectively, UniCredit Bulbank AD made the necessary extensions to the liquidity monitoring system in last two years and integrated the new regulatory standards in ALCO oversight process.

b) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, personnel and systems or from external events, including legal risk. Examples of operational risk events are: internal or external fraud, violation of employment practices and workplace safety, clients claims, products development and implementation without a proper operational risk identification, fines and penalties due to regulation breaches, damage to Company's physical assets, business disruption and system failures, inadequate or failed process management.

Legal and compliance risk is a sub-category of operational risk: it is the risk to earnings from violations or non compliance with laws, rules, regulations, agreements, prescribed practices or ethical standards.

UniCredit Bulbank AD Management Board is responsible for operational risk oversight, also with the support of Audit Committee and UniCredit Bulbank AD Operational and Reputational Risk Committee.

UniCredit Bulbank AD defines the operational risk management framework as a combined set of policies and procedures for controlling, measuring and mitigating the operational risk exposure of the bank.

An integral part of the framework is a set of Global Policies and Global Operation Instructions of UniCredit Group, Operational Risk Control Rulebook, as well as the Internal regulation "Data collection procedure for the purpose of operational risk assessment in UniCredit Bulbank AD".

The Operational and Reputational Risk Unit is an independent function in the Bank's structure.

Information for operational risk events, key risk indicators and scenarios is gathered and maintained within a joined centralized database of UniCredit Group.

The Bank applies the Advanced Measurement Approach (AMA) for calculation of capital requirements of operational risk. A new version of AMA is in place since the second quarter of 2014. UniCredit Bulbank AD is the first bank in Bulgaria certified to use this approach, after authorisation received by Bank of Italy (as UniCredit Group's Supervisory Authority) and BNB.

The internal AMA model developed by UniCredit Group is based on internal loss data, external loss data (consortium and public data), scenario data and risk indicators. The Group AMA capital at risk is distributed through an improved risk-sensitive allocation mechanism to those legal entities that are authorized for AMA use.

In UniCredit Bulbank AD operational risk reduction is accomplished with the use of insurance policies, as well as other risk transfer methods, among which outsourcing activities. The criteria for risk reduction through insurance are formalized in the Insurance Strategy of the Bank, which defines the policy of securing the bank risk profile with adequate and optimal insurance coverage, including the main inherent risk categories to the performed activities along with the overall risk exposure. As far as outsourcing as an operational risk transfer technique is concerned, examples of outsourced services in the Bank are security services (branch security and ATM full servicing), cash counting services, IT and other services maintenance.

Apart from the above mentioned, the participants in the Operational and Reputational Risk Committee¹ on a quarterly basis identify and propose risk mitigation solutions in their respective areas of responsibility in the Bank.

c) Credit Risk

Credit risk is defined as potential losses arising from unfulfilment of any contractual obligation with regard to financial instruments receivables.

The Bank effectively manages the credit risk inherent to its trading and banking book.

The policy of the Bank related to the credit deals is determined by the principles of conformity with the law, safety, stability, profitability and liquidity.

Main Authority Bodies in the credit process are (top - down):

- The Supervisory Board
- The Management Board
- The Credit Committee
- The Credit Council
- The Chief Risk Officer
- The Head of "Credit Risk" Department

¹ Operational and Reputational Risk Committee monitors also the exposure to reputational risk, as well as identifies and proposes risk mitigation solutions.

- The Senior Managers of “Corporate Credit Underwriting” Unit, “Small Business Credit Underwriting” Unit, “Individuals Credit Underwriting” Unit within the structure of “Credit Risk” Department
- Senior Risk Managers

The Supervisory Board is a collective body, which approves the credit policy and the Rules for lending. The Supervisory Board carries out its activity according to the strategic guidelines determined by the General Meeting of the Shareholders.

The Management Board is a collective body, which defines the guidelines in the credit policy and directions for assuming of a credit risk. The Management Board has the highest operative authority power in the credit process. The Management Board, on proposal of the Chief Risk Officer, approves/terminates the limits of the individual authority bodies.

The Credit Committee is a collective body that applies the credit policy of the Bank - it manages and controls the entire credit activity in UniCredit Bulbank AD. The Credit Committee carries out its activity according to the internal lending rules and a Statute, approved as per decision of the Management Board of the Bank.

The Credit Council is a collective body with less authority power than the Credit Committee. The Credit Council carries out its activity according to the present rules and a Statute, approved as per decision of the Management Board of the Bank.

The Chief Risk Officer organizes the operative management of the credit process, exercising control for the exact execution of the decisions of the collective authority bodies – Supervisory Board, Management Board, Credit Committee and the Credit Council.

The Head of “Credit Risk” Department delivers his decision on credit deals, which exceed the authorization of the Head of the “Underwriting Units” if they are within his authorization according to the internal lending rules. When the deal exceeds his authorities the Head of “Credit Risk” Department present the application with his opinion for consideration to the Credit Council.

The members of the Management Board, Credit Committee and Credit Council, the executives with managing functions, persons, authorized to represent the Bank under credit deals, including employees involved in the credit process, do not participate in the negotiations, in the preparation of reports, in the discussions and do not have voting decisions under credit deals, under which they or members of their families:

- are parties under the contract with the Bank;
 - have substantial commercial, financial or other type of business interest in terms of the deal/ person, who is a party under the contract with the Bank.
- They are obliged to declare in advance the presence of business interests.

The authorities under credit deals are exercised at full differentiation between the credit and commercial function and independently of the approved for the relevant structural unit budget.

Right to take decisions under credit deals have the authorities /bodies/ of the Bank within their relevant applicable limits in accordance with the internal rules. The level of every body is a function of the determined for it level of risk and competences for risk assessment in accordance to its place in the hierarchy of the organizational structure of the Bank.

The Provisioning and Restructuring Committee is a standing specialized internal body responsible for the monitoring, evaluation, classification, and provisioning of risk exposures.

The Credit Monitoring Commission is a collective specialized internal body established for taking decisions, corresponding to the process of monitoring of loans to business, corporate and key clients.

Credit risk monitoring and management is also focused in fulfillment of statutory lending limits set in Law on Credit Institutions. Exposures to one client exceeding 10% of the capital base are treated as big exposures and has to be approved by the Management Board. Maximum amount of an exposure to one client or group of related clients must not exceed 25% of the capital base of the Bank.

Since the beginning of 2011, the Bank applies Foundation Internal Rating Based Approach (F-IRB) for calculation of capital requirements of credit risk for credit institutions' and corporate clients' exposure. UniCredit Bulbank AD is the first bank in Bulgaria certified to use this approach after authorisation received by Bank of Italy and BNB.

3. Structure and elements of the capital base

Capital Base (Own Funds) eligible for regulatory purposes include Tier I and Tier II capital as defined by Basel III regulatory framework.

In 2014, the new Directive 2013/36/EU requirements (CRD IV) were enforced in Bulgaria and Ordinance 8 of BNB was abrogated and substituted by Regulation (EU) No 575/2013 of the European Parliament and of the Council.

In parallel to the introduction of the new Basel III regulatory framework, BNB defined two additional capital buffers: Capital Conservation buffer and Systemic Risk buffer.

The detailed information regarding consolidated Own Funds of UniCredit Bulbank AD is disclosed in **Appendix 1** according to Commission Implementing Regulation (EU) No 1423/2013 and includes the following:

- **Appendix 1A** – Regulatory scope Balance sheet;
- **Appendix 1B** – Balance sheet reconciliation methodology;
- **Appendix 1C** – Capital Instruments' main features template;
- **Appendix 1D** – Transitional Own Funds disclosure template

Additional information for specific capital positions can be found in the Consolidated Financial Statements of UniCredit Bulbank AD.

4. Capital requirements

For estimation of the capital requirements, UniCredit Bulbank AD applies:

For Credit Risk:

- Foundation Internal Rating Based Approach (FIRB) for classes: Corporate²; Institutions; Specialized Lending³; and Equity claims⁴;

² Except for Small and Medium Sized Companies with exposure over 1 Million EUR.

³ UniCredit Bulbank AD applies Slotting Criteria Model (regulatory defined risk weights and expected loss levels).

⁴ UniCredit Bulbank AD applies Simple Approach.

- Standardized Approach for classes⁵: Central Governments or Central Banks; Regional Governments or Local Authorities; Multilateral Development Banks; Administrative Bodies and Non-commercial Undertakings; International Organisations; Retail (including covered by residential real estates); Small and Medium Sized Companies (exposure more than 1 Million EUR); and Other items.

For Market Risk:

- Standardized Approach.

For Operational Risk:

- Advanced Measurement Approach.

For preparation of the regulatory reports under new EU Regulation 575/2013, the Bank applies Financial Collateral Comprehensive Approach for credit risk mitigation where financial collateral is used.

Capital Requirements for Credit Risk, Market Risk and Operational Risk are disclosed in **Appendix 2**.

5. Exposures to counterparty credit risk

Counterparty credit risk arises from exposures due to the following:

- transactions in derivative instruments;
- repurchase agreements;
- securities or commodities lending or borrowing transactions;
- margin lending transactions;
- long settlement transactions

For the purposes of mitigating the counterparty risk and settlement risk, the Bank has approved credit limits.

UniCredit Bulbank AD employs the Group internal model method for counterparty risk measurement and limit compliance control. The limit relevant value or Conditional expected shortfall is determined as weighted average of the exposures' distribution on the counterparty's hazard rates of all scenarios higher than 87.5% scenario.

Market Risk unit monitors on a daily basis the exposures and escalates limit breaches for resolution.

The concept of CVA charge is adopted for risk-adjusted pricing of derivatives.

6. Exposure to credit risk and dilution risk

The carrying amounts of Bank's assets are regularly reviewed for assessment whether there is any objective evidence of impairment as follows:

- for loans and receivables – by the end of each month for the purposes of preparing interim financial statements reported to the Bulgarian National Bank and Management;
- for available for sale and held to maturity financial assets – semi-annually based on review performed the Bank and decision approved by ALCO;

⁵ For client type detailization purposes, classes are represented in accordance with Standardized approach segregation.

- for non-financial assets – by the end of each year for the purposes of preparing annual financial statements.

If any impairment indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

In assessing the provisions Management uses expert estimates such as legal and regulatory advisors as well as credit risk specialists. Usually more conservative approach is followed in order to protect the Bank in case of adverse development of uncertain events.

Economic capital for Credit risk is measured via an internal portfolio model. The fundamental outputs of the model are:

- Credit Value at Risk (CVaR) – the maximum portfolio loss one year horizon and at 99.9% confidence level;
- Expected Loss (EL) on a single client and portfolio level;
- Portfolio Economic Capital – the difference between CVaR and EL (a measure of Unexpected Loss). This amount represents the internal evaluation of the Credit risk capital requirement;
- Economic Capital allocated to the level of single exposure/client via Expected Shortfall method.

Distribution of the total exposure after provision and without taking into account the effect of credit risk mitigation, broken down by different types of exposure classes is disclosed in the following Appendixes:

- **Appendix 3** – Average amount of the exposures over the period broken down by different types of exposure classes
- **Appendix 4** – The distribution of the exposures by industry, broken down by exposure classes
- **Appendix 5** – The residual maturity breakdown of all the exposures, broken down by exposure classes
- **Appendix 6** – The amount of past due exposures, broken down by exposure classes
- **Appendix 7** – Geographic distribution of the exposures, broken down by exposure classes

7. Information about nominated ECAIs and EIAs under the Standardised Approach for credit risk

Following the requirements of Article 113 of the EU Regulation 575/2013, UniCredit Bulbank AD uses Standard & Poor's Agency ratings for calculating risk weights of its asset and off-balance sheet exposures.

The calculation methodology follows strictly the requirements listed in Article 138, Article 139, Article 140 and Article 141 of the EU Regulation 575/2013.

Asset Classes where ECAI are used are as follows:

- Claims or contingent claims on central governments;

- Claims or contingent claims on multilateral development banks;
- Claims or contingent claims on institutions (providing unavailability of internal rating);
- Claims or contingent claims on regional governments or local authorities;
- Short-term claims on institutions and corporates (providing unavailability of internal rating).

Distribution of the exposures under Standardized approach by Credit Quality, broken down by exposure classes is disclosed in **Appendix 8**.

Distribution of the exposures under FIRB by Credit Quality, broken down by exposure classes is disclosed in **Appendix 9**.

8. Internal models for market risk

UniCredit Bulbank AD does not apply internal models for calculating capital requirements for market risks within the reporting cycle to the local regulator.

The Group-wide internal market risk model is applied for risk management and control purposes, and for consolidated requirements reporting at Unicredit Bank Austria Group level.

9. Exposure to operational risk

For the purpose of reporting Capital Adequacy in accordance with Regulation (EU) No 575/2013 of The European Parliament and of The Council, UniCredit Bulbank AD applies Advanced Measurement Approach (AMA) for the capital calculation of Operational Risk. In order to better represent the operational risk exposure, the combination of the seven event types and the product associated to each operational event generates the twelve model risk categories.

Operational risk events are attributed exclusively to seven classes (or event types).

1. *Internal frauds* are acts intended to defraud, misappropriate property or circumvent regulations, the law or Company policy (excluding diversity or discrimination events) involving at least one internal party and excluding malicious damage. The internal fraud is originated inside the Company and the internal nature of the event must be definitely ascertained, otherwise it should be considered as external fraud. In many cases, an internal audit report may clarify this point.
2. *External frauds* are acts intended to defraud, misappropriate property or circumvent the law committed by a third party, without the assistance of an employee and excluding malicious damage:
 - 2.1. External frauds – Payments. This model risk category includes frauds on all payment systems, in order to have evidence of all phenomena involved in money transfer, to highlight any anomalies and deficiencies in security measures. Payment system meaning client management of cash inflows/outflows; all forms of payments; clearing, settlement and exchange services.
 - 2.2. External frauds – Others. This model risk category includes all events associated to all others products or non banking products (other products/services not generally considered part of a bank or investment bank's offering, e.g. insurance) or non product related (for situations where no specific process was involved).

3. *Employment practices and workplace safety* are events resulting from violating employment or health or safety laws and agreements, personal injury claims or diversity discrimination events.
4. *Clients, products and business practices* are unintentional or negligent failure to meet obligations to clients (including fiduciary and suitability requirements) or from the features of a product. The events where the Company committed an improper business act fall into this category, likewise when it has been the victim of similar practices by another Company:
 - 4.1. Clients, products and business practices – Derivatives. This model risk category includes all derivative products, selling either via an exchange or over the counter; they have been isolated from all others financial instruments to better represent the phenomena;
 - 4.2. Clients, products and business practices - Financial Instruments. This model risk category includes all others financial instruments, selling either via an exchange or over the counter;
 - 4.3. Clients, products and business practices – Others. This class includes all events associated to all others products or no banking products (Other products/services not generally considered part of a bank or investment bank's offering, e.g. insurance) or non product related (for situations where no specific process was involved).
5. *Damages to physical assets* are events caused by natural disaster or other similar event type.
6. *Business disruption and system failures* are losses caused by technology problems.
7. *Execution, delivery and process management* are failed transactions processing or process management, or losses coming from relations with counterparties and vendors. These events are not intentional and involve documenting or completing business transactions (typically, operational risk events that occur in back office areas fall in this category):
 - 7.1. Execution, delivery and process management – Financial Instruments. This model risk category includes all derivative products and financial instruments, selling either via an exchange or over the counter; they have been isolated to better represent the phenomena. This model risk category includes all others financial instruments, selling either via an exchange or over the counter;
 - 7.2. Execution, delivery and process management – Payments. This model risk category includes events connected with all payment system, in order to have evidence of all phenomena involved in money transfer. Payment system meanings client management of cash inflows/outflows, all forms of payments; clearing, settlement and exchange services;
 - 7.3. Execution, delivery and process management – Others. This model risk category includes all events associated to all others products or no banking products (Other products/services not generally considered part of a bank or investment bank's offering, e.g. insurance) or non product related (for situations where no specific process was involved).

10. Equities in the banking book

According to Article 434, para 2 of the EU Regulation 575/2013, equivalent disclosure is made in the Annual Consolidated Financial Statements of UniCredit Bulbank AD.

11. Interest rate risk in the banking book

According to Article 434, para 2 of the EU Regulation 575/2013, equivalent disclosure is made in the Annual Consolidated Financial Statements of UniCredit Bulbank AD.

12. Securitisation

UniCredit Bulbank AD applies securitisation since 2012 under the Agreement with European Investment Fund (EIF) for granting of finance to small and medium-sized enterprises under the initiative JEREMIE.

According to the Agreement (signed in 2011 for period of 30 months), the EIF provides guarantee for coverage of first loss (First Loss Portfolio Guarantee-FLPG), thus the tranche of first loss is transfer to EIF, and the Bank effectively holds the second loss tranche to this programme.

The Agreement is treated as synthetic securitisation and for regulatory purposes, UniCredit Bulbank AD applies Standardised approach for calculation of capital requirements of credit risk.

As of 31.12.2014, the allocation of tranches is as follow:

Nominal value of the portfolio: 71 133 ths.BGN

First Loss Tranche: 19 531 ths.BGN

Second Loss Tranche: 37 375 ths.BGN

13. Unencumbered assets

According to Article 443 of the EU Regulation 575/2013, UniCredit Bulbank is disclosing the following information related to encumbered assets (as of 31.12.2014):

in thousands of BGN

	Carrying amount of encumbered assets	Carrying amount of non-encumbered assets
Assets:	688 254	15 106 061
Debt securities	418 022	1 276 986
Loans and advances	270 232	13 251 795
Other assets	-	577 280
	Fair value of encumbered collateral received	Fair value of collateral received non-encumbered
Collateral received:	94 349	149 516
Collateral received available for encumbrance	94 349	149 516
	Matching liabilities	Encumbered assets and collateral received
Total sources of encumbrance:	700 061	782 603
Repurchase agreements	290 236	324 004
Collateralised deposits other than repurchase agreements	409 825	458 599

As of 31.12.2014, there is no overcollateralisation of liabilities with encumbered assets in the Bank.

14. Internal Rating Based Approach

When applying Internal Rating Based Approach for calculation of capital requirements for credit risk, UniCredit Bulbank AD uses several rating models⁶ in order to carry out clients' creditworthiness analyses. Rating models can be generally summarized as:

1. *Group-wide rating models (GWM)*

Group wide rating models⁷ are used for group wide client segments or transactions, whose risk factors are independent from the counterpart's geographic location, local market characteristics, business lines and processes used. UniCredit Bulbank AD uses group wide rating model for creditworthiness analyses for: Multinational Companies⁸; Security Industry Companies; and Financial Institutions.

2. *Local rating models*

2.1. Corporate rating model

The model is used for corporate clients (using full accounting) with a turnover < 500 Mio EUR (except for Specialized lending);

2.2. Slotting Criteria Model

The model is used for assessment of capital requirements and expected loss for exposures clasifed as Specialized Lending.

As Risk parameters: Exposure at Default (EAD; Maturity (M); and Loss Given Default (LGD), UniCredit Bulbank AD uses regulatory defined parameters in EU Regulation 575/2013.

Default definition and the list of the default events valid for UniCredit Bulbank AD are described in "Default methodology" document applied in the Bank. The document is in compliance with Article 178 of the EU Regulation 575/2013, further specifying list of default events maintained in the Bank.

The established internal risk control environment is sound and realiable and is an integral part of the operative working process within the Bank. Risk control fuctions ensure:

- minimum yearly validation of the rating systems in used; maintenance of relevant model and validation documentation;
- maintenance of all necessary data for management and assessment of the credit risk;
- periodic assessment of the accuracy, completeness, and appropriateness of model inputs and results.

The customer rating is not only the basis for a risk-related credit decision but, for example, also for:

- Credit conditions (interest rates, security)
- Credit risk control (reporting, watch list, early warning instruments)
- Credit risk trade (securitization)
- Cost of risk (impairment, loan loss provision)

⁶ UniCredit Bulbank AD uses master scale for rating result competability.

⁷ Group wide rating models are developed by UCI Holding Company (HC) and are adopted by UniCredit Bulbank AD.

⁸ Companies with turnover over 500 mln euro.

- Calculation of capital required under Basel III (capital requirements, capital adequacy)
- Portfolio analysis (credit portfolio steering)

Cases Occasioning a Rating:

- Provision of financial statements
- Application for credit/ lending of credit
- Credit risk control/prolongation
- Change in soft facts and warning signals relevant to creditworthiness
- Change relevant to creditworthiness in connection with the overruling of a customer rating
- Removal of a rating recipient from a rating group and break-up of the entire rating group
- Existence of a warning signal
- Existence of an aging restriction
- Elimination of a default event
- New Nostro/ Loro account; MM placement/ Repo deals/ Other obligations counterparties (esp. Banks)
- New Issuer of a personal guarantee (esp. Bank or Company Guarantee/ contra-guarantee received in favour of a customer)

If there are rating relevant changes of hard/soft facts or warning signals, a new rating assessment is required.

Notwithstanding the above factors, rating is renewed each year, whereas customers with high risk and problem exposures must be checked in shorter intervals.

The historical losses for the previous period are defined based on occurred default events in accordance with the applied "Default Methodology".

15. Credit risk mitigation techniques

When granting loans the Bank accepts collaterals as follows:

- Property – all types of real estates and relevant real rights;
- Pledge on movables properties;
- Pledges of all enterprise assets and shares;
- Tangible assets;
- Securities;
- Cash and receivables;
- Precious Metals;
- Surety and Guarantee;
- Other collaterals stipulated in the law

When negotiating the collateral the following general principles should be met:

- **Reality** – existence and perfect documentation;
- **Identity** – the collateral should be clearly concretized;
- **Exclusivity** – the Bank should be the only bearer of the rights over the collaterals or privileged lender;

- **Sufficiency** – the amount of the collateral should be enough to cover (to preliminary defined extent) the debtor's liabilities throughout the whole period of the loan;
- **Liquidity** – the collateral itself should allow the possibility for fast sale.

The obligations regarding the collateral are stipulated in written form with collateral contract.

Accepted collaterals are valued at Market Value. The value of the Properties is determined periodically by an independent registered appraiser.

Within UniCredit Bulbank AD exists specialised unit responsible for supporting the process of real estate financing, where cash flow predominantly originates from renting and/or sales of real estate properties and the loan is being repaid from this cash flow.

UniCredit Bulbank AD uses only part of the abovementioned types of collaterals when applying credit risk mitigation techniques in accordance with EU Regulation 575/2013:

- Financial collaterals – blocked cash and securities, strictly observing the requirements of Chapter Four *Credit Risk Mitigation* of the EU Regulation 575/2013. For calculation of capital requirements for credit risk under IRB approach, Financial collaterals are treated like LGD- reducing collaterals (in accordance with the EU Regulation 575/2013, Article 230, Table 5 “Minimum LGD for secured parts of exposures”);
- Guarantees that meet the requirements of Chapter Four *Credit Risk Mitigation* of the EU Regulation 575/2013. For calculation of capital requirements for credit risk under IRB approach, Guarantees are treated like PD- reducing collaterals;
- Real Estate Properties that meet the requirements of Article 124, Article 125 and Article 126 of the EU Regulation 575/2013. For calculation of capital requirements for credit risk under IRB approach, Real Estate collaterals are treated like LGD- reducing collaterals (in accordance with the EU Regulation 575/2013, Article 230, Table 5 “Minimum LGD for secured parts of exposures”).

The Bank is monitoring the principles for low correlation, legal certainty and all operative requirements.

The Bank does not apply the netting technique for calculation of its risk-weighted assets for the purposes of the EU Regulation 575/2013.

16. Internal Capital Adequacy and Assessment Process (ICAAP)

In compliance with group definitions and methodologies (ensuring comprehensive ICAAP framework in UniCredit Group), UniCredit Bulbank AD regularly defines (at least once a year) its risk profile (assessment of the material risks relevant for its operations).

The quantified via internal models individual risks are combined in Aggregated Economic Capital, taking into consideration the risk correlation and potential macroeconomic framework fluctuations (via developed stress test methodology).

Assets and Liabilities Committee (ALCO) is the collective body that exercise the management and control functions with regard to ICAAP.

17. Remuneration policy

The Compensation Policy of UniCredit Bulbank AD is determined by the Management Board and approved by the Supervisory Board of the Bank. The Policy is a part of UniCredit Group's policy to attract, retain and motivate a highly qualified workforce. The main pillars of the Policy are in compliance with the principles set by the Group Compensation Policy. The main principles (pillars) of the Policy are: Clear and transparent governance, Compliance with the regulatory requirements and principles of good business conduct, Continuous monitoring of the market trends and practices, Sustainable pay for sustainable performance, Motivation and retention of all employees, with particular focus on talents and key personnel. The Compensation Committee determines on behalf of the Supervisory Board, the individual compensation of the Bank's Management Board members including the Executive Directors. The Compensation Committee consists of two members- Supervisory board Chairman and a Supervisory board member. The Compensation Committee acts and takes its decisions in compliance with the Group Compensation Policy, the Global Job Model, and in a manner consistent with the UniCredit Group processes of determination and review of the compensation of its senior executive staff.

A main requirement of the Incentive Systems applicable to all categories employees at all levels, is to contribute to the sustainability of the Bank and to the Group by aligning individual goals and behaviors to the long-term mission of the Group and the Bank while avoiding taking a risk that exceeds the general level of risk tolerated by the Bank. Following the UniCredit Group's Policy, UniCredit Bulbank AD applies the principle of "Sustainable pay for sustainable performance" when determining the results and behaviors which aim to reward.

Sustainable pay is a principle that ensures a continuous direct link between pay and performance as well as binds the rewards to the long-term value creation for the organization and to the sound and effective risk management through a variable payment which binds the pay to the achieved short-term and long-term results. The variable remuneration linked to the achieved results of the employee and to the individual contribution is supplementing the fixed salary contracted according to individual's professional qualification, experience and skills. In this way the Bank ensures an adequate balance between the fixed and the variable part of the total compensation package in order to ensure sound and effective risk management. The Bank guarantees appropriate balance of fixed and variable compensation elements, avoiding a prevalence of the variable part. This excludes encouraging of behaviors not aligned to the company's sustainable business results as well as rewarding single employees for taking risks which exceed those acceptable for the institution.

The alignment between the incentive payout levels with the overall economic results of the Bank is guaranteed by the adopted flexible and adaptive Incentive systems. In compliance with the policy and practices of UniCredit Group these systems ensure a direct link between the individual incentive payout levels on one hand and the overall achieved team and individual results for the Bank on the other. This is ensured by setting overall cap on performance related payout for the Bank as appropriate according to the economic results and consistent with local market practice.

The Incentive Systems evaluated from a "bottom-up" approach with predetermined individual target opportunities to a "top down" approach with provisioned bonus pool, eliminating the predetermined "bonus opportunity". Bonus pool is determined on the base of

expected profitability, business strategy and results and market context and external benchmarking.

In addition, in order to avoid payment of guaranteed bonuses not linked to the achieved results, the implemented Incentive Systems introduce minimum performance thresholds below which zero bonus is paid out. Thereby avoiding payment of guaranteed additional financial rewards (bonuses) that do not correspond to the results achieved by the Bank and are not in accordance to the UniCredit Group reported results.

The Incentive systems and the corresponding remuneration are constructed in accordance to the objectives stated in the Strategic plan of UniCredit Group and UniCredit Bulbank AD. Through the compensation systems the variable remuneration payment is aligned) with performance of goals at Bank level, performance of goals of the respective structure and the individual contribution of the employee.

The overall evaluation of the results from the activity is based not only on the sole basis of short-term results but also on their long-term impact on company's achievements. This is ensured through setting the annual goals targeted to sustainable value creation for the company with particular reference to risk. The goals are set by implementation of key performance indicators (KPIs) that include besides profitability other drivers of sustainable business development including reference to risk, and efficiency. Performance is measured and rewarded not only on the sole basis of achieving financially-based objectives but also on other criteria for example risk management, adherence to group values and standards of consistently ethical behavior. Evaluation is made also of the contribution of each individual and unit to the overall value created by the related business group and to the organization as a whole.

According to the Bulgarian legislation, UniCredit Bulbank AD introduces the identified staff category for which the principles of deferred variable compensation payout in cash and equity apply. For Identified staff at Group and local level are determined certain specific performance indicators, such as annual profitability, solidity and liquidity, etc., through the measurement of which is warranted that in case of poor performance, reduction of deferred remuneration will apply ((so-called Malus conditions / (Zero Factor), which could completely cancel the payment of variable remuneration in case of unsatisfactory results. The variable compensation of the identified staff is paid within a predetermined 6-year period (2015-2020) and accounts the performance on key performance indicators (KPIs) related to the operating activities and long-term development of the Bank. Bonus payouts are made in separate parts through a balanced structure of upfront (following the moment of performance evaluation) and deferred payouts in cash and instruments (shares) subject to a continuous employment and achieved results.

The schemes of variable compensation (bonus) payout for the staff categories for whom the principles of upfront and deferred payouts in cash and shares are applied, are as follows:

Staff category	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
	Cash	Cash	Cash	Shares	Shares	Shares
EVP & above & other identified staff with bonus	20%	15%	15%	20%	15%	15%
SVP & other identified staff with bonus	30%	10%	10%	30%	10%	10%

For 2014 year this group includes the Executive Directors of the UniCredit Bulbank, Leasing and Consumer Financing, the Members of the Management board of the bank and the Managers of Control functions.

For every member of Identified staff, for every particular year, the payment of the Bonus shall be subject to the assessment, which may confirm, reduce or cancel eligibility to the Bonus Instalment.

In thousands of BGN

2014 Executive's Compensation									
Staff category	Number of participants	Total fixed compensation for 2014	Total variable compensation for 2014	Deferred variable compensation depending on the year of payment and underlying instruments					
				Cash	Cash	Cash	Shares	Shares	Shares
				2015	2016	2017	2018	2019	2020
Senior Management	12	4 196	3 702	988	435	435	865	435	435

REGULATORY SCOPE BALANCE SHEET/AS OF 31.12.2014/
In thousands of BGN

ASSETS	
Cash and balances with Central Bank	1 092 229
Non-derivative financial assets held for trading	5 607
Derivatives held for trading	124 528
Financial assets designated at fair value through profit or loss	60 754
Loans and advances to banks	1 627 489
Loans and advances to customers	11 112 400
Available for sale investments	1 492 803
Held to maturity investments	136 663
Investments in subsidiaries and associates	2 721
Property, plant, equipment and investment properties	246 512
Intangible assets	24 836
Current tax assets	6 651
Deferred tax assets	2 645
Other assets	47 314
TOTAL ASSETS	15 983 152
LIABILITIES	
Financial liabilities held for trading	85 940
Derivatives used for hedging	41 925
Deposits from banks	2 705 696
Deposits from customers	10 598 802
Subordinated liabilities	70 596
Provisions	41 940
Current tax liabilities	5 035
Deferred tax liabilities	1 176
Other liabilities	82 505
TOTAL LIABILITIES	13 633 615
EQUITY	
Share capital	285 777
Revaluation and other reserves	-14 049
Retained earnings	1 796 285
Profit for the year	281 524
TOTAL EQUITY	2 349 537
TOTAL LIABILITIES AND EQUITY	15 983 152

**BALANCE SHEET RECONCILIATION METHODOLOGY
/AS OF 31.12.2014/**

In thousands of BGN

Positions and regulatory corrections	Balance sheet positions included in the calculation of CET 1					Balance sheet positions included in the calculation of Tier 2	Other corrections	Total
	Share capital	Revaluation reserves	Retained earnings	Profit for the year	Intangible assets	Subordinated liabilities		
Balances as at 31 December 2014 of the positions included in the calculation of CET 1	285 777	-14 049	1 796 285	284 535	-24 836		-	2 327 712
<u>Regulatory corrections of CET 1</u>								
Correction of Cash flow hedges reserves	-	36 657	-	-	-		-	36 657
Current year profit, not yet eligible for own funds inclusion	-	-	-	-284 535	-		-	-284 535
Deferred tax liabilities associated to intangible assets	-	-	-	-	1 176		-	1 176
Shortfall related to performing exposures treated under F-IRB	-	-	-	-	-		-34 607	-34 607
Total regulatory corrections of CET 1 (fully loaded)	-	36 657	-	-284 535	1 176		-34 607	-281 309
Core Equity Tier 1 (CET 1) (fully loaded)	285 777	22 608	1 796 285	-	-23 660		-34 607	2 046 403
Correction of positive revaluation reserve related to available for sale financial assets (transitional provisions)	-	-25 860	-	-	-		-	-25 860
40% from shortfall related to performing exposures treated under F-IRB (transitional provisions)	-	-	-	-	-		13 842	13 842
Total regulatory corrections of CET 1 (transitional provisions)	-	-25 860	-	-	-		13 842	-12 018
Core Equity Tier 1 (CET 1) (transitional provisions)	285 777	-3 252	1 796 285	-	-23 660		-20 765	2 034 385
						70 596		70 596
Balances as at 31 December 2014 of the positions included in the calculation of Tier 2								
<u>Regulatory corrections of Tier 2</u>								
Amortized part of the subordinated debt, not recognized for own funds inclusion						-66 523		-66 523
Excess of loan loss provisions over expected loss on defaulted exposures treated under F-IRB (capped to 0.6% from F-IRB RWA)						-	36 174	36 174
Total regulatory corrections of Tier 2 (fully loaded)						-66 523	36 174	-30 349
Tier 2 capital (fully loaded)						4 073	36 174	40 247
40% from shortfall related to performing exposures treated under F-IRB (transitional provisions)						-	-13 842	-13 842
Total regulatory corrections of Tier 2 (transitional provisions)						-	-13 842	-13 842
Tier 2 capital (transitional provisions)						4 073	22 332	26 405
Total own funds (fully loaded)	285 777	22 608	1 796 285	-	-23 660	4 073	1 567	2 086 650
Total own funds (transitional provisions)	285 777	-3 252	1 796 285	-	-23 660	4 073	1 567	2 060 790

APPENDIX 1C
**CAPITAL INSTRUMENTS' MAIN FEATURES TEMPLATE
/AS OF 31.12.2014/**
In thousands of BGN

Capital instruments' main features template ⁽¹⁾			
1	Issuer	UniCredit Bank Austria AG	UniCredit Bank Austria AG
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Bulgarian/Austrian	Bulgarian/Austrian
	<i>Regulatory treatment</i>		
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital (in TBGN as of December 31, 2014)	585	3 488
9	Nominal amount of instrument (in TBGN)	25 426	29 337
9a	Issue price	100 per cent	100 per cent
9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	03.Feb.05	02.Aug.08
12	Perpetual or dated	dated	dated
13	Original maturity date	11.Feb.15	31.Jul.18
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	Outstanding debt + accrued interest	Outstanding debt + accrued interest
16	Subsequent call dates, if applicable	partial or full prepayment is possible at the end of an interest period subject to BNB approval	partial or full prepayment is possible at the end of an interest period subject to BNB approval
	<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	EURIBOR3M+fixed margin	EURIBOR3M+fixed margin
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	No	No
31	If write-down, write-down trigger (s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior loans	Senior loans
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
(1) 'N/A' inserted if the question is not applicable			

TRANSITIONAL OWN FUNDS DISCLOSURE TEMPLATE
/AS OF 31.12.2014/

In thousands of BGN

Common Equity Tier 1 capital: instruments and reserves ⁽¹⁾		(A) Amount at Disclosure	(B) Regulation (EU) No 575/2013 article reference	(C) Amounts subject to Pre-Regulation (EU) No 575/2013 treatment OR prescribed residual amount of Regulation (EU) 575/2013
1	Capital instruments and the related share premium accounts	285 777	26 (1), 27, 28, 29, EBA list 26 (3)	N/A
	of which: Instrument type 1	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 2	N/A	EBA list 26 (3)	N/A
	of which: Instrument type 3	N/A	EBA list 26 (3)	N/A
2	Retained earnings	1 796 285	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	-14 049	26 (1)	N/A
3a	Funds for general banking risk	-	26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A	486 (2)	N/A
	Public sector capital injections grandfathered until 1 January 2018	N/A	483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)	-	84, 479, 480	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	26 (2)	N/A
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	2 068 013		N/A
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-4 732	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU	-		N/A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	36 (1) (c), 38, 472 (5)	N/A
11	Fair value reserves related to gains or losses on cash flow hedges	36 657	33 (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts	-6 921	36 (1) (d), 40, 159, 472 (6)	N/A
13	Any increase in equity that results from securitised assets (negative amount)	-	32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	33 (1) (b) (c)	N/A
15	Defined-benefit pension fund assets (negative amount)	-	36 (1) (e), 41, 472 (7)	N/A
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	36 (1) (f), 42, 472 (8)	N/A
17	Direct, indirect and synthetic holdings of the CET1 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)	-	36 (1) (g), 44, 472 (9)	N/A
18	Direct, indirect and synthetic holdings of the CET1 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)	-	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	N/A
19	Direct, indirect and synthetic holdings 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)	-	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	N/A
20	Empty set in the EU	-		N/A
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	36 (1) (k)	N/A
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)	-	36 (1) (k) (ii); 243 (1) (b); 244 (1) (b); 258	N/A
20d	of which: free deliveries (negative amount)	-	36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary difference (amount above 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
22	Amount exceeding the 15% threshold (negative amount)	-	48 (1)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	36 (1) (i), 48 (1) (b), 470, 472 (11)	N/A
24	Empty set in the EU	-		N/A
25	of which: deferred tax assets arising from temporary difference	-	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
25a	Losses for the current financial year (negative amount)	-	36 (1) (a), 472 (3)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	36 (1) (l)	N/A
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-		N/A
26a	Regulatory adjustments relating to unrealised gains pursuant to Articles 467 and 468	-25 860		N/A
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	481	N/A
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	-32 772	36 (1) (j)	N/A
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-33 628		N/A
29	Common Equity Tier 1 (CET1) capital	2 034 385		N/A

Common Equity Tier 1 capital: instruments and reserves ⁽¹⁾		(A) Amount at Disclosure	(B) Regulation (EU) No 575/2013 article reference	(C) Amounts subject to Pre-Regulation (EU) No 575/2013 treatment OR prescribed residual amount of Regulation (EU) 575/2013
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	-	51, 52	N/A
31	of which: classified as equity under applicable accounting standards	-		N/A
32	of which: classified as liabilities under applicable accounting standards	-		N/A
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	486 (3)	N/A
	Public sector capital injections grandfathered until 1 January 2018	-	483 (3)	N/A
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	-	85, 86, 480	N/A
35	of which: instruments issued by subsidiaries subject to phase-out	-	486 (3)	N/A
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-		N/A
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	52 (1) (b), 56 (a), 57, 475 (2)	N/A
38	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)	-	56 (b), 58, 475 (3)	N/A
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)	-	56 (c), 59, 60, 79, 475 (4)	N/A
40	Direct, indirect and synthetic holdings of the AT1 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)	-	56 (d), 59, 79, 475 (4)	N/A
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (ie. CRR residual amounts)	N/A		N/A
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-32 772	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	thereof: Intangible assets	-18 930	472 (4)	
	thereof: IRB shortfall of provisions to expected losses	-13 842	472 (6)	
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	477, 477 (3), 477 (4) (a)	N/A
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	-	467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56 (e)	N/A
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-32 772		N/A
44	Additional Tier 1 (AT1) capital	-		N/A
45	Tier 1 capital (T1 = CET1 + AT1)	2 034 385		N/A
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	4 073	62, 63	N/A
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-	486 (4)	N/A
	Public sector capital injections grandfathered until 1 January 2018	-	483 (4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	-	87, 88, 480	N/A
49	of which: instruments issued by subsidiaries subject to phase-out	-	486 (4)	N/A
50	Credit risk adjustments	36 174	62 (c) & (d)	N/A
51	Tier 2 (T2) capital before regulatory adjustment	40 247		N/A
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	63 (b) (i), 66 (a), 67, 477 (2)	N/A
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	-	66 (b), 68, 477 (3)	N/A
54	Direct, indirect and synthetic 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 amount)	-	66 (c), 69, 70, 79, 477 (4)	N/A
54a	Of which new holdings not subject to transitional arrangements	-		N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-		N/A
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	-	66 (d), 69, 79, 477 (4)	N/A
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A		N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-13 842	472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	475, 475 (2) (a), 475 (3), 475 (4) (a)	N/A

Common Equity Tier 1 capital: instruments and reserves ⁽¹⁾		(A) Amount at Disclosure	(B) Regulation (EU) No 575/2013 article reference	(C) Amounts subject to Pre-Regulation (EU) No 575/2013 treatment OR prescribed residual amount of Regulation (EU) 575/2013
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre- CRR	-	467, 468, 481	N/A
57	Total regulatory adjustments to Tier 2 (T2) capital	-13 842		N/A
58	Tier 2 (T2) capital	26 405		N/A
59	Total capital (TC = T1 + T2)	2 060 790		N/A
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	N/A		N/A
	Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	N/A	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	N/A
	Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	N/A	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	N/A	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	Total risk-weighted assets	10 588 015		N/A
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	19.2%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of total risk exposure amount)	19.2%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of total risk exposure amount)	19.5%	92 (2) (c)	N/A
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	5.5%	CRD 128, 129, 140	N/A
65	of which: capital conservation buffer requirement	2.5%		N/A
66	of which: countercyclical buffer requirement	not yet implemented		N/A
67	of which: systemic risk buffer requirement	3.0%		N/A
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	not yet implemented	CRD 131	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	not yet implemented	CRD 128	N/A
69	[non-relevant in EU regulation]	N/A		N/A
70	[non-relevant in EU regulation]	N/A		N/A
71	[non-relevant in EU regulation]	N/A		N/A
Amounts below the thresholds for deduction (before risk-weighting)				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	558	36 (1) (h), 45, 46, 472 (10); 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	11 434	36 (1) (i), 45, 48, 470, 472 (11)	N/A
74	Empty set in the EU	N/A		N/A
75	Deferred tax assets arising from temporary difference (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)	-	36 (1) (c), 38, 48, 470, 472 (5)	N/A
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	N/A	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	N/A	62	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	36 175	62	N/A
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	36 175	62	N/A
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
80	- Current cap on CET1 instruments subject to phase-out arrangements	-	484 (3), 486 (2) & (5)	N/A
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484 (3), 486 (2) & (5)	N/A
82	- Current cap on AT1 instruments subject to phase-out arrangements	-	484 (4), 486 (3) & (5)	N/A
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484 (4), 486 (3) & (5)	N/A
84	- Current cap on T2 instruments subject to phase-out arrangements	-	484 (5), 486 (4) & (5)	N/A
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484 (5), 486 (4) & (5)	N/A

(1) 'N/A' inserted if the question is not applicable

**CAPITAL REQUIREMENTS
SUMMARY INFORMATION BY EXPOSURE CLASSES
/AS OF 31.12.2014/**

In thousands of BGN

Capital Requirements – Risk Exposures	Total
Risk Weighted Assets (RWA) for credit risk	
Risk Weighted Assets under standardized approach	3 492 052
Central Governments and Central Banks	136 663
Regional Governments	49 853
Public Sector	2 249
Institutions	8 996
Corporates	694 711
Retail	1 322 476
Exposure Secured by Immovable Property	569 502
Past Due Assets	336 529
Equity	28 598
Other exposures	309 301
Securitisation Position under STA	33 174
Risk Weighted Assets under F-IRB	6 029 129
Central Governments and Central Banks	-
Institutions	742 656
Corporates – SME	3 294 211
Specialised Lending /Slotting/	788 427
Corporates	1 197 092
Equity IRB	6 743
Total RWA for credit risk	9 521 181
Risk Weighted Assets for market risk	21 176
Traded debt instruments:	20 938
<i>General and specific risk</i>	20 938
<i>Specific risk securitisation positions</i>	-
<i>Specific risk correlation trading portfolio</i>	-
Equity	63
Foreign Exchange	-
Commodities	175
Risk Weighted Assets for operational risk	1 036 938
OpR Basic indicator approach	-
OpR Standardised (STA) approach	-
OpR Advanced Measurement Approaches (AMA)	1 036 938
RWA for Credit Valuation Adjustment (CVA) under STA	8 720
Total RWA for credit risk, market risk and operational risk	10 588 015

**AVERAGE AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

	ASSETS					OFF-BALANCE SHEET COMMITMENTS					DERIVATIVES			REPOS			TOTAL	TOTAL	TOTAL	TOTAL
Exposure class	Average amount of the exposure	Amount before provisioning	Booked Provision	RWA	Expected Loss	Average amount of the exposure	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss
STANDARTISED APPROACH (STA)																				
Central Governments and Central Banks	70 693	3 676 049	1	136 663	-	52	2 927	-	-	-	-	-	-	-	-	-	3 678 976	1	136 663	-
Regional Governments	3 048	48 764	126	48 638	-	410	2 457	-	1 215	-	-	-	-	-	-	-	51 221	126	49 853	-
Public Sector	9	418	6	380	-	67	5 326	-	1 869	-	-	-	-	-	-	-	5 744	6	2 249	-
Institutions	-	-	-	250	-	246	983	-	492	-	5 015	1 309	-	34 728	6 945	-	40 726	-	8 996	-
Corporate	176	652 545	3 264	635 283	-	159	216 301	-	46 596	-	8 963	8 963	-	3 869	3 869	-	881 678	3 264	694 711	-
Retail	5	1 834 353	30 128	1 241 722	-	3	374 513	-	80 754	-	-	-	-	-	-	-	2 208 866	30 128	1 322 476	-
Exposure Secured by Immovable Property	52	1 594 370	5 081	560 583	-	48	65 341	-	8 919	-	-	-	-	-	-	-	1 659 711	5 081	569 502	-
Past Due Assets	7	694 465	400 403	326 016	-	31	10 758	-	10 513	-	-	-	-	-	-	-	705 223	400 403	336 529	-
Equity	5 720	11 439	-	28 598	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	28 598	-
Other Assets	437	596 374	-	309 301	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	309 301	-
Securitization	196	56 906	18	33 174	-	-	-	-	-	-	-	-	-	-	-	-	56 906	18	33 174	-
TOTAL (STA)	-	9 165 683	439 027	3 320 608	-	-	678 606	-	150 358	-	13 978	10 272	-	38 597	10 814	-	9 896 864	439 027	3 492 052	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																				
Institutions	15 173	1 623 496	-	681 695	844	862	178 340	-	26 685	101	88 338	34 276	36	-	-	-	1 890 174	-	742 656	981
Corporate - SME	573	3 621 247	366 910	2 841 352	286 721	127	1 075 277	-	441 600	6 980	10 153	11 259	187	-	-	-	4 706 677	366 910	3 294 211	293 888
Specialized Lending	3 004	1 222 618	209 925	712 671	232 935	521	18 739	-	3 238	37	74 656	72 518	1 846	-	-	-	1 316 013	209 925	788 427	234 818
Corporate	2 006	1 019 211	45 933	971 519	30 207	654	734 726	14 772	202 598	7 425	17 761	22 975	325	-	-	-	1 771 698	60 705	1 197 092	37 957
Equity	557	3 341	-	6 743	27	-	-	-	-	-	-	-	-	-	-	-	3 341	-	6 743	27
TOTAL (FIRB)	-	7 489 913	622 768	5 213 980	550 734	-	2 007 082	14 772	674 121	14 543	190 908	141 028	2 394	-	-	-	9 687 903	637 540	6 029 129	567 671
TOTAL	-	16 655 596	1 061 795	8 534 588	550 734	-	2 685 688	14 772	824 479	14 543	204 886	151 300	2 394	38 597	10 814	-	19 584 767	1 076 567	9 521 181	567 671

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT INDUSTRIES AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

Exposure class	ASSETS																			TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss
	LOANS AND ADVANCES TO CUSTOMERS											LOANS AND ADVANCES TO BANKS		DEBT SECURITIES			OTHERS						
	Agriculture and Forestry	Commerce	Construction and Real Estate	Financial services	Manufacturing	Public Administration	Retail (individuals)	Services	Tourism	Transport and Communication	Financial services	Services	Financial services	Public Administration	Construction and Real Estate	Financial services	Public Administration	Services					
Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning					
STANDARTISED APPROACH (STA)																							
Central Governments and Central Banks	-	-	-	-	-	1 261 179	-	-	-	-	28	-	-	1 617 407	-	793 377	4 058	-	3 676 049	1	136 663	-	
Regional Governments	-	-	-	-	-	43 101	-	-	-	-	-	-	-	-	-	-	5 663	-	48 764	126	48 638	-	
Public Sector	-	-	-	-	-	-	418	-	-	-	-	-	-	-	-	-	-	-	418	6	380	-	
Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250	-	
Corporate	316	205 263	78 499	28 383	180 145	-	5 844	26 128	257	67 893	-	-	-	-	-	-	-	59 817	652 545	3 264	635 283	-	
Retail	134 146	150 236	30 616	540	65 401	-	1 313 510	44 658	9 056	85 667	11	-	-	-	-	-	-	512	1 834 353	30 128	1 241 722	-	
Exposure Secured by Immovable Porperty	23 154	120 896	43 453	3 894	59 909	-	1 284 326	24 785	12 723	21 230	-	-	-	-	-	-	-	-	1 594 370	5 081	560 583	-	
Past Due Assets	4 418	124 765	92 040	949	59 555	1	291 428	36 611	14 504	70 194	-	-	-	-	-	-	-	-	694 465	400 403	326 016	-	
Equity	-	-	-	-	-	-	-	-	-	-	-	-	11 372	-	67	-	-	-	11 439	-	28 598	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	3 954	-	-	-	-	4 480	-	587 940	596 374	-	309 301	-	
Secutitization	112	38 845	2 948	41	10 413	-	43	2 775	95	1 634	-	-	-	-	-	-	-	-	56 906	18	33 174	-	
TOTAL (STA)	162 146	640 005	247 556	33 807	375 423	1 304 281	2 895 569	134 957	36 635	246 618	3 993	-	11 372	1 617 407	67	797 857	9 721	648 269	9 165 683	439 027	3 320 608	-	
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																							
Institutions	-	-	-	-	-	-	-	-	-	-	1 623 496	-	-	-	-	-	-	-	1 623 496	-	681 695	844	
Corporate - SME	277 103	1 331 259	455 639	-	1 095 372	-	-	215 315	98 626	147 933	-	-	-	-	-	-	-	-	3 621 247	366 910	2 841 352	286 721	
Specialized Lending	4 233	32 266	926 252	9 772	225 720	-	-	23 916	-	459	-	-	-	-	-	-	-	-	1 222 618	209 925	712 671	232 935	
Corporate	245	295 129	38 563	66 184	500 658	-	-	88 809	11 457	17 907	-	-	-	-	-	259	-	-	1 019 211	45 933	971 519	30 207	
Equity	-	-	-	-	-	-	-	-	-	-	-	-	3 341	-	-	-	-	-	3 341	-	6 743	27	
TOTAL (FIRB)	281 581	1 658 654	1 420 454	75 956	1 821 750	-	-	328 040	110 083	166 299	1 623 496	-	3 341	-	-	259	-	-	7 489 913	622 768	5 213 980	550 734	
TOTAL	443 727	2 298 659	1 668 010	109 763	2 197 173	1 304 281	2 895 569	462 997	146 718	412 917	1 627 489	-	14 713	1 617 407	67	798 116	9 721	648 269	16 655 596	1 061 795	8 534 588	550 734	

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT INDUSTRIES AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

Exposure class	OFF-BALANCE SHEET COMMITMENTS											TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss
	LOANS AND ADVANCES TO CUSTOMERS										LOANS AND ADVANCES TO BANKS				
	Agriculture and forestry	Commerce	Construction and Real Estate	Financial services	Manufacturing	Public Administration	Retail (Individuals)	Services	Tourism	Transport and communication	Financial services				
Exposure class	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning	Amount before provisioning
STANDARTISED APPROACH (STA)															
Central Governments and Central Banks	-	-	-	-	-	2 927	-	-	-	-	-	2 927	-	-	-
Regional Governments	-	-	-	-	-	2 457	-	-	-	-	-	2 457	-	1 215	-
Public Sector	-	-	-	-	-	-	5 326	-	-	-	-	5 326	-	1 869	-
Institutions	-	-	-	983	-	-	-	-	-	-	-	983	-	492	-
Corporate	2 386	63 108	64 307	5 799	40 517	-	2 691	25 832	379	11 282	-	216 301	-	46 596	-
Retail	19 609	67 197	20 366	962	30 014	-	186 693	25 940	3 334	20 398	-	374 513	-	80 754	-
Exposure Secured by Immovable Porperty	4 884	15 032	22 363	258	10 260	-	3 655	4 109	1 615	3 165	-	65 341	-	8 919	-
Past Due Assets	-	6 036	75	2	4 197	10	313	3	67	55	-	10 758	-	10 513	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secutitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (STA)	26 879	151 373	107 111	8 004	84 988	5 394	198 678	55 884	5 395	34 900	-	678 606	-	150 358	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)															
Institutions	-	-	-	73 450	-	-	-	-	-	-	104 890	178 340	-	26 685	101
Corporate - SME	31 140	451 146	175 046	-	268 022	-	-	81 269	3 575	65 079	-	1 075 277	-	441 600	6 980
Specialized Lending	-	1 510	13 858	587	2 770	-	-	14	-	-	-	18 739	-	3 238	37
Corporate	4 283	291 700	131 695	10 268	229 970	-	-	14 256	-	52 554	-	734 726	14 772	202 598	7 425
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (FIRB)	35 423	744 356	320 599	84 305	500 762	-	-	95 539	3 575	117 633	104 890	2 007 082	14 772	674 121	14 543
TOTAL	62 302	895 729	427 710	92 309	585 750	5 394	198 678	151 423	8 970	152 533	104 890	2 685 688	14 772	824 479	14 543

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT INDUSTRIES AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

	TOTAL																	
	ASSETS				OFF-BALANCE SHEET COMMITMENTS				DERIVATIVES			REPOS			TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss
Exposure class	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss				
STANDARTISED APPROACH (STA)																		
Central Governments and Central Banks	3 676 049	1	136 663	-	2 927	-	-	-	-	-	-	-	-	-	3 678 976	1	136 663	-
Regional Governments	48 764	126	48 638	-	2 457	-	1 215	-	-	-	-	-	-	-	51 221	126	49 853	-
Public Sector	418	6	380	-	5 326	-	1 869	-	-	-	-	-	-	-	5 744	6	2 249	-
Institutions	-	-	250	-	983	-	492	-	5 015	1 309	-	34 728	6 945	-	40 726	0	8 996	-
Corporate	652 545	3 264	635 283	-	216 301	-	46 596	-	8 963	8 963	-	3 869	3 869	-	881 678	3 264	694 711	-
Retail	1 834 353	30 128	1 241 722	-	374 513	-	80 754	-	-	-	-	-	-	-	2 208 866	30 128	1 322 476	-
Exposure Secured by Immovable Porperty	1 594 370	5 081	560 583	-	65 341	-	8 919	-	-	-	-	-	-	-	1 659 711	5 081	569 502	-
Past Due Assets	694 465	400 403	326 016	-	10 758	-	10 513	-	-	-	-	-	-	-	705 223	400 403	336 529	-
Equity	11 439	-	28 598	-	-	-	-	-	-	-	-	-	-	-	11 439	-	28 598	-
Other Assets	596 374	-	309 301	-	-	-	-	-	-	-	-	-	-	-	596 374	-	309 301	-
Secutitization	56 906	18	33 174	-	-	-	-	-	-	-	-	-	-	-	56 906	18	33 174	-
TOTAL (STA)	9 165 683	439 027	3 320 608	-	678 606	-	150 358	-	13 978	10 272	-	38 597	10 814	-	9 896 864	439 027	3 492 052	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																		
Institutions	1 623 496	-	681 695	844	178 340	-	26 685	101	88 338	34 276	36	-	-	-	1 890 174	-	742 656	981
Corporate - SME	3 621 247	366 910	2 841 352	286 721	1 075 277	-	441 600	6 980	10 153	11 259	187	-	-	-	4 706 677	366 910	3 294 211	293 888
Specialized Lending	1 222 618	209 925	712 671	232 935	18 739	-	3 238	37	74 656	72 518	1 846	-	-	-	1 316 013	209 925	788 427	234 818
Corporate	1 019 211	45 933	971 519	30 207	734 726	14 772	202 598	7 425	17 761	22 975	325	-	-	-	1 771 698	60 705	1 197 092	37 957
Equity	3 341	-	6 743	27	-	-	-	-	-	-	-	-	-	-	3 341	-	6 743	27
TOTAL (FIRB)	7 489 913	622 768	5 213 980	550 734	2 007 082	14 772	674 121	14 543	190 908	141 028	2 394	-	-	-	9 687 903	637 540	6 029 129	567 671
TOTAL	16 655 596	1 061 795	8 534 588	550 734	2 685 688	14 772	824 479	14 543	204 886	151 300	2 394	38 597	10 814	-	19 584 767	1 076 567	9 521 181	567 671

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY RESIDUAL MATURITY AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

	Up to 1 month**				From 1 to 3 months**				From 3 months to 1 year**				From 1 to 5 years**				Over 5 years and Maturity not defined**				DERIVATIVES			REPOS			TOTAL	TOTAL	TOTAL	TOTAL	
Exposure class	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss	Amount before provisioning	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	
STANDARTISED APPROACH (STA)																															
Central Governments and Central Banks	967 790	-	136 663	-	147	-	-	-	1 417 219	1	-	-	685 990	-	-	-	607 830	-	-	-	-	-	-	-	-	-	3 678 976	1	136 663	-	
Regional Governments	-	-	-	-	-	-	-	-	1 926	7	1 865	-	34 051	86	32 810	-	15 244	33	15 178	-	-	-	-	-	-	51 221	126	49 853	-		
Public Sector	660	2	252	-	228	-	116	-	3 251	3	674	-	1 605	1	1 207	-	-	-	-	-	-	-	-	-	-	5 744	6	2 249	-		
Institutions	395	-	198	-	-	-	-	-	-	-	-	-	-	-	-	-	587	-	543	-	5 015	1 309	-	34 729	6 946	-	40 726	0	8 996	-	
Corporate	63 971	145	18 837	-	50 207	188	43 119	-	226 595	459	174 936	-	329 845	1 210	306 448	-	198 227	1 262	138 538	-	8 964	8 964	-	3 869	3 869	-	881 678	3 264	694 711	-	
Retail	208 287	1 955	84 693	-	93 055	820	41 766	-	414 905	4 371	190 465	-	725 849	12 005	378 734	-	766 770	10 977	626 818	-	-	-	-	-	-	2 208 866	30 128	1 322 476	-		
Exposure Secured by Immovable Porperty	64 101	497	17 417	-	24 987	149	7 099	-	124 972	803	36 372	-	157 852	967	54 288	-	1 287 799	2 665	454 326	-	-	-	-	-	-	1 659 711	5 081	569 502	-		
Past Due Assets	339 446	215 124	134 369	-	3 877	1 690	2 418	-	31 784	16 413	16 770	-	208 613	126 525	96 883	-	121 503	40 651	86 089	-	-	-	-	-	-	705 223	400 403	336 529	-		
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	28 598	-	-	-	-	-	-	11 439	-	28 598	-		
Other Assets	596 374	-	309 301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	309 301	-		
Securitization	6 937	16	3 429	-	856	0	519	-	29 857	-	17 787	-	11 832	2	6 934	-	7 424	-	4 505	-	-	-	-	-	-	56 906	18	33 174	-		
TOTAL (STA)	2 247 961	217 739	705 159	-	173 357	2 847	95 037	-	2 250 509	22 057	438 869	-	2 155 637	140 796	877 304	-	3 016 823	55 588	1 354 595	-	13 979	10 273	-	38 598	10 815	-	9 896 864	439 027	3 492 052	-	
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																															
Institutions	746 300	-	314 072	476	178 883	-	75 607	92	461 589	-	151 968	204	400 463	-	163 798	169	14 601	-	2 935	4	88 338	34 276	36	-	-	-	1 890 174	-	742 656	981	
Corporate - SME	1 219 360	312 639	542 026	201 838	278 866	8 836	240 721	13 784	1 246 219	14 818	871 244	19 570	1 426 916	25 932	1 179 311	51 443	525 163	4 685	449 650	7 066	10 153	11 259	187	-	-	-	4 706 677	366 910	3 294 211	293 888	
Specialized Lending	306 251	147 747	3 934	151 428	27 922	1 781	30 703	1 359	79 256	16 796	36 254	23 548	443 037	38 060	304 551	45 698	384 891	5 541	340 467	10 939	74 656	72 518	1 846	-	-	-	1 316 013	209 925	788 427	234 818	
Corporate	459 421	51 856	273 953	27 852	150 384	1 302	111 964	2 363	438 515	5 364	222 181	2 971	488 476	1 052	328 765	2 712	217 141	1 131	237 254	1 734	17 761	22 975	325	-	-	-	1 771 698	60 705	1 197 092	37 957	
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 341	-	6 743	27	-	-	-	-	-	3 341	-	6 743	27		
TOTAL (FIRB)	2 731 332	512 242	1 133 985	381 594	636 055	11 919	458 995	17 598	2 225 579	36 978	1 281 647	46 293	2 758 892	65 044	1 976 425	100 022	1 145 137	11 357	1 037 049	19 770	190 908	141 028	2 394	-	-	-	9 687 903	637 540	6 029 129	567 671	
TOTAL	4 979 293	729 981	1 839 144	381 594	809 412	14 766	554 032	17 598	4 476 088	59 035	1 720 516	46 293	4 914 529	205 840	2 853 729	100 022	4 161 960	66 945	2 391 644	19 770	204 887	151 301	2 394	38 598	10 815	-	19 584 767	1 076 567	9 521 181	567 671	

* WITHOUT CREDIT RISK MITIGATION EFFECTS

** UP TO THE MATURITY OF THE EXPOSURE

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY DAYS PAST DUE AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

	ASSETS																OFF-BALANCE SHEET COMMITMENTS				DERIVATIVES		REPOS		TOTAL Amount before provisioning	TOTAL Provision	TOTAL Financial collaterals	TOTAL Guarantees
	UP TO 30 DAYS				FROM 31 TO 90 DAYS				FROM 91 TO 180 DAYS				OVER 181 DAYS				TOTAL				TOTAL		TOTAL					
Exposure class	Amount before provisioning	Provision	Financial collaterals	Guarantees	Amount before provisioning	Provision	Financial collaterals	Guarantees	Amount before provisioning	Provision	Financial collaterals	Guarantees	Amount before provisioning	Provision	Financial collaterals	Guarantees	Amount before provisioning	Provision	Financial collaterals	Guarantees	Amount before provisioning	Provision	Amount before provisioning	Provision				
STANDARTISED APPROACH (STA)																												
Central Governments and Central Banks	3 676 049	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 927	-	2 326	-	-	-	-	-	3 678 976	1	2 326	-
Regional Governments	48 764	126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 457	-	-	-	-	-	-	-	51 221	126	-	-
Public Sector	414	6	32	-	4	-	-	-	-	-	-	-	-	-	-	-	5 326	-	2 450	-	-	-	-	-	5 744	6	2 482	-
Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	983	-	-	-	5 015	-	34 728	-	40 726	-	-	-
Corporate	647 269	3 197	5 083	8 289	5 276	67	-	-	-	-	-	-	-	-	-	-	216 301	-	35 280	2 060	8 963	-	3 869	-	881 678	3 264	40 363	10 349
Retail	1 801 780	27 419	49 210	529	32 573	2 709	504	-	-	-	-	-	-	-	-	-	374 513	-	39 100	550	-	-	-	-	2 208 866	30 128	88 814	1 079
Exposure Secured by Immovable Porperty	1 578 845	4 733	-	-	15 525	348	-	-	-	-	-	-	-	-	-	-	65 341	-	-	-	-	-	-	-	1 659 711	5 081	-	-
Past Due Assets	84 909	34 551	93	-	35 042	7 686	319	-	39 924	13 125	296	-	534 590	345 041	398	-	10 758	-	69	-	-	-	-	-	705 223	400 403	1 175	-
Equity	11 439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	-	-
Other Assets	596 374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	-	-
Secutitization	54 832	4	539	19 531	796	-	-	-	104	-	-	-	1 174	14	-	-	-	-	-	-	-	-	-	-	56 906	18	539	19 531
TOTAL (STA)	8 500 675	70 037	54 957	28 349	89 216	10 810	823	-	40 028	13 125	296	0	535 764	345 055	398	-	678 606	-	79 225	2 610	13 978	-	38 597	-	9 896 864	439 027	135 699	30 959
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																												
Institutions	1 623 496	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	178 340	-	73	-	88 338	-	-	-	1 890 174	-	73	-
Corporate - SME	3 072 692	34 437	45 558	14 733	52 498	6 760	86	-	50 471	19 816	29	-	445 586	305 897	-	-	1 075 277	-	88 085	23 357	10 153	-	-	-	4 706 677	366 910	133 758	38 090
Specialized Lending	814 052	20 409	-	7 676	32	32	-	-	48 479	4 946	-	-	360 055	184 538	-	-	18 739	-	-	-	74 656	-	-	-	1 316 013	209 925	-	7 676
Corporate	971 259	4 775	727	1 074	-	-	-	-	387	60	-	-	47 565	41 098	-	-	734 726	14 772	15 562	830	17 761	-	-	-	1 771 698	60 705	16 289	1 904
Equity	3 341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 341	-	-	-
TOTAL (FIRB)	6 484 840	59 621	46 285	23 483	52 530	6 792	86	-	99 337	24 822	29	-	853 206	531 533	-	-	2 007 082	14 772	103 720	24 187	190 908	-	0	-	9 687 903	637 540	150 120	47 670
TOTAL	14 985 515	129 658	101 242	51 832	141 746	17 602	909	-	139 365	37 947	325	-	1 388 970	876 588	398	-	2 685 688	14 772	182 945	26 797	204 886	-	38 597	-	19 584 767	1 076 567	285 819	78 625

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT GEOGRAPHIC REGIONS AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

Exposure class	ASSETS																								TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss	
	AFRICA				ASIA				EUROPE				NORTH AMERICA				AUSTRALIA				SOUTH AMERICA								
	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss					
STANDARTISED APPROACH (STA)																													
Central Governments and Central Banks	-	-	-	-	-	-	-	-	3 676 049	1	136 663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 676 049	1	136 663	-
Regional Governments	-	-	-	-	-	-	-	-	48 764	126	48 638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48 764	126	48 638	-
Public Sector	-	-	-	-	-	-	-	-	418	6	380	-	-	-	-	-	-	-	-	-	-	-	-	-	-	418	6	380	-
Institutions	-	-	-	-	-	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250	-
Corporate	-	-	-	-	-	-	-	-	652 545	3 264	635 283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	652 545	3 264	635 283	-
Retail	49	-	37	-	482	1	55	-	1 833 775	30 127	1 241 595	-	7	-	5	-	11	-	8	-	29	-	22	-	-	1 834 353	30 128	1 241 722	-
Exposure Secured by Immovable Porperty	75	-	26	-	208	-	73	-	1 594 087	5 081	560 484	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 594 370	5 081	560 583	-
Past Due Assets	30	30	-	-	21	10	16	-	694 227	400 322	325 855	-	102	23	79	-	85	18	66	-	-	-	-	-	-	694 465	400 403	326 016	-
Equity	-	-	-	-	-	-	-	-	11 439	-	28 598	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	28 598	-
Other Assets	-	-	-	-	-	-	-	-	596 374	-	309 301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	309 301	-
Secutitization	-	-	-	-	-	-	-	-	56 906	18	33 174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56 906	18	33 174	-
TOTAL (STA)	154	30	63	-	711	11	144	-	9 164 584	438 945	3 320 221	-	109	23	84	-	96	18	74	-	29	-	22	-	-	9 165 683	439 027	3 320 608	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																													
Institutions	-	-	-	-	322	-	86	-	1 580 640	-	672 370	837	42 503	-	9 233	7	31	-	6	-	-	-	-	-	-	1 623 496	-	681 695	844
Corporate - SME	-	-	-	-	4 116	29	4 503	58	3 580 425	366 639	2 805 704	286 264	-	-	-	-	36 706	242	31 145	399	-	-	-	-	-	3 621 247	366 910	2 841 352	286 721
Specialized Lending	-	-	-	-	-	-	-	-	1 222 618	209 925	712 671	232 935	-	-	-	-	-	-	-	-	-	-	-	-	-	1 222 618	209 925	712 671	232 935
Corporate	-	-	-	-	-	-	-	-	979 197	45 901	946 025	30 140	40 014	32	25 494	67	-	-	-	-	-	-	-	-	-	1 019 211	45 933	971 519	30 207
Equity	-	-	-	-	-	-	-	-	3 341	-	6 743	27	-	-	-	-	-	-	-	-	-	-	-	-	-	3 341	-	6 743	27
TOTAL (FIRB)	-	-	-	-	4 438	29	4 589	58	7 366 221	622 465	5 143 513	550 203	82 517	32	34 727	74	36 737	242	31 151	399	-	-	-	-	-	7 489 913	622 768	5 213 980	550 734
TOTAL	154	30	63	-	5 149	40	4 733	58	16 530 805	1 061 410	8 463 734	550 203	82 626	55	34 811	74	36 833	260	31 225	399	29	-	22	-	-	16 655 596	1 061 795	8 534 588	550 734

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT GEOGRAPHIC REGIONS AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

	OFF-BALANCE SHEET COMMITMENTS																								TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss
	AFRICA				ASIA				EUROPE				NORTH AMERICA				AUSTRALIA				SOUTH AMERICA							
Exposure class	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss	Amount before provisioning	Booked Provision	RWA	Expected Loss				
STANDARTISED APPROACH (STA)																												
Central Governments and Central Banks	-	-	-	-	-	-	-	-	2 927	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 927	-	-	-
Regional Governments	-	-	-	-	-	-	-	-	2 457	-	1 215	-	-	-	-	-	-	-	-	-	-	-	-	-	2 457	-	1 215	-
Public Sector	-	-	-	-	-	-	-	-	5 326	-	1 869	-	-	-	-	-	-	-	-	-	-	-	-	-	5 326	-	1 869	-
Institutions	-	-	-	-	-	-	-	-	983	-	492	-	-	-	-	-	-	-	-	-	-	-	-	-	983	-	492	-
Corporate	-	-	-	-	1 335	-	10	-	214 966	-	46 586	-	-	-	-	-	-	-	-	-	-	-	-	-	216 301	-	46 596	-
Retail	21	-	8	-	156	-	52	-	374 228	-	80 657	-	27	0	6	0	29	0	11	-	52	-	20	-	374 513	-	80 754	-
Exposure Secured by Immovable Porperty	-	-	-	-	-	-	-	-	65 341	-	8 919	-	-	-	-	-	-	-	-	-	-	-	-	-	65 341	-	8 919	-
Past Due Assets	-	-	-	-	-	-	-	-	10 758	-	10 513	-	-	-	-	-	-	-	-	-	-	-	-	-	10 758	-	10 513	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secutitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (STA)	21	-	8	-	1 491	-	62	-	676 986	-	150 251	-	27	-	6	-	29	-	11	-	52	-	20	-	678 606	-	150 358	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																												
Institutions	1 525	-	873	13	1 936	-	811	6	161 698	-	24 623	82	13 181	-	378	-	-	-	-	-	-	-	-	-	178 340	-	26 685	101
Corporate - SME	-	-	-	-	10 001	-	6 479	79	1 065 194	-	435 085	6 900	82	-	36	1	-	-	-	-	-	-	-	-	1 075 277	-	441 600	6 980
Specialized Lending	-	-	-	-	-	-	-	-	18 739	-	3 238	37	-	-	-	-	-	-	-	-	-	-	-	-	18 739	-	3 238	37
Corporate	-	-	-	-	-	-	-	-	734 726	14 772	202 598	7 425	-	-	-	-	-	-	-	-	-	-	-	-	734 726	14 772	202 598	7 425
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (FIRB)	1 525	-	873	13	11 937	-	7 290	85	1 980 357	14 772	665 544	14 444	13 263	-	414	1	-	-	-	-	-	-	-	-	2 007 082	14 772	674 121	14 543
TOTAL	1 546	-	881	13	13 428	-	7 352	85	2 657 343	14 772	815 795	14 444	13 290	-	420	1	29	-	11	-	52	-	20	-	2 685 688	14 772	824 479	14 543

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY SIGNIFICANT GEOGRAPHIC REGIONS AND EXPOSURE CLASSES *
/AS OF 31.12. 2014/**

In thousands of BGN

	DERIVATIVES												REPOS												TOTAL Amount before provisioning	TOTAL Booked Provision	TOTAL RWA	TOTAL Expected Loss	
	AFRICA		ASIA		EUROPE		NORTH AMERICA		AUSTRALIA		SOUTH AMERICA		AFRICA		ASIA		EUROPE		NORTH AMERICA		AUSTRALIA		SOUTH AMERICA						
Exposure class	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss	Amount before provisioning	Expected Loss					
STANDARTISED APPROACH (STA)																													
Central Governments and Central Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regional Governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Institutions	-	-	-	-	5 015	-	-	-	-	-	-	-	-	-	-	-	34 728	-	-	-	-	-	-	-	-	39 743	-	8 254	-
Corporate	-	-	-	-	8 963	-	-	-	-	-	-	-	-	-	-	-	3 869	-	-	-	-	-	-	-	-	12 832	-	12 832	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exposure Secured by Immovable Porperty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Past Due Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Secutitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL (STA)	-	-	-	-	13 978	-	-	-	-	-	-	-	-	-	-	-	38 597	-	-	-	-	-	-	-	-	52 575	-	21 086	-
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																													
Institutions	-	-	-	-	88 338	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88 338	-	34 276	36
Corporate - SME	-	-	-	-	10 153	187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10 153	-	11 259	187
Specialized Lending	-	-	-	-	74 656	1 846	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74 656	-	72 518	1 846
Corporate	-	-	-	-	17 761	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17 761	-	22 975	325
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL (FIRB)	-	-	-	-	190 908	2 394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190 908	-	141 028	2 394
TOTAL	-	-	-	-	204 886	2 394	-	-	-	-	-	-	-	-	-	-	38 597	-	-	-	-	-	-	-	-	243 483	-	162 114	2 394

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY CREDIT QUALITY AND EXPOSURE CLASSES *
/AS OF 31.12.2014/**

In thousands of BGN

		ASSETS					OFF-BALANCE SHEET COMMITMENTS					DERIVATIVES			REPOS			TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Exposure class	Level of Credit Quality	Amount before provisioning	Provision	Amount after provisioning	Financial collaterals	Guarantees	Amount before provisioning	Provision	Amount after provisioning	Financial collaterals	Guarantees	Amount before provisioning	Provision	Amount after provisioning	Amount before provisioning	Provision	Amount after provisioning	Amount before provisioning	TOTAL Provision	TOTAL Amount after provisioning	TOTAL Financial collaterals	TOTAL Guarantees
STANDARTISED APPROACH (STA)																						
Central Governments and Central Banks	1	28	-	28	-	-	28	-	28	-	-	-	-	-	-	-	56	-	56	-	-	
	2	-	-	-	-	-	2	-	2	-	-	-	-	-	-	-	2	-	2	-	-	
	3	1 274 524	-	1 274 524	-	-	25	-	25	22	-	-	-	-	-	-	1 274 549	-	1 274 549	22	-	
	4	1 597 182	1	1 597 181	-	-	2 872	-	2 872	2 304	-	-	-	-	-	-	1 600 054	1	1 600 053	2 304	-	
	Unrated	804 315	-	804 315	-	-	-	-	-	-	-	-	-	-	-	-	-	804 315	-	804 315	-	-
Central Governments and Central Banks		3 676 049	1	3 676 048	-	-	2 927	-	2 927	2 326	-	-	-	-	-	-	3 678 976	1	3 678 975	2 326	-	
Regional Governments	4	607	-	607	-	-	-	-	-	-	-	-	-	-	-	-	607	-	607	-	-	
	Unrated	48 157	126	48 031	-	-	2 457	-	2 457	-	-	-	-	-	-	-	50 614	126	50 488	-	-	
Regional Governments		48 764	126	48 638	-	-	2 457	-	2 457	-	-	-	-	-	-	-	51 221	126	51 095	-	-	
Public Sector	Unrated	418	6	412	32	-	5 326	-	5 326	2 450	-	-	-	-	-	-	5 744	6	5 738	2 482	-	
Public Sector		418	6	412	32	-	5 326	-	5 326	2 450	-	-	-	-	-	-	5 744	6	5 738	2 482	-	
Institutions	Unrated	-	-	-	-	-	983	-	983	-	-	5 015	-	5 015	34 728	-	34 728	40 726	-	40 726	-	-
Institutions		-	-	-	-	-	983	-	983	-	-	5 015	-	5 015	34 728	-	34 728	40 726	-	40 726	-	-
Corporates	Unrated	652 545	3 264	649 281	5 083	8 289	216 301	-	216 301	35 280	2 060	8 963	-	8 963	3 869	-	3 869	881 678	3 264	878 414	40 363	10 349
Corporates		652 545	3 264	649 281	5 083	8 289	216 301	-	216 301	35 280	2 060	8 963	-	8 963	3 869	-	3 869	881 678	3 264	878 414	40 363	10 349
Retail	Unrated	1 834 353	30 128	1 804 225	49 714	529	374 513	-	374 513	39 100	550	-	-	-	-	-	2 208 866	30 128	2 178 738	88 814	1 079	
Retail		1 834 353	30 128	1 804 225	49 714	529	374 513	-	374 513	39 100	550	-	-	-	-	-	2 208 866	30 128	2 178 738	88 814	1 079	
Exposure Secured by Immovable Porperty	Unrated	1 594 370	5 081	1 589 289	-	-	65 341	-	65 341	-	-	-	-	-	-	-	1 659 711	5 081	1 654 630	-	-	
Exposure Secured by Immovable Porperty		1 594 370	5 081	1 589 289	-	-	65 341	-	65 341	-	-	-	-	-	-	-	1 659 711	5 081	1 654 630	-	-	
Past Due Assets	Unrated	694 465	400 403	294 062	1 106	-	10 758	-	10 758	69	-	-	-	-	-	-	705 223	400 403	304 820	1 175	-	
Past Due Assets		694 465	400 403	294 062	1 106	-	10 758	-	10 758	69	-	-	-	-	-	-	705 223	400 403	304 820	1 175	-	
Equity	Unrated	11 439	-	11 439	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	11 439	-	-	
Equity		11 439	-	11 439	-	-	-	-	-	-	-	-	-	-	-	-	11 439	-	11 439	-	-	
Other Assets	Unrated	596 374	-	596 374	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	596 374	-	-	
Other Assets		596 374	-	596 374	-	-	-	-	-	-	-	-	-	-	-	-	596 374	-	596 374	-	-	
Securitisation	Unrated	56 906	18	56 888	539	19 531	-	-	-	-	-	-	-	-	-	-	56 906	18	56 888	539	19 531	
Securitisation		56 906	18	56 888	539	19 531	-	-	-	-	-	-	-	-	-	-	56 906	18	56 888	539	19 531	
TOTAL		9 165 683	439 027	8 726 656	56 474	28 349	678 606	-	678 606	79 225	2 610	13 978	-	13 978	38 597	-	38 597	9 896 864	439 027	9 457 837	135 699	30 959

* WITHOUT CREDIT RISK MITIGATION EFFECTS

**AMOUNT OF THE EXPOSURES,
BROKEN DOWN BY CREDIT QUALITY AND EXPOSURE CLASSES ***
/AS OF 31.12.2014/

In thousands of BGN

						INSTITUTIONS**						CORPORATES**						EQUITY						TOTAL Amount before provisioning	TOTAL Provision	TOTAL Guarantees	TOTAL Financial collaterals	TOTAL Real Estate	TOTAL Expected Losses
Notch	Average PD	Average Risk Weight	Average LGD	Average CCF	Number of Obligors	Amount before provisioning	Provision	Guarantees	Financial collaterals	Real Estate	Expected Loss	Amount before provisioning	Provision	Guarantees	Financial collaterals	Real Estate	Expected Loss	Amount before provisioning	Provision	Guarantees	Financial collaterals	Real Estate	Expected Loss	TOTAL Amount before provisioning	TOTAL Provision	TOTAL Guarantees	TOTAL Financial collaterals	TOTAL Real Estate	TOTAL Expected Losses
FOUNDATION INTERNAL RATING BASED APPROACH (FIRB)																													
1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	0.03%	19.09%	44.92%	65.63%	27	76 485	-	-	-	-	8	28 674	-	-	244	-	2	-	-	-	-	-	-	105 159	-	-	244	-	10
3	0.04%	20.14%	45.00%	30.34%	11	24 716	-	-	-	-	1	21 619	1	-	-	-	3	-	-	-	-	-	-	46 335	1	-	-	-	4
4	0.06%	26.21%	44.78%	49.68%	12	43 430	-	-	-	-	5	5 170	-	-	10	856	1	-	-	-	-	-	-	48 600	-	-	10	856	6
5	0.08%	26.20%	44.38%	74.09%	12	5 165	-	-	-	-	1	134 420	2	-	-	6 812	35	-	-	-	-	-	-	139 585	2	-	-	6 812	36
6	0.10%	40.65%	44.96%	94.99%	31	1 633 911	-	-	-	-	685	47 239	3	-	685	14 216	8	-	-	-	-	-	-	1 681 150	3	-	685	14 216	693
7	0.15%	34.05%	43.88%	83.46%	22	2 297	-	-	-	-	-	197 981	47	-	4 270	4 553	109	-	-	-	-	-	-	200 278	47	-	4 270	4 553	109
8	0.20%	40.02%	42.75%	72.10%	47	7 570	-	-	-	-	6	77 965	24	-	1 354	12 500	54	-	-	-	-	-	-	85 535	24	-	1 354	12 500	60
9	0.26%	46.62%	42.30%	82.28%	99	54 227	-	-	-	-	53	168 594	40	-	4 219	47 676	145	-	-	-	-	-	-	222 821	40	-	4 219	47 676	198
10	0.37%	57.39%	42.29%	72.10%	124	3 430	-	-	-	-	1	489 939	189	1 197	15 996	67 363	561	-	-	-	-	-	-	493 369	189	1 197	15 996	67 363	562
11	0.50%	58.58%	40.70%	80.19%	151	1 316	-	-	-	-	2	258 350	167	400	8 963	70 000	419	-	-	-	-	-	-	259 666	167	400	8 963	70 000	421
12	0.66%	68.90%	41.61%	85.63%	221	941	-	-	-	-	2	459 596	511	-	13 612	104 157	1 082	-	-	-	-	-	-	460 537	511	-	13 612	104 157	1 084
13	0.93%	76.52%	40.94%	90.89%	191	729	-	-	-	-	2	380 154	619	1 467	10 279	110 966	1 319	-	-	-	-	-	-	380 883	619	1 467	10 279	110 966	1 321
14	1.23%	88.35%	42.02%	83.30%	227	19 644	-	-	-	-	116	756 158	1 476	6 038	17 945	157 332	3 210	-	-	-	-	-	-	775 802	1 476	6 038	17 945	157 332	3 326
15	1.68%	87.85%	41.54%	90.07%	210	14 634	-	-	73	-	74	405 809	1 237	767	12 669	90 583	2 568	-	-	-	-	-	-	420 443	1 237	767	12 742	90 583	2 642
16	2.28%	104.34%	42.79%	94.61%	209	33	-	-	-	-	-	481 935	2 134	7 665	5 313	82 505	4 391	-	-	-	-	-	-	481 968	2 134	7 665	5 313	82 505	4 391
17	3.01%	98.13%	40.59%	90.54%	253	944	-	-	-	-	6	637 971	3 300	13 056	14 508	213 611	6 973	-	-	-	-	-	-	638 915	3 300	13 056	14 508	213 611	6 979
18	4.24%	112.37%	41.38%	88.17%	288	-	-	-	-	-	-	466 244	4 321	192	12 295	131 292	7 209	-	-	-	-	-	-	466 244	4 321	192	12 295	131 292	7 209
19	5.75%	119.10%	42.02%	90.46%	90	-	-	-	-	-	-	172 159	1 707	8 282	2 509	39 409	3 638	-	-	-	-	-	-	172 159	1 707	8 282	2 509	39 409	3 638
20	7.85%	139.38%	40.74%	81.05%	162	8	-	-	-	-	-	380 525	3 093	930	22 745	76 648	9 886	-	-	-	-	-	-	380 533	3 093	930	22 745	76 648	9 886
21	10.64%	150.33%	41.30%	95.90%	51	556	-	-	-	-	12	96 972	2 092	-	1 376	32 161	4 119	-	-	-	-	-	-	97 528	2 092	-	1 376	32 161	4 131
22	16.35%	151.89%	36.53%	99.73%	4	-	-	-	-	-	-	9 006	330	-	-	7 607	534	-	-	-	-	-	-	9 006	330	-	-	7 607	534
23	20.17%	210.96%	41.23%	94.07%	31	138	-	-	-	-	7	154 670	6 073	-	-	58 499	12 101	-	-	-	-	-	-	154 808	6 073	-	-	58 499	12 108
24	100.00%	0.00%	45.00%	100.00%	11	-	-	-	-	-	-	4 266	4 266	-	-	-	1 920	-	-	-	-	-	-	4 266	4 266	-	-	-	1 920
25	100.00%	0.00%	42.36%	99.57%	404	-	-	-	-	-	-	599 161	370 934	-	1 107	153 516	252 722	-	-	-	-	-	-	599 161	370 934	-	1 107	153 516	252 722
26	100.00%	0.00%	43.00%	100.00%	9	-	-	-	-	-	-	43 798	25 049	-	-	8 739	18 836	-	-	-	-	-	-	43 798	25 049	-	-	8 739	18 836
Strong	N/A	68.34%	N/A	95.77%	17	-	-	-	-	-	-	233 093	632	7 676	-	150 491	865	-	-	-	-	-	-	233 093	632	7 676	-	150 491	865
Good	N/A	89.38%	N/A	98.95%	105	-	-	-	-	-	-	371 027	3 878	-	-	65 992	2 920	-	-	-	-	-	-	371 027	3 878	-	-	65 992	2 920
Satisfactory	N/A	114.60%	N/A	99.34%	38	-	-	-	-	-	-	260 222	4 066	-	-	111 993	7 223	-	-	-	-	-	-	260 222	4 066	-	-	111 993	7 223
Weak	N/A	250.00%	N/A	99.97%	1	-	-	-	-	-	-	4 779	215	-	-	-	382	-	-	-	-	-	-	4 779	215	-	-	-	382
Default	N/A	0.00%	N/A	100.00%	58	-	-	-	-	-	-	446 892	201 134	-	-	99 349	223 428	-	-	-	-	-	-	446 892	201 134	-	-	99 349	223 428
Equity	N/A	200.46%	45.00%	100.00%	6	-	-	-	-	-	-	-	-	-	-	-	-	3 341	-	-	-	-	27	3 341	-	-	-	-	27
TOTAL	-	-	-	-	3 122	1 890 174	-	-	73	-	981	7 794 388	637 540	47 670	150 099	1 918 826	566 663	3 341	-	-	-	-	27	9 687 903	637 540	47 670	150 172	1 918 826	567 671

* WITHOUT CREDIT RISK MITIGATION EFFECTS

** INCLUDING DERIVATIVES AND REPOS